

SAMVARDHANA MOTHERSON ADSYS TECH LIMITED

CIN: U29190DL2017PLC322331

(All amounts in INR thousand, unless otherwise stated)

Balance Sheet as at March 31, 2024

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	90,717	40,845
Capital work in progress	3A	-	46,912
Other intangible assets	4	3,713	607
Intangible assets under development	4A	-	5,200
Right-of-use assets	5	5,137	8,194
Other financial assets	6	2,669	2,111
Deferred tax assets (net)	7	-	-
Other non-current assets	8	49	67
Total non-current assets		1,02,285	1,03,936
Current assets			
Inventories	9	1,44,351	2,340
Financial assets			
i. Trade receivables	10	52,806	11,153
ii. Cash and cash equivalents	11	120	120
iii. Other financial assets	6	645	561
Current tax assets (net)	12	1,326	44
Other current assets	13	62,676	36,576
Total current assets		2,61,924	50,794
Total assets		3,64,209	1,54,730
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	5,25,500	2,45,500
Reserves and surplus	15	(6,32,204)	(5,13,390)
Total equity		(1,06,704)	(2,67,890)
Liabilities			
Non current liabilities			
Financial Liabilities			
i. Borrowings	18(a)	2,82,000	45,000
ii. Lease liabilities	16	4,355	12,154
Employee benefit obligations	17	8,752	14,963
Total non-current liabilities		2,95,107	72,118
Current liabilities			
Financial Liabilities			
i. Borrowings	18(b)	52,510	2,64,560
ii. Lease liabilities	16	7,685	1,591
iii. Trade payables	19		
Total outstanding dues of micro and small enterprises		1,121	357
Total outstanding dues of creditors other than micro and small enterprises		99,831	38,608
iv. Other financial liabilities	20	10,924	32,235
Employee benefit obligations	17	407	318
Other current liabilities	21	3,328	12,833
Total current liabilities		1,75,806	3,50,502
Total liabilities		4,70,913	4,22,620
Total equity and liabilities		3,64,209	1,54,730

Summary of material accounting policies

1 & 2

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

For and on behalf of the board

As per our report of even date

For R K Khanna & Co.

Chartered Accountants

FRN 000033N

Pankaj Mital
Director
DIN: 00194931
Place: Noida

Kunal Bajaj
Director
DIN: 03545731
Place: Noida

Vipin Bali
Partner
M.No. 083436
Place:
Date:

Paramjeet Singh
COO & Manager
PAN: ABVPS3211R
Place: Noida

Brajesh Chhabra
CFO
PAN: AEIPC8080Q
Place: Noida

SAMVARDHANA MOTHERSON ADSYS TECH LIMITED

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(All amounts in INR thousand, unless otherwise stated)

Statement of Profit and Loss for the year ended March 31, 2024

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue			
Revenue from contract with customers	22(a)	1,47,510	50,020
Other operating revenue	22(b)	8,379	18,813
Total revenue from operations		1,55,889	68,834
Other income	23	220	511
Total income		1,56,109	69,345
Expenses			
Cost of materials consumed	24	53,053	8,583
Purchase of stock-in-trade		81,624	42,058
Change in inventory of finished goods and work in progress	25	(15,064)	-
Change in inventory of stock in trade	25	-	-
Employee benefits expense	26	63,126	79,628
Finance costs	27	41,633	19,580
Depreciation and amortization expense	28	15,205	7,341
Other expenses	29	35,155	49,952
Total expenses		2,74,732	2,07,142
Profit/ (loss) before tax		(1,18,623)	(1,37,797)
Tax expenses	30(b)		
-Current tax		-	-
Profit for the year		(1,18,623)	(1,37,797)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gain/(loss) on remeasurements of post-employment benefit obligations		(191)	(114)
Other comprehensive income for the year, net of tax		(191)	(114)
Total comprehensive income for the year		(1,18,814)	(1,37,911)
Earnings/ (loss) per share:			
Nominal value per share: INR 10 (Previous year : INR 10)	31		
Basic (absolute figures)		(4.33)	(5.62)
Summary of material accounting policies	1 & 2		

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(All amounts in INR thousand, unless otherwise stated)

Statement of changes in equity for the year ended March 31, 2024**A. Equity share capital**

	Notes	Amount
As at April 01, 2022		2,45,500
Issue of equity share capital	14	-
As at March 31, 2023		2,45,500
Issue of equity share capital	14	2,80,000
As at March 31, 2024		5,25,500

B. Other equity

	Notes	Reserves and surplus	Total
		Retained earnings	
Balance as at April 01, 2022		(3,75,479)	(3,75,479)
Additions during the year	15	(1,37,797)	(1,37,797)
Other comprehensive income		(114)	(114)
Total comprehensive income for the year		(1,37,911)	(1,37,911)
Balance as at March 31, 2023		(5,13,390)	(5,13,390)
Addition during the year	15	(1,18,623)	(1,18,623)
Other comprehensive income		(191)	(191)
Total comprehensive income for the year		(1,18,814)	(1,18,814)
Balance as at March 31, 2024		(6,32,204)	(6,32,204)

Summary of material accounting policies

1 & 2

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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Cash Flow Statement for the year ended March 31, 2024

	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from operating activities:		
Net profit/ (loss) before tax	(1,18,623)	(1,37,797)
Adjustments for:		
Depreciation & amortisation	15,205	7,341
(Profit)/loss on disposal of property, plant & equipment (net)	-	(241)
Interest income	(166)	(126)
Finance cost	41,633	19,580
Unrealised foreign exchange gain	(26)	-
Provision for employee benefits	6,464	5,689
Operating profit/ (loss) before working capital changes	(55,513)	(1,05,554)
Changes in working capital:		
Increase in trade payables	61,885	11,551
(Decrease)/increase in other financial liabilities	(22,481)	26,165
(Decrease)/increase in other liabilities	(22,281)	7,980
(Increase)/decrease in trade receivables	(41,526)	16,860
(Increase) in Inventories	(1,42,011)	(565)
(Increase)/decrease in other financial assets	(491)	60
(Increase) in other current assets	(26,100)	(15,701)
Decrease in other non current assets	18	124
Cash generated from operations	(2,48,501)	(59,080)
- Taxes paid	(1,335)	(110)
- Refund received	53	95
- Interest on refund received	2	4
Net cash generated from operations	(2,49,781)	(59,091)
B. Cash flow from investing activities:		
Payments for property, plant and equipment (including capital work in progress)	(12,883)	(72,527)
Payments for Intangible assets under development	-	(5,200)
Proceeds from sale of property, plant & equipment	-	528
Payments for investment in fixed deposits	-	(219)
Interest received	-	427
Net cash used in investing activities	(12,883)	(76,991)
C. Cash flow from financing activities:		
Proceeds from issue of equity share capital	2,80,000	-
Proceeds from loan from related parties	9,12,000	65,000
Proceeds from term loan from bank	-	36,122
Proceeds from term loan from financial institutions	2,50,000	2,50,000
Proceeds from overdraft repayable on demand from bank	29,950	-
Repayment of loan from related parties	(6,17,000)	(1,83,000)
Repayment of term loan from bank	(50,000)	-
Repayment of term loan from financial institutions	(5,00,000)	-
Repayment of overdraft repayable on demand from bank	-	(6,810)
Payment of lease liability	(3,346)	(3,177)
Interest paid	(38,939)	(21,933)
Net cash used in financing activities	2,62,665	1,36,202
Net increase/(decrease) in cash and cash equivalents	-	120
Net cash and cash equivalents at the beginning of the year	120	-
Cash and cash equivalents as at current year closing	120	120
Cash and cash equivalents as per Balance Sheet	120	120

Notes:

The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

Summary of material accounting policies

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

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SAMVARDHANA MOTHERSON ADSYS TECH LIMITED**CIN: U29190DL2017PLC322331**

(All amounts in INR Thousand, unless otherwise stated)

Notes to the financial statements for the year ended March 31, 2024**1. Corporate Information**

The company was incorporated as wholly owned subsidiary of Erstwhile Samvardhana Motherson International Limited on 18 August 2017 and has its registered office at Mohan Co-Operative Industrial Estate, F-7, 2nd Floor, B-1, Mathura Road, New Delhi-110044. The object of the company is to engage in and conduct the business of scientific, technical, and other research and development in any field, particularly in the field of developing /deploying defence and other technologies, electronics, computer software, systems integration and related services including aerospace, defence, and cyber security sector and to purchase and sell equipment, technology and property related to its business.

During the financial year 2020-21, 100% shareholding of the Company from Erstwhile Samvardhana Motherson International Limited was transferred to Motherson Auto Limited (MAL) through share purchase agreement executed on June 29, 2020.

During the current financial year, i.e. 2023-24, 100% shareholding of the Company from Motherson Auto Limited (MAL) was transferred to Samvardhana Motherson International Limited (SAMIL) through Share Purchase Agreement executed on December 20, 2023. The Company is now a wholly owned subsidiary of Samvardhana Motherson International Limited (SAMIL) w.e.f. December 20, 2023, a Company incorporated in India having its registered office at Mumbai, Maharashtra.

During the current financial year, i.e. 2023-24, the capital clause of Memorandum of Association of the Company was modified and now stated as:

“The Share Capital of the Company is INR 60,00,00,000/- (Indian Rupees Sixty Crore Only) divided into 6,00,00,000 (Six Crore) Equity Shares of INR 10/- each”.

Consequently, in accordance with provisions of the Articles of Association of the Company, the authorised share capital of the Company was increased from the existing INR 30,00,00,000/- (Indian Rupees Thirty Crore Only) divided into 3,00,00,000 (Three Crore) Equity Shares of INR 10/- each to INR 60,00,00,000/- (Indian Rupees Sixty Crore Only) divided into 6,00,00,000 (Six Crore) Equity Shares of INR 10/- each by creation of additional 3,00,00,000 (Three Crore) Equity Shares of Rs. 10/- each.

2.1 Material accounting policies**(a) Basis of preparation****Compliance with Ind AS**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement.

The financial statements have been prepared on a historical cost basis, except for the certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) which have been measured at fair value or revalued amount. The financial statements are presented in INR and all values are rounded to the nearest INR thousands, except when otherwise indicated.

(b) Presentation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following.

- (i) The normal course of business
- (ii) The event of default
- (iii) The event of insolvency or bankruptcy of the Company and/or its counterparties

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

Summary of material accounting policies

(c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(d) Foreign currencies

(i) Functional and presentation currency

The Company's functional currency is Indian Rupee (INR), and the financial statements are presented in Indian Rupee (INR).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing cost are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments (other than investment in subsidiaries, joint ventures and associates) classified as FVOCI are recognised in other comprehensive income.

(e) Revenue recognition

The Company recognises revenue from contracts with customers based on a five-step model as set out in IND AS 115

Step 1. Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) The Company's performance does not create an asset with an alternate use to the Company and the Company has an enforceable right to payment for performance completed to date

(b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

(c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Sale of goods:

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Sales are recognised at single point of time when the control of goods are transferred to the buyer as per the terms of contract.

Sale of services:

Revenues from the sale of services are recorded at single point of time when the performance obligation as per contract has been satisfied.

Interest Income:

Interest is recognised using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of financial instrument (for example, prepayment, extension, charges, call and similar options) but does not consider expected credit losses.

Duty drawback and export incentives:

Income from duty drawback and export incentives is recognized on an accrual basis.

(f) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement convey a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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.

i) 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 re-measurement 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, as follows:

- Buildings: 3 to 5 years
- Motor vehicles: 1 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (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. Variable lease payments that do not depend on an index or a rate is recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

The Company's lease liabilities are included in Interest-bearing loans and borrowings.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of vehicles (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a Lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate the lessor for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their respective nature.

(h) Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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 asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the assets or CGUs recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the end of the financial year at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

(i) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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

For the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(j) Trade receivables

Trade receivables are the amount due from customers for goods or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are initially recognised at fair value plus transaction cost. Trade receivables are measured at amortized cost using effective interest method less any necessary write downs.

(k) Inventory

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material and traded goods comprise cost of purchase and is determined after rebate and discounts. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity.

Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any names or losses on qualifying cash flow hedges relating to purchase of raw material but excludes borrowing costs. Costs are determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)

- Debt instruments, derivatives, and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and

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fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVPL.

Debt instruments included within the FVPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- (b) Financial assets that are debt instruments and are measured as at FVOCI.
- (c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions.
- (d) Loan commitments which are not measured as at FVPL.
- (e) Financial guarantee contracts which are not measured as at FVPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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 entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- (a) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- (b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'.

The Company does not have any purchased or originated credit impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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Notes to the financial statements for the year ended March 31, 2024**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated Ind-AS as FVPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings and other payables.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a nonderivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in statement of profit and loss, unless designated as effective hedging instruments.

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Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(m) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(n) Property, Plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any except assets costing less than INR 5000/- charged to expenses, which could otherwise have been included in Property, Plant and Equipment, in accordance with revised Accounting Standard 10 – "Property, Plant and Equipment" because the amount is not substantial. Capital work in progress is stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure, net of any subsequent sale proceeds of items produced over the cost of testing, which is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related production overheads.

Depreciation methods and useful lives

Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Useful life*
Leasehold improvements	Over the period of lease or useful life, whichever is lower
Plant & machinery	7.5 Years
Furniture & fixtures	6 years
Electrical installation	10 years
Office equipments	5 years
Computers	3 years
Softwares	3 years
Utilities	7.5 Years
Factory equipment	7.5 Years
Lab equipment	5 years

*Useful life of these assets is lower than the life prescribed under Schedule II to the Companies Act, 2013 and those has been determined based on an assessment performed by the management of expected usage of these assets. The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(o) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are as follows:

Assets	Useful life
Software	3 years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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Notes to the financial statements for the year ended March 31, 2024**(p) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transactions costs) and the redemption amount is recognised in the profit or loss over the period of borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services or amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are reclassified as current liabilities unless the Company has an unconditional right to defer settlement of a liability for at least 12 months after the reporting period.

(q) Provisions, contingent liabilities and onerous contracts**Provisions**

Provisions for legal claims, product warranties and make good obligations are recognised when the Company has a present (legal or constructive) obligation because of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

When the Company expects some or all a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(r) Employee benefits**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made monthly. The Company recognizes contribution payable to the provident fund scheme as expenditure in the statement of profit and loss when an employee renders the related service.

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The Company's plan is unfunded.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in income.

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid because of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in income.

(s) Earnings per share**Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.2 New and amended Standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

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

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's standalone financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, 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.

Judgements

In the process of applying the Company's accounting policies, there are no significant judgements established by the management.

Estimates and adjustments

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 change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Useful life of property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(ii) Defined benefit plans

The cost of the defined benefit gratuity plan is determined using actuarial valuations. An actuarial valuation involves 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. Refer Note 17.

(iii) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

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(iv) Lease

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 consolidated financial statements:

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company included the renewal options for leases of motor vehicles are not included as part of the lease term because the Company typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 39(c) for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

SAMVARDHANA MOTHERSON ADSYS TECH LIMITED

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(All amounts in INR thousand, unless otherwise stated)

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

3. Property, plant and equipment

Particulars	Plant & machinery	Furniture & fixtures	Factory equipments	Electrical installations & equipments	Leasehold improvements	Lab equipments	Office equipments	Computers	Total
Year ended March 31, 2023									
Gross carrying amount									
Opening gross carrying amount	12,843	770	3,527	433	1,569	64	218	2,200	21,624
Additions	19,710	947	3,121	-	-	-	220	1,618	25,616
Disposal	-	-	(354)	-	-	-	-	-	(354)
Closing gross carrying amount as at March 31, 2023	32,553	1,717	6,294	433	1,569	64	438	3,818	46,886
Accumulated depreciation									
Opening accumulated depreciation	1,117	78	258	29	46	31	139	590	2,288
Depreciation charge during the year	1,735	286	626	43	157	13	75	885	3,820
Disposal	-	-	(67)	-	-	-	-	-	(67)
Closing accumulated depreciation as at March 31, 2023	2,852	364	817	72	203	44	214	1,475	6,041
Net carrying amount as at March 31, 2023	29,701	1,353	5,477	361	1,366	20	224	2,343	40,845
Year ended March 31, 2024									
Gross carrying amount									
Opening gross carrying amount	32,553	1,717	6,294	433	1,569	64	438	3,818	46,886
Additions	10,753	730	4,211	6,506	36,474	-	43	1,078	59,795
Disposal	-	-	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2024	43,306	2,447	10,505	6,939	38,043	64	481	4,896	1,06,681
Accumulated depreciation									
Opening accumulated depreciation	2,852	364	817	72	203	44	214	1,475	6,041
Depreciation charge during the year	5,058	305	1,062	330	1,762	13	74	1,319	9,923
Other adjustment	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation as at March 31, 2024	7,910	669	1,879	402	1,965	57	288	2,794	15,964
Net carrying amount as at March 31, 2024	35,396	1,778	8,626	6,537	36,078	7	193	2,102	90,717

Note: The Company has working capital facility of INR 40,000 thousand from Axis Bank Limited which is secured against exclusive hypothecation charge on the entire present and future current assets and movable fixed assets. (refer Note 41)

SAMVARDHANA MOTHERSON ADSYS TECH LIMITED

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(All amounts in INR thousand, unless otherwise stated)

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

3A. Capital work in progress

Particulars	Amount
Year ended March 31, 2023	
Gross carrying amount	
Opening gross carrying amount	-
Capitalised during the year	46,912
Deletion	-
Closing gross carrying amount as at March 31, 2023	46,912
Net carrying amount as at March 31,2023	46,912
Year ended March 31, 2024	
Gross carrying amount	
Opening gross carrying amount	46,912
Additions	-
Capitalised during the year	(46,912)
Closing gross carrying amount as at March 31, 2024	-
Net carrying amount as at March 31, 2024	-

Capital work in progress completion schedule

As at March 31, 2024

Capital work in progress	Amount in Capital work in progress for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress:-					
Electrical installations & equipments	-	-	-	-	-
Leasehold improvements	-	-	-	-	-
Total	-	-	-	-	-

As at March 31, 2023

Capital work in progress	Amount in Capital work in progress for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress:-					
Electrical installations & equipments	5,558	-	-	-	5,558
Plant and machinery	10,124	-	-	-	10,124
Leasehold improvements	31,230	-	-	-	31,230
Total	46,912	-	-	-	46,912

SAMVARDHANA MOTHERSON ADSYS TECH LIMITED**CIN: U29190DL2017PLC322331**

(All amounts in INR thousand, unless otherwise stated)

Notes to the financial statements for the year ended March 31, 2024**4. Other intangible assets**

Particulars	Softwares
Year ended March 31, 2023	
Gross carrying amount	
Opening gross carrying amount	2,094
Addition	-
Closing gross carrying amount as at March 31, 2023	2,094
Accumulated amortisation	
Opening accumulated amortisation	1,099
Amortisation charge during the year	388
Closing accumulated amortisation as at March 31, 2023	1,487
Net carrying amount as at March 31, 2023	607
Year ended March 31, 2024	
Gross carrying amount	
Opening gross carrying amount	2,094
Addition	5,200
Closing gross carrying amount as at March 31, 2024	7,294
Accumulated amortisation	
Opening accumulated amortisation	1,487
Amortisation charge during the year	2,094
Closing accumulated amortisation as at March 31, 2024	3,581
Net carrying amount as at March 31, 2024	3,713

4A. Intangible assets under development

Particulars	Amount
Year ended March 31, 2023	
Gross carrying amount	
Opening gross carrying amount	-
Addition	5,200
Closing gross carrying amount as at March 31, 2023	5,200
Net carrying amount as at March 31, 2023	5,200
Year ended March 31, 2024	
Gross carrying amount	
Opening gross carrying amount	5,200
Addition	-
Capitalised during the year	(5,200)
Closing gross carrying amount as at March 31, 2024	-
Net carrying amount as at March 31, 2024	-

SAMVARDHANA MOTHERSON ADSYS TECH LIMITED

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(All amounts in INR thousand, unless otherwise stated)

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

5. Right-of-use assets

	Building	Vehicles	Total
Year ended March 31, 2023			
Gross carrying amount			
Opening balance	16,415	-	16,415
Adjustment in opening balance on account of Ind AS 116*	(961)	-	(961)
Closing gross carrying amount as at March 31, 2023	15,454	-	15,454
Accumulated depreciation			
Opening accumulated depreciation	4,127	-	4,127
Depreciation charge during the year	3,132	-	3,132
Closing accumulated depreciation as at March 31, 2023	7,260	-	7,260
Net carrying amount as at March 31, 2023	8,194	-	8,194
Year ended March 31, 2024			
Gross carrying amount			
Opening gross carrying amount	15,454	-	15,454
Addition	-	1,047	1,047
Disposal	-	(916)	(916)
Closing gross carrying amount as at March 31, 2024	15,454	131	15,585
Accumulated depreciation			
Opening accumulated depreciation	7,260	-	7,260
Depreciation charge during the year	3,057	131	3,188
Closing accumulated depreciation as at March 31, 2024	10,317	131	10,448
Net carrying amount as at March 31, 2024	5,137	-	5,137

*On account of reduction in area taken on lease

SAMVARDHANA MOTHERSON ADSYS TECH LIMITED

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(All amounts in INR thousand, unless otherwise stated)

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

6 Other financial assets

(Unsecured, considered good, unless otherwise stated)

Interest accrued on deposits with banks
Security deposits
Housing loan to employee
Deposits with remaining maturity of more than 12 months
- margin money deposits (for bank guarantees)
- others

March 31, 2024		March 31, 2023	
Non - current	Current	Non - current	Current
171	162	17	194
318	367	289	367
375	116	-	-
1,788	-	1,788	-
17	-	17	-
2,669	645	2,111	561

7 Deferred tax assets (net)

Deferred tax assets

Provision for employee benefit obligations
Carried forward business losses
Unabsorbed depreciation
Others

Total deferred tax assets

Deferred tax liabilities

Property, plant and equipments and intangible assets

Total deferred tax liability

Deferred tax assets(Net)

Less: Unrecognised deferred tax assets

Total

March 31, 2024	March 31, 2023
2,206	3,429
25,154	73,648
7,095	2,730
1,794	4,538
36,249	84,344
1,967	-
1,967	-
34,282	84,344
(34,282)	(84,344)
-	-

Deferred tax assets/ (liabilities) (net)

The company has carried out a computation of deferred tax assets/ (liabilities); details are given below:

Deferred tax liabilities

Property, plant and equipment and intangible assets

Total deferred tax liabilities

Deferred tax assets

Employee benefit provisions
Carried forward business losses
Unabsorbed depreciation
Others

Total deferred tax assets

Net deferred tax (liability)/assets (net)

Less: Unrecognised deferred tax assets

Recognised deferred tax assets

As at April 01, 2023	(Charge)/ credit to Statement of Profit and Loss	(Charge)/credit to other comprehensive income	As at March 31, 2024
(754)	(1,213)	-	(1,967)
(754)	(1,213)	-	(1,967)
3,429	(1,173)	50	2,206
73,648	(48,494)	-	25,154
2,730	4,365	-	7,095
4,538	(2,743)	-	1,794
84,344	(48,045)	50	36,249
83,590	(49,258)	50	34,282
(83,590)	49,258	(50)	(34,282)
-	-	-	-

Note: In absence of virtual certainty of sufficient taxable profit in the near future to realize the entire deferred tax assets, the same have been recognised only to the extent of deferred tax liabilities.

Deferred tax liabilities

Property, plant and equipment and intangible assets

Total deferred tax liabilities

Deferred tax assets

Employee benefit provisions
Carried forward business losses
Unabsorbed depreciation
Others

Total deferred tax assets

Net deferred tax (liability)/assets (net)

Less : Unrecognised deferred tax assets

Recognised deferred tax assets

As at April 01, 2022	(Charge)/ credit to Statement of Profit and Loss	(Charge)/credit to other comprehensive income	As at March 31, 2023
(349)	(405)	-	(754)
(349)	(405)	-	(754)
2,244	1,214	30	3,429
92,403	(18,755)	-	73,648
1,231	1,499	-	2,730
1,035	3,502	-	4,538
96,914	(12,540)	30	84,344
96,565	(12,945)	30	83,590
(96,565)	12,945	(30)	(83,590)
-	-	-	-

Note: In absence of virtual certainty of sufficient taxable profit in the near future to realize the entire deferred tax assets, the same have been recognised only to the extent of deferred tax liabilities.

8 Other non-current assets

(Unsecured, considered good, unless otherwise stated)

Prepaid expenses

Total

March 31, 2024	March 31, 2023
49	67
49	67

9 Inventories

Raw materials
Stock in trade
Work-in-progress
Finished goods*

Total

March 31, 2024	March 31, 2023
1,29,286	2,340
-	-
6,368	-
8,697	-
1,44,351	2,340

*Includes goods in transit INR 8,324 thousand.

SAMVARDHANA MOTHERSON ADSYS TECH LIMITED

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(All amounts in INR thousand, unless otherwise stated)

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

10 Trade receivables

(Unsecured, considered good, unless otherwise stated)

- Related parties
- Others

	March 31, 2024	March 31, 2023
	-	623
	52,806	10,530
	52,806	11,153
Less: Allowances for credit loss	-	-
Total	52,806	11,153

As at March 31, 2024

Particulars	Not due	Less than 6 Months	6 Months-1 Years	1-2 Years	More than 2 Years	Total
(i) Undisputed Trade receivables – considered good	29,660	22,393	754	-	-	52,806
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	29,660	22,393	754	-	-	52,806

As at March 31, 2023

Particulars	Not due	Less than 6 Months	6 Months-1 Years	1-2 Years	More than 2 Years	Total
(i) Undisputed Trade receivables – considered good	5,973	4,330	850	-	-	11,153
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	5,973	4,330	850	-	-	11,153

11 Cash and cash equivalents

Balances with banks:

- in current accounts
- Deposits with original maturity of less than three months

	March 31, 2024	March 31, 2023
	-	-
	120	120
Total	120	120

Changes in liabilities arising from financing activities

Particulars

- Non current borrowings (including current maturities of long term borrowings)
- Current borrowings
- Loan from related party
- Current and non current lease liabilities
- Total liabilities from financing activities**

	March 31,2023	Cash Flow	Non Cash Items*	March 31,2024
	50,000	(50,000)	-	-
	2,50,000	(2,50,000)	-	-
	-	2,95,000	-	2,95,000
	13,746	(3,346)	1,640	12,039
Total liabilities from financing activities	3,13,746	(8,346)	1,640	3,07,039

Particulars

- Non current borrowings (including current maturities of long term borrowings)
- Current borrowings
- Current and non current lease liabilities
- Total liabilities from financing activities**

	March 31,2022	Cash Flow	Non Cash Items*	March 31,2023
	13,878	36,122	-	50,000
	1,18,000	1,32,000	-	2,50,000
	16,226	(3,177)	697	13,746
Total liabilities from financing activities	1,48,104	1,64,945	697	3,13,746

*Non cash items include new leases taken, termination of lease contracts or interest in case of lease liabilities.

12 Current tax assets/(liabilities) (net)

Opening balance

Add: Taxes paid

- Tax deducted at source for previous year
- Tax deducted at source for current year

Less: Refund received

Closing balance

	March 31, 2024	March 31, 2023
	44	29
	9	66
	1,326	44
	(53)	(95)
Closing balance	1,326	44

13 Other current assets

(Unsecured, considered good, unless otherwise stated)

Prepaid expenses

Balances with government authorities

Export incentives receivables

Advance to employee

Advance to suppliers

- Related parties
- Others

Advances recoverable

Total

	March 31, 2024	March 31, 2023
	560	456
	50,259	31,020
	987	451
	113	418
	10,628	4,196
	70	3
	59	32
Total	62,676	36,576

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

14 Equity share capital

Authorised:

6,00,00,000 (previous year: 3,00,00,000) equity shares of INR 10 each (previous year: INR 10 each)

Issued, Subscribed and Paid up:

5,25,50,000 (previous year: 2,45,50,000) equity shares of INR 10 each (previous year: INR 10 each), fully paid-up

Total

	March 31, 2024	March 31, 2023
Authorised:		
6,00,00,000 (previous year: 3,00,00,000) equity shares of INR 10 each (previous year: INR 10 each)	6,00,000	3,00,000
Issued, Subscribed and Paid up:		
5,25,50,000 (previous year: 2,45,50,000) equity shares of INR 10 each (previous year: INR 10 each), fully paid-up	5,25,500	2,45,500
Total	5,25,500	2,45,500

a. Movement in equity share capital

As at April 1, 2022

Shares issued during the year

As at March 31, 2023

Shares issued during the year

As at March 31, 2024

	Numbers	Amount
As at April 1, 2022	2,45,50,000	2,45,500
Shares issued during the year	-	-
As at March 31, 2023	2,45,50,000	2,45,500
Shares issued during the year	2,80,00,000	2,80,000
As at March 31, 2024	5,25,50,000	5,25,500

b. Rights, preferences and restrictions attached to shares

Equity Shares:

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Disclosure of shareholding of promoters and percentage of change during the year

Promoters	Equity shares held by promoter as at 31 March 2024		Equity shares held by promoter as at 31 March 2023		% Change during the year
	Numbers	% of total shares	Numbers	% of total shares	
Samvardhana Motherson International Limited* (SAMIL)	5,25,50,000	100.00%	-	-	100.00%
Motherson Auto Limited* (MAL)	-	-	2,45,50,000	100.00%	-100.00%
	5,25,50,000	100.00%	2,45,50,000	100.00%	
	Equity shares held by promoter as at 31 March 2023		Equity shares held by promoter as at 31 March 2022		% Change during the year
	Numbers	% of total shares	Numbers	% of total shares	
Motherson Auto Limited* (MAL)	2,45,50,000	100.00%	2,45,50,000	100.00%	-
	2,45,50,000	100.00%	2,45,50,000	100.00%	0.00%

*including 600 shares held by nominees

d. A share purchase agreement dated 20 December 2023 was executed between SAMIL and MAL whereby 100% holding of MAL in the Company (2,45,50,000 equity shares of INR 10/- each) was purchased by SAMIL at face value. Thereafter on 23 February 2024, the Company allotted 2,80,00,000 equity shares of INR 10/- each at face value to SAMIL by way of a rights issue.

15 Reserves and surplus

Retained earnings

Total reserves and surplus

Retained earnings

Opening balance

Profit/ (loss) for the year

Gain/(loss) on remeasurements of post-employment benefit obligations

Closing balance

	March 31, 2024	March 31, 2023
Retained earnings	(6,32,204)	(5,13,390)
Total reserves and surplus	(6,32,204)	(5,13,390)
	March 31, 2024	March 31, 2023
Retained earnings		
Opening balance	(5,13,390)	(3,75,479)
Profit/ (loss) for the year	(1,18,623)	(1,37,797)
Gain/(loss) on remeasurements of post-employment benefit obligations	(191)	(114)
Closing balance	(6,32,204)	(5,13,390)

16 Lease Liabilities

Lease liabilities on right of use assets recognised for premises taken on lease

Total

	March 31, 2024		March 31, 2023	
	Non-current	Current	Non-current	Current
Lease liabilities on right of use assets recognised for premises taken on lease	4,355	7,685	12,154	1,591
Total	4,355	7,685	12,154	1,591

17 Employee benefit obligations

Gratuity

Compensated absences

Total

	March 31, 2024		March 31, 2023	
	Non-current	Current	Non-current	Current
Gratuity	6,871	156	9,470	195
Compensated absences	1,881	251	5,493	122
Total	8,752	407	14,963	318

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

The long term defined employee benefits and contribution schemes of the Company are as under:

A. Defined Benefit Schemes

Gratuity

Every employee is entitled to a benefit equivalent to fifteen days' salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The plan is unfunded.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

(i) Present Value of Defined Benefit Obligation

	For the year ended March 31, 2024	For the year ended March 31, 2023
Obligations at year beginning	9,665	5,793
Openning Adjustment	-	-
Obligations at year beginning (After adjustment)		
Service Cost - Current	1,061	1,690
Interest expense	711	416
Amount recognised in profit or loss	1,773	2,106
Remeasurements		
Actuarial (gain) / loss from change in financial assumption	191	114
Amount recognised in other comprehensive income	191	114
Effect of Exchange rate change		
Payment from plan:		
Benefit payments	(344)	-
Acquisition adjustment	(4,258)	1,652
Obligations at year end	7,027	9,665

(ii) Assets and liabilities recognized in the Balance Sheet

	For the year ended March 31, 2024	For the year ended March 31, 2023
Present Value of the defined benefit obligations	7,027	9,665
Amount recognized as Liability	7,027	9,665

(iii) Defined benefit obligations cost for the year:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Service Cost - Current	1,061	1,690
Interest Cost	711	416
Actuarial (gain) / loss	191	114
Net defined benefit obligations cost	1,964	2,220

(iv) Actuarial assumptions:

	March 31, 2024	March 31, 2023
Discount Rate per annum	7.22%	7.36%
Future salary increases	8.00%	8.00%

Note: Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(v) Sensitivity Analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is :

	Change in Assumption		Impact	Increase in Assumption		Impact	Decrease in Assumption	
	March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023
Discount rate per annum	0.50%	0.50%	Decrease by	312	459	Increase by	(292)	(432)
Future salary increases	0.50%	0.50%	Increase by	309	454	Decrease by	(291)	(431)

The above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

(vi) Risk

The gratuity scheme is a final salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability, voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

(a) **Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.

(b) **Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.

(c) **Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to long career employee.

(vii) Defined benefit liability and employer contributions

Weighted average duration of the defined benefit obligation is 16.56 years (March 31, 2023: 14.73 years)

Expected benefit payments are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2024					
Defined benefit obligation (gratuity)	156	160	736	5,975	7,027
March 31, 2023					
Defined benefit obligation (gratuity)	195	212	678	8,580	9,666

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(All amounts in INR thousand, unless otherwise stated)

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

B. Defined Contribution Schemes

The Company deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund, Employee state insurance (ESI) and National Pension Fund(for employees who opted NPS scheme) for the benefit of the employees.

Amount recognised in the Statement of Profit and Loss is as follows:

	March 31, 2024	March 31, 2023
Provident fund paid to the authorities	3,135	4,043
Employee state insurance paid to the authorities	54	-
National Pension Scheme	844	1,691
	4,034	5,734

18(a) Long term borrowings

Secured

Term loan from Bank¹

Unsecured

Loan from related parties²

Total

	March 31, 2024	March 31, 2023
	Non - current	Non - current
Term loan from Bank ¹	-	45,000
Loan from related parties ²	2,82,000	-
	2,82,000	45,000

Note : Current maturities of long term borrowings is INR 13000 thousand (Previous year : INR 5000 thousand) - Refer note 18(b)

¹Term Loan from Axis Bank Limited

(a) Principal terms and conditions

Sanctioned amount : INR 50,000 thousand for fresh capex and capex reimbursement.

Rate of interest : 6M MCLR (presently 9.35% p.a.) payable at monthly intervals

: The benchmark 6 M MCLR would be as prevalent on the date of the 1st disbursement and would be reset every 6 month.

Repayment : Door to door tenor of 5 years including moratorium period of 24 months in structured quarterly installments as below after 24 months from the date of first disbursement (Sep 13, 2021):

Year	Repayment in each installment % of sanctioned limit	Number of Installment	Total Repayment
FY 21	Nil	Nil	Nil
FY 22	Nil	Nil	Nil
FY 23	0.25 for two quarters	2	#
FY 24	0.25 for first two quarters 0.40 for next two quarters	4	#
FY 25	0.40 for first two quarters 0.60 for next two quarters	4	#
FY 26	0.60 for two quarters	2	#

Security :

- **Primary :** First charge on the entire movable fixed assets of the company , present and future.

- **Collateral:** First charge on the entire current assets of the company, present and future.

- **Collateral coverage :** NIL

- **Guarantors:** Corporate Guarantee of Motherson Auto Limited (erstwhile Holding Company) till the repayment of loan.

During the year the total outstanding term loan balance from Axis Bank has been prepaid along with the interest thereon.

²Loan from related parties

(a) Principal terms and conditions of loan from Rollon Hydraulics Private Limited

Sanctioned amount: INR 2,50,000 thousand for repayment of existing term loan from Tata Capital Financial Services Limited.

Rate of interest: 9.50% p.a. on quarterly basis and 1st installment of interest will be paid by June 30, 2024.

Repayment: The tenor of the loan would be three years from the date of first tranche (Feb 20, 2024).

(b) Principal terms and conditions of loan from SMR Automotive Systems India Limited

Sanctioned amount: INR 45,000 thousand for repayment of existing term loan from Axis Bank Limited.

Rate of interest: 9.50% p.a. on quarterly basis and 1st installment of interest will be paid by June 30, 2024.

Repayment: Quarterly repayment per agreed schedule as below:-

Repayment Date	Total Repayments
30/06/2024	2,500
30/09/2024	2,500
31/12/2024	4,000
31/03/2025	4,000
30/06/2025	4,000
30/09/2025	4,000
31/12/2025	6,000
31/03/2026	6,000
30/06/2026	6,000
30/09/2026	6,000
TOTAL	45,000

18(b) Short term borrowings

Secured

Current maturities of long term borrowings:

-From bank¹

-From related parties²

Term loan from Financial Institution³

Overdraft repayable on demand- from bank⁴

	March 31, 2024	March 31, 2023
-From bank ¹	-	5,000
-From related parties ²	13,000	-
Term loan from Financial Institution ³	-	2,50,000
Overdraft repayable on demand- from bank ⁴	39,510	9,560
	52,510	2,64,560

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

³Principal terms and conditions of Term Loan from Tata Capital Financial Services Limited

Sanctioned amount : INR 2,50,000 thousand sanctioned during the previous year for a tenure of 12 month for payment of unsecured loans availed by the Borrower from Motherson Auto Limited (erstwhile holding company)/ other & general corporate purposes. During the year a further loan of INR 2,50,000 thousand was taken.

Rate of interest : 9% p.a. for loan taken during the previous year and 10% p.a. for loan taken during the year.

Repayment :

Interest - Interest to be paid on Monthly basis on every month from the date of first disbursement till Maturity.

Principal - Bullet repayment of INR 2,50,000 at maturity (December 05, 2023).

Guarantors: Irrevocable and unconditional corporate guarantee of Motherson Auto Limited.

During the year the total outstanding term loan of INR 5,00,000 thousand has been repaid along with the interest thereon.

⁴Principal terms and conditions of overdraft from Axis Bank Limited

Sanctioned amount : INR 40,000 thousand for working capital purpose / cash flow mismatch. 50% of the OD facility was available as non-DP backed up to February 28, 2024. W.e.f. February 29, 2024, Additional 50% availed on the basis of DP available as per monthly stock statement.

Rate of interest : Repo rate + 3.50% p.a. payable at monthly intervals

Repayment : OD on demand

Security :

- **Primary:** First charge on the entire current assets of the company, present and future.

- **Collateral:** Second charge on the entire movable fixed assets of the company, present and future.

- **Guarantors:** Corporate Guarantee of Motherson Auto Limited.

Summary of credit facilities from Axis Bank Limited.

	Sanctioned		Utilised	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Facility				
Working capital (WC)				
Overdraft (OD)	40,000	40,000	39,510	9,560
Bank guarantee (sub-limit of OD)	(20,000)	(20,000)	-	-
Sub total working capital	40,000	40,000	-	-
Term loan	-	50,000	-	45,000
Total credit limits	40,000	90,000	39,510	54,560

Monthly stock statement filed by the Company with bank are in agreement with books of account.

19 Trade payables

	March 31, 2024	March 31, 2023
Total outstanding dues of micro and small enterprises		
-Related parties (refer Note 38)	1,073	357
-Others	48	-
Total outstanding dues of creditors other than micro and small enterprises:		
-Related parties (refer Note 38)	19,181	31,053
-Others	80,650	7,555
Total	1,00,952	38,965

As at March 31, 2024

Particulars	Not due	Less than 6 Months	6 Months-1 Years	More than 1 Years	Total
MSME*	495	626	-	-	1,121
Others	38,401	61,068	362	-	99,831
Disputed Dues MSME*	-	-	-	-	-
Disputed Dues Others	-	-	-	-	-
Total	38,896	61,694	362	-	1,00,952

*Micro and Small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006.

As at March 31, 2023

Particulars	Not due	Less than 6 Months	6 Months-1 Years	More than 1 Years	Total
MSME*	357	-	-	-	357
Others	29,712	8,895	-	-	38,608
Disputed Dues MSME*	-	-	-	-	-
Disputed Dues Others	-	-	-	-	-
Total	30,069	8,895	-	-	38,965

*Micro and Small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006.

20 Other financial liabilities (current)

	March 31, 2024	March 31, 2023
Interest accrued on loans from related parties	2,511	1,341
Employee benefits payable	2,920	4,110
Creditors for capital goods		
-Related parties	5,079	24,990
-Others	-	1,794
Other payable	414	-
Total	10,924	32,235

21 Other current liabilities

	March 31, 2024	March 31, 2023
Advance from customers	1,465	9,006
Statutory dues	1,863	3,827
Total	3,328	12,833

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
22(a) Revenue from contract with customers		
Revenue from sales of products		
Finished goods		
-Within India	10,135	2,827
-Outside India	38,667	73
Traded goods		
-Within India	83,560	30,656
-Outside India	15,148	16,464
Total	1,47,510	50,020
22(b) Other operating revenue:		
Duty draw back	536	240
Recovery of production facility cost	2,644	18,574
Scrap sale	7	-
Lease liabilities written back to the extent no longer required	16	-
Liabilities / provisions written back to the extent no longer required	5,177	-
Total	8,379	18,813
Total revenue from operations	1,55,889	68,834
23 Other income		
Interest Income		
-Fixed deposits with bank	135	96
-From financial assets at amortized cost	29	26
-Interest on Income tax refund	2	4
Profit/(Loss) on sale of fixed assets	-	241
Exchange fluctuation (net)	54	144
Total	220	511
24 Cost of materials consumed		
	For the year ended	
	March 31, 2024	March 31, 2023
Opening stock of raw materials	2,340	1,775
Add : Purchases of raw materials	1,80,000	9,148
Less: Closing stock of raw materials	1,29,287	2,340
Total	53,053	8,583
25 Change in inventory of finished goods, work in progress and stock in trade		
	For the year ended	
	March 31, 2024	March 31, 2023
Stock at the opening of the year:		
Finished goods	-	-
Work in progress	-	-
Stock in trade	-	-
Total A	-	-
Stock at the end of the year:		
Finished goods	8,697	-
Work in progress	6,368	-
Stock in trade	-	-
Total B	15,064	-
(Increase)/ decrease in inventory of finished goods, work in progress and stock in trade (A-B)	(15,064)	-
26 Employee benefits expense		
	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
Salary , wages and bonus	56,418	70,486
Contribution to provident and other fund	4,034	5,734
Gratuity (refer note 17)	1,773	2,106
Staff welfare and other expenses	901	1,302
Total	63,126	79,628
27 Finance costs		
	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
Interest on:		
Lease liabilities	1,525	1,658
Term loans	27,678	8,097
Overdraft/Cash Credit	1,206	1,091
Loan from related parties	11,224	8,733
Total	41,633	19,580

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

28 Depreciation and amortization expense

Depreciation on property, plant and equipment	
Amortization on intangible assets	
Depreciation on right-of-use assets	
Total	

	For the year ended March 31, 2024	For the year ended March 31, 2023
	9,923	3,820
	2,094	388
	3,188	3,132
Total	15,205	7,341

29 Other expenses

Legal and professional expenses	
Travelling expense	
Security expense	
Electricity, water and fuel	
Rates and taxes	
Guest house expenses	
Computer & software expenses	
Freight outward	
Repairs and maintenance:	
-Building	
-Others	
Business promotion	
Insurance	
Lease rent considered as short term	
-Premises	
-Vehicles	
Lease rent considered as low value	
-Equipment	
Amortisation cost of lease rent premises	
Donation	
Payment to auditors (Refer note (a) below)	
Provision for expenses	
Printing and stationery	
Bank charges	
Communication expense	
Commission expense	
Office expenses	
Total	

	For the year ended March 31, 2024	For the year ended March 31, 2023
	10,819	23,766
	9,821	11,469
	1,691	1,682
	1,631	673
	2,818	32
	1,311	773
	1,197	131
	1,085	52
	1,052	1,389
	497	854
	564	549
	995	233
	472	744
	123	1,509
	78	76
	18	44
	16	14
	79	59
	-	5,177
	345	220
	325	139
	60	165
	77	-
	81	204
Total	35,155	49,952

(a): Payment to auditors:

As auditor:	
Audit fees	
Limited audit review	
Total	

	For the year ended March 31, 2024	For the year ended March 31, 2023
	59	59
	20	-
Total	79	59

30(a) Income tax expense

Current tax	
Adjustments for current tax of prior periods	
Total current tax expense	
Deferred tax (Refer note 7)	
Decrease/(increase) in deferred tax assets (net)	
Total deferred tax expense/(benefit)	
Total income tax expense	

	For the year ended March 31, 2024	For the year ended March 31, 2023
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-

30(b) Reconciliation of tax expense with the effective tax rate

Profit/ (loss) before income tax expense

Calculated tax at applicable income tax rate*

Tax calculated at applicable rate

Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:

Temporary difference

Permanent difference

Unrecognised deferred tax assets

Adjustments for current tax of prior periods

Income tax expense

* Income tax expense recognised in profit and loss is nil as the company does not have taxable income.

	For the year ended March 31, 2024	For the year ended March 31, 2023
	(1,18,623)	(1,37,797)
	26.00%	26.00%
	(30,842)	(35,827)
	-	-
	706	4
	(49,209)	(12,915)
	79,343	48,738
	-	-

31 Earnings/ (loss) per share

a) Basic

Net profit/ (loss) after tax available for equity shareholders

Weighted average number of equity shares used to compute basic earnings per share

Basic earnings/ (loss) per share (absolute figures)

* The Company does not have any potential equity shares and thus, there is no diluted EPS

	For the year ended March 31, 2024	For the year ended March 31, 2023
	(1,18,814)	(1,37,911)
	2,74,57,104	2,45,50,000
	(4.33)	(5.62)

SAMVARDHANA MOTHERSON ADSYS TECH LIMITED

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Notes to the financial statements for the year ended March 31, 2024**32 Fair value measurements****i. Financial instruments by category**

	March 31, 2024			March 31, 2023		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Trade receivables*	-	-	52,806	-	-	11,153
Cash and cash equivalents*	-	-	120	-	-	120
Other financial assets*	-	-	645	-	-	561
Total financial assets	-	-	53,571	-	-	11,834
Financial Liabilities						
Borrowings*	-	-	52,510	-	-	2,64,560
Lease liability*	-	-	7,685	-	-	1,591
Trade payable*	-	-	1,00,952	-	-	38,965
Other financial liabilities*	-	-	10,924	-	-	32,235
Total financial liabilities	-	-	1,72,071	-	-	3,37,352

* Fair value of financial assets and financial liabilities carried at amortized cost is substantially same as their carrying amount i.e. amortized cost value.

ii. Fair value hierarchy

	March 31, 2024			March 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Other financial assets	-	-	2,669	-	-	2,111
Total financial assets	-	-	2,669	-	-	2,111
Financial Liabilities						
Borrowings	-	-	2,82,000	-	-	45,000
Lease liability	-	-	4,355	-	-	12,154
Total financial liabilities	-	-	2,86,355	-	-	57,154

Level 1 - Quoted (unadjusted) market prices in active markets for identical financial assets or financial liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

iii Valuation technique used to determine fair value

The fair value of the financial instruments is determined using discounted cash flow analysis.

33 Financial risk management

The Company has been set up to engage in manufacturing and trading of aerospace , defence and security sector and is exposed to various market risks, credit risk and liquidity risk. The Company's centralised management structure with the main activities make necessary organised risk management system. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks:

Market risk:

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market price/ rate. Market risk comprises: Price risk, foreign currency risk, Interest rate risk , sensitivity analysis, Credit risk and Liquidity risk.

A Price risk:

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the Company in its various products segment. Substantial pricing pressure from major OEMs to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the Company.

The key raw material for the Company's business is cutting tools, electronics components and its sub systems , connectors, wire and HVAC . The Company has arrangements with its major customers for passing on the price impact.

The Company is regularly taking initiatives like VA-VE (value addition, value engineering) to reduce its raw material costs to meet targets set up by its customers for cost downs. In respect of customer nominated parts , the Company has back to back arrangements for cost savings with its suppliers.

B Foreign currency risk:

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

The company does not have any derivative instruments outstanding at the end of reporting period and further unhedged foreign currency exposure is given as follows:

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

(i) Particular of unhedged foreign exposure as at the reporting date (Net exposure to foreign currency risk)

Currency	March 31, 2024		March 31, 2023	
	Payable / (Receivable)		Payable / (Receivable)	
	Amount in Foreign currency	Amount in INR	Amount in Foreign currency	Amount in INR
USD	283	23,594	7	578
EUR	54	4,881	86	7,371

C Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term and short term borrowings with variable rates, which exposes the Company to cash flow interest rate risk.

(i) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2024	March 31, 2023
Variable rate borrowings*	39,510	3,09,560
Fixed rate borrowings	2,95,000	-
Total borrowings	3,34,510	3,09,560

*Interest rate shall be floating for the entire loan tenure.

An analysis by maturities is provided in Note E (i) Maturities of financial liabilities below.

(ii) Sensitivity analysis

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

	Impact on profit after tax	
	March 31, 2024	March 31, 2023
Interest rates-increase by 50 basis points*	217	1,703
Interest rates-decrease by 50 basis points*	(217)	(1,703)

* Holding all other variables constant

D Credit risk:

The 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 towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

The company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian defence manufacturers (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default. Primary banking institutions are major Indian Banks. No impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.

E Liquidity risk:

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed in the operating divisions of the Company and aggregated by company finance. The company's finance monitors rolling forecasts of the company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities:

Period ended March 31, 2024	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	52,510	2,82,000	-	3,34,510
Lease liabilities	8,665	4,589	-	13,254
Trade payables	1,00,952	-	-	1,00,952
Other financial liabilities	10,924	-	-	10,924
Total non-derivative liabilities	1,73,051	2,86,589	-	4,59,639
Year ended March 31, 2023	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	2,64,560	45,000	-	3,09,560
Lease liabilities	1,591	12,154	-	13,746
Trade payables	38,965	-	-	38,965
Other financial liabilities	32,235	-	-	32,235
Total non-derivative liabilities	3,37,352	57,154	-	3,94,506

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Notes to the financial statements for the year ended March 31, 2024**34 Capital management****Risk management**

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. Consistent with others in the industry, the Company monitors NET Debt to EBITDA ratio i.e. Net debt (total borrowings excluding lease liabilities net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs).

Currently the Company's NET EBITDA ration is negative due to business losses as the Company is in its initial stages. The Net Debt to EBITDA ratios were as follows:

	March 31, 2024	March 31, 2023
Net Debt	3,34,390	3,09,440
EBITDA	(61,785)	(1,10,876)
Net Debt to EBITDA	(5.41)	(2.79)

35 Segment Information:**Description of segments and principal activities**

The objects of the company is to engage in and conduct the business of scientific, technical and other research and development in any field, particularly in the field of developing / deploying defence and other technologies, electronics, computer software, systems integration and related services including aerospace, defence and cyber security sector and to purchase and sell equipment, technology and property related to its business.

Operating segments are reported in a manner consistent with the internal reporting to the Chief Executive Officer "CEO" of the Company. The CEO is responsible for allocating resources and assessing performance of the operating segments. The Company operates through a single segment, hence there are no reportable segments as per Ind AS 108 "Operating Segments".

A. Information about geographical areas:

The following information discloses revenue from external customers based on geographical areas:

i) Revenue from external customers

	For the year ended March 31, 2024	For the year ended March 31, 2023
Within India	93,694	33,483
Outside India	53,816	16,537
Total	1,47,510	50,020

ii) Segment Assets

Total of non-current assets other than financial instruments.

	March 31, 2024	March 31, 2023
Within India	99,616	49,712
Outside India	-	-
Total	99,616	49,712

iii) Revenues from transactions with a single external customer amounting to 10 per cent or more of the Company's revenues is as follows

	March 31, 2024	March 31, 2023
Customer 1	30,097	35,037
Customer 2	26,362	12,800
Customer 3	22,852	11,227
Customer 4	21,398	-
Customer 5	19,807	-
Customer 6	14,540	-
Total	1,35,057	59,064

36 Capital and other commitments

Capital expenditure contracted at the end of the reporting period but not recognised as liabilities is as follows:

Property, plant and equipment

	March 31, 2024	March 31, 2023
Estimated value of contracts in capital account	5,250	7,331
Total	5,250	7,331

37 Due to micro and small enterprises

The Company has written to its suppliers to intimate the status as micro and small enterprise in terms of "Micro, Small and Medium Enterprises Development Act 2006" and to provide a copy of their registration certificate. The Company has shown below dues if any to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') and a separate disclosure of the amount due to micro and small enterprises at the end of the year is given in Trade Payables. The disclosures pursuant to the said MSMED Act is as follows:

Particulars	March 31, 2024	March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,121	357
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-
Total	1,121	357

SAMVARDHANA MOTHERSON ADSYS TECH LIMITED

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

38 Related party disclosures

I. Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below:

A. Entities having control over the entity

Motherson Auto Limited (upto December 19, 2023)

Samvardhana Motherson International Limited (formerly known as Motherson Sumi Systems Limited) (w.e.f December 20, 2023)

B. Fellow subsidiaries (with whom transaction has been taken place)

(a) upto December 19, 2023

Motherson Lease Solution Limited

(b) w.e.f. December 20, 2023

Samvardhana Motherson Global Carriers Limited

Samvardhana Motherson Innovative Solutions Limited (SMISL)

Motherson Technology Services Limited (formerly MothersonSumi Infotech & Designs Limited)

Samvardhana Motherson Health Solutions Limited

Rollon Hydraulics Private Limited

SMR Automotive Systems India Limited

Motherson Techno Tools Limited

Motherson Air Travel Agencies Limited

MSSL (GB) Limited

MSSL GmbH

C. Board of Directors

Mr. Laksh Vaaman Sehgal

Mr. Ramesh Dhar

Mr. Virender Chand Katoch

Mr. Pankaj Mital

Mr. Kunal Bajaj (w.e.f May 01, 2023)

D. Key Managerial Personnel (KMP)

Mr. Kunal Bajaj (CEO) (Upto April 30, 2023)

Mr. Paramajeet Singh (COO) (w.e.f May 01, 2023)

Mr. Brajesh Chhabra (CFO)

E. Relatives of Directors

Mr. Vivek Chaand Sehgal

Mrs. Renu Sehgal

Ms. Vidhi Sehgal

Mrs. Samriddhi Sehgal

Mr. Sidh Vaasav Sehgal

Mr. Ganan Yuvaan Sehgal

Mr. Kushaan Samarth Sehgal

E. Parties in which Directors/KMP has significant influence (with whom transaction has been taken place)

(a) upto December 19, 2023

Motherson Consultancies Service Limited (Amalgamated with Samvardhana Motherson International Limited: appointed date April 01, 2022 and effective date December 05, 2023)

Samvardhana Motherson Global Carriers Limited

Samvardhana Motherson Innovative Solutions Limited (SMISL)

Motherson Air Travel Agencies Limited

Motherson Technology Services Limited (formerly MothersonSumi Infotech & Designs Limited)

Motherson Techno Tools Limited

MSSL GmbH

(b) for whole financial year

Nirvana Niche Products Pvt. Ltd.

Systematic Conscom Limited

Motherson Sumi Wiring India Limited

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

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 38 (I) above:

(a) Key management personnel compensation

	March 31, 2024	March 31, 2023
Short-term employee benefits	16,547	38,029
Post-employment benefits	2,716	5,964
Long-term employee benefits	942	3,341
Total compensation	20,205	47,334

(b) Transactions with related parties

Sr. No.	Particulars	Fellow subsidiaries		Parties in which Directors/KMP has significant influence		Entities having control over the entity	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
1	Purchase of services	17,495	-	2,155	14,207	4,045	-
2	Purchase of goods	1,810	-	49,176	49,940	10,985	-
3	Purchase of fixed assets	1,190	-	6,500	48,449	-	-
4	Operating lease*		1,389	1,344	3	1,702	2
	-Premises	-	-	1,344	3	1,702	2
	-Vehicles	-	1,389	-	-	-	-
5	Reimbursements paid	137	-	-	12,073	22	-
6	Repair & Maintenance	-	-	139	-	-	-
7	Interest on loan	2,511	-	-	-	8,713	8,733
8	Sale of service	-	-	-	528	-	-

(c) Outstanding balances arising from sales / purchases of goods and services

Sr. No.	Particulars	Fellow subsidiaries		Parties in which Directors/KMP has significant influence		Entities having control over the entity	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
1	Creditors for capital goods	-	-	5,079	24,990	-	-
2	Trade payables	-	-	15,175	31,410	3,528	-
3	Trade Receivable	-	-	-	623	-	-

(d) Loans & advances to / from related parties

Sr. No.	Particulars	Fellow subsidiaries		Parties in which Directors/KMP has significant influence		Entities having control over the entity	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
1	Loans**						
	Opening balance	-	-	-	-	-	1,18,000
	Taken	2,95,000	-	-	-	6,17,000	65,000
	Repaid	-	-	-	-	(6,17,000)	(1,83,000)
	Closing balance	2,95,000	-	-	-	-	-
2	Security deposits given*						
	Opening balance	-	210	-	-	-	407
	Given	-	-	-	-	-	-
	Refund	-	-	-	-	-	-
	Closing balance	-	210	-	-	-	407
3	Interest on Loan						
	Opening balance	-	-	-	-	-	5,352
	Interest accrued	2,511	-	-	-	8,713	7,860
	Interest paid	-	-	-	-	(8,713)	(13,212)
	End of the year	2,511	-	-	-	-	-

(e) Corporate guarantee from related parties against credit facilities availed from banks / financial institutions

Sr. No.	Particulars	Fellow subsidiaries		Parties in which Directors/KMP has significant influence		Entities having control over the entity	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
1	Credit facilities against which corporate guarantee has been given						
	Beginning of the year	-	-	-	-	3,40,000	90,000
	Received	-	-	-	-	2,50,000	2,50,000
	Adjusted	-	-	-	-	(5,50,000)	-
	End of the year	-	-	-	-	40,000	3,40,000

* Represents transaction based on the contractual terms with the parties and without considering the related Ind AS adjustments.

** Refer Note 18 for terms and conditions of loans from related parties.

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Notes to the financial statements for the year ended March 31, 2024**39 Other disclosures****A. Contingent liabilities:**

	March 31, 2024	March 31, 2023
a) Performance bank guarantees	1,788	1,788
Total	1,788	1,788

B. Disclosure under Ind AS 115**i. There are no provisions for doubtful debts during the year.**

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

ii. Dissaggregation of revenue from contract with customers:

Revenue by category	March 31, 2024	March 31, 2023
Revenue by major product lines		
Sale of products		
-Within India	93,694	33,483
-Outside India	53,816	16,537
Total revenue from contract with customers	1,47,510	50,020
Timing of revenue recognition		
At a point in time	1,47,510	68,594
Over time	-	-
Total revenue from contract with customers	1,47,510	68,594

iv. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	March 31, 2024	March 31, 2023
Receivables (Unconditional right to consideration)	52,806	11,153
Contract liabilities	1,465	9,006

v. Revenue from contract with customers

Revenue recognised from	March 31, 2024	March 31, 2023
Amount included in contract liabilities at the beginning of the year	9,006	-

C. Disclosure under Ind AS 116 Leases**Company as a lessee**

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right of use asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company has adopted Ind AS 116 effective annual reporting period beginning April 01, 2019 by following modified retrospective approach and its impact on financial statement presented below:

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Notes to the financial statements for the year ended March 31, 2024**Impact Assessment of Ind AS 116****(i) Reconciliation of Right-of-use asset**

	March 31, 2024	March 31, 2023
Opening Balance	8,194	12,287
Add: Additions	1,047	-
Less: Deletions	(916)	-
Less: Amortisation of Right-of-use assets	(3,188)	(3,132)
Less: Adjustment in opening balance	-	(961)
	5,137	8,194

(ii) Reconciliation of Lease liability

	March 31, 2024	March 31, 2023
Opening Balance	13,746	11,183
Add: Additions	1,047	3,633
Add: Interest expense	1,525	1,658
Less: Repayment of lease liability	(3,346)	(2,728)
Less: Deletions	(932)	-
	12,039	13,746

(iii) Break-up of current and non-current lease liabilities

	March 31, 2024	March 31, 2023
Non current lease liabilities	4,355	12,154
Current lease liabilities	7,685	1,591
	12,039	13,746

(iv) Impact on the statement of financial position [increase/(decrease)]

	March 31, 2024	March 31, 2023
Assets		
Right - of - use assets	5,137	8,194
Total	5,137	8,194
Liabilities		
Lease liabilities	12,039	13,746
Total	12,039	13,746
Net Impact on equity	(6,902)	(5,552)

(v) Impact on the statement of profit or loss [increase/(decrease)]

	March 31, 2024	March 31, 2023
Lease rent considered as short term	595	2,252
Lease rent considered as low value	78	76
Depreciation on right-of-use assets	3,188	3,132
Interest on Lease liability	1,525	1,658
Amortisation cost of lease rent premises	18	44
	5,404	7,162

(vi) Short-term and / or low value leases

	March 31, 2024	March 31, 2023
Lease rent paid		
- Premises	472	744
- Vehicles	123	1,509
- Equipment	78	76
	673	2,328

(vii) Other disclosures

- Refer note 32 for maturity analysis of lease liabilities.
- The effective interest rate for lease liabilities is 12% p.a.

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

40 Ratio Analysis:-

	Ratios	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Reason of variances for more than 25%
a)	Current Ratio	Current Assets	Current Liabilities	1.49 : 1	0.14 : 1	928%	Ratio increased primarily due to increase in sundry debtors and input tax credit on account of higher revenue and purchase.
b)	Debt-Equity Ratio	Debt	Share holder's equity	(3.25 : 1)	(1.21 : 1)	169%	Change in ratio is primarily due to infusion of equity during the year.
c)	Debt Service Coverage Ratio	Earnings available to Debt service	Debt Service	(0.64 : 1)	(0.39 : 1)	66%	Variance is primarily due to repayment of term loan facility.
d)	Return on Equity Ratio	Net profit after tax	Average shareholder's equity	0.63 : 1	0.69 : 1	-9%	
e)	Inventory turnover ratio	Cost of goods sold	Average inventories	1.63 : 1	24.61 : 1	-93%	Change in ratio is due to increase in inventory.
f)	Trade Receivables turnover ratio	Revenue from contract with customers	Average trade Receivables	4.61 : 1	2.55 : 1	81%	Higher ratio is due to timely collection from debtors.
g)	Trade payable turnover ratio	Net credit purchases	Average Trade Payable	4.24 : 1	3.05 : 1	39%	Higher ratio is due to timely payment to creditors.
h)	Net capital turnover ratio	Revenue from contract with customers	Average Working Capital	(1.38 : 1)	(0.24 : 1)	487%	Variance is primarily due to increase in revenue.
i)	Net profit ratio	Profit after tax	Revenue from Operations	-76%	-200%	62%	Ratio improved on account of higher revenue during the year.
j)	Return on Capital employed	Earnings before interest and taxes	Average Capital Employed	-53%	-268%	80%	Variance is primarily due to infusion of share capital.
k)	Return on investment	Return on Investment	Investment	NA	NA	NA	

SAMVARDHANA MOTHERSON ADSYS TECH LIMITED

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(All amounts in INR thousand, unless otherwise stated)

Notes to the financial statements for the year ended March 31, 2024**41 Assets hypothecated as security.**

The carrying amount of assets hypothecated as security for current and non-current borrowings are as follows:

	Notes	March 31, 2024	March 31, 2023
Current:			
Financial assets			
First charge			
i. Trade receivables	10	52,806	11,153
ii. Cash and cash equivalents	11	120	120
iv. Other financial assets	6	645	561
Non-financial assets			
Inventories	9	1,44,351	2,340
Other current assets	13	62,676	36,576
Total current assets hypothecated as security		2,60,598	50,750
Non Current:			
Second charge			
Property, plant and equipment	3	90,717	40,845
Total non-current assets hypothecated as security		90,717	40,845
Total assets hypothecated as security		3,51,315	91,595

Terms and conditions of security offered to Axis Bank Limited against credit facilities

- **Primary:** First charge on the current assets of the company, present and future
- **Collateral:** Second charge on the movable fixed assets of the company, present and future
- **Guarantors:** Corporate Guarantee of Motherson Auto Limited.

42 Other Statutory Information

(i) There are no proceedings that have been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules thereunder.

(ii) There are no transactions with companies that are struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) 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
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The Company has not been declared as wilful defaulter by any bank or financial institutions or any other lender.

(ix) The Company has not revalued its Property, Plant and equipment (including Right-of-Use Assets) and intangible assets during the year.

(x) The Company does not own any immovable properties.

43 The Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which have a feature of recording audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the software, except in respect of the accounting software used for purchase and store accounting where the feature of audit trail (edit log) facility was not enabled for any direct change at database level. Further, there are no instance of the audit trail feature being tampered with.

44 Corresponding figures of previous year are regrouped, rearranged wherever necessary to confirm to the current year classification.

45 Amounts appearing as zero "0" in financial are below the rounding off norm adopted by Company

For and on behalf of the board

**As per our report of even date
For R K Khanna & Co.
Chartered Accountants
FRN 000033N**

Pankaj Mital
Director
DIN: 00194931
Place: Noida

Kunal Bajaj
Director
DIN: 03545731
Place: Noida

Vipin Bali
Partner
M.No. 083436
Place:
Date:

Paramjeet Singh
COO & Manager
PAN: ABVPS3211R
Place: Noida

Brajesh Chhabra
CFO
PAN: AEIPC8080Q
Place: Noida