

**SADDLES International Automotive & Aviation
Interiors Private Limited**

Unaudited Annual Financial Statements
for the year ended 31 March 2024

Saddles International Automotive & Aviation Interiors Private Limited

CIN No - U36999KA2019PTC122245

Balance sheet as at March 31, 2024*(All amount in INR Lakhs unless otherwise stated)*

Particulars	Notes	As at	As at	As at
		March 31, 2024	March 31, 2023	01 April, 2022
Assets				
Non-current assets				
Property, plant and equipment	3	6,919.03	5,876.41	5,495.14
Capital work in progress	3.1	43.40	-	-
Goodwill	4	187.55	187.55	187.55
Other intangible assets	4	18.96	11.77	4.30
Right of use asset	5	1,284.12	1,055.00	916.65
Financial assets				
Other financial assets	6	250.63	126.04	81.44
Deferred tax assets	30	432.24	841.73	-
Other non-current assets	7	-	1,192.67	752.68
Non-current tax assets (net)	19	-	91.93	35.52
Total non-current assets		9,135.93	9,383.10	7,473.28
Current assets				
Inventories	8	3,356.83	3,546.43	7,740.26
Financial assets				
i. Trade receivables	9	6,469.52	4,738.93	2,248.36
ii. Cash and cash equivalents	10	319.93	1,022.87	778.60
iii. Bank balances other than above	10.1	199.13	228.62	346.37
iv. Other current financial assets	6	118.27	158.53	201.58
Other current assets	7	876.38	221.92	412.89
Total current assets		11,340.07	9,917.29	11,728.06
Total assets		20,476.00	19,300.39	19,201.34
Equity and liabilities				
Equity				
Equity Share Capital	11	1.00	1.00	1.00
Other Equity	12	932.89	(826.63)	1,482.16
Total equity		933.89	(825.63)	1,483.16
Liabilities				
Non-current liabilities				
Financial Liabilities				
i. Borrowings	13	968.66	1,813.68	991.86
ii. Lease liabilities	5	367.99	635.16	506.09
Employee benefits obligations	18	277.41	174.88	188.59
Deferred tax liabilities	30	-	-	75.64
Other non-current liabilities	15	118.67	118.78	118.78
Total non-current liabilities		1,732.73	2,742.51	1,880.97



Saddles International Automotive & Aviation Interiors Private Limited
CIN No - U36999KA2019PTC122245

Balance sheet as at March 31, 2024

(All amount in INR Lakhs unless otherwise stated)

Particulars	Notes	As at	As at	As at
		March 31, 2024	March 31, 2023	01 April, 2022
Current liabilities				
Financial liabilities				
i. Borrowings	13	6,758.37	8,679.07	9,327.27
ii. Lease liabilities	5	979.63	455.76	392.60
iii. Trade payables				
a. total outstanding dues of micro enterprises and small enterprises	16	1,500.98	811.97	1,565.85
b. total outstanding dues of creditors other than micro enterprises and small enterprises	16	6,285.72	5,633.33	2,407.66
iv. Other financial liabilities	17	27.89	27.38	158.12
Employee benefits obligations	18	654.96	264.62	366.37
Current tax liabilities	14	85.00	708.26	339.08
Other current liabilities	15	1,516.83	803.14	1,280.27
Total current liabilities		17,809.38	17,383.52	15,837.21
Total liabilities		19,542.11	20,126.03	17,718.18
Total equity and liabilities		20,476.00	19,300.40	19,201.34

Summary of significant accounting policies 2

The accompanying notes are an integral part of the Ind AS financial statements.

for and on behalf of the Board of directors of
Saddles International Automotive & Aviation
Interiors Private Limited

Ajith Padival
Director
DIN: 03534076



Place:
Date:

Saddles International Automotive & Aviation Interiors Private Limited

CIN No - U36999KA2019PTC122245

Statement of Profit and Loss for the year ended March 31, 2024*(All amount in INR Lakhs unless otherwise stated)*

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from contract with customers	21	51,607.24	46,863.76
Other income	22	147.81	45.18
Total income (I)		51,755.05	46,908.94
Expenses			
Cost of raw materials& components consumed	23	33,900.07	39,002.85
Changes in Inventory of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(115.89)	(399.57)
Employee benefit expenses	25	6,749.05	5,367.61
Finance costs	26	1,031.79	1,707.47
Depreciation and amortisation expenses	27	1,274.12	1,494.23
Other expenses	28	6,174.17	2,767.61
Total expenses (II)		49,014.21	49,941.10
Profit(Loss) before tax (III =I-II)		2,740.84	(3,032.17)
Tax expense:			
1.Current tax		527.83	217.10
2.Adjustment of tax Relating to earlier period		1.65	1.22
3.Deferred tax expenses/(credit)		409.63	(923.60)
Total tax expense (IV)		939.11	(705.28)
Profit(Loss) for the year (V= III+IV)		1,801.73	(2,326.89)
Other comprehensive income:			
(a) Items that will not be reclassified to profit or (loss) in subsequent years:			
(i) Re-measurement (loss) / gain on defined benefit plans		(57.04)	24.18
(ii) Income tax relating to items that will not be reclassified to profit and loss		14.83	(6.09)
(a)		(42.21)	18.09
Other comprehensive income / (loss) for the year (a)		(42.21)	18.09
Total comprehensive Profit (loss) for the year		1,759.52	(2,308.79)
Earnings Per Share			
- Basic earnings per share (INR)	28	18,017.28	(23,044.16)
- Diluted earnings per share (INR)	28	18,017.28	(23,044.16)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date attached

for and on behalf of the Board of directors of
Saddles International Automotive & Aviation
Interiors Private LimitedAjith Padival
Director
DIN: 03534076

Saddles International Automotive & Aviation Interiors Private Limited

CIN No - U36999KA2019PTC122245

Statement of Cash Flows for the year ended 31 March 2024

(All amount in INR Lakhs unless otherwise stated)

	Year ended	Year ended
	31 March 2024	31 March 2023
Cash Flows from Operating Activities		
Profit(Loss)before tax	2,740.84	(3,032.17)
Adjustments for:		
Depreciation and amortisation expenses	760.15	1,015.04
Provision for Bad debts	40.76	361.27
Depreciation of Right-of-use assets	513.97	479.19
Finance costs on lease liabilities	94.84	(400.02)
Gain Loss on sale/write off of property, plant and equipments	-	27.60
Provision of Gratuity	70.77	22.97
Provision for Leave encashment	33.23	(9.01)
Unrealised gain / loss on foreign exchange fluctuations	(1.58)	25.09
Advance/Receivable written off	862.52	69.83
Finance costs	936.96	1,955.30
Interest income	(28.67)	(16.51)
	6,023.78	498.57
Working Capital Adjustments:		
Decrease / (increase) in inventories	189.60	4,194.66
Decrease / (increase) in trade receivables	(1,771.35)	(2,495.97)
Decrease / (increase) in other financial assets	(76.83)	(51.13)
Decrease / (increase) in other assets	(654.47)	190.98
Increase / (decrease) in trade payable	1,339.81	2,471.79
Increase / (decrease) in other liabilities	1,102.02	(423.13)
Increase / (decrease) in provisions	(42.23)	(1,188.20)
Increase / (decrease) in other financial liabilities	0.01	(130.74)
Cash Generated from Operating Activities	6,110.35	3,066.84
Income tax refund / (paid) (net)	(1,083.21)	(217.10)
Net Cash from Operating Activities (A)	5,027.13	2,849.74
Cash Flows from Investing Activities		
Interest received	3.78	16.51
capital advance	(1,524.14)	(1,462.31)
Proceeds from sale of land, property, plant and equipment and intangible assets	-	68.60
Acquisition of investments	-	-
Investment in bank deposits with original maturity more than 3 months	19.88	53.17
Net Cash used in Investing Activities (B)	(1,504.26)	(1,340.54)
Cash Flows from Financing Activities		
Infusion of equity share capital	-	-
Proceeds from long-term borrowings	-	821.91
Repayment of long-term borrowings	(845.03)	-
Proceeds from short-term borrowings, net	(1,920.70)	63.16
Repayment of lease liabilities(Short term)	(574.98)	(312.48)
Interest paid	(914.55)	(1,955.30)
Net Cash used in Financing Activities (C)	(4,255.26)	(1,382.71)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(732.39)	126.48
Cash and cash equivalents as at beginning of the year	1,251.48	1,124.97
Effect of exchange fluctuations	-	0.03
Cash and Cash Equivalents as at End of the Year	519.09	1,251.49

Saddles International Automotive & Aviation Interiors Private Limited

Statement of Cash Flows for the year ended 31 March 2024 (continued)

(All amounts are disclosed in Indian rupees Lakhs, unless otherwise stated)

Reconciliation of Cash and Cash Equivalents as per Statement of Cash Flows

	31 March 2024	31 March 2023
Cash on Hand	0.04	0.01
Balance with Banks	519.06	1,251.48
Balance as per Statement of Cash Flows	519.09	1,251.49

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

for and on behalf of the Board of directors of
Saddles International Automotive
& Aviation Interiors Private Limited

Ajith Padival
Director
DIN: 03534076



Place:

Saddles International Automotive & Aviation Interiors Private Limited

Statement of Changes in Equity for the year ended 31 March 2024

(All amount in INR Lakhs unless otherwise stated)

	Refer note 11		Refer note 12		Refer note 12	
	Equity share capital	Securities premium	Reserves and surplus		Items of OCI	
			General reserve	Retained earnings	Other items of OCI	Total other equity
Balance at 1 April 2022	1.00	-	-	1,482.16	-	1,482.16
Total Comprehensive Income for the year	-	-	-	(2,326.89)	-	(2,326.89)
Profit / (loss) for the year	-	-	-	-	-	-
Other comprehensive income / (loss) for the year (net of tax)	-	-	-	-	18.09	18.09
Transferred to retained earnings (refer note 17 B)	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	(2,326.89)	18.09	(2,308.79)
Transactions with owners, recorded directly in equity	-	-	-	-	-	-
Balance as at 31 March 2023	1.00	-	-	(844.72)	18.09	(826.63)
Balance at 1 April 2023	1.00	-	-	(844.72)	18.09	(826.63)
Total Comprehensive Income for the year	-	-	-	1,801.73	(42.21)	1,801.73
Profit / (loss) for the year	-	-	-	-	-	-
Other comprehensive income / (loss) for the year (net of tax)	-	-	-	-	(42.21)	(42.21)
Transferred to retained earnings (refer note 17 B)	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	1,801.73	(42.21)	1,759.52
Transactions with owners, recorded directly in equity	-	-	-	-	-	-
Contributions by and Distributions to Owners	-	-	-	-	-	-
Total Contributions by and Distributions to Owners	-	-	-	-	-	-
Balance as at 31 March 2024	1.00	-	-	957.01	(24.12)	932.89

Significant accounting policies (refer note 3)

The accompanying notes form an integral part of financial statements.

Saddles International Automotive & Aviation Interiors Private Limited

Notes to Financial Statements for the year ended 31 March 2024

(All amount in INR Lakhs unless otherwise stated)

1 Corporate Information

Saddles International Automotive & Aviation Interiors Private Limited ('the Company') was incorporated on 11th March 2019, as a Private Limited Company under the Companies Act, 2013 ('the Act'). The registered office of the company is at No.257/1-3, Bannerghatta Road, N S Palya, B T M Layout BANGALORE Bangalore KA 560076. The Company is engaged in trading and manufacturing of seat covers for automobiles.

2 Material accounting Policies

2.1 Statement of Compliances and basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non current classification of assets and liabilities. The financial statements were authorized for issue by the Company's Board of the Directors on

Details of the Company's accounting policies are disclosed under Note 3.

a. Functional and Presentation Currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are disclosed in Indian rupees lakhs and rounded-off to the nearest thousands, unless otherwise indicated.

b. Current–non-current classification

All assets and Liabilities are classified into current and non current.

Assets

An asset is classified as current when it satisfies any of the following criteria

it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

it is held primarily for the purpose of being traded

it is expected to be realized within 12 months after the reporting date; or

it is cash or cash equivalent unless it is restricted from being exchanged or used to settle liability for at least 12 months after the reporting date

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents

c. Functional and Presentation Currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are disclosed in Indian rupees lakhs and rounded-off to the nearest thousands, unless otherwise indicated.

Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

Saddles International Automotive & Aviation Interiors Private Limited

Notes to Financial Statements for the year ended 31 March 2024

(All amount in INR Lakhs unless otherwise stated)

d. Measurement of Fair Values

The Company's accounting policies and disclosures require the measurement of fair values, for certain financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuation meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

a. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period and year, are described below:

- i. The Company based its assumptions and estimates on parameters available when the financial information were prepared
- ii. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such

(i) Provision for expected credit loss and trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future

Saddles International Automotive & Aviation Interiors Private Limited

Notes to Financial Statements for the year ended 31 March 2024

(All amount in INR Lakhs unless otherwise stated)

(ii) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(iii) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality table. The mortality table tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(v) Revenue recognition

The Company estimates variable considerations to be included in the transaction price with right of return.

The Company developed a statistical model for forecasting sales returns. The model used the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Company.

The Company updates its assessment of expected returns and the refund liabilities are adjusted accordingly. Estimates of expected returns are sensitive to changes in circumstances and the Company's past experience regarding returns may not be representative of customer's actual returns in the future.

(v) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

e. Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate as at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in Statement of Profit and Loss, except exchange differences arising from the translation of the qualifying cash flow hedges to the extent that the hedges are effective which are recognized in OCI.

Saddles International Automotive & Aviation Interiors Private Limited

Notes to Financial Statements for the year ended 31 March 2024

(All amount in INR Lakhs unless otherwise stated)

f. Revenue from contract with customers

Sale of products

Revenue from the sale of goods in the course of ordinary activities recognized when the property in the goods and all significant risk and rewards of their ownership are transferred to the customer which generally coincides with delivery to the customers and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. The amount recognized as revenue is exclusive of Goods and Services Tax and net of trade and quantity discounts.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

The Company's customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in

The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore

Impairment

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

g. Income Tax

i. Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Saddles International Automotive & Aviation Interiors Private Limited

Notes to Financial Statements for the year ended 31 March 2024

(All amount in INR Lakhs unless otherwise stated)

ii. Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- temporary differences arising on initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

h. Government Grants

Government grants related to assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss account on a systematic basis. Grants that compensate the Company for expenses incurred are recognised as other income on a systematic basis in the periods in which such expenses are recognised.

i. Property, Plant and Equipment

i. Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet are shown under capital advances. The cost of property, plant and equipment not ready for their intended use before such date, are disclosed as capital work in progress.

Saddles International Automotive & Aviation Interiors Private Limited

Notes to Financial Statements for the year ended 31 March 2024

(All amount in INR Lakhs unless otherwise stated)

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative period are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Plant and Machinery	15 years	15 years
Furniture and fixtures	10 years	10 years
Factory Equipment	5 years	5 years
Vehicles	8 years	8 - 10 years
Computers	3 years	3 - 6 years
Factory Building	30 - 60 years	30 - 60 years
Electrical fittings	10 years	10 years
Tools and Dies	5 years	5 years
Leasehold improvements*	Over the lease period	Over the lease period

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Further, leasehold improvements capitalised are depreciated over the lease period. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

j. Intangible Assets

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss. The Company has estimated a useful life of 10. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

k. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Assets taken on lease

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

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Notes to Financial Statements for the year ended 31 March 2024

(All amount in INR Lakhs unless otherwise stated)

The Company determines its incremental borrowing rate by obtaining interest rates from external financing sources that reflects the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities separately on the balance sheet.

Short-Term Leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases

Assets leased out

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other income'.

Recognition of Dividend Income, Interest Income or Expense

Interest income or expense is recognised using the effective interest method. Dividend income on investments is recognised when the right to receive dividend is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (i) Impairment of non-financial assets.

Saddles International Automotive & Aviation Interiors Private Limited

Notes to Financial Statements for the year ended 31 March 2024

(All amount in INR Lakhs unless otherwise stated)

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Lease liabilities, which separately shown in the financial statement are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing (while affecting other comprehensive income) remeasured if there is a modification, a change in the lease term, a change in the lease payments.

inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed overheads based on normal operating capacity. Traded goods are valued at lower of cost and net realisable value and include the costs of purchase, freight and taxes on which no credit is availed.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Financial Instruments

I. Recognition and Initial Measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and the information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice
- these include whether management strategy focuses on earning contractual interest, maintaining a particular interest rate profile, matching the duration of financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Company's management
- the risk that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed;
- how managers of the business are compensated
- the frequency, volume and timing of sales of financial assets in prior period, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on fair value basis are measured at FVTPL.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

Saddles International Automotive & Aviation Interiors Private Limited

Notes to Financial Statements for the year ended 31 March 2024

(All amount in INR Lakhs unless otherwise stated)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that pertains or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

iii. Derecognition (continued)

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Saddles International Automotive & Aviation Interiors Private Limited

Notes to Financial Statements for the year ended 31 March 2024

(All amount in INR Lakhs unless otherwise stated)

I. Impairment

I. Impairment of Financial Instruments

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortized cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

ii. Impairment of Non-Financial Assets

The Company's non-financial assets, other than inventories, biological assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Saddles International Automotive & Aviation Interiors Private Limited

Notes to Financial Statements for the year ended 31 March 2024

(All amount in INR Lakhs unless otherwise stated)

m. Employee Benefits

i. Short-Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other Long-Term Employee Benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets, if any, is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in profit or loss in the period in which they arise.

Provisions (other than for Employee Benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

n. Earnings per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Saddles International Automotive & Aviation Interiors Private Limited

Notes to Financial Statements for the year ended 31 March 2024

(All amount in INR Lakhs unless otherwise stated)

o. First- time adoption of Indian Accounting Standard (Ind AS)

The Company's financial statements for the year ended 31 March 2024 are the first financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 to the extent applicable.

The accounting policies set out in Note 2 and 3 have been applied in preparing the financial statements for the year ended 31 March 2024 including the comparative information for the year ended 31 March 2023 and the opening Ind AS balance sheet on the date of transition i.e., 1 April 2022

In preparing its Ind AS balance sheet as at 1 April 2022 and in presenting the comparative information for the year ended 31 March 2023, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cashflows.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Company has availed optional exemptions and mandatory exceptions in accordance with Ind AS 101 as explained below:

Optional exemptions availed

i. Deemed cost for property plant and equipment and intangible assets

As permitted by Ind AS 101, the Company has elected to carry out fair valuation for the major class of assets existing as on the date of transition through an independent consultant and consider it as their deemed cost under Ind AS. For the other categories that are not material, the Company has computed the cost in accordance with the requirements of Ind AS. Fair value arrived by the independent consultant has been adopted by the Company and accordingly the book values are restated. The Company has also adjusted the previous IGAAP carrying amount for items that are not allowed to be capitalized under Ind AS to arrive at the Ind AS cost for the remaining class of assets.

ii. Investments in subsidiaries, joint ventures and associates

As permitted by Ind AS 101, the Company has opted for the optional exemption to carry its investment in subsidiaries at deemed cost. Accordingly, the previous GAAP carrying amount of such investments as on transition date has been taken as deemed cost.

iii. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

B. Mandatory exceptions

Impairment of financial assets

Ind AS 101 requires impairment requirement as per Ind AS 109 to be applied retrospectively. If at the date of transition to Ind AS, the entity expects that it will incur undue costs and efforts in assessing credit risk, an amount equal to life-time credit loss should be recognized at each reporting date till derecognition of such asset. The Company has determined to recognize impairment provision based on 12 months expected losses on the date of transition to Ind AS.

Derecognition of financial assets and financial liabilities

The Company has applied the derecognition criteria as per Ind AS 109 prospectively and has not recognized any previously derecognized non-derivative financial assets and financial liabilities prior to 1 April 2022 that may qualify for recognition as per Ind AS.

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Notes to Ind AS financial statements for the year ended March 31, 2024
(All amount in INR Lakhs unless otherwise stated)

4. Intangible assets and Goodwill

Particulars	Computer software	Goodwill
Gross cost		
At 01 April, 2022	4.30	187.55
Additions during the year	10.59	-
Disposals during the year	-	-
At 31 March, 2023	14.89	187.55
Additions during the period	10.07	-
Disposals during the period	-	-
At 31 March, 2024	24.96	187.55
Accumulated amortisation		
At 01 April, 2022	-	-
Charge for the year	3.12	-
Disposals during the year	-	-
At 31 March, 2023	3.12	-
At 01 April, 2023	3.00	-
Charge for the period	3.00	-
Disposals during the period	-	-
At 31 March, 2024	6.00	-
Net book value		
At 01 April, 2022	4.30	187.55
At 31 March, 2023	11.77	187.55
At 31 March, 2024	18.96	187.55

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Notes to Ind AS financial statements for the year ended March 31, 2024

(All amount in INR Lakhs unless otherwise stated)

5 Right-of-Use Asset

A. Reconciliation of Carrying Amount

	Building	Plant and Machinery	Total
<u>Gross Carrying Amount</u>			
Balance at 1 April 2022	505.57	411.08	916.65
Additions	617.35	-	617.35
Modifications	-	-	-
Deletions	-	-	-
Balance as at 31 March 2023	1,122.92	411.08	1,534.00
Balance at 1 April 2023	1,122.92	411.08	1,534.00
Additions	743.27	-	743.27
Modifications	-	-	-
Deletions	43.37	-	43.37
Balance as at 31 March 2024	1,822.83	411.08	2,233.91
<u>Accumulated Depreciation</u>			
Balance at 1 April 2022	-	-	-
Depreciation for the year	286.16	192.84	479.00
Deletions	-	-	-
Balance as at 31 March 2023	286.16	192.84	479.00
Balance at 1 April 2023	286.16	192.84	479.00
Depreciation for the year	346.95	167.21	514.16
Deletions	43.37	-	43.37
Balance as at 31 March 2024	589.74	360.05	949.79
<u>Carrying Amount (Net)</u>			
As at April 1st 2022	-	411.08	916.65
As at 31 March 2023	-	218.24	1,055.00
As at 31 March 2024	1,233.09	51.03	1,284.12

5. Lease Liabilities

(i) Movement in Lease Liabilities:

	Building and Others	Machinery	Total
Balance as at April 01, 2022	505.31	393.38	898.69
Additions	592.25	-	592.25
Disposals	-	-	-
Modifications	-	-	-
Finance cost accrued during the year	104.19	2.95	107.14
Payment of lease liabilities	(312.48)	(194.68)	(507.16)
Balance as at March 31, 2023	889.27	201.65	1,090.92
Balance as at April 01, 2023	889.27	201.65	1,090.92
Additions	735.00	-	735.00
Disposals	-	-	-
Modifications	-	-	-
Finance cost accrued during the year	92.74	1.26	94.00
Payment of lease liabilities	(390.09)	(184.89)	(574.98)
Balance as at March 31, 2024	1,326.92	18.02	1,344.94

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Notes to Ind AS financial statements for the year ended March 31, 2024

(All amount in INR Lakhs unless otherwise stated)

(ii) Breakup of Current and Non Current Lease Liability:

	Building and Others	Plant and Machinery	Total
Current lease liabilities	227.45	165.15	392.60
Non current lease liabilities	277.87	228.23	506.09
Balance as at 1st April, 2022	505.31	393.38	898.69
Current lease liabilities	283.43	172.33	455.76
Non current lease liabilities	605.84	29.32	635.16
Balance as at March 31, 2023	889.27	201.65	1,090.92
Non Current lease liabilities	961.61	18.02	979.63
current lease liabilities	367.99	-	367.99
Balance as at March 31, 2024	1,329.61	18.02	1,347.62

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6. Other financial assets

non-current

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01 April, 2022
Unsecured, considered good, unless stated otherwise			
Security deposits	250.63	122.45	81.44
Fixed Deposit with original maturity exceeding twelve months	-	3.60	-
Total	250.63	126.04	81.44

Current considered good, unless stated otherwise

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01 April, 2022
Unsecured,			
Other advances	-	16.29	69.46
Security deposits	107.17	142.24	132.13
Interest accrued on deposits	11.10	-	-
Total	118.27	158.53	201.58

7. Other assets

Non-current

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01 April, 2022
Capital Advances	-	1,192.67	269.37
Other Advances	-	-	483.31
Total	-	1,192.67	752.68

Current

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01 April, 2022
Unsecured, considered good, unless stated otherwise			
Advance to suppliers	177.81	81.89	233.97
Prepaid expenses	96.67	70.83	55.31
Balance with government authorities	458.73	15.62	26.39
Other Advances	2.76	-	-
Employee advances	24.69	53.57	97.23
Total	760.67	221.92	412.89

8. Inventories

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01 April, 2022
Raw Materials	1,852.84	2,158.33	6,002.45
Work in Progress	848.14	600.85	86.56
Finished Goods & Stock-in-Trade	655.86	787.25	901.98
Total Inventories at lower of cost and net realisable value	3,356.83	3,546.43	7,740.26

As at March 31 2024 INR 79.29 lacs was recognised as an expenses on account of provision in respect of obsolete/slow-moving items and was included in change in value of inventories of work-in-progress and finished goods in statement of Profit and loss.

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Particulars	As at		As at	
	March 31, 2024	March 31, 2023	March 31, 2023	01 April, 2022
9. Trade receivables				
Unsecured, considered good	6,469.52	4,738.93		2,248.36
Unsecured receivables - credit impaired	121.11	-		89.69
	6,590.63	4,738.93		2,338.05
Impairment Allowance (allowance for bad and doubtful debts)				
Trade receivables - Credit impaired	(121.11)	-		(89.69)
	(121.11)	-		(89.69)
Total Trade receivables	6,469.52	4,738.93		2,248.36
			1,291.07	1,110.35

Of the above, trade receivables from related parties are as below:

Total trade receivables from related parties

The Company's exposure to credit and currency risks, loss allowances related to trade receivables are disclosed in note .

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on past provision. Past Provision takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due.

Ageing of Trade Receivables:

As at March 31, 2024

Particulars	current but Not due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(a) Undisputed Trade receivables – considered good	3,962.63	2,340.50	163.81	2.58	-	-	6,469.52
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	121.11	-	-	121.11
Total	3,962.63	2,340.50	163.81	123.69	-	-	6,590.63

As at March 31, 2023

Particulars	current but Not due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	4,719.23	17.58	2.12	-	-	4,738.93
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	-	4,719.23	17.58	2.12	-	-	4,738.93

As at March 31, 2022

Particulars	current but Not due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	2,160.75	84.44	3.17	-	-	2,248.36
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	-	2,160.75	84.44	3.17	-	-	2,248.36

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10. Cash and cash equivalents

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	01 April, 2022
Balances with banks	319.93	1,021.73	765.59
- Deposits maturity is more than 3month but less than 12 months	-	228.62	346.37
Cash on hand	0.00	1.14	13.01
Total	319.93	1,251.48	1,124.97

10.1. Bank balances, other than Cash and cash equivalents

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	01 April, 2022
Deposits with original maturity of more than three months but less than twelve months	199.13	-	-
Total	199.13	-	-

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11. Share capital

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Authorised			
1,00,000 equity shares (Previous year 1,00,000 Equity shares) of Rs 10 each	10.00	10.00	10.00
Issued, Subscribed and Paid-Up			
10,000 equity shares (Previous year 10,000 Equity shares) of Rs 10 each	1.00	1.00	1.00
	1.00	1.00	1.00

i) Reconciliation of the equity shares outstanding at the beginning and end of the reporting year

Particulars	As at March 31, 2024		As at March 31, 2023		As at 01-Apr-22	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	0.10	1.00	0.10	1.00	0.10	1.00
Add: Conversion of convertible debentures during the period/year	-	-	-	-	-	-
Outstanding at the end of the period/year	0.10	1.00	0	1.00	0	1.00

ii) Terms and rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividend. Each holder of equity share is entitled to receive dividend as declared from time to time. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. The voting rights of an equity shareholder are in proportion to their share of the paid-up equity capital of the company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in

iii) Details of Shareholders holding more than 5% aggregates shares in the Company

Equity shares of INR 10 each fully paid up

Name of shareholder	As at March 31, 2024		As at March 31, 2023		As at 01-Apr-22	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Samvardhana Motherson International Limited	5,100	0.51	-	-	-	-
Ajith Padival	4,900	0.49	9,000	0.90	9,000	0.90
Chitra Padival	-	-	1,000	0.10	1,000	0.10
Total	10,000	1.00	10,000	1.00	10,000	1.00

As per records of the Group, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Details of share held by promoters

Particulars	Shares held by Promoters		
	S.No	Promoter Name	No. of shares
March 31, 2024	1	Ajith Padival	4,900

Particulars	Shares held by Promoters		
	S.No	Promoter Name	No. of shares
As at March 31, 2023	1	Ajith Padival	9,000
	2	Chitra Padival	1,000

Particulars	Shares held by Promoters		
	S.No	Promoter Name	No. of shares
As at April 1, 2022	1	Ajith Padival	9,000
	2	Chitra Padival	1,000

12. Other equity

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01 April, 2022
Retained earnings			
Balance at the beginning of the year	(844.72)	1,482.16	1,469.57
Add: Profit (Loss) for the year	1,801.73	(2,326.89)	12.59
As at March 31st 2024	957.01	(844.72)	1,482.16
Items of other comprehensive income			
Balance at the beginning of the year	18.09	-	-
Add: Re-measurement gains/(losses) on defined benefit plans	(42.21)	18.09	-
As at March 31st 2024	(24.12)	18.09	-
Total reserve and surplus	932.89	(826.63)	1,482.16

Nature and purpose of Reserves

Securities premium

Retained Earning

Retained earnings are the loss that the Group has incurred till date, less any transfers to general reserve, dividends or other

Saddles International Automotive & Aviation Interiors Private Limited

Notes to Ind AS financial statements for the year ended March 31, 2024

(All amount in INR Lakhs unless otherwise stated)

13 Borrowings

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
a. Non-Current Borrowings			
Loans from Banks			
Term loan from bank(secured)	968.66	1,706.69	598.78
Term loan from Financial institution(secured)	-	107.00	392.99
Total Non-Current Borrowings	968.66	1,813.68	991.77
b. Current Borrowings			
Secured			
Loans from Banks			
Loans repayable on demand from banks (secured)	2,541.73	2,764.24	4,018.64
Current maturities of term loans from banks	1,080.11	1,161.37	318.77
Bill Discounting	3,136.53	4,753.46	3,837.86
Unsecured			
Loans from Directors			
From Directors, Shareholders and Relatives(unsecured)	-	-	1,150.00
Current maturities of long-term debt	-	-	2.00
Total Current Borrowings	6,758.37	8,679.07	9,327.27

*Note : Refer Annexure 1

Annexure 1		
Security	Rate of interest	Repayment Schedule
Secured Loans from Banks :		
ICICI Bank		
1) ICICI Bank Capex Loan - 0017813 Secured against Tangible Assets	10.60%	Repayable in 60 installments
2) The Industrial Credit and Investment Corporation of India ("ICICI Bank") has granted the credit facilities comprising of Inland bills discounted of Rs. 15 Crore, Working Capital Loan (WCL) of Rs. 30 Crore, and Term Loan of 1.70 Crore. The facility is secured against Hypothecation of entire stocks of raw materials, semi-finished goods and finished goods, consumable stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, in a form and manner satisfactory to the Bank, both present and future along with Axis Bank for all the facilities excluding derivative limits. Exclusive charge on the plant and machinery funded out of term loan(outstanding loan balance considered - 1.70 Crore).	Cash Credit facility : I-MCLR-6M and 'Spread' p.a. subject to a maximum of I-MCLR-6M plus applicable statutory levy. Inland bills : I-MCLR-3M and Spread, subject to minimum of I-MCLR-6M + applicable interest and statutory levy if any Term Loan - 4.9%p.a	Term loan repayable in 60 instalments
Axis Bank		
1) Axis Bank has granted the credit facilities comprising of Inland bills discounted of Rs. 10 Crore and Working Capital Loan (WCL) of Rs. 25 Crore. The facility is secured entire movable assets other than those exclusively charged to other lenders and Residential Property located at Flat S1 and S2, 2nd floor, Gayatri Sparkle Isle, Shanti Nagar, Bangalore,-560025 owned by Mr. Ajith Padival and Mrs. Chitra Padival, Residential property located at Flat No. 1406, C-Wing, 14th Floor, SKS Planet, KPT Kadri, Mangalore-545004, owned by Mr. Ajith Padival, Commercial Plot located at Site No.1 and 2, Bommahalli village, Begur, Hobli, Bangalore-560068, owned by Mr. Ajith Padival, Corporate Guarantee of the Group entity Saddles India and personal guarantee of Promoter Mr. Ajith Padival and his wife Mrs. Chitra Padival	9.30%	
Secured Loans from Financial Institutions :		
1) Siemens Factoring Pvt Ltd - A9390397 Secured against Vector Cutting Soln System (VT-AU-IQ80-71)	12.50%	Repayable in 36 installments
Unsecured Borrowings from Banks :		
1) ICICI MSME Loan - 166455000003	8.25%	Repayable in 48 installments

14. current tax liabilities

Particulars	As at	
	March 31, 2024	March 31, 2023
Provision for tax	85.00	708.26
Total	85.00	708.26

15. Other liabilities

Particulars	As at	
	March 31, 2024	March 31, 2023
Deferred grant	118.67	-
Total	118.67	118.78

Current

Particulars	As at	
	March 31, 2024	March 31, 2023
Statutory dues	354.38	701.55
Unearned Revenue	-	-
Advances from customers	3.00	2.32
CSR Payable	-	54.95
Outstanding dues for capital goods	-	41.82
Other current liabilities	17.24	2.50
Total	374.61	803.14

15A. Provision for contingencies

Particulars	As at	
	March 31, 2024	March 31, 2023
GST provision	438.00	-
TDS compounding fees	140.00	-
Interest on income tax	133.60	-
GST Audit	59.38	-
Vinoyork leather	255.53	-
Total	1,026.51	-

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16. Trade Payables	Particulars		As at	As at	As at	
			March 31, 2024	March 31, 2023	01 April, 2022	
Trade payables						
	- Total outstanding dues of micro enterprises and small enterprises		1,500.98	811.97	1,565.85	
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		6,285.72	5,633.33	2,407.66	
	Total		7,786.69	6,445.30	3,973.51	
Trade Payables to related parties(refer note no 31)						
			840.87	166.62	-	
	Total		6,945.82	6,278.67	3,973.51	
	Total		7,786.69	6,445.30	3,973.51	
Ageing schedule						
Outstanding for following periods from due date of payment						
	As at March 31, 2024	Current but not due	Less than 1 year	2-3 years	More the 3 years	Total
	Total Outstanding dues of micro enterprises and small enterprises	107.36	1,393.62	-	-	1,500.98
	Total Outstanding dues of creditors other than micro enterprises and small enterprises	2,042.99	3,246.86	3.66	0.51	5,640.16
	Total	2,150.35	4,640.48	3.66	0.51	7,141.14

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standing for following periods from due date of pay						
As at March 31, 2023						
	Current but not due	Less than 1 year	2-3 years	More than 3 years	Total	
Total Outstanding dues of micro enterprises and small enterprises	339.28	472.69	-	-	2,435.91	
Total Outstanding dues of creditors other than micro enterprises and small enterprises	2,590.00	2,970.52	73.76	0.97	5,633.33	
Total	2,929.27	3,443.21	73.76	0.97	6,445.30	
As at March 31, 2022						
	Current but not due	Less than 1 year	2-3 years	More than 3 years	Total	
Total Outstanding dues of micro enterprises and small enterprises	1,565.85	-	-	-	3,131.71	
Total Outstanding dues of creditors other than micro enterprises and small enterprises	2,270.84	41.95	-	-	4,767.32	
Total	-	3,836.69	41.95	-	3,973.51	
17. Other financial liabilities-current						
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022		
Interest accrued but not due on borrowings	7.45	11.03	-	-	149.35	
Interest payable to directors and shareholders	-	-	-	-	8.77	
Interest payable on dues of MSMED Creditors as per MSMED Act, 2006	20.45	16.35	-	-	165.19	
Bonus Payable	479.38	256.66	-	-	180.29	
Salary & Wages Payable	166.17	-	-	-	-	
Total	673.44	284.04	-	-	503.60	

18. Employee benefits obligations
 Current

Particulars	As at		As at	
	March 31, 2024	March 31, 2023	01 April, 2022	As at
Provision for gratuity	5.62	5.40	12.29	
Provision for compensated absences	3.78	2.55	8.59	
Total	9.40	7.96	20.89	

Non Current

Particulars	As at		As at	
	March 31, 2024	March 31, 2023	01 April, 2022	As at
Provision for gratuity	232.69	119.92	142.21	
Provision for compensated absences	44.72	54.95	46.38	
Total	277.41	174.88	188.59	

19. Non-current tax assets/ Current tax liabilities

Particulars	As at		As at	
	March 31, 2024	March 31, 2023	March 31, 2022	As at
Tax assets				
Non-current tax assets (net)	-	91.93	35.53	
Total	-	91.93	35.53	

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21. Revenue from contract with customers

Particulars	For the year ended March 31, 2024	Year ended March 31, 2023
Revenue from operation	51,607.24	46,817.56
Other operating revenue		
Facility rental and electricity income	-	46.20
Total	51,607.24	46,863.76

Disaggregated revenue information

a. Sale of Products

Particulars	For the year ended March 31, 2024	Year ended March 31, 2023
In India	51,607.24	46,817.56
Outside India	-	-
Total	51,607.24	46,817.56

b. Disaggregated revenue information

1. Types of goods and services

Particulars	For the year ended March 31, 2024	Year ended March 31, 2023
Sale of seat covers	51,607.24	46,817.56
Sale of services	-	46.20
Total	51,607.24	46,863.76

2. Timing of revenue recognition

Particulars	For the year ended March 31, 2024	Year ended March 31, 2023
As a point of time	51,607.24	46,817.56
Over the point of time	-	-
Total	51,607.24	46,817.56

22. Other income

Particulars	For the year ended March 31, 2024	Year ended March 31, 2023
Interest income from financial assets at amortised cost		
a. Interest income on fixed deposits	14.88	16.51
b. Interest others	13.79	11.18
Liabilities no longer required written back	-	-
Net foreign exchange gain	0.91	-
Other miscellaneous income	7.65	17.49
Total	37.24	45.18

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23. Cost of Raw materials/components consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock of raw materials	2,158.33	6,002.45
Add: Purchases of raw materials	33,594.58	35,158.73
Less: Closing stock of raw materials	1,852.84	2,158.33
Total	33,900.07	39,002.85

24. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories as at the end of the year:		
Finished Goods & WIP (Seat covers)	1,503.99	1,388.10
	1,503.99	1,388.10
Finished Goods & WIP	1,388.10	988.54
	1,388.10	988.54
Net (increase) / decrease in inventory	115.89	399.57

25. Employee benefit expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries wages and Bonus	3,503.76	2,997.03
Contract manpower cost	2,466.75	1,677.95
Contribution to provident and other funds	242.58	180.11
Gratuity	70.77	22.97
Staff welfare expenses	465.18	489.55
Total	6,749.05	5,367.61

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, towards Provident and other funds which are collectively defined as defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Contribution to provident and other funds (refer note xxxxx)	242.58	180.11

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b. Defined benefit plans

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who have completed five years of service are entitled to specific benefit. The level of benefit provided depends on the member's length of service and salary retirement age. The employee is The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are ~~measured at the present value of the estimated future cash flows. The discount rate used for determining the present value.~~

This is an unfunded benefit plan for qualifying employees. This scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

The above defined benefit plan exposes the Company to following risks:

Salary inflation risk:

Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the li

Discount rate risk:

Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & disability risk:

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals risk:

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Pl

The following table sets out the status of the defined benefit plan as required under Ind AS 19 - Employee Benefits:

Particulars	As at	As at	As at
	31 March, 2024	31 March, 2023	01 April, 2022
i. Reconciliation of present value of defined benefit obligation			
Balance at the beginning of the year	125.33	154.50	2.82
Interest cost	6.42	9.71	0.20
Current service cost	42.29	36.31	33.28
Benefits paid	74.04	(51.02)	156.37
Actuarial (Gain)/loss recognised in other comprehensive income			
- from changes in financial assumptions	-	2.14	(4.93)
- from experience assumptions	(9.76)	(26.32)	(33.24)
Balance at the end of the year	238.31	125.33	154.50

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Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
ii. Amount recognized in statement of profit and loss		
Interest cost	6.42	9.71
Current service cost	42.29	36.31
	48.71	46.02
iii. Remeasurements recognised in other comprehensive income		
Actuarial (gain)/loss for the year on defined benefit obligation	(9.76)	(24.18)
Total	(9.76)	(24.18)

iv. Actuarial assumptions

The principal assumptions used in determining gratuity obligations for the Company's plan is shown below:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount rate (per annum)	0.07	0.07
Future salary growth rate (per annum)	0.10	0.07
Retirement age (years)	60.00	60.00
Attrition at ages		
-up to 30 years		
-from 31 to 44 years		
-above 44 years		

v. Sensitivity analysis on defined benefit obligation on account of change in significant assumption:

Particulars	As at 31 March, 2024	As at 31 March, 2023
Discount rate		
Impact on defined benefit obligation due to 0.5% increase in discount rate	(0.11)	(0.10)
Impact on defined benefit obligation due to 0.5% decrease in discount rate	0.14	0.11
Salary growth rate		
Impact on defined benefit obligation due to 0.5% increase in salary growth rate	0.11	0.11
Impact on defined benefit obligation due to 0.5% decrease in salary growth rate	(0.10)	(0.09)

The sensitivity analysis above have been determined based on method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting date.

vi. Expected maturity analysis B37

Particulars	As at 31 March, 2024	As at 31 March, 2023
Within 1 year	7.15	5.40
Between 2 and 5 years	34.09	28.55
Over 5 years	30.49	18.09
Total expected payments	71.73	52.04

vii. Weighted average duration of the defined benefit plan:

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Weighted average duration of the defined benefit plan (in years)	18.07	16.57

26. Finance cost

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expenses:		
Bank loan	-	
Working capital Loan	572.45	492.49
On bill discounting Loan	347.86	266.54
Others	(5.77)	1,157.34
Other borrowing costs	-	38.92
Interest on Income Tax	22.41	152.19
Interest on leases	94.84	107.14
Total	1,031.79	2,214.63

27. Depreciation and amortization expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment	757.55	1,011.91
Amortization on intangible assets	2.60	3.12
Amortization on goodwill	0.00	-
Depreciation on right-of-use assets	513.97	479.19
Total	1,274.12	1,494.23

28. Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and Fuel and electricity	367.09	383.31
Rent	144.35	243.33
Repairs & maintenance	-	-
- Building	231.10	81.94
- Machinery	457.16	309.63
- Others	331.17	94.11
Insurance	20.36	39.50
Rates and taxes	1,157.63	181.64
Commission and Brokerage	-	17.10
Professional and Consultancy charges	1,453.95	102.17
Net loss on foreign exchange fluctuations	-	25.09
Loss on Sale of assets	-	27.60
Advance/Receivables written off	751.95	69.83
Bad debts	-	280.91
Provision for Bad debts	40.76	80.35
Miscellaneous expenses	1,108.08	323.95
Total	6,063.60	2,260.45

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Notes to Ind AS financial statements for the year ended March 31, 2024

Note: Payment to auditors

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory audit Fee	11.00	8.50
Fees in other capacity	3.50	1.50
Total	14.50	10.00

29. Earning per share

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss attributable to equity holders of the company	1,801.73	(2,304.42)
Weighted average number of equity shares in calculating basic EPS	0.10	0.10
Weighted average number of equity shares in calculating diluted EPS	0.10	0.10
Face value of equity shares (INR)	10.00	10.00
Basic Profit/(Loss) per share	18,017.30	(23,044.16)
Diluted Profit/(loss) per share (INR)	18,017.30	(23,044.16)

29A Corporate Social Responsibility Activities (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. As the Company does not meet

<u>Corporate Social Responsibility Expenses</u>	Year Ended March 31, 2024	Year Ended March 31 2023	Year Ended March 31 2022
Gross amount required to be spent by the company during the year	-	-	19.31
Amount spent during the year in cash	68.20	-	-
i. Construction/acquisition of any asset	-	-	-
ii. On purpose other than (i) above	-	-	-
Unspent amount	-	-	19.31

Balance unspent as at April 1, 2023	Amount deposited in specified fund of Schedule	Amount spend during the year	Balance unspent as at March 31.
54.95		68.20	

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	Year ended 31 March 2024	Year ended March 2023
30 Income Tax		
a. Amount Recognised in the Profit and Loss		
<i>Current Tax</i>		
Current year	527.83	217.10
Adjustment of tax Relating to earlier period	1.65	1.22
<i>Deferred Tax</i>		
Origination and reversal of temporary difference	409.63	(923.60)
Total	937.46	(706.50)

b. Income Tax Recognised in Other Comprehensive Income

	Year ended 31 March 2024			Year ended 31 March 2023		
	Before Tax	Tax (Expense) /	Net of Tax	Before Tax	Tax (Expense) /	Net of Tax
Remeasurement of defined benefit (liability)	(57.04)	14.83	(42.21)	24.18	(6.29)	17.89
	(57.04)	14.83	(42.21)	24.18	(6.29)	17.89

c. Reconciliation of Effective Tax Rate

	Year ended 31 March 2024		Year ended 31 March 2023		
	Rate	Amount	Rate	Amount	
Profit before income tax		2,740.84		(3,032.17)	
Tax using Company's domestic rate		0.26	712.62	0.26	(788.36)
Effect of :					
Non-deductible expenses		0.34	943.47	(0.49)	1,481.98
Deductible Expenses		(0.40)	(1,108.61)	0.15	453.13
Unrecognised losses			-		-
Recognised losses of Previous year				-	-
Others					
Effective tax rate		0.20	547.49	(0.08)	1,146.75
Current tax			529.48		218.32
Deferred tax			409.63		(923.60)
Tax expense reported in the statement of profit and loss			939.11		(705.28)

The applicable Indian statutory tax rate for the Company for the financial year ending 2024 is 26% (March 31, 2022 :26%)

d. Recognised Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following :

	As at 31 March 2024			As at 31 March 2023		
	Deferred Tax Assets	(Deferred Tax Liabilities)	Net Deferred Tax Asset/ (Liabilities)	Deferred Tax Assets	(Deferred Tax Liabilities)	Net Deferred Tax Asset/ (Liabilities)
Property, plant and equipment	-	(18.25)	(18.25)	-	(49.72)	(49.72)
Export Promotion Capital goods	-	(7.16)	(7.16)	-	(11.03)	(11.03)
Processing cost	-	(3.31)	(3.31)	-	(5.36)	(5.36)
Right of use of asset	-	(299.93)	(299.93)	-	(258.76)	(258.76)
Lease Liability	339.17	-	339.17	274.56	-	274.56
Provision for gratuity/ leave encashment	72.16	-	72.16	46.01	-	46.01
Non deduction of TDS	-	-	-	1.76	-	1.76
Provision for stock	129.63	-	129.63	824.02	-	824.02
GST Under Litigation	124.83	-	124.83	-	-	-
Litigation expenses	64.31	-	64.31	-	-	-
Provision for bad debts	30.78	-	30.78	20.22	-	20.22
Deferred tax assets / (liabilities)	760.89	(328.65)	432.24	1,166.59	(324.86)	841.73
Offsetting of deferred tax (assets) liabilities	(328.65)	328.65	-	(324.86)	324.86	-
Net deferred tax assets/ (liabilities)	432.23	-	432.24	841.73	-	841.73

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Income Tax (continued)

e. Movement in Temporary Differences

Deferred tax assets and liabilities are attributable to the following :

Movement in Temporary Differences	Balance as at 1 April 2023	Recognised in equity during 2023-24	Recognised in profit / loss during 2023-24	Recognised in OCI during 2023-24	Balance as at 31 March 2024
Property, plant and equipment	(49.72)	-	31.47	-	(18.25)
Export Promotion Capital goods	(11.03)	3.87	-	-	(7.16)
Processing cost	(5.36)	2.05	-	-	(3.31)
Right of use of asset	(258.76)	-	(41.17)	-	(299.93)
Lease Liability	274.56	-	64.61	-	339.17
Provision for gratuity/ leave encashment	46.01	-	41.00	(14.83)	72.16
Non deduction of TDS	1.76	-	(1.76)	-	-
Provision for stock	824.02	-	(694.40)	-	129.63
GST Under Litigation	-	-	124.83	-	124.83
Provision for unclaimed GST	-	-	-	-	-
Litigation expenses	-	-	64.31	-	64.31
Provision for bad debts	20.22	-	10.56	-	30.78
Deferred Tax Assets/(Liabilities)	841.73	5.92	(400.55)	(14.83)	432.24

Movement in Temporary Differences	Balance as at 1 April 2022	Recognised in equity during 2022-23	Recognised in profit / loss during 2022-23	Recognised in OCI during 2022-23	Balance as at 31 March 2023
Property, plant and equipment	(113.61)	-	(63.89)	-	(49.72)
Export Promotion Capital goods	(14.89)	3.86	-	-	(11.03)
Processing cost	(1.63)	(3.73)	-	-	(5.36)
Right of use of asset	-	-	(258.76)	-	(258.76)
Lease Liability	-	-	274.56	-	274.56
Provision for gratuity/ leave encashment	52.72	-	-	(6.70)	46.01
Non deduction of TDS	1.76	-	-	-	1.76
Provision for stock	-	-	824.02	-	824.02
Provision for bad debts	-	-	20.22	-	20.22
Deferred Tax Assets/(Liabilities)	(75.64)	0.13	796.16	(6.70)	841.73

Movement in Temporary Differences	Balance as at 1 April 2021	Recognised in equity during 2021-22	Recognised in profit / loss during 2021-22	Recognised in OCI during 2021-22	Balance as at 31 March 2022
Property, plant and equipment	41.33	-	(72.28)	-	(113.61)
Export Promotion Capital goods	-	(14.89)	-	-	(14.89)
Processing cost	-	(1.63)	-	-	(1.63)
Provision for gratuity/ leave encashment	(0.19)	-	52.53	-	52.72
Non deduction of TDS	(1.50)	-	0.26	-	1.76
Deferred Tax Assets/(Liabilities)	39.64	(16.52)	(19.48)	-	(75.64)

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Notes to financial statements for the year ended 31 March 2024

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(All amount in INR Lakhs unless otherwise stated)

31 Related party disclosure

a) Names of related parties and related party relationship

Description of relationship	Name of the party
Ultimate holding company	Samvardhana Motherson International Limited - India (formerly known as Motherson Sumi Systems Limited)
Holding company	
Fellow subsidiaries/body corporates	Motherson Automotive Technology and Engineering Samvardhana Motherson Global Mangement Service Motherson Air Travel Agency Motherson Lease Solution Limited Systematic Conscom Limited Motherson Technology Solutions Limited Samvardhana Motherson Global Carriers Limited Smrc Automotive Products India Limited Motherson Polymer Solutions Saddles Inc Hot tracks Karishya solutions (OPC)Private limited
Key management personnel ('KMP')	Mr. Ajith Padival- Director Mrs. Chitra Padival-Director* Mr. Amit Bhakri- Director Mr. Ajay Bahl- Director Mr. Ramesh Dhar- Director Mr. Ravi Mathur- Director Mrs. Lata Unnikrishnan- Director Mr. Torun Gerard Mathias- Director Ms Rhea Padival Mr.Harikrishna KS-CFO *Resigned on 13-07-2023
Enterprise having significant influence over the Company:	Aerobed Sleep System Saddles Extrusions LLP Studio Saddles Auto Bags Karishya Solutions Auto Kit

b. Details of related party transactions during the year ended March 31, 2024 and March 31, 2023 and balance as at March 31, 2024 and March 31, 2023:

Particulars	Holding / Ultimate holding company		Fellow subsidiaries/body corporate		Key managerial personnel		Total	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Transaction during the year								
0								
Purchase of Material								
Motherson Automotive Technology and Engineering	-	-	-	-	-	-	-	-
Aerobed Sleep System	-	-	2,458.63	-	-	-	2,458.63	-
Saddles Extrusions LLP	-	-	66.72	519.12	-	-	66.72	519.12
Auto Bags	-	-	184.96	188.06	-	-	184.96	188.06
Smr Automotive Products India Limited	-	-	-	95.03	-	-	-	95.03
M/s. Autokit	-	-	110.72	-	-	-	110.72	-
Saddles Inc	-	-	-	2.31	-	-	-	2.31
	-	-	-	29.25	-	-	-	29.25
	-	-	2,821.03	833.77	-	-	2,821.03	833.77
Purchase of Capital goods								
Systematic Conscorn Limited	-	-	132	-	-	-	132.02	-
Motherson Technology Solutions Limited	-	-	137	-	-	-	137.28	-
M/s. Autokit	-	-	-	1.02	-	-	-	1.02
Auto Bags	-	-	-	0.70	-	-	-	0.70
Studio Saddles	-	-	-	0.56	-	-	-	0.56
	-	-	269.29	2.28	-	-	269.29	2.28
Purchase of Service								
Motherson Automotive Technology and Engineering	-	-	433	-	-	-	269.29	-
Samvardhana Motherson Global Mangement Service	-	-	123	-	-	-	433.44	-
Motherson Air Travel Agency	-	-	58	-	-	-	123.05	-
Systematic Conscorn Limited	-	-	35.55	-	-	-	57.64	-
Motherson Technology Solutions Limited	-	-	208.55	-	-	-	35.55	-
Auto Bags	-	-	26.95	-	-	-	208.55	-
Karishya Solutions	-	-	0.30	-	-	-	26.95	-
Smr Automotive Products India Limited	-	-	-	-	-	-	0.30	-
Samvardhana Motherson Global Carriers Limited	-	-	1.23	-	-	-	1.23	-
	-	-	886.70	-	-	-	-	-
Reimbursement Paid								
Motherson Polymer Solutions	-	-	0.19	-	-	-	-	-
Reimbursement received								
Studio Saddles	-	-	78	-	-	-	78.16	-

b. Details of related party transactions during the year ended March 31, 2024 and March 31, 2023 and balance as at March 31, 2024 and March 31, 2023:

Particulars	Holding / Ultimate holding company		Fellow subsidiaries/body corporate		Key managerial personnel		Total	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Salary	-	-	-	-	-	-	-	-
Ms Rhea Padival	-	-	-	-	-	24.00	22.72	24.00
Bad Debts	-	-	-	92.15	-	-	-	92.15
Hot Tracks	-	-	-	35.00	-	-	-	35.00
Balance payables written off	-	-	-	-	-	-	-	-
Auto Bags	-	-	-	-	-	-	-	-
Balance receivables written off	0	0	832	-	-	-	831.83	-
Auto kit	-	-	-	-	-	-	-	-
Total	-	-	17,330.54	2,557.27	1,252.08	16,005.54	17,133.18	-

The remuneration to KMP includes remuneration paid to all the KMPs in the Company. Also, as the future liability for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, and the amount pertaining to the KMP is not ascertainable and hence not included above.

Notes to financial statements for the year ended 31 March 2024
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

c. Details of related party transactions during the year ended March 31, 2024 and March 31, 2023 and balance as at March 31, 2024 and March 31, 2023:

Particulars	Holding / Ultimate holding company		Fellow subsidiaries / body corporate		Key managerial personnel		Total	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Balance receivable as at the year end:								
Motherson Automotive Technology and Engineering	-	-	966.80	-	-	-	966.80	-
Saddles Inc	-	-	0.13	(3.99)	-	-	0.13	(3.99)
Samvardhana Motherson Global Mangement Service	-	-	190.41	-	-	-	190.41	-
Studio Saddles	-	-	134	64.30	-	-	133.73	64.30
M/s. Autokit	-	-	-	711.58	-	-	-	711.58
Autobags	-	-	-	(44.85)	-	-	-	(44.85)
Aerobed Sleep System	-	-	-	-	-	334.47	-	334.47
Mr. Ajith Padival	-	-	-	-	-	-	-	-
Mrs. Chitra Padival	-	-	-	-	-	-	-	-
Ms. Rhea Padival	-	-	1,291.07	727.04	-	334.47	1,291.07	1,061.51
Balance payable as at the year end:								
Motherson Air Travel Agency	-	-	-	-	-	-	-	-
Motherson Automotive Technology and Engineering	-	-	(36.12)	-	-	-	(36.12)	-
Motherson Technology Solutions Limited	-	-	(587.81)	-	-	-	(587.81)	-
Saddles Extrusions LLP	-	-	(94.56)	-	-	-	(94.56)	-
Smrc Automotive Products India Limited	-	-	(53.57)	(29.82)	-	-	(53.57)	(29.82)
Karisthya solutions (OPC)Private limited	-	-	(56.75)	-	-	-	(56.75)	-
Aerobed Sleep System	-	-	(0.18)	-	-	-	(0.18)	-
Hot tracks	-	-	(2.88)	(91.96)	-	-	(2.88)	(91.96)
Autobags	-	-	(9.00)	(44.85)	-	-	-	(44.85)
Mrs. Chitra Padival	-	-	-	-	-	(1.00)	-	(1.00)
Ms. Rhea Padival	-	-	-	-	-	(0.61)	-	(0.61)
Total			(840.87)	(166.62)			(840.87)	(166.62)

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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32. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the Ind AS Financial statement based on information available with the Company as under:

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
The principal amount and the interest due there on remaining unpaid to any supplier as at the end of each accounting year	1,500.98	811.97	1,565.85
- Principal amount due to micro and small enterprise	20.45	16.35	13.79
- Interest due on above	1,521.43	828.32	1,579.64

The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.

The amount of interest accrued and remaining unpaid at the end of each accounting year

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006

	-	-	-
	-	-	-
	20.45	16.35	13.79
	-	-	-

33. Fair value Measurement

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at 31 March 2024, 31 March 2023 and 01 April 2022

Particulars	As at 31 March, 2024		As at 31 March, 2023		As at 01 April, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets measured at amortised cost						
(i) Trade receivables	6,469.52	6,469.52	4,738.93	4,738.93	2,248.36	2,248.36
(ii) Cash and cash equivalents	319.93	319.93	1,251.48	1,251.48	1,124.97	1,124.97
(iii) Bank balances other than (ii) above	-	-	-	-	-	-
(iv) Other financial assets	368.91	368.91	284.57	284.57	283.02	283.02
Total	7,158.36	7,158.36	6,274.99	6,274.99	3,656.34	3,656.34
Financial liabilities measured at amortised cost						
(i) Trade payables	7,786.69	7,786.69	6,445.30	6,445.30	3,973.51	3,973.51
Total	7,786.69	7,786.69	6,445.30	6,445.30	3,973.51	3,973.51

The following methods / assumptions were used to estimate the fair values:

- The carrying value of trade receivables, cash and cash equivalents, bank deposits, other financial assets and trade payables are measured at amortised cost which is approximate to their fair value due to their short term nature.
- These accounts are considered to be highly liquid / liquid and the carrying amount of these are considered to be the same as their fair value.

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

34 Financial Instruments - Fair Values and Risk Management**a. Accounting Classifications and Fair Values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the

Particulars	Note	As at 31 March 2024			Fair Value		
		Amortised Cost	Fair Value through OCI	Fair Value through Profit or Loss	Total Carrying Value	Level	Fair Value
Trade receivables	9	6,469.52	-	-	6,469.52	-	-
Cash and cash equivalents	10	319.93	-	-	319.93	-	-
Other financial assets	6	368.91	-	-	368.91	-	-
Total		7,158.37	-	-	7,158.37		0.01
Borrowings	13	7,727.03	-	-	7,727.03	-	-
Lease liabilities	5	1,347.62	-	-	1,347.62	-	-
Trade payables	16	7,786.69	-	-	7,786.69	-	-
Other financial liabilities	17	673.44	-	-	673.44	-	-
Total		17,534.79	-	-	17,534.79		-
Particulars	Note	As at 31 March 2023			Fair Value		
		Amortised Cost	Fair Value through OCI	Fair Value through Profit or Loss	Total Carrying Value	Level	Fair Value
Trade receivables	9	4,738.93	-	-	4,738.93	-	-
Cash and cash equivalents	10	1,251.48	-	-	1,251.48	-	-
Other financial assets	6	284.57	-	-	284.57	-	-
Total		6,274.99	-	-	6,274.99		-
Borrowings	13	10,492.76	-	-	10,492.76	-	-
Lease liabilities	5	1,090.92	-	-	1,090.92	-	-
Trade payables	16	6,445.30	-	-	6,445.30	-	-
Other financial liabilities	17	284.04	-	-	284.04	-	-
Total		18,313.01	-	-	18,313.01		-
Particulars	Note	As at 31 March 2022			Fair Value		
		Amortised Cost	Fair Value through OCI	Fair Value through Profit or Loss	Total Carrying Value	Level	Fair Value
Trade receivables	9	2,248.36	-	-	2,248.36	-	-
Cash and cash equivalents	10	1,124.97	-	-	1,124.97	-	-
Other financial assets	6	283.02	-	-	283.02	-	-
Total		3,656.34	-	-	3,656.34		-
Borrowings	13	10,319	-	-	10,319.13	-	-
Lease liabilities	5	899	-	-	898.69	-	-
Trade payables	16	3,974	-	-	3,973.51	-	-
Other financial liabilities	17	504	-	-	503.60	-	-
Total		15,694.93	-	-	15,694.93		-

* The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans, borrowings, trade payables and other financial assets/liabilities listed above because their carrying amount are a reasonable approximation of their fair values.

34 Financial Instruments - Fair Values and Risk Management (continued)

b. Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

Risk Management Framework

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and

I. Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans and other financial assets. Trade receivables, are derived from revenue earned from customers. The carrying amount of financial assets represents the maximum credit exposure.

i. Trade Receivables

Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. The historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets. Refer note 1-2 for accounting policy on financial instruments.

ii. Cash and Cash Equivalents and Bank Balance Other Than Cash and Cash Equivalents

The Company held cash and cash equivalents and bank balance other than cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit

iii. Security deposits

The Company furnished security deposits to its lessor for obtaining the premises on lease. The Company considers that its deposits have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations.

II. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Management believes that the current financial assets, available credit limits and the cash flow that is expected to be generated from operations are sufficient to meet all its financial liabilities maturing during the next 12 months. Accordingly, no significant liquidity risk is perceived.

Exposure to liquidity risk

The table below provides details regarding the contractual maturities of financial liabilities as of 31 March 2024

	Contracted Cash Flows			
	Carrying amount	Less than 1 year	1-5 years	More than 5 years
Borrowings	7,727	6,758	969	-
Trade payables	7,787	7,787	-	-
Lease liabilities	1,091	368	723	-
Other financial liabilities	673	673	-	-
	17,278	15,587	1,692	-

The table below provides details regarding the contractual maturities of financial liabilities as of 31 March 2023

	Contracted Cash Flows			
	Carrying amount	Less than 1 year	1-5 years	More than 5 years
Borrowings	10,493	8,679	1,814	-
Trade payables	6,445	6,445	-	-
Lease liabilities	1,091	456	635	-
Other financial liabilities	283	283	-	-
	18,312	15,863	2,449	-

The table below provides details regarding the contractual maturities of financial liabilities as of 31 March 2022

	Contracted Cash Flows			
	Carrying amount	Less than 1 year	1-5 years	More than 5 years
Borrowings	10,319	9,327	992	-
Trade payables	899	899	-	-
Lease liabilities	3,974	393	3,581	-
Other financial liabilities	504	504	-	-
	15,695	11,122	4,573	-

34 Financial Instruments - Fair Values and Risk Management (continued)

III .Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors.

(i) Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities (when revenue or expense is denominated in a foreign currency).

(ii) Interest Rate Risk

The company has no outstanding interest rate risk exposure as on 31.03.2023. However, the Company adopts a policy of ensuring that majority of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk. They are therefore not subject to interest rate risk as defined under Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

IV. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments

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Notes to Ind AS financial statements for the year ended March 31, 2024

35.1 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt interest bearing loans and borrowings less cash and cash equivalents.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to maintain investor, creditor and market confidence and to sustain future development of the business.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024, 31 March 2023 and 01 April 2022.

35.2 Loan covenants

The bank reserves the right to withhold disbursement of the loan at any time if its in opinion there occurs any event that effects the viability of the business or there

has been an event of default under any agreement/MOU/other document executed by the borrower with any lender, including but not limited to this project/loan

35.3 Assets Pledged Against the security

ICICI Bank

ICICI Bank Capex Loan - 0017813 Secured against Tangible Assets

2) The Industrial Credit and Investment Corporation of India ("ICICI Bank") has granted the credit facilities comprising of Inland bills discounted of Rs. 15 Crore, Working Capital Loan (WCL) of Rs. 30 Crore, and Term Loan of 1.70 Crore.

The facility is secured against Hypothecation of entire stocks of raw materials, semi-finished goods and finished goods, consumable stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, in a form and manner satisfactory to the Bank, both present and future along with Axis Bank for all the facilities excluding derivative limits.

Exclusive charge on the plant and machinery funded out of term loan(outstanding loan balance considered - 1.70 Crore).

Axis Bank

1) Axis Bank has granted the credit facilities comprising of Inland bills discounted of Rs. 10 Crore and Working Capital Loan (WCL) of Rs. 25 Crore.

The facility is secured entire movable assets other than those exclusively charged to other lenders and Residential Property located at Flat S1 and S2, 2nd floor, Gayatri Sparkle Isle, Shanti Nagar, Bangalore,-560025 owned by Mr. Ajith Padival and Mrs. Chitra Padival, Residential property located at Flat No. 1406, C-Wing, 14th Floor, SKS Planet, KPT Kadri, Mangalore-545004, owned by Mr. Ajith Padival, Commercial Plot located at Site No.1 and 2, Bommahalli village, Begur, Hobli, Bangalore-560068, owned by Mr. Ajith Padival, Corporate Guarantee of the Group entity Saddles India and personal

Secured Loans from Financial Institutions :

1) Siemens Factoring Pvt Ltd - A9390397 Secured against Vector Cutting Soln System (VT-AU-IQ80-71)

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Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian Rupees (₹) (in lakhs) except share data and per share data, and unless otherwise stated)

36.00 Contingent Liabilities And Commitments	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
1 Contingent liabilities			
Claims against the Company not acknowledged as debts	-	-	-
Guarantees given by Company	-	-	-
Other money for which the Company is contingently liable			
- Income tax (A.Y 2015-16) *	8.50	8.50	11.77
- Income tax (A.Y 2020-21)**	133.60	-	11.49
- Goods and Services Tax Act(FY 2017-2020) - Karnataka***	438.95	462.81	-
- Goods and Services Tax Act(FY 2017-2020) - Tamilnadu****	58.81	58.81	-
- Non payment of CSR contribution FY 2020-2021	-	71.28	71.28
- Non payment of CSR contribution FY 2021-2022	-	38.61	-

* The demand has arisen due to disallowance of interest towards Delay In Payment Of Statutory Dues and the differential claim of interest under section 234B and 234C by The Assistant Commissioner of Income Tax during scrutiny under section 143(3). In this regard, the Company has filed rectification request with The Assistant Commissioner of Income Tax for erroneous demand of interest amounting to Rs. 8.49 Lakhs and paid correct amount of Rs. 0.33 lakhs. The rectification filed is pending for processing.

** The demand has arisen due to disallowance towards payment of employees' contribution to EPF, ESI and other welfare funds and

***The Company received the demand notice for the AY 2020-21 from Centralised Processing Center (CPC) for payment of tax along with interest under section 220 of the Income tax Act. Accordingly, the Company has paid the entire demand along with interest except interest under section 220 of the Income tax Act and filed waiver of interest before Commissioner of Income tax which pending for relief.

*** The demand has been raised due to disallowance of input tax credit availed by the Company for the period 2017 to March 31, 2020 by Assistant Commissioner of Central Tax (ACCT) Office of the Commissioner of Central Tax (Audit). In this regard the Company is in the process of filing its objections before the ACCT for nullifying the demand. However, the same is pending for

**** The demand has been raised due to disallowance of input tax credit availed by the Company for the period 2017 to March 31, 2020 by Assistant Commissioner of GST and Central Excise, (ACGC) in his order dated 20.09.2022. In this regard the Company has filed appeal before Commissioner of Appeals, Chennai outer division Maraimalai Nagar, challenging the eligible claim by the Company. However, the same is pending for adjudication.

In view of the liquidity issues the Company could not spent the CSR obligation as required under the Companies Act, 2013. We will ensure that the required amount will be transferred at the earliest and ensure all the compliances are met by the Company in the

2 Capital commitment

Estimated value of contracts in capital account remaining to be executed on capital account and not provided for	86.63	-
Uncalled liability on shares and other investments partly paid	-	-
Estimated Registration Cost of Anantapur Property (currently held in the name of Mr. Ajith Padival)	-	25.66

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of assets other than Property, Plant and Equipment, intangible assets and non-current investments will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance Sheet.

Saddles International Automotive & Aviation Interiors Private Limited
Notes to Ind AS financial statements for the year ended March 31, 2024
(All amount in INR Lakhs unless otherwise stated)

37 First-time adoption of Indian Accounting Standard (Ind AS)

The Company's financial statements for the year ended 31 March 2024 are the first financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 to the extent applicable.

The accounting policies set out in Note 2 and 3 have been applied in preparing the financial statements for the year ended 31 March 2024 including the comparative information for the year ended 31 March 2023 and the opening Ind AS balance sheet on the date of transition i.e., 1 April 2022

In preparing its Ind AS balance sheet as at 1 April 2022 and in presenting the comparative information for the year ended 31 March 2023, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cashflows.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Company has availed optional exemptions and mandatory exceptions in accordance with Ind AS 101 as explained below:

A Optional exemptions availed

i. Deemed cost for property plant and equipment and intangible assets

As permitted by Ind AS 101, the Company has elected to carry out fair valuation for the major class of assets existing as on the date of transition through an independent consultant and consider it as their deemed cost under Ind AS. For the other categories that are not material, the Company has computed the cost in accordance with the requirements of Ind AS. Fair value arrived by the independent consultant has been adopted by the Company and accordingly the book values are restated to the extent of INR 117.52 crores as on . The Company has also adjusted the previous IGAAP carrying amount for items that are not allowed to be capitalized under Ind AS to arrive at the Ind AS cost for the remaining class of assets.

ii. Investments in subsidiaries, joint ventures and associates

As permitted by Ind AS 101, the Company has opted for the optional exemption to carry its investment in subsidiaries at deemed cost. Accordingly, the previous GAAP carrying amount of such investments as on transition date has been taken as deemed cost.

iii. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

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Notes to Ind AS financial statements for the year ended March 31, 2024

(All amount in INR Lakhs unless otherwise stated)

B. Mandatory exceptions

ii. Impairment of financial assets

Ind AS 101 requires impairment requirement as per Ind AS 109 to be applied retrospectively. If at the date of transition to Ind AS, the entity expects that it will incur undue costs and efforts in assessing credit risk, an amount equal to life-time credit loss should be recognized at each reporting date till derecognition of such asset. The Company has determined to recognize impairment provision based on 12 months expected losses on the date of transition to Ind AS.

iii. Derecognition of financial assets and financial liabilities

The Company has applied the derecognition criteria as per Ind AS 109 prospectively and has not recognized any previously derecognized non-derivative financial assets and financial liabilities prior to 1 April 2022 that may qualify for recognition as per Ind AS.

First-time adoption of Indian Accounting Standard (Ind AS)

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from IGAAP to Ind AS in accordance with Ind AS 101:

-equity as at 1 April 2022

-equity as at 31 March 2023;

-total comprehensive income for the year ended 31 March 2024

(i) Reconciliation of equity as at 1 April 2022 and 31 March 2023

Particulars	31 March 2023 (Last period presented under previous GAAP)			1 April 2022 (Date of Transition)		
	Previous GAAP	Effect of transition to Ind AS*	Ind AS	Previous GAAP	Effect of transition to Ind AS*	Ind AS
I ASSETS						
Non-current assets						
Property, plant and equipment	5,714.42	161.99	5,876.41	5,317.19	177.94	5,495.14
Other intangible assets	11.77	0.00	11.77	4.30	-	4.30
Goodwill	140.67	46.89	187.55	187.55	0.00	187.55
Capital work-in-progress	-	-	-	-	-	-
Right of use asset	-	1,055.00	1,055.00	-	916.65	916.65
Financial assets	-	-	-	-	-	-
Other financial assets	154.11	(28.07)	126.04	99.39	(17.95)	81.44
Deferred tax assets	841.15	0.58	841.73	-	-	-
Other non-current assets	1,196.26	(3.60)	1,192.67	752.68	-	752.68
Non-current tax assets (net)	-	91.93	91.93	-	35.53	35.53
Total non-current assets	8,058.37	1,324.73	9,383.10	6,361.12	1,112.16	7,473.28

Saddles International Automotive & Aviation Interiors Private Limited
Notes to Ind AS financial statements for the year ended March 31, 2024
 (All amount in INR Lakhs unless otherwise stated)

2	Current assets								
	Inventories	3,546.43	-	3,546.43	7,740.26	-	-	7,740.26	
	Financial assets	-	-	-	-	-	-	-	
	Trade receivables	4,738.93	-	4,738.93	2,248.36	-	-	2,248.36	
	(i) Cash and cash equivalents	1,251.48	-	1,251.48	1,124.97	-	-	1,124.97	
	(ii) Other financial assets	158.53	-	158.53	201.58	-	-	201.58	
	Other current assets	312.87	(90.95)	221.92	448.31	(35.53)	-	412.78	
	Total current assets	10,008.25	(90.95)	9,917.29	11,763.48	(35.53)		11,727.95	
	TOTAL ASSETS	18,066.62	1,233.78	19,300.39	18,124.60	1,076.64		19,201.23	
1	EQUITY AND LIABILITIES								
	Equity								
	Equity share capital	1.00	-	1.00	1.00	-	-	1.00	
	Other equity	(870.46)	43.83	(826.63)	1,433.05	49.11	-	1,482.16	
	TOTAL EQUITY	(869.46)	43.83	(825.63)	1,434.05	49.11		1,483.16	
	Non-current liabilities								
	Financial liabilities								
	(i) Borrowings	1,834.99	(21.30)	1,813.68	998.24	(6.47)	-	991.77	
	(ii) Lease Liabilities	-	635.16	635.16	-	506.09	-	506.09	
	Employee benefits obligations	159.14	15.73	174.88	188.59	-	-	188.59	
	Deferred tax liabilities	-	-	-	59.13	16.52	-	75.64	
	Other non-current liabilities	-	118.78	118.78	-	118.78	-	118.78	
	Total Non-current liabilities	1,994.13	748.38	2,742.51	1,245.95	634.93		1,880.88	

Saddles International Automotive & Aviation Interiors Private Limited

Notes to Ind AS financial statements for the year ended March 31, 2024

(All amount in INR Lakhs unless otherwise stated)

2	Current liabilities								
	Financial liabilities								
	(i) Borrowings	8,679.07	-	8,679.07	-	8,679.07	9,327.36	-	9,327.36
	(ii) Lease Liabilities	-	455.76	455.76	-	455.76	-	392.60	392.60
	iii. Trade payables								
	a. total outstanding dues of micro enterprises and small enterprises	811.97	-	811.97	-	811.97	1,565.85	-	1,565.85
	b. total outstanding dues of creditors other than micro enterprise and small enterprises	5,889.99	(256.66)	5,633.33		5,633.33	2,816.85	(409.19)	2,407.66
	iv. Other financial liabilities	25.38	258.66	284.04		284.04	149.35	354.25	503.60
	Other current liabilities	803.14	(94.88)	708.26		708.26	1,225.32	54.95	1,280.27
	Employee benefits Obligation	24.09	(16.13)	7.96		7.96	20.89	-	20.89
	Current tax liabilities	708.31	94.83	803.14		803.14	338.97	0.00	338.97
	Total current liabilities	16,941.95	441.57	17,383.52		17,383.52	15,444.59	392.60	15,837.19
	TOTAL EQUITY AND LIABILITIES	18,066.62	1,233.78	19,300.40		19,300.40	18,124.60	1,076.63	19,201.23

(ii) Reconciliation of total comprehensive income for the year ended 31 March 2023

Particulars	31 March 2023 (Last period presented under previous GAAP)		
	IGAAP	Effect of transition to Ind AS*	Ind AS
INCOME			
Revenue from operations	46,863.76	-	46,863.76
Other income	34.00	11.18	45.18
TOTAL INCOME	46,897.76	11.18	46,908.94
EXPENSES			
Cost of materials consumed	39,002.85	-	39,002.85
Changes in Inventory of Finished Goods, Work-in-Progress and Stock-in-Trade	(399.57)	-	(399.57)
Employee benefits expense	5,343.43	24.18	5,367.60
Finance costs	2,122.32	92.31	2,214.62
Depreciation and amortization expense	1,046.57	447.66	1,494.23
Other expenses	2,767.61	-	2,767.61
TOTAL EXPENSES	49,883.22	564.14	50,447.34

Saddles International Automotive & Aviation Interiors Private Limited
Notes to Ind AS financial statements for the year ended March 31, 2024
 (All amount in INR Lakhs unless otherwise stated)

Profit before tax	(2,985.46)	(552.96)	(3,538.40)
Tax expense:			
- Current tax	218.32	-	218.32
- Deferred tax	(900.27)	(23.33)	(923.60)
Profit For The Year	(2,303.51)	(529.64)	(2,833.12)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plan	-	24.18	24.17
- Income tax relating to items that will not be reclassified to profit or loss (net)	-	(6.09)	(6.08)
Total other comprehensive income for the year	-	18.09	18.09
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(2,303.51)	(511.55)	(2,815.03)

(iii) Reconciliation of total equity as at ended 31 March 2023 and 1 April 2022

Particulars	31 March 2023 (Last period presented under previous GAAP)	1 April 2022 (Date of Transition)
Total equity (shareholders' fund) under previous GAAP	(870.46)	1,433.05
Ind AS Adjustments ^A:	44.00	49.11
Total adjustment to equity	(826.46)	1,482.16
Total equity under Ind AS	-826.63	1,482.16

Previous year figures have been regrouped or reclassified where necessary to conform with current year's classification / disclosure.

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Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian Rupees (₹) (in lakhs) except share data and per share data, and unless otherwise stated)

38.00 Details Of Security Of Current Assets Against Borrowings

The Company has filed quarterly returns or statements of current assets with banks / financial institutions in respect of borrowings and no material variances observed during the year.

Previous year:

The Company has filed quarterly returns or statements of current assets with banks / financial institutions in respect of borrowings. The details of the same are as under:

Name of the bank	Quarter	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material discrepancies
Axis Bank, ICICI Bank	June 2022	Sales	10,956.00	10,973.00	(17.00)	Incomplete updation/reconciliation of books while submitting the reports
		Inventory	6,873.32	7,173.00	(299.68)	Lack of day to day recording of inventory movement in a software in systematic manner.
		Receivables	2,784.31	5,507.00	(2,722.69)	Incomplete updation/reconciliation of books while submitting the reports
		Other Current assets	1,786.09	1,119.00	667.09	Incomplete updation/reconciliation of books while submitting the reports
		Creditors	5,870.31	2,172.00	3,698.31	Incomplete updation/reconciliation of books while submitting the reports
		Other Current Liabilities	2,211.28	2,052.00	159.28	Incomplete updation/reconciliation of books while submitting the reports
Axis Bank, ICICI Bank	September 2022	Sales	11,662.24	11,646.00	16.24	As above
		Inventory	7,148.26	6,675.00	473.26	Lack of day to day recording of inventory movement in a software in systematic manner.
		Receivables	3,484.59	3,766.00	(281.41)	As above
		Other Current assets	1,418.43	1,058.00	360.43	As above
		Creditors	6,643.96	5,835.00	808.96	As above
		Other Current Liabilities	2,084.10	1,735.00	349.10	As above
Axis Bank, ICICI Bank	December 2022	Sales	10,931.00	10,931.00	-	As above
		Inventory	6,838.02	7,395.00	(556.98)	Lack of day to day recording of
		Receivables	4,224.95	4,426.00	(201.05)	As above
		Other Current assets	1,730.14	1,694.00	36.14	As above
		Creditors	6,395.83	6,313.00	82.83	As above
		Other Current Liabilities	1,994.46	1,432.00	562.46	As above
Axis Bank, ICICI Bank	March 2023	Sales	13,314.00	13,371.00	(57.00)	As above
		Inventory	3,862.38	6,962.00	(3,099.62)	Lack of day to day recording of inventory movement in a software in systematic manner and additional provision 3,269 Lakhs for slow-moving stock is not considered while submitting the quarterly report.
		Receivables	4,738.93	5,020.00	(281.07)	As above
		Other Current assets	2,412.77	1,780.00	632.77	As above
		Creditors	6,701.96	6,959.00	(257.04)	As above
		Other Current Liabilities	1,995.99	1,536.00	459.99	As above

Presently, inventory records are maintained to track material inward and consumptions are analysed for major raw materials by applying the bill of materials on final products manufactured on an periodic basis. However, there is no system of recording the consumption of raw materials on daily basis. Accordingly, there is time lag in stock validation between monthly consumption of inventory and stock data provided to Banks. However, stock verification is done as on the balance sheet date and such variances are adjusted in the valuation of stock as on the Balance Sheet date.

39.00 Other statutory Information

- 1.The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 2.The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
3. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- 4.The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the same shall be (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provided as any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
- 5.The Company does not have any transaction not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 6.The Company has not provided any loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are: (a) repayable on demand or (b) without specifying any terms or period of repayment
- 7.The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- 8.The Company has not revalued any of its property, plant and equipment (including right-of-use assets), intangible asset and investment
- 9.The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.
- 10.The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

Previous year figures have been regrouped where necessary to conform with current year's classification / disclosure.

As per our report of even date

40. Ratio analysis and its elements

Ratios

Particulars	31 March, 2024	31 March, 2023	01 April, 2022	% change in variance		% change variance from 31 March 2022 to 1 April 2021	Remarks
				from 31 March 2024 to 31 March 2023	from 31 March 2023 to 01 April, 2022		
Current Ratio	0.66	0.57	0.74	15.18%	0.74	-22.96%	
Debt-Equity Ratio	8.27	(12.71)	7.20	165.10%	7.20		Reduction in the Debt and Profit during a year resulting into decrease in debt equity ratio
Debt service coverage ratio	0.82	0.22	1.01	275.62%	1.01	-276.50%	
Return on equity ratio	33.29	(7.08)	0.01	570.30%	0.01	-78.37%	Profit during the year resulting into increase in Return on Equity.
Inventory turnover ratio	9.79	6.84	6.75	43.09%	6.75	1.37%	Reduction in cost of goods sold and Average inventory resulted into increase in inventory turnover ratio
Trade receivable ratio	9.21	13.41	10.85	-31.35%	10.85	23.60%	Increase in the credit sales and Average trade receivable resulting decrease in the trade receivable ratio
Trade payable ratio	5.69	9.70	7.74	-41.36%	7.74	25.39%	
Net capital turnover ratio	4.60	(6.28)	(8.69)	173.25%	(8.69)	-27.77%	
Net profit ratio	0.03	(0.05)	0.00	170.31%	0.00	-12711.95%	Profit during the year resulting into increase in the net profit during a year.
Return on capital employed	5.27	0.18	0.66	2877.61%	0.66	-72.97%	Profit during a year resulting into increase in the capital employed during the during year
Return on investments	0.18	(0.04)	12.59	527.09%	12.59	-100.34%	Profit during a year resulting into increase in the return on investment.

Particulars	31 March, 2024		31 March, 2023		1 April 2022	
	Numerator	Denominator	Numerator	Denominator	Numerator	Denominator
Current ratio	11,224.36	17,082.03	9,917.29	17,383.52	11,728.06	15,837.21
Debt-Equity Ratio	7,727.03	933.89	10,492.76	(825.63)	10,325.59	1,434.05
Debt service coverage ratio	4,107.64	4,999.22	1,409.57	6,443.81	1,711.12	1,691.86
Return on equity ratio	Profit(Loss) for the period/ year	Average Equity	(2,326.89)	328.77	12.59	1,434.05
Inventory turnover ratio	Cost of goods sold	Average Inventory	33,784.19	3,451.63	31,987.82	4,740.17
Trade receivable ratio	Total Credit Sales	Average trade receivable	51,607.24	5,604.23	31,987.82	2,947.33
Trade payable ratio	Net Credit purchase	Average trade payables	33,900.07	5,959.52	28,570.92	3,693.02
Net capital turnover ratio	Net Revenue from operations	Working capital (Current Assets- Current Liabilities)	51,607.24	11,224.36	(7,466.23)	(3,681.11)
Net profit ratio	Loss for the period/ year	Revenue from operations	1,801.73	51,607.24	31,987.82	31,987.82
Return on capital employed	Earning before interest and taxes	Tangible net worth + total debt + deferred tax liability	4,925.89	933.89	(146.25)	1,756
Return on investments	Earnings before interest and tax	Closing total assets	3,757.75	20,360	(834.04)	13