

**Continental Automotive Components (India) Private Limited**  
**CIN: U72900KA2007PTC043146**  
**Registered office:** Plot No 53B, Bommasandra Industrial Area, Attibele  
Hobli, Anekal Taluk, Bengaluru – 560099  
**E-mail:** [karthikeyan.ramasami@continental-corporation.com](mailto:karthikeyan.ramasami@continental-corporation.com)  
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**NOTICE OF MEETING OF UNSECURED CREDITORS OF UNSECURED CREDITORS AS ON NOVEMBER 30<sup>TH</sup>, 2022 (“CUT-OFF DATE”) OF CONTINENTAL AUTOMOTIVE COMPONENTS (INDIA) PRIVATE LIMITED TO BE CONVENED THROUGH VIDEO CONFERENCING (“VC”) OR OTHER AUDIO-VISUAL MEANS (“OAVM”) PURSUANT TO DIRECTIONS IN ORDER DATED 2 MARCH 2023 OF THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

<b>Particulars</b>	Meeting of Unsecured Creditors of Continental Automotive Components (India) Private Limited
<b>Day</b>	Monday
<b>Date</b>	24 April, 2023
<b>Time</b>	11:30 A.M.
<b>Mode</b>	As per the directions of Hon’ble National Company Law Tribunal, Bengaluru Bench, the Meeting shall be conducted through VC or OAVM.

**SCHEDULE OF REMOTE E-VOTING FACILITY WHICH WILL BE AVAILABLE BEFORE THE DATE OF THE MEETING**

Commencement of remote e-voting	9:00 am IST on 19 April 2023
End of remote e-voting	5:00 pm IST on 23 April 2023

Please note that the e-voting facility will also be available to the unsecured creditors during the Meeting on Monday, 24 April 2023 from 11:30 A.M till the conclusion of the Meeting.

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Dated this 14 March 2023

**Sd/-**  
**Name: K Dushyantha Kumar**  
**Authorised Representative**  
**Place: Bengaluru**

**FORM NO. CAA. 2**

**[Pursuant to Section 230 (3) and Rules 6 and 7)]**

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL**

**BENCH AT BENGALURU**

**CA (CAA) NO. 02/BB/2023**

**IN THE MATTER OF COMPANIES ACT, 2013**

**AND**

**IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER**

**RELEVANT PROVISIONS OF THE COMPANIES**

**ACT, 2013 READ WITH THE COMPANIES (COMPROMISES,**

**ARRANGEMENTS, AMALGAMATIONS) RULES, 2016**

**AND**

**IN THE MATTER OF SCHEME OF AMALGAMATION AMONGST**

**CONTINENTAL AUTOMOTIVE BRAKE SYSTEMS (I) PRIVATE LIMITED**

**(NON-APPLICANT COMPANY/TRANSFEROR COMPANY NO.1)**

**AND**

**CONTINENTAL LIGHTING INDIA PRIVATE LIMITED**

**(APPLICANT COMPANY NO.1/TRANSFEROR COMPANY NO.2)**

**AND**

**CONTINENTAL AUTOMOTIVE COMPONENTS (INDIA) PRIVATE LIMITED**

**(APPLICANT COMPANY NO. 2/TRANSFeree COMPANY)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**NOTICE CONVENING MEETING OF UNSECURED CREDITORS AS ON CUT-OFF DATE OF  
THE**

**CONTINENTAL AUTOMOTIVE COMPONENTS (INDIA) PRIVATE LIMITED  
(TRANSFeree COMPANY) PURSUANT TO DIRECTIONS IN ORDER DATED 2  
MARCH, 2023 OF THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU  
BENCH**

**To,**

**Unsecured Creditors of  
Continental Automotive Components (India) Private Limited  
(Unsecured Creditors as on Cut-off Date)**

**TAKE NOTICE** that by an order dated 2 March, 2023 (“**Order**”), in the above Company Application No. CA (CAA) No.02/BB/2023, the Hon’ble National Company Law Tribunal, Bengaluru Bench (“**Hon’ble Tribunal**”) has directed that a Meeting of Unsecured Creditors *as on Cut-off date* of **Continental Automotive Components (India) Private Limited** (“**Transferee Company**” or “**Applicant Company No. 2**”) be convened and held on Monday, 24 April, 2023 at 11:30 A.M through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) facility for the purpose of considering, and if thought fit, approving, the proposed Scheme of Amalgamation amongst Continental Automotive Brake Systems (I) Private Limited (Non-Applicant Company/Transferor Company No.1) and Continental Lighting India Private Limited (Applicant Company No.1/Transferor Company No.2) and Continental Automotive Components (India) Private Limited (Applicant Company No.2/Transferee Company) and, their respective shareholders and creditors, under Sections 230-232 of the Companies Act, 2013 (“**Scheme**”).

In pursuance of the said Order and as directed therein, a Meeting of Unsecured Creditors on Cut-off Date of the Transferee Company, will be held on Monday, 24 April, 2023 at 11:30 A.M., via VC/ OAVM facility, which you are requested to attend.

The Unsecured Creditors are requested to consider and if thought fit, to pass the following resolution:

**“RESOLVED THAT** pursuant to the provisions of sections 230 to 232 and other applicable provisions, if any of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modifications or re-enactment thereof) as may be applicable, and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the National Company Law Tribunal, Bengaluru Bench (“**Hon’ble Tribunal**”) and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon’ble Tribunal, or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of Continental Automotive Components (India) Private Limited (“the Company” or “**Board**”), which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the approval of unsecured creditors be and is hereby accorded to the arrangement embodied in the Scheme of Amalgamation proposed to be entered amongst Continental Automotive Brake Systems (I) Private Limited (Non-Applicant Company/Transferor Company No.1) and Continental Lighting India Private Limited (Applicant Company/Transferor Company No.2) and Continental Automotive Components (India) Private Limited (Applicant Company/Transferee Company) and their respective Shareholders and Creditors.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon’ble Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.”

Facility of remote e-voting will be available during the prescribed time period before the Meeting. Accordingly, Unsecured Creditors Cut-off date can vote through remote electronic means (without attending the Meeting) instead of voting in the Meeting or through video-conferencing. The voting rights of the Unsecured Creditors as on Cut-off date shall be in proportion to their outstanding dues on the Transferee Company as on Cut-off date and as per the Order of the Hon’ble Tribunal dated 2 March, 2023.

The Hon’ble Tribunal has appointed Mr, Anirudh Suresh as the Chairperson and Mr. Raghavendra Naveen

B.K as the Scrutinizer of the aforesaid Meeting.

The abovementioned Scheme, if approved at the Meeting, will be subject to the subsequent approval of the Hon'ble Tribunal.

Explanatory Statement under Section 230(3) read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any, along with copy of the proposed Scheme, as indicated in the index, are enclosed herewith.

Dated this 14 March 2023

**Sd/-**

**Name: K Dushyantha Kumar**  
**Authorised Representative**  
**Place: Bengaluru**

**Notes:**

1. The present Meeting is proposed to be convened through VC/ OAVM in terms of the Order passed by the Hon'ble Tribunal, the guidelines issued by the Ministry of Corporate Affairs, and the relevant provisions of the Companies Act, 2013 if any. Facility of remote e-voting will be available during the prescribed time period before the meeting and voting facility will also be available through e- voting platform during the Meeting.
2. Right2vote has been appointed to provide remote e-voting facility before the meeting; and to provide e-voting platform during the Meeting, in a secured manner to handle and supervise the entire process of holding the Meeting through VC/ OAVM, e-voting and processing of data relating to the Meeting and voting etc.
3. Notice of the Meeting will be sent through e-mail to Unsecured Creditors as on Cut-off date as filed with the Hon'ble Tribunal whose registered email-id is available with the Transferee Company and the Unsecured Creditors whose email-id is not available with the Transferee Company then the Notice of Meeting shall be sent physically and as directed by the Order of the Hon'ble Tribunal dated 2 March 2023.
4. The voting rights of Unsecured Creditors shall be in proportion to their outstanding dues on the Transferee Company as on Cut-off date and as per the Order of the Hon'ble Tribunal dated 2 March, 2023.
5. In case of any difficulty in e-voting or attending the Meeting through VC/ OAVM, etc., the following persons may be contacted:

<b>Name</b>	<b>Contact Details</b>
Srinivasaiah Govindappa	+91 9945510075 <a href="mailto:Srinivasaiah.Govindappa@continental-corporation.com">Srinivasaiah.Govindappa@continental-corporation.com</a>
Karthikeyan Ramasami	+91 9591988125 <a href="mailto:karthikeyan.ramasami@continental-corporation.com">karthikeyan.ramasami@continental-corporation.com</a>

6. Only Unsecured Creditors as on Cut-off date of Transferee Company may attend the Meeting through VC/ OAVM and vote through remote e-voting system.
7. Institutional/ Corporate Unsecured Creditors as on Cut-off date (i.e., other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF Format) of its Board Resolution or governing body Resolution/ Authorization, etc., authorizing its representative to attend the meeting and vote on its behalf. The said Resolution/Authorization may be sent to the Scrutinizer at the following email ID: [support@raoandassociates.co.in](mailto:support@raoandassociates.co.in).
8. Please take note that since the Meeting is being held through VC/ OAVM, option of attending the Meeting through proxy is not applicable/ available.
9. Voting may be made through remote e-voting (without attending the Meeting) which will be available during the prescribed time period before the Meeting (as given below); or through e--voting platform which will be available during the Meeting:

Commencement of remote e-voting	9:00 am IST on 19 April 2023
End of remote e-voting	5:00 pm IST on 23 April 2023

*Voting will also be available to the unsecured creditors as on Cut-off date during the Meeting on 24 April, 2023 from 11:30 A.M. till the conclusion of the Meeting.*

10. All Unsecured Creditors as on Cut-off date will be entitled to attend the Meeting through VC/ OAVM. However, the Unsecured Creditors who have already voted through the remote e-voting process before the Meeting, will not be entitled to cast vote at the Meeting.
11. The quorum of the Meeting shall be 40% in total value of the Unsecured Creditors either personally present or through authorized representative(s). In case required quorum stated above is not present at the commencement of the Meeting at the specified time, then the Meeting shall be adjourned by 30 minutes, and thereafter the persons present and voting, including authorized representatives, shall be deemed to constitute the quorum.
12. The Hon'ble Tribunal has appointed Mr. Anirudh Suresh (Mobile No. +91- 9740133639, e-mail id: [anirudh@anirudhassociates.com](mailto:anirudh@anirudhassociates.com)) as Chairperson, and Mr. Raghavendra Naveen B.K , (Mobile No. +919916667966, e-mail id: [support@raoandassociates.co.in](mailto:support@raoandassociates.co.in) ) as the Scrutinizer for the aforesaid Meeting.
13. The notice convening the Meeting will be published through advertisement in one English newspaper i.e. Financial Express and one vernacular newspaper i.e. Samyuktha Karnataka.
14. The Scrutinizer will submit his report to the Chairperson of the Meeting after scrutinizing the votes logged by the Unsecured Creditors holding as on Cut-off date. The result of voting on the resolution at the Meeting shall be announced by the Chairperson of the Meeting.
15. The Scheme, if approved by the Meeting, will be subject to the subsequent approval of the Hon'ble Tribunal.
16. Instructions for attending the Meeting through VC/ OAVM and remote e-voting are given at the end of this Notice.

## **INSTRUCTIONS FOR REMOTE E-VOTING AND JOINING THE MEETING THROUGH VC/ OAVM**

The remote e-voting period begins on 19 April, 2023 at 9:30 A.M. IST and ends on 23 April, 2023 at 5:00 P.M. IST. The remote e-voting module shall be disabled by Right2vote for voting thereafter. Unsecured Creditors who have not cast their votes through remote e-voting will be able to cast their votes through e-voting during the meeting on 24 April, 2023 from 11:30 A.M. IST till the conclusion of the meeting. The Unsecured Creditors as on Cut-off date, whose names appear in the list filed with the Hon'ble Tribunal and as per the order of the Hon'ble Tribunal dated 2 March, 2023, may cast their vote electronically.

### **Instructions for Unsecured Creditors for remote e-voting:**

1. **START AND END TIME:** The voting period will begin on 19 April, 2023 (9:30 A.M. IST) and ends on 23 April, 2023 (5:00 P.M. IST). During this period, the Unsecured Creditors on Cut-off date of the Transferee Company are being provided the platform to cast their vote electronically. The e-voting module shall be disabled by Right2Vote for voting thereafter.
2. **WEBSITE LINK:** The Unsecured Creditors as on Cut-off date should log on to the e-voting website **<https://right2vote.in/login/>** during the voting period.
3. **USER ID:** Enter your Email ID. Your Email ID is your user ID.  
You will also receive an INVITE mail from Right2Vote on this email ID and the mail will have the link, user ID and other details mentioned. Do not try to log in with mobile number if you have received the invite on the email.
4. **PASSWORD:** Press GET OTP (One Time Password). OTP would be delivered on your Email. The OTP is the password. Once you enter the OTP and press Sign In, you would be logged in.
5. **VOTING PAGE:** Once logged in, you would be directed to MY POLL INVITE page. Here you would see the poll from the Transferee Company listed. You would also see the logo of the Transferee Company along with the name. Click on the poll and you would be taken to voting page.
6. **OPTIONS:** On the voting page, you will see all the items to be voted upon. Against each item, following options would be available:
  - a. APPROVE / ACCEPT / YES
  - b. REJECT / NO
  - c. ABSTAIN

Select the option as desired. The option APPROVE implies that you assent to the respective item and option REJECT implies that you dissent to the respective item. The Unsecured Creditors can also select ABSTAIN. In that case, Unsecured Creditors, shall be deemed to have abstained from voting for that respective item.
7. **CONFIRMATION:** After selecting the option, click on "DONE". You would receive a "THANK YOU" message on the screen. This is a confirmation that your vote has been recorded.
8. **VOTE RECORD:** You can anytime check what you voted or how your vote has been recorded by clicking on > on MY POLL INVITE page and selecting VOTE RECORD. You can also take a printout from here.
9. **MOBILE APP:** Apart from the website, votes can also cast using Right2Vote's mobile app:

'Right2Vote', available for android and iOS based mobiles.

a. (App link: <https://right2vote.in/getapp/>)

10. CONTACT US: In case you have any queries or issues regarding e-voting, write an email to [contact@Right2vote.in](mailto:contact@Right2vote.in).

Instructions for Unsecured Creditors for attending the meeting through VC/ OAVM:

1. START AND END TIME: The meeting period will begin on 19 April, 2023 (9:30A.M. IST). During the period, the Unsecured Creditors as on Cut-off date of the Transferee Company are being provided the platform to join meeting electronically.
2. WEBSITE LINK: The Unsecured Creditors as on Cut-off date should log on to the e-Meeting website <https://right2vote.in/login/> during the meeting period.
3. USER ID: Enter your Email ID. Your Email ID is your user ID. Kindly ensure you use the same Email ID as notified to the Transferee Company in KYC.  
You will also receive an INVITE mail from Right2Vote on this email ID and the mail will have the link, user ID and other details mentioned. Do not try to log in with mobile number if you have received the invite on the email.
4. PASSWORD: Press GET OTP. OTP (One Time Password) would be delivered on your Email. The OTP is the password. Once you enter the OTP and press Sign In, you would be logged in.
5. JOIN MEETING: After login, you would see VC icon and name of the Transferee Company. Click on "Click here to join" to join the VC.
  - Try to join preferably via computer / laptop instead of mobile
  - Ensure you connect to audio and video
6. CONTACT US: In case you have any queries or issues regarding e-voting, write an email to [contact@Right2vote.in](mailto:contact@Right2vote.in).
7. You are also required to send a scanned copy (PDF Format) of its Board Resolution or governing body Resolution/ Authorization, etc., authorizing its representative to attend the meeting and vote on its behalf. The said Resolution/Authorization may be sent to the Scrutinizer at the following email ID: [support@raoandassociates.co.in](mailto:support@raoandassociates.co.in)
8. The authorized representative is also required to carry a valid photo ID proof in order to attend the meeting

**BEFORE THE HON'BLE NATIONAL COMPANY LAW  
TRIBUNAL BENCH AT BENGALURU**

**COMPANY APPLICATION NO. CA (CAA) No.02/ BB/ 2023**

**IN THE MATTER OF THE COMPANIES ACT, 2013**

**AND**

**IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER**

**RELEVANT PROVISIONS OF THE COMPANIES**

**ACT, 2013 READ WITH THE COMPANIES (COMPROMISES,**

**ARRANGEMENTS, AMALGAMATIONS) RULES, 2016**

**AND**

**IN THE MATTER OF SCHEME OF AMALGAMATION AMONGST**

**CONTINENTAL AUTOMOTIVE BRAKE SYSTEMS (I) PRIVATE LIMITED**

**(NON-APPLICANT COMPANY/TRANSFEROR COMPANY NO.1)**

**AND**

**CONTINENTAL LIGHTING INDIA PRIVATE LIMITED**

**(APPLICANT COMPANY NO. 1/TRANSFEROR COMPANY NO.2)**

**AND**

**CONTINENTAL AUTOMOTIVE COMPONENTS (INDIA) PRIVATE LIMITED**

**(APPLICANT COMPANY NO. 2/TRANSFeree COMPANY)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**EXPLANATORY STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013  
READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND  
AMALGAMATIONS) RULES, 2016, AND OTHER APPLICABLE PROVISIONS, IF ANY**

1. In this statement, Continental Automotive Components (India) Private Limited is referred to as the “**Transferee Company**” or the “**Applicant Company No. 2**”, Continental Lighting India Private Limited is referred to as the “**Transferor Company No. 2** or the “**Applicant Company No. 1**”, Continental Automotive Brake Systems (I) Private Limited is referred to as the “**Transferor Company No. 1**” or the “**Non-Applicant Company**”. Transferor Company No. 1 and Transferor Company No. 2 are collectively referred to as the “**Transferor Companies**”. Other definitions as contained in the proposed Scheme of Amalgamation amongst the Transferor Companies and the Transferee Company and their respective shareholders and creditors (“**Scheme**”) will also apply to this statement under Sections 230(3) of the Companies Act, 2013 (the “**Act**”) read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations), Rules, 2016 (“**Explanatory Statement**”).

2. A copy of the proposed Scheme amongst the Transferor Companies and the Transferee Company, setting out the terms and conditions of the Scheme is attached to this Explanatory Statement.
3. Pursuant to the Order dated 2 March, 2023 passed by the Hon'ble National Company Law Tribunal, Bengaluru Bench ("**Hon'ble Tribunal**") in Company Application referred to above, a meeting of Unsecured Creditors as on November 30, 2022 (Cut-off date), of the Transferee Company is being convened on 24 April 2023 at 11:30 A.M. via VC/ OAVM, for the purpose of considering and, if thought fit, approving, the Scheme amongst the Transferor Companies and the Transferee Company, and their respective shareholders and creditors.

#### 4. Background of Companies

- 4.1. **Continental Automotive Brake Systems (I) Private Limited, Transferor Company No. 1** is a private limited company incorporated under the provisions of the Companies Act, 1956 and duly existing under the Companies Act, 2013 having its registered office at Plot No 179-180, Sector-5 IMT Manesar, Gurgaon – 122050, Haryana, India. Continental Brakes was incorporated on 3 January 2008 with a CIN of U74900HR2008PTC037519 issued by the Registrar of Companies, New Delhi and Haryana, India, originally in the name of Continental Rico Hydraulic Brakes India Private Limited. The Registrar of Companies, New Delhi and Haryana has issued a Certificate dated 4 May 2012 pursuant to the change in name of the Company to Continental Automotive Brake Systems (I) Private Limited.
- 4.2. The Transferor Company No. 1 is primarily engaged in the business of manufacturing, selling, and distributing hydraulic brake systems and electronic brake systems in India and overseas markets. The equity shares of the Transferor Company No. 1 are not listed on any stock exchange.
- 4.3. The details of the shareholders, directors/KMP and promoters of the Transferor Company No. 1 are as follows:

##### List of Shareholders as on 30<sup>th</sup> November, 2022:

S. No.	Name of Shareholder	Address	No. of Equity Shares of face value INR 10/- each
1	Continental Automotive Holding Netherlands B.V.	100-106, Bassin Maasricht, L1, 6211 AK, Netherlands	63,21,18,769
2	CAH Holding B.V.	100-106, Bassin Maasricht, L1, 6211 AK, Netherlands	1
<b>Total</b>			<b>63,21,18,770</b>

**List of Directors / KMP as on 30th November, 2022:**

S.No.	Name of Director/KMP	Designation	DIN/PAN
1.	Prashanth Doreswamy	Director	06962488
2.	Bernhard Willi Klumpp	Director	08400978

**List of Promoters of the Transferor Company No. 1:**

Sr. No.	Name of Promoter	Residential Address
NIL		

- 4.4. The main objects of the Transferor Company No. 1, as per its Memorandum of Association, are as follows:

*manufacture, produce, prepare, develop, repair, export, import, purchase, sell and generally carry on business in the manufacture, sale and supply of brakes of all descriptions including frictional, dynamic, slipper, mechanical, magnetic, vacuum servo, hydraulic, electronic, band-brakes, electro-mechanical and other power brakes, railway and tramcar brakes, hand, post and load brakes and running brakes, in India and abroad.*

- 4.5. The share capital structure of the Transferor Company No. 1 as on 31<sup>st</sup> March, 2022, is as follows:

Particulars	Amount in Rs.
Authorized Share Capital	
66,22,50,000 Equity shares of Rs. 10 each	6,62,25,00,000
Total	6,62,25,00,000
Issued, subscribed and paid-up Share Capital	
63,21,18,770 Equity shares of Rs. 10 each	6,32,11,87,700
Total	6,32,11,87,700

There has been no change in the above capital structure of the Transferor Company No. 1 after March 31, 2022, till the date of approval of this Scheme by the Board of the Transferor Company No. 1.

- 4.6. Continental Lighting India Private Limited, Transferor Company No. 2 is a private limited company incorporated Companies Act, 2013 having its registered office at No.53B, Bommasandra Industrial Area, Phase I, Hosur Road, Bengaluru – 560099, Karnataka, India. Continental Lighting was incorporated vide certificate dated 28 September 2018 with a CIN of U31900KA2018FTC116935 issued by the Registrar of Companies, Karnataka, India, originally in the name of Osram Continental India Private Limited. The Registrar of Companies, Karnataka has issued a Certificate dated 28 October 2021 pursuant to the change in name of the Company to Continental Lighting India Private Limited.
- 4.7. The Transferor Company No. 2 is engaged in the business of providing research and development services to its group companies across the globe. The equity shares of the

Transferor Company No.2 are not listed on any stock exchange.

- 4.8. The details of the shareholders, directors/KMP and promoters of the Transferor Company No. 2 are as follows:

**List of Shareholders as on 30<sup>th</sup> November, 2022:**

S. No.	Name of Shareholder	Address	No. of Equity Shares of face value INR 10/- each
1	Continental Automotive Holding Netherlands B.V.	100-106, Bassin Maasricht, L1, 6211 AK, Netherlands	79,59,600
2	CAH Holding B.V.	100-106, Bassin Maasricht, L1, 6211 AK, Netherlands	80,400
<b>Total</b>			<b>80,40,000</b>

**List of Directors / KMP as on 30th November, 2022:**

S.No.	Name of Director/KMP	Designation	DIN/PAN
1.	Valerio Jude Fernandes	Director	07396552
2.	Vidyasagar Sriperumbudur	Director	08240576

**List of Promoters of the Transferor Company No. 2:**

Sr. No.	Name of Promoter	Residential Address
NIL		

- 4.9. The main objects of the Transferor Company No. 2, as per its Memorandum of Association, are as follows:

*to carry out businesses including but not limited to develop, manufacture, supply and sell lighting functions (visible and non-visible) and developments, derivatives as well as substitutes thereof for motor driven vehicles, in particular automotive lighting as well as any activities ancillary thereto.*

- 4.10. The share capital structure of the Transferor Company No. 2 as on 31<sup>st</sup> March, 2022, is as follows:

Particulars	Amount in Rs.
Authorized Share Capital	
80,40,000 Equity shares of Rs. 10 each	8,04,00,000
Total	8,04,00,000
Issued, subscribed and paid-up Share Capital	
80,40,000 Equity shares of Rs. 10 each	8,04,00,000

Total	8,04,00,000
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There has been no change in the above capital structure of the Transferor Company No. 2 after March 31, 2022, till the date of approval of this Scheme by the Board of the Transferor Company No. 2.

- 4.11. Continental Automotive Components India Private Limited Transferee Company is a private limited company incorporated under the provisions of the Companies Act, 1956 and duly existing under the Companies Act, 2013 having its registered office at Plot No 53B, Bommasandra Industrial Area, Attibele Hobli, Anekal Taluk, Bengaluru – 560099, Karnataka, India. Continental Automotive was incorporated vide certificate dated 15 June 2007 with a CIN of U72900KA2007PTC043146 as it appears in the Company's Master Data in the records of Ministry of Corporate Affairs (previously as U29200KA2007PTC043146) issued by the Registrar of Companies, Karnataka, India, originally in the name of Siemens VDO Automotive Components Private Limited. The Registrar of Companies, Karnataka has issued a Certificate dated 11 April 2008 pursuant to the change in name of the Company to Continental Automotive Components (India) Private Limited.
- 4.12. The Transferee Company is engaged in the business of manufacturing and trading of instrumentation products, clusters, sensors, and other allied components for the automobile industry. The equity shares of the Transferee Company are not listed on any stock exchange.
- 4.13. The details of the shareholders, directors/KMP and promoters of the Transferee Company are as follows:

**List of Shareholders as on 30<sup>th</sup> November, 2022:**

S. No.	Name of Shareholder	Address	No. of Equity Shares of face value INR 10/- each
1	Continental Automotive Holding Netherlands B.V.	100-106, Bassin Maasricht, L1, 6211 AK, Netherlands	94,13,21,249
2	CAH Holding B.V.	100-106, Bassin Maasricht, L1, 6211 AK, Netherlands	1
<b>Total</b>			<b>94,13,21,250</b>

**List of Directors / KMP as on 30th November, 2022:**

S.No.	Name of Director/KMP	Designation	DIN/PAN
1.	Prashanth Doreswamy	Director	06962488
2.	Philipp Von Hirschheydt	Director	09534901
3	Laurent Loic Fabre	Director	09574447

**List of Promoters of the Transferee Company:**

Sr. No.	Name of Promoter	Residential Address
NIL		

- 4.14. The main objects of the Transferee Company, as per its Memorandum of Association, are as follows:

*to design, develop, manufacture, buy, sell, lease, hire, purchase, distribute, assemble, export, import, repair all precision instruments, components, systems including panel instruments, body, chassis, and interior components/systems for automobiles and vehicles of all descriptions, garage equipments, tools and machineries of all descriptions.*

Other allied objects mainly includes additionally *to carry on the business of engineering, tooling, supply chain management, logistics, process improvements, e-business and to offer services ranging from design engineering, process engineering, product data management, knowledge based engineering, systems engineering, tool development, software development and software customization and such similar Information Technology-enabled service related activities in respect of parts, accessories, components, systems, modules, assemblies or aggregates of any vehicles of any description, directly or indirectly in relation to the transportation industry and any other field, whether directly or through alliances, joint ventures, outsourcing or otherwise and to provide onsite, offsite consulting services for clients in India and abroad.*

- 4.15. The share capital structure of the Transferee Company as on 31<sup>st</sup> March, 2022, is as follows:

Particulars	Amount in Rs.
<b>Authorized Share Capital</b>	
2,00,00,00,000 Equity shares of Rs. 10 each	20,00,00,00,000
Total	
<b>Issued, subscribed and paid-up Share Capital</b>	
69,78,41,250 Equity shares of Re.10 each, fully paid up	6,97,84,12,500
Total	<b>6,97,84,12,500</b>

Subsequent to 31 March 2022 the, Authorized, Issued, Subscribed and Paid-up Capital of the Transferee Company is as follows:

Particulars	Amount in Rs.
<b>Authorized Share Capital</b>	
2,00,00,00,000 Equity shares of Rs. 10 each	20,00,00,00,000
Total	20,00,00,00,000
<b>Issued, subscribed and paid-up Share Capital</b>	
94,13,21,250 Equity shares of Re.10 each, fully paid up	9,41,32,12,500
Total	9,41,32,12,500

Subsequent to 30 November 2022 there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of the Transferee Company.

## 5. Rationale and benefits of the Scheme

- 5.1 The management of the Transferor Companies and the Transferee Company are of the opinion that the amalgamation of the Transferor Companies with and into the Transferee Company will result in, *inter alia*, the following benefits:
- a. Achieve greater integration and greater financial strength and flexibility for the combined entity leading to stronger negotiation power in the market and strengthened leadership in the industry;
  - b. Achieve business synergies on account of consolidation of related/ duplicative processes, including consolidation of Plant/ manufacturing infrastructure, consolidation of support services divisions within these entities, eliminate inter-company transactions, cost optimization etc;
  - c. Achieve greater efficiency in cash management and unfettered access to large cash flows, effective and centralized management of funds generated by the combined business which can be deployed more efficiently to fund larger projects with a stronger platform and strengthen brand visibility;
  - d. Achieve business growth in a more advantageous manner by combining all the businesses undertaken by the Parties into one and thereby provide an integrated offering to stakeholders as well as external customers/ agencies;
  - e. Achieve cost savings on account of reduction of various statutory and regulatory compliances, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses and simplification of structure;
  - f. Achieve administrative efficiency through better or centralized control over ongoing and future tax compliances/ litigation under various tax laws, corporate laws and exchange control regulations; and
  - g. the amalgamation will lead to the formation of a stronger entity having greater capacity for conducting its operations more efficiently and competitively.

This Scheme of Amalgamation would be in the interest of the Transferor Companies and the Transferee Company, and their respective shareholders, creditors, customers and other stakeholders and will not be prejudicial to the interests of any concerned shareholders or creditors or general public at large.

Further, this Scheme is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the rules and regulations framed thereunder and also read with Section 2(1B) read with Section 72A of the Income Tax Act, 1961, as applicable, for the amalgamation.

## 6. Date of Coming into Effect

The Scheme set out herein in its present form or with any modification(s) approved or imposed

or directed by the Tribunal or any other appropriate authority shall take effect in the following manner:

**"Appointed Date"** means the open of business on 1 April 2022 or such date as may be determined by the Board of Directors of the Transferor Companies, and the Transferee Company or such other time and date as the Tribunal may fix or direct.

**"Effective Date"** means the date or last of the dates on which the certified copy of the order of the NCLT sanctioning this Scheme of Amalgamation is filed with the Registrar of Companies, New Delhi and Haryana and the Registrar of Companies, Karnataka, by the Transferor Companies and Transferee Company, as applicable. Any reference in the Scheme to "On the Scheme becoming effective" or "Upon the Scheme becoming effective" or "Effectiveness of the Scheme" shall refer to the "Effective Date".

## 7. Effect of Scheme

- 7.1 At and after the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the Undertaking of the Transferor Companies shall pursuant to the provisions of Sections 230 to 232 of the Act and the orders received from the NCLT ("Orders"), the Rules and other applicable rules, and pursuant to the sanction of the Scheme by Tribunal, stand amalgamated with and vested in the Transferee Company, as a going concern, without any further act or instrument, together with all the properties, assets, rights, liabilities, benefits and interests therein by virtue of and in the manner provided in this Scheme.
- 7.2 Without prejudice to the generality of sub-clause 7.1 above, upon the coming into effect of the Scheme and with effect from the Appointed Date, the transfer and vesting shall be effected as follows:
  - (a) all assets, properties, tangible or intangible, licenses, franchises, rights, privileges, permits, quotas, entitlements, registrations, allotments, approvals, consents, concessions, trade mark licenses, no objection certificates required to carry on the business of the Transferor Company 1, including application for registration of trade mark, patents, copyrights and their right to use available to the Transferor Companies as on the Appointed Date or any other date which may be taken after the Appointed Date but till the Effective Date, shall get transferred to the Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
  - (b) With effect from the Appointed Date and upon the Scheme becoming effective, all Certificate of Registrations and Approval Letters/ Orders as available with Transferor Companies as on the Appointed Date or any other date which may be taken by the Transferor Companies after the Appointed Date but till the Effective Date shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge, or securities.
  - (c) With effect from the Appointed Date and upon the Scheme becoming effective, all the assets of the Transferor Companies as are movable in nature including, sundry debtors, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT) set-off rights, tax losses and unabsorbed depreciation set-off rights, pre-paid taxes (including taxes deducted at source), levies/liabilities, Tax deduction or any other benefit available under the IT Act, including but not limited to Tax deduction available on payment of certain expenses, CENVAT/ Central Sales Tax or State Value added tax credits, GST credits, benefits/ credits available under excise or customs duty regulations benefits receivable from

- Government or Statutory or Regulatory authorities such as duty drawback, incentives, rebates etc., if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery, would get transferred by physical delivery only and all others assets would get transferred by endorsement and delivery, by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of the Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
- (d) All guarantees provided by any bank in favor of the Transferor Companies outstanding as on the Effective Date, shall stand substituted in favor of and vest in the Transferee Company and shall endure to the benefit of the Transferee Company.
  - (e) With effect from the Appointed Date and upon the Scheme becoming effective, all incorporeal properties of the Transferor Companies as on Appointed Date or any such property which may be taken after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge, or securities.
  - (f) With effect from the Appointed Date and upon the Scheme becoming effective, all investment in subsidiaries, special purpose vehicles, joint ventures of Transferor Companies as on Appointed Date or any investment which may be made after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge, or securities.
  - (g) With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties including but not limited to land and buildings or any other immovable properties of Transferor Companies, whether freehold or leasehold, and any documents of title, registrations, rights and easements in relation thereto shall stand transferred to and be vested in Transferee Company, without any further instrument, deed or act or payment of any further fee, charge or securities either by the Transferor Companies or Transferee Company.
  - (h) With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and the Scheme becoming effective in accordance with the terms hereof.
  - (i) With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to Transferor Companies to which the Transferor Companies are a party or to the benefit of which Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Companies, Transferee Company had been a party or beneficiary or obligee thereto.

- (j) With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, bonds, guarantees provided, incentives or subsidies, entitlements, licenses including those relating to trademarks, tenancies, patents, copyrights, privileges, software, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Companies to which Transferor Companies is a party or to the benefit of which Transferor Companies may be eligible and which are subsisting or having effect immediately before the effective date, shall be enforceable as fully and effectually as if, instead of Transferor Companies, Transferee Company had been a party or beneficiary or obligee thereto.
- (k) With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of Transferor Companies or granted to Transferor Companies shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favor of Transferee Company upon the vesting of Transferor Companies' businesses and Undertakings pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals, and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Companies shall vest in and become available to Transferee Company pursuant to this Scheme.
- (l) With effect from the Appointed Date and upon the Scheme becoming effective, all motor vehicles of any description whatsoever of Transferor Companies shall stand transferred to and be vested in the Transferee Company, and the appropriate Governmental and Registration Authorities shall substitute the name of Transferee Company in place of Transferor Companies, without any further instrument, deed or act or any further payment of fee, charge, or securities.

### 7.3 Transfer Of Debts And Liabilities

With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, trade payables, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to any liability in whatever form), duties and obligations whether provided for or not in the books of accounts or disclosed in the balance sheets of Transferor Company, shall, without any further act, instrument or deed be transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act, so as to become the liabilities of the Transferee Company and further that it shall not be necessary to intimate or obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.

### 7.4 Contracts, Deeds, Bonds And Other Instruments

Upon the coming into effect this Scheme and with effect from the Appointed Date and subject to other provisions contained in this Scheme all contracts, deeds, agreements, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Companies are party to or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect against or in favor of the Transferor Companies and may be enforced as fully and effectually as

if instead of the Transferor Companies, the Transferee Company had been the party thereto or the beneficiary or oblige thereof.

#### 7.5 Transfer Of Employees

On the Scheme becoming Effective, all the executives, staff, workmen, and other employees, if any, in the service of the Transferor Companies shall become the executives, staff, workmen, and other employees of the Transferee Company.

### 8. Relationship subsisting between the Transferor Companies and the Transferee Company

The Transferor Companies and Transferee Company are held by common shareholders i.e., Continental Automotive Holding Netherlands B.V (majority shareholder) and CAH Holding B.V(minority shareholder)

### 9. Investigation or proceedings, if any, pending against the Transferor Companies or Transferee Company under the Act

There are no investigation or proceedings pending against the Transferor Companies or the Transferee Company under the Act.

### 10. Consideration

- a) Upon this Scheme coming into effect and upon transfer and vesting of the business and Undertaking of Transferor Company No. 1 in Transferee Company, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by Transferee Company as follows:

The Transferee Company, without further application, act or deed, shall issue and allot to the shareholders of Transferor Company No. 1 holding 99.99% of the share capital i.e. Continental Automotive Holding Netherlands B.V (other than the shares already held therein immediately before the amalgamation by Transferee Company, its Nominee or Subsidiary Company) and minority shareholder of the Transferor Company No. 1 holding 0.01% of the share capital i.e., CAH Holding B.V, as per the share exchange ratio determined by the Registered Valuer (basis the Valuation Report dated 13 December 2022), ie :

***1 Equity Share of Rs. 10.00 (Rupees Ten) each Fully Paid-up to Continental Automotive Holding Netherlands B.V., and CAH Holding B.V. Transferee Company in lieu of every 5 equity shares of Rs. 10.00 (Rupees Ten) each Fully Paid-up in Transferor Company No. 1 ("New Equity Shares").***

- b) Upon this Scheme coming into effect and upon transfer and vesting of the business and Undertaking of Transferor Company No. 2 in Transferee Company, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by Transferee Company as follows:

The Transferee Company, without further application, act or deed, shall issue and allot to the shareholders of Transferor Company No. 2 holding 99.00% of the share capital i.e. Continental Automotive Holding Netherlands B.V (other than the shares already held therein immediately before the amalgamation by Transferee Company, its Nominee or

Subsidiary Company) and minority shareholder of the Transferor Company No. 2 holding 1% of the share capital i.e., CAH Holding B.V, as per the share exchange ratio determined by the Registered Valuer (basis the Valuation Report dated 13 December 2022), ie :

*1 Equity Share of Rs. 10.00 (Rupees Ten) each Fully Paid-up to Continental Automotive Holding Netherlands B.V., and CAH Holding B.V. in Transferee Company in lieu of every 1 equity share of Rs. 10.00 (Rupees Ten) each Fully Paid-up in Transferor Company No. 2 (“New Equity Shares”).*

**11. Summary of Valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any, and the declaration that the valuation report is available for inspection at registered office of the Company**

For the purpose of determining the equity value of the shares of the Transferor Companies for the proposed amalgamation, as required under the Act, the Transferee Company has obtained a valuation report dated 13<sup>th</sup> December 2022 from Sushma Rajgaria, Registered Valuer (S & FA), (Registration No. IBBI/RV/04/2020/13156) (“**Registered Valuer**”).

The same is available for inspection at the Registered Office of the Transferor Companies and Transferee Company on all working days, except Saturdays, Sundays and Public Holidays, during business hours from Monday to Friday between 10.00 A.M. to 5.00 P.M. upto one day prior to the date of the meeting.

**12. Date of the board Meeting at which the Scheme was approved by the board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote/ participate on such resolution:**

**Transferor Company No. 1:**

Date of Board Meeting: 12<sup>th</sup> December 2022

The Meeting was attended by the following Directors who voted in favour of the resolution unanimously:

1. Mr. Prashanth Doreswamy
2. Mr. Bernhard Willi Klumpp

There was no other Director who voted against the resolution or did not participate on the resolution.

**Transferor Company No. 2:**

Date of Board Meeting: 13<sup>th</sup> December 2022

The Meeting was attended by the following Directors who voted in favour of the resolution unanimously:

1. Mr. Valerio Jude Fernandes
2. Mr. Vidyasagar Sriperumbudur

There was no other Director who voted against the resolution or did not participate on the resolution.

**Transferee Company:**

Date of Board Meeting: 13<sup>th</sup> December, 2022

The Meeting was attended by the following Directors who voted in favour of the resolution unanimously:

1. Mr. Prashanth Doeswamy
2. Mr. Philipp Von Hirschheydt
3. Mr. Laurent Loic Fabre

There was no other Director who voted against the resolution or did not participate on the resolution.

13. Total amount due to Unsecured Creditors of the Transferor Companies and the Transferee Company as on 30<sup>th</sup> November, 2022, is given below:

S.No.	Un-secured Creditors of	Amount (in INR)
1	Transferor Company No. 1	2,63,84,77,560
2	Transferor Company No. 2	1,64,71,327
3	Transferee Company	4,04,74,99,163

14. Total amount due to Secured Creditors of the Transferor Companies and the Transferee Company as on 30<sup>th</sup> November 2022, is given below:

S.No.	Secured Creditors of	Amount (in INR)
1	Transferor Company No. 1	NIL
2	Transferor Company No. 2	NIL
3	Transferee Company	NIL

**15. Effect of the Scheme on the Promoters, Directors, Key Managerial Personnel, Shareholders, etc**

a. Upon the effectiveness of the Scheme, the Transferee Company shall issue consideration to the equity shareholders of the Transferor Company No. 1 and Transferor Company No. 2 in the abovementioned swap ratio. Post-merger, there will be no change in the shareholder of the Transferee Company since the Transferor Company No. 1, Transferor Company No. 2 and Transferee Company are held by a common shareholders.

b. The effectiveness of the Scheme shall have no adverse impact on the equity shareholders of the Company.

c. The Company is not expecting any changes or impact on the KMP, Board of Directors, employees or the creditors.

d. The proposed Scheme of Amalgamation does not envisage any corporate debt restructuring. There is no proposal to restructure or vary the debt obligation of any of the Transferor Companies and Transferee Company towards their respective creditors. The proposed Scheme

of Amalgamation will not adversely affect the rights of any of the creditors of the Transferor Companies and Transferee Company in any manner whatsoever.

e. The proposed Scheme of Amalgamation will not have any adverse effect on the Secured Creditors, Unsecured Creditors, Employees and other stakeholders, if any, of the Transferor Companies and Transferee Company.

#### 16. General:

- a) The rights and interests of the Equity Shareholders and Creditors of Transferor Companies and Transferee Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner.
- b) There are no winding-up proceedings pending against the Transferor Companies and Transferee Company as of date.
- c) The following additional documents will be open for inspection to the creditors of the Transferor Companies and Transferee Company at its Registered Office between 10:00 A.M. to 05:00 P.M. on all working days, except Saturdays, Sundays and Public Holidays, up to 1 (one) day prior to the date of the Meeting:
  - i. Papers and proceedings in Company Application No. CA (CAA) No.2/ BB/ 2023 including a certified copy of the Order of the Bengaluru Bench of the Hon'ble Tribunal in the said Company Application directing the convening and holding of the Meeting of the Unsecured creditors as on Cut-off date of the Transferee Company;
  - ii. Memorandum of Association and Articles of Association of Transferor Companies and Transferee Company;
  - iii. Latest audited financial statements of the Transferor Companies and Transferee Company for the financial year ended 31st March, 2022.
  - iv. Register of Directors and Shareholders of Transferor Companies and Transferee Company;
  - v. Copies of the resolutions passed by the Board of Directors of Transferor Companies and Transferee Company approving the Scheme.
  - vi. Copy of the certificate issued by the Auditor of the Transferor Companies and Transferee Company to the effect that the accounting treatment, if any, proposed in the Scheme of Amalgamation is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

Copies of the Scheme of Amalgamation, the Explanatory Statement and other relevant documents can be obtained free of charge on all working days (except Saturday) during 11:00 A.M. to 05:00 P.M. from the Registered Office of the of Transferor Companies or Transferee Company or / and at the office of its representative, M/s K Dushyantha Kumar, No. 404/2, 7<sup>th</sup> Main, 9<sup>th</sup> Cross, Jayanagar II Block, Bangalore – 560011.

- d) This statement may be treated as an Explanatory Statement under Sections 230 & 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Section 102 and other applicable provisions of the Companies Act, 2013.

Dated this 14 March 2023

**Sd/-**

Name: K Dushyantha Kumar  
**Authorised Representative**  
**Place: Bengaluru**

**SCHEME OF AMALGAMATION**

**OF**

**CONTINENTAL AUTOMOTIVE BRAKE SYSTEMS (I) PRIVATE LIMITED -**  
**"TRANSFEROR COMPANY 1"**

**AND**

**CONTINENTAL LIGHTING INDIA PRIVATE LIMITED - "TRANSFEROR COMPANY 2"**

**WITH**

**CONTINENTAL AUTOMOTIVE COMPONENTS (INDIA) PRIVATE LIMITED -**  
**"TRANSFeree COMPANY"**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

Under the provisions of Section 230 to Section 232 and other applicable provisions of  
the Companies Act, 2013 and Rules framed thereunder

**PARTS OF THE SCHEME**

The Scheme is divided into the following parts:

- |                 |   |
|-----------------|---|
| <b>Part I</b>   | Deals with Preamble, Description of the Companies and Rationale of the Scheme   |
| <b>Part II</b>  | Deals with Definitions and Share Capital  |
| <b>Part III</b> | Deals with the mechanics of the Scheme and contains the following sections<br>a) <b>Section A</b> - Amalgamation of Transferor Company 1 with Transferee Company; and<br>b) <b>Section B</b> - Amalgamation of Transferor Company 2 with Transferee Company |
| <b>Part IV</b>  | Deals with the General Terms and Conditions that will be applicable to the Scheme   |



R.I.G.

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## PART I

### PREAMBLE, DESCRIPTION OF THE COMPANIES AND RATIONALE OF THE SCHEME

#### 1. PREAMBLE

- 1.1. This Scheme of Amalgamation ("**the Scheme**") is presented pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) for amalgamation of Continental Automotive Brake Systems (I) Private Limited ("**Continental Brakes**" or "**Transferor Company 1**") and Continental Lighting India Private Limited ("**Continental Lighting**" or "**Transferor Company 2**") with Continental Automotive Components (India) Private Limited ("**Continental Automotive**" or "**Transferee Company**") and section 2(1B) and other related provisions of the IT Act.
- 1.2. As on the date of filing of this Scheme, the Transferor Companies and Transferee Company are held by common shareholders i.e., Continental Automotive Holding Netherlands B.V (majority shareholder) and CAH Holding B.V(minority shareholder)
- 1.3. This Scheme deals with the details of process of amalgamation, transfer and vesting of assets and liabilities, consideration, accounting treatment, increase in the share capital and also provides for various other matters consequential to or otherwise integrally connected herewith.

#### 2. DESCRIPTION OF THE COMPANIES

- 2.1. **Continental Brakes, Transferor Company 1** is a private limited company incorporated under the provisions of the Companies Act, 1956 and duly existing under the Companies Act, 2013 having its registered office at Plot No 179-180, Sector-5 IMT Manesar, Gurgaon – 122050, Haryana, India. Continental Brakes was incorporated on 3 January 2008 with a Corporate Identification Number ("CIN") of U74900HR2008PTC037519 issued by the Registrar of Companies, New Delhi and Haryana, India, originally in the name of Continental Rico Hydraulic Brakes India Private Limited. The Registrar of Companies, New Delhi and Haryana has issued a Certificate dated 4 May 2012 pursuant to the change in name of the Company to Continental Automotive Brake Systems (I) Private Limited. Continental Brakes was incorporated with the following main objects: to manufacture, produce, prepare, develop, repair, export, import, purchase, sell and generally carry on business in the manufacture, sale and supply of brakes of all descriptions including frictional, dynamic, slipper, mechanical, magnetic, vacuum servo, hydraulic, electronic, band-brakes, electro-mechanical and other power brakes, railway and tramcar brakes, hand, post and load brakes and running brakes, in India and abroad.



In terms of its operations, Continental Brakes is primarily engaged in the business of manufacturing, selling, and distributing hydraulic brake systems and electronic brake systems in India and overseas markets.

- 2.2. **Continental Lighting, Transferor Company 2** is a private limited company incorporated under the provisions of the Companies Act, 2013 having its registered office at No.53B, Bommasandra Industrial Area, Phase I, Hosur Road, Bengaluru – 560099, Karnataka, India. Continental Lighting was incorporated vide certificate dated 28 September 2018 with a CIN of U31900KA2018FTC116935 issued by the Registrar of Companies, Karnataka, India, originally in the name of Osram Continental India Private Limited. The Registrar of Companies, Karnataka has issued a Certificate dated 28 October 2021 pursuant to the change in name of the Company to Continental Lighting India Private Limited. Continental Lighting was incorporated with the following main objects: to carry out businesses including but not limited to develop, manufacture, supply and sell lighting functions (visible and non-visible) and developments, derivatives as well as substitutes thereof for motor driven vehicles, in particular automotive lighting as well as any activities ancillary thereto.

In terms of its operations, Continental Lighting is in the business of providing research and development services to its group companies across the globe.

- 2.3. **Continental Automotive, Transferee Company** is a private limited company incorporated under the provisions of the Companies Act, 1956 and duly existing under the Companies Act, 2013 having its registered office at Plot No 53B, Bommasandra Industrial Area, Attibele Hobli, Anekal Taluk, Bengaluru – 560099, Karnataka, India. Continental Automotive was incorporated vide certificate dated 15 June 2007 and has CIN - U72900KA2007PTC043146 as it appears in the Company's Master Data in the records of Ministry of Corporate Affairs (previously as U29200KA2007PTC043146) issued by the Registrar of Companies, Karnataka, India, originally in the name of Siemens VDO Automotive Components Private Limited. The Registrar of Companies, Karnataka has issued a Certificate dated 11 April 2008 pursuant to the change in name of the Company to Continental Automotive Components (India) Private Limited. Continental Automotive was incorporated with the following main objects: to design, develop, manufacture, buy, sell, lease, hire, purchase, distribute, assemble, export, import, repair all precision instruments, components, systems including panel instruments, body, chassis, and interior components/systems for automobiles and vehicles of all descriptions, garage equipments, tools and machineries of all descriptions.

Further, Other allied objects mainly includes additionally to carry on the business of engineering, tooling, supply chain management, logistics, process improvements, e-business and to offer services ranging from design engineering, process engineering, product data management, knowledge based engineering, systems engineering, tool development, software development and software customization and such similar Information Technology-enabled service related activities in respect of parts,



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accessories, components, systems, modules, assemblies or aggregates of any vehicles of any description, directly or indirectly in relation to the transportation industry and any other field, whether directly or through alliances, joint ventures, outsourcing or otherwise and to provide onsite, offsite consulting services for clients in India and abroad.

In terms of its operations, Continental Automotive is primarily engaged in the business of manufacturing and trading of instrumentation products, clusters, sensors, and other allied components for the automobile industry.

This comprehensive Scheme provides for the amalgamation of Transferor Company 1 and Transferor Company 2 into Transferee Company, which would thereby result in amalgamation of each of the Transferor Companies into the Transferee Company, pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and applicable rules (the "Amalgamation"). Further, this Amalgamation of Transferor Company 1 and Transferor Company 2 shall take effect from the Appointed Date (as defined hereinafter) and shall be in accordance with the provisions of Section 2(1B) of the Income-Tax Act, 1961.

Hereinafter, the Transferor Company 1 and Transferor Company 2 will be collectively referred as "**Transferor Companies**". The Transferor Companies and Transferee Company are individually referred to as a "**Party**" and collectively referred to as "**Parties**".

### 3. OBJECTIVES AND RATIONALE OF THE SCHEME

- 3.1. The Transferor Companies and the Transferee Company form part of the same group viz Continental Group. Continental Group, headquartered in Germany, is a multinational automotive parts manufacturing company operating under mainly three sectors - automotive, tires and ContiTech with 16 business areas. The Automotive sector comprises of technologies for passive safety, brake, chassis, motion and motion control systems. The Continental Group has multiple subsidiary companies across the globe with 9 such subsidiaries in India.
- 3.2. Continental Automotive group in India wishes to consolidate and operate minimal entities in each of its division/ sectors referred above. The Transferor Companies and the Transferee Company are part of Automotive sector and are also held by a common shareholders ie Continental Automotive Holding Netherlands B.V (majority shareholder) and CAH Holding B.V (minority shareholder) as on the date of filing this Scheme of Merger. With an intent to accelerate the business, to consolidate the common customer base and to streamline the operating structure, the Transferor Companies are proposed to be amalgamated with the Transferee Company through this Scheme.
- 3.3. In addition, this amalgamation would provide transparency to the Shareholders to engage and deal with a 'single' entity ie Transferee Company, leading to commitment and better functioning of businesses.



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3.4. It is expected that the integration, consolidation, and amalgamation of the Transferor Companies with the Transferee Company would, inter-alia entails the following benefits:

- (i) Achieve greater integration and greater financial strength and flexibility for the combined entity leading to stronger negotiation power in the market and strengthened leadership in the industry;
- (ii) Achieve business synergies on account of consolidation of related/ duplicative processes, including consolidation of plant/ manufacturing infrastructure, consolidation of support services divisions within these entities, eliminate inter-company transactions, cost optimization etc;
- (iii) Achieve greater efficiency in cash management and unfettered access to large cash flows, effective and centralized management of funds generated by the combined business which can be deployed more efficiently to fund larger projects with a stronger platform and strengthen brand visibility;
- (iv) Achieve business growth in a more advantageous manner by combining all the businesses undertaken by the Parties into one and thereby provide an integrated offering to stakeholders as well as external customers/ agencies;
- (v) Achieve cost savings on account of reduction of various statutory and regulatory compliances, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses and simplification of structure;
- (vi) Achieve administrative efficiency through better or centralized control over ongoing and future tax compliances/ litigation under various tax laws, corporate laws and exchange control regulations; and
- (vii) the amalgamation will lead to the formation of a stronger entity having greater capacity for conducting its operations more efficiently and competitively.

In view of the aforesaid, the Board of Directors of the Transferor Companies and the Transferee Company have considered and proposed the amalgamation for the transfer and vesting of the Transferor Companies with and into the Transferee Company and other matters herein, and that amalgamation would benefit the shareholders, creditors, employees and other stakeholders of the Transferor Companies and the Transferee Company.

The Scheme is between the Transferor Company 1, Transferor Company 2 and the Transferee Company and their respective shareholders and creditors and is not intended to be a compromise with any of their creditors.



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## PART II

### DEFINITIONS AND SHARE CAPITAL

#### 4. DEFINITIONS

- 4.1. **“Act” or “the Act”** means the Companies Act, 2013 and the Rules and Regulations made thereunder and shall include any statutory modifications, re-enactment, or amendment thereof for the time being in force.
- 4.2. **“Amalgamation”** shall mean the amalgamation of the Transferor Companies with the Transferee Company pursuant to the sections 230 to 232 and other relevant provisions of the Act, as contemplated under this scheme.
- 4.3. **“Appointed Date”** means the open of business on 1 April 2022 or such date as may be determined by the Board of Directors of the Transferor Companies, and the Transferee Company or such other time and date as the Tribunal may fix or direct.
- 4.4. **“Appropriate Authority”** means any government body (central, state, or local Government), legislative body, statutory body, departmental or public body or regulatory or administrative authority, judicial or arbitral body or other organization operating under the force of law including NCLT, income-tax authorities, Reserve Bank of India, and other applicable authorities pursuant to the provisions of Section 230(5) of the Act, as may be relevant in the context.
- 4.5. **“Board of Directors” or “Board”** means the respective Board of Directors of the Transferor Companies and the Transferee Company
- 4.6. **“Companies”** means Continental Automotive, Continental Lighting and Continental Brakes, collectively.
- 4.7. **“Effective Date”** means the date or last of the dates on which the certified copy of the order of the NCLT sanctioning this Scheme of Amalgamation is filed with the Registrar of Companies, New Delhi and Haryana and the Registrar of Companies, Karnataka, by the Transferor Companies and Transferee Company, as applicable. Any reference in the Scheme to “On the Scheme becoming effective” or “Upon the Scheme becoming effective” or “Effectiveness of the Scheme” shall refer to the “Effective Date”.
- 4.8. **“Encumbrance”** shall mean options, pledge, hypothecation, mortgage, lien, security interest, claim, charge (whether fixed or floating), assignment, deed of trust, pre-emptive right, easement, limitation, attachment, restraint security interest or any other encumbrance of any kind or nature whatsoever, and the term **“Encumbered”** shall be construed accordingly.



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- 4.9. **"Governmental Authority"** means any central, state, or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction.
- 4.10. **"Goods and Service Tax" or "GST"** means Goods and Service Tax, 2017 including any statutory rules, modifications, re-enactments, or amendments thereof for the time being in force.
- 4.11. **"Income Tax Act" or "IT Act"** means the Income Tax Act, 1961, including any statutory rules, modifications, re-enactments, or amendments thereof for the time being in force.
- 4.12. **"Law" or "Applicable Law"** includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, byelaws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, Tribunal, Board, Court of India or any other country or jurisdiction as applicable.
- 4.13. **"MCA"** means the Ministry of Corporate Affairs, Government of India.
- 4.14. **"NCLT"** means the National Company Law Tribunal, Chandigarh bench, having jurisdiction over the Transferor Company 1 and/or National Company Law Tribunal, Bengaluru bench having jurisdiction over the Transferor Company 2 and Transferee Company, constituted under the Companies Act, 2013 and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise, or reconstruction of Company under Section 230 to 232 of the Companies Act, 2013.
- 4.15. **"Official Liquidator" or "OL"**: means Official Liquidator having jurisdiction over the Transferor Companies and Transferee Company.
- 4.16. **"Registrar of Companies" or "ROC"** means the Registrar of Companies, New Delhi, and Haryana and/or Registrar of Companies, Karnataka, India.
- 4.17. **"Rules"** means the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force".
- 4.18. **"Scheme" or "Scheme of Amalgamation"** means this Scheme for Amalgamation of Transferor Companies with Transferee Company under Sections 230-232 of the Companies Act, 2013 as approved by the Board of Directors of both the Companies in its present form and with any modifications and amendment, if any as may be made from time to time and with appropriate approvals of relevant Governmental Authority and subject to sanction of the Ministry of Corporate Affairs and other relevant regulatory



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authorities as may be required under Companies Act, 2013 and all other applicable laws.

- 4.19. **"Transferee Company"** means Continental Automotive Components (India) Private Limited.
- 4.20. **"Transferor Company 1"** means Continental Automotive Brake Systems (I) Private Limited.
- 4.21. **"Transferor Company 2"** means Continental Lighting India Private Limited.
- 4.22. **"Transferor Companies"** shall mean both Transferor Company 1 and Transferor Company 2
- 4.23. **"Undertaking 1"** means the entire business and whole of the undertakings of the Transferor Company 1 as a going concern, including and not limited to all its assets, rights, licenses, powers, and all its debts outstanding, liabilities, duties, obligations, contracts, and employees as on the Appointed Date, and shall include (without limitation):
- (a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company 1, including, without limitation, all lands (whether leasehold or freehold), structures, estates, plants, machinery, equipment, leasehold improvements, buildings and structures, offices, capital work-in-progress, furniture, fixtures, office equipment, computers, inventories, sundry debtors, credits, deposits, loans and advances (whether recoverable in cash or in kind for value to be received), investments of all kinds, cash and cash equivalents, bank accounts (including bank balances), intellectual property rights, trademarks, trade names, patents, copyrights, rights of any other nature whatsoever including know-how, domain names, or any applications for patents, patent rights, trademarks, trade names, design, copyrights whether tangible or otherwise, contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company 1, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts, rights and benefits under any agreement, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 1, whether or not included in the books of accounts, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Transferor Company 1, whether in India or abroad.
  - (b) All debts, borrowings, obligations, duties and liabilities, both present and future, contingent liabilities and liabilities or obligations under any licenses or permits or schemes of every kind, of whatsoever nature and description and howsoever



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arising, raised or incurred or utilized, whether secured or unsecured, whether in Indian rupees or foreign currency, whether provided for or not in the books of account or disclosed in the balance sheet of the Transferor Company 1 as at the Appointed Date.

- (c) All Contracts including material contracts, agreements, bids, tenders, licenses, linkages, memoranda of understanding, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, understandings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders, right of way, tenancy rights or other instruments of whatsoever nature to which the Transferor Company 1 is a party, exclusively relating to this Undertaking 1 or otherwise identified to be for the benefit of the same.
- (d) All the investments (including shares, scrips, stocks, bonds, debenture stocks, units, certificates), branch offices and properties of whatsoever nature, of the Transferor Company 1, situated in India or anywhere outside India.
- (e) All permits, quotas, rights, claims, entitlements (including but not limited to Remission of Duties and Taxes on Export Products or RODTEP, Modified Special Incentive Package Scheme or MSIPS), registrations, industrial and other licenses and approvals, bids, tenders, authorities, letters of intent, letter of approval, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, plans, consents, transferable development rights, rights in relation to floor area ratio, subsidies, rights under any agreements entered with parties, privileges, income tax benefits and exemptions, indirect tax credits including but not limited to Goods & Service Tax credits, CENVAT credits, FTP, central sales tax or state value added tax credits, excise duty, advance tax payments, receivables in relation to tax deducted at source, minimum alternate tax credits, reserves, business losses and unabsorbed depreciation carried forward as per the provisions of IT Act, book losses and unabsorbed depreciation, all other rights including tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto pertaining to any of the existing or erstwhile tax and regulatory provisions, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 1.
- (f) All benefits, entitlements, incentives and concessions under incentive schemes and policies, subsidy receivables from Government, grants from any Appropriate Authority to the extent statutorily available to the Transferor Company 1 pertaining to this Undertaking 1, along with associated obligations.
- (g) Right to any claim not presented or made by the Transferor Company 1 in respect of refund of any tax, duty, cess or other charge, including any erroneous or excess



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payment thereof made by the Transferor Company 1 and any interest thereon, with regard to any law, act or rule or Scheme made by any Governmental Authority, and in respect of set-off, carry forward of unabsorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the IT Act, respective indirect tax acts, or taxation laws of any state, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India, or anywhere outside India.

- (h) All staff, workmen and employees, if any, engaged in the business or in connection with the Transferor Company 1, and on the rolls of the Transferor Company 1 on the closing hours of the date immediately preceding the Effective Date.
- (i) All other liabilities and obligations of the Transferor Company 1 of whatsoever kind including liabilities with regard to the employees of the Transferor Company 1 with respect to the payment of gratuity, employee state insurance, pension, benefits and provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment.
- (j) Without prejudice to the generality of the above Clauses, the undertaking of the Transferor Company 1 shall include all remissions, remedies, subsidies, guarantees, bonds, hire purchase, lending arrangements, benefits of security arrangements, security contracts, computers, computer programs manuals, data, catalogues, quotations, sales and advertisement materials, list of present and former customers and suppliers, customer and supplier pricing information and all other records and documents relation to the Transferor Company 1, business activities and operations and licenses, assignments and grants in respect thereof, import quotas, and other quota rights, insurance policies, preliminary expenses, if any, benefit of deferred revenue expenditure, prepaid expenditure, consents, permissions, investments letters of intent, registrations, powers, contracts, deeds, engagements, arrangements, rights, credits, titles, goodwill, interests, benefits, memberships, advantages, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, industrial and other licenses of all kinds, permits, authorizations, quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities connections, installations and equipment, rights, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, reserves, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies, rights, titles, claims and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits, exemptions, and approvals, all book of accounts, documents and records of whatsoever nature and where so ever situated whether in physical or electronic form, belonging to or in the



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ownership, power or possession or control of or vested in or granted in favor of or enjoyed by the Transferor Company 1 as at the Appointed Date and thereafter.

It is intended that the definition of Undertaking 1 under this Clause would enable the transfer of all property, assets, rights, duties, employees, and liabilities of the Transferor Company 1 into the Transferee Company pursuant to this Scheme.

4.24. **"Undertaking 2"** means the entire business and whole of the undertakings of the Transferor Company 2 as a going concern, including and not limited to all its assets, rights, licenses, powers, and all its debts outstanding, liabilities, duties, obligations, contracts, and employees as on the Appointed Date, and shall include (without limitation):

- (a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company 2, including, without limitation all lands (whether leasehold or freehold), structures, estates, plants, machinery, equipment, leasehold improvements, buildings and structures, offices, capital work-in-progress, furniture, fixtures, office equipment, computers, inventories, sundry debtors, credits, deposits, loans and advances (whether recoverable in cash or in kind for value to be received), investments of all kinds, cash and cash equivalents, bank accounts (including bank balances), intellectual property rights, trademarks, trade names, patents, copyrights, rights of any other nature whatsoever including know-how, domain names, or any applications for patents, patent rights, trademarks, trade names, design, copyrights whether tangible or otherwise, contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company 2, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts, rights and benefits under any agreement, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 2, whether or not included in the books of accounts, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Transferor Company 2, whether in India or abroad.
- (b) All debts, borrowings, obligations, duties and liabilities, including the Continental Lighting Debentures and all obligations, duties and liabilities in relation thereto as set out under the Continental Lighting Debenture Documents, both present and future, contingent liabilities and liabilities or obligations under any licenses or permits or schemes of every kind, of whatsoever nature and description and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Indian rupees or foreign currency, whether provided for or not in the



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books of account or disclosed in the balance sheet of the Transferor Company 2 as at the Appointed Date.

- (c) All Contracts including material contracts, agreements, bids, tenders, licenses, linkages, memoranda of understanding, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, understandings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders, right of way, tenancy rights or other instruments of whatsoever nature to which the Transferor Company 2 is a party, exclusively relating to this Undertaking 2 or otherwise identified to be for the benefit of the same.
- (d) All the investments (including shares, scrips, stocks, bonds, debenture stocks, units, certificates), branch offices and properties of whatsoever nature, of the Transferor Company 2, situated in India or anywhere outside India.
- (e) All permits, quotas, rights, claims, entitlements (including but not limited to Services Exports from India Scheme), registrations, industrial and other licenses and approvals, bids, tenders, authorities, letters of intent, letter of approval, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals plans, consents, transferable development rights, rights in relation to floor area ratio, subsidies, rights under any agreements entered with parties, privileges, income tax benefits and exemptions, indirect tax credits including but not limited to Goods & Service Tax credits, CENVAT Credits, FTP, advance tax payments, receivables in relation to tax deducted at source, minimum alternate tax credits, reserves, business losses and unabsorbed depreciation carried forward as per the provisions of IT Act, book losses and unabsorbed depreciation, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, pertaining to any of the existing or erstwhile tax and regulatory provisions, licenses, powers and facilities of every kind, nature and description whatsoever, /provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 2.
- (f) All benefits, entitlements, incentives and concessions under incentive schemes and policies, subsidy receivables from Government, grants from any Appropriate Authority to the extent statutorily available to the Transferor Company 2 pertaining to this Undertaking 2, along with associated obligations.
- (g) Right to any claim not presented or made by the Transferor Company 2 in respect of refund of any tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company 2 and any interest thereon, with regard to any law, act or rule or Scheme made by any Governmental Authority, and in respect of set-off, carry forward of unabsorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization



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benefit, etc. under the IT Act, respective indirect tax acts, or taxation laws of any state, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India, or anywhere outside India.

- (h) All staff, workmen and employees, if any, engaged in the business or in connection with the Transferor Company 2, and on the rolls of the Transferor Company 2 on the closing hours of the date immediately preceding the Effective Date.
- (i) All other liabilities and obligations of the Transferor Company 2 of whatsoever kind including liabilities with regard to the employees of the Transferor Company 2 with respect to the payment of gratuity, employee state insurance, pension, benefits and provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment.
- (j) Without prejudice to the generality of the above Clauses, the undertaking of the Transferor Company 2 shall include all remissions, remedies, subsidies, guarantees, bonds, hire purchase, lending arrangements, benefits of security arrangements, security contracts, computers, computer programs manuals, data, catalogues, quotations, sales and advertisement materials, list of present and former customers and suppliers, customer and supplier pricing information and all other records and documents relation to the Transferor Company 2, business activities and operations and licenses, assignments and grants in respect thereof, import quotas, and other quota rights, insurance policies, preliminary expenses, if any, benefit of deferred revenue expenditure, prepaid expenditure, consents, permissions, investments letters of intent, registrations, powers, contracts, deeds, engagements, arrangements, rights, credits, titles, goodwill, interests, benefits, memberships, advantages, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, industrial and other licenses of all kinds, permits, authorizations, quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities connections, installations and equipment, rights, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, reserves, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies, rights, titles, claims and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits, exemptions, and approvals, all book of accounts, documents and records of whatsoever nature and where so ever situated whether in physical or electronic form, belonging to or in the ownership, power or possession or control of or vested in or granted in favor of or enjoyed by the Transferor Company 2 as at the Appointed Date and thereafter.



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It is intended that the definition of Undertaking 2 under this Clause would enable the transfer of all property, assets, rights, duties, employees, and liabilities of the Transferor Company 2 into the Transferee Company pursuant to this Scheme.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations, and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

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## 5. SHARE CAPITAL

5.1. The share capital of the Transferor Company 1 as on 31 March 2022 is as follows:

Particulars	Amount in Rs.
<b>Authorized Share Capital</b>	
66,22,50,000 Equity shares of Rs. 10 each	6,62,25,00,000
<b>Total</b>	<b>6,62,25,00,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
63,21,18,770 Equity shares of Rs. 10 each	6,32,11,87,700
<b>Total</b>	<b>6,32,11,87,700</b>

Subsequent to 31 March 2022 there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of the Transferor Company 1.

5.2. The share capital of the Transferor Company 2 as on 31 March 2022 is as follows:

Particulars	Amount in Rs.
<b>Authorized Share Capital</b>	
80,40,000 Equity shares of Rs. 10 each	8,04,00,000
<b>Total</b>	<b>8,04,00,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
80,40,000 Equity shares of Rs. 10 each	8,04,00,000
<b>Total</b>	<b>8,04,00,000</b>

Subsequent to 31 March 2022 there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of the Transferor Company 2.

5.3. The share capital of the Transferee Company as on 31 March 2022 is as follows:

Particulars	Amount in Rs.
<b>Authorized Share Capital</b>	
90,00,00,000 Equity shares of Rs. 10 each	9,00,00,00,000
<b>Total</b>	
<b>Issued, subscribed and paid-up Share Capital</b>	
69,78,41,250 Equity shares of Re.10 each, fully paid up	6,97,84,12,500
<b>Total</b>	<b>6,97,84,12,500</b>

Subsequent to 31 March 2022 the, Authorized, Issued, Subscribed and Paid-up Capital of the Transferee Company is as follows:

Particulars	Amount in Rs.
<b>Authorized Share Capital</b>	
2,00,00,00,000 Equity shares of Rs. 10 each	20,00,00,00,000



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Total	20,00,00,00,000
Issued, subscribed and paid-up Share Capital	
94,13,21,250 Equity shares of Re.10 each, fully paid up	9,41,32,12,500
Total	9,41,32,12,500

Subsequent to 30 November 2022 there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of the Transferee Company.

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### PART III

#### SECTION A – AMALGAMATION OF TRANSFEROR COMPANY 1 WITH TRANSFeree COMPANY

##### **6. TRANSFER AND VESTING OF UNDERTAKING 1**

- 6.1. At and after the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the Undertaking 1 shall pursuant to the provisions of Sections 230 to 232 of the Act and the orders received from the NCLT ("Orders"), the Rules and other applicable rules, and pursuant to the sanction of the Scheme by Tribunal, stand amalgamated with and vested in the Transferee Company, as a going concern, without any further act or instrument, together with all the properties, assets, rights, liabilities, benefits and interests therein by virtue of and in the manner provided in this Scheme.
- 6.2. Without prejudice to the generality of the above, at and after the Appointed Date and upon the Scheme becoming effective:
- (a) all assets, properties, tangible or intangible, licenses, franchises, rights, privileges, permits, quotas, entitlements, registrations, allotments, approvals, consents, concessions, trade mark licenses, no objection certificates required to carry on the business of the Transferor Company 1, including application for registration of trade mark, patents, copyrights and their right to use available to the Transferor Company 1 as on the Appointed Date or any other date which may be taken after the Appointed Date but till the Effective Date, shall get transferred to the Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
  - (b) With effect from the Appointed Date and upon the Scheme becoming effective, all Certificate of Registrations and Approval Letters/ Orders as available with Transferor Company 1 as on the Appointed Date or any other date which may be taken by the Transferor Company 1 after the Appointed Date but till the Effective Date shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge, or securities.
  - (c) With effect from the Appointed Date and upon the Scheme becoming effective, all the assets of the Transferor Company 1 as are movable in nature including, sundry debtors, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT) set-off rights, tax losses and unabsorbed depreciation set-off rights, pre-paid taxes (including taxes deducted at source), levies/liabilities, Tax deduction or any other benefit available under the IT Act, including but not limited to Tax deduction available on payment of certain expenses, CENVAT/ Central Sales Tax or State Value added tax credits, GST credits, benefits/ credits available under excise or customs duty regulations benefits receivable from Government or Statutory or Regulatory authorities such



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as duty drawback, incentives, rebates etc., if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery, would get transferred by physical delivery only and all others assets would get transferred by endorsement and delivery, by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of the Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

- (d) All guarantees provided by any bank in favor of the Transferor Company 1 outstanding as on the Effective Date, shall stand substituted in favor of and vest in the Transferee Company and shall endure to the benefit of the Transferee Company.
- (e) With effect from the Appointed Date and upon the Scheme becoming effective, all incorporeal properties of the Transferor Company 1 as on Appointed Date or any such property which may be taken after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge, or securities.
- (f) With effect from the Appointed Date and upon the Scheme becoming effective, all investment in subsidiaries, special purpose vehicles, joint ventures of Transferor Company 1 as on Appointed Date or any investment which may be made after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge, or securities.
- (g) With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties including but not limited to land and buildings or any other immovable properties of Transferor Company 1, whether freehold or leasehold, and any documents of title, registrations, rights and easements in relation thereto shall stand transferred to and be vested in Transferee Company, without any further instrument, deed or act or payment of any further fee, charge or securities either by the Transferor Company 1 or Transferee Company.
- (h) With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and the Scheme becoming effective in accordance with the terms hereof.
- (i) With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other



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instruments of whatsoever nature in relation to Transferor Company 1 to which the Transferor Company 1 is a party or to the benefit of which Transferor Company 1 may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company 1, Transferee Company had been a party or beneficiary or obligee thereto.

- (j) With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, bonds, guarantees provided, incentives or subsidies, entitlements, licenses including those relating to trademarks, tenancies, patents, copyrights, privileges, software, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Company 1 to which Transferor Company 1 is a party or to the benefit of which Transferor Company 1 may be eligible and which are subsisting or having effect immediately before the effective date, shall be enforceable as fully and effectually as if, instead of Transferor Company 1, Transferee Company had been a party or beneficiary or obligee thereto.
- (k) With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of Transferor Company 1 or granted to Transferor Company 1 shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favor of Transferee Company upon the vesting of Transferor Company 1 businesses and Undertakings pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals, and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Company 1 shall vest in and become available to Transferee Company pursuant to this Scheme.
- (l) With effect from the Appointed Date and upon the Scheme becoming effective, all motor vehicles of any description whatsoever of Transferor Company 1 shall stand transferred to and be vested in the Transferee Company, and the appropriate Governmental and Registration Authorities shall substitute the name of Transferee Company in place of Transferor Company 1, without any further instrument, deed or act or any further payment of fee, charge, or securities.

## 7. TRANSFER OF DEBTS AND LIABILITIES

- 7.1. With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, trade payables, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to any liability in whatever form), duties and obligations whether provided for or not in the books of accounts or disclosed in the balance sheets of Transferor Company 1, shall, without any further act, instrument or deed be



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transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act, so as to become the liabilities of the Transferee Company and further that it shall not be necessary to intimate or obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.

7.2. Without prejudice to the generality of the above, at and after the Appointed Date and upon the Scheme becoming effective:

- (a) Where any such debts, loans raised, liabilities, duties, and obligations of the Transferor Company 1 as on the Appointed Date have been discharged or satisfied by the Transferor Company 1 after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- (b) All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company 1 in the ordinary course of business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- (c) The transfer and vesting of the entire business and Undertaking of Transferor Company 1 as aforesaid, shall be subject to the existing securities, charges and mortgages, encumbrances, if any, subsisting, over or in respect of the property and assets or any part thereof of Transferor Company 1, as the case may be.

Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Transferor Company 1 vested in Transferee Company pursuant to the Scheme.

- (d) Transferee Company will, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so, required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to Transferor Company 1 to which Transferor Company 1 is a party, in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be



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deemed to be authorized to execute any such writings on behalf of Transferor Company 1 and to carry out or perform all such formalities or compliances referred to above on part of Transferor Company 1.

- (e) The provisions of this Clause in so far as they relate to the transfer of liabilities to the Transferee Company shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/ or superseded by the foregoing provisions.
- (f) Loans, payables, or other obligations, if any, due between or amongst the Transferor Company 1 and the Transferee Company shall stand cancelled / discharged and there shall be no liability in that behalf with effect from the Appointed Date.
- (g) It is hereby clarified that, unless expressly provided for, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts and liabilities, have arisen, in order to give effect to the provisions of this clause.

## 8. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 8.1. Upon the coming into effect this Scheme and with effect from the Appointed Date and subject to other provisions contained in this Scheme all contracts, deeds, agreements, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company 1 are party to or to the benefit of which the Transferor Company 1 may be eligible, and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect against or in favor of the Transferor Company 1 and may be enforced as fully and effectually as if instead of the Transferor Company 1, the Transferee Company had been the party thereto or the beneficiary or oblige thereof.
- 8.2. The Transferee Company shall, if so, required under the laws in force or become necessary, enter into and/or issue and / or execute deeds, writings, or confirmation in order to give formal effect to the provisions of this Scheme. Further, upon this Scheme coming into effect and with effect from the Appointed Date, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings, or confirmation on behalf of the Transferor Company 1 and all the formalities required on the part of the Transferor Company 1 to give effect to the provisions of the Scheme
- 8.3. In relation to the assets, properties and rights including rights arising from contracts, deeds, instruments, and agreements, if any, belonging to the Transferor Company 1, which by reason of any special law or regulation require separate documents for transfer including documents for attornment or endorsement, as the case may be, the Transferor



Company 1 shall execute such separate documents, as and when required by the Transferee Company.

- 8.4. All subsisting agreements/ arrangements of the Transferor Company 1 relating to the use of patents, patent applications, trademarks (including logos), brands, designs, copyrights, and / or technology and all other intellectual property and rights, subsisting or having effect on or after the Effective Date, shall accrue to and for the benefit of the Transferee Company.
- 8.5. From the Effective Date until such time that the names of the respective bank accounts, Demat accounts of the Transferor Company 1 are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the respective bank accounts and Demat accounts of the Transferor Company 1, in their respective names, in so far as may be necessary.
- 8.6. All cheques and other negotiable instruments, payment orders received in the name of the Transferor Company 1 at and after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of the Transferee Company shall honor cheques issued by the Transferor Company 1 for payment at or after the Appointed Date and presented at the Effective Date.

## 9. TRANSFER OF EMPLOYEES

- 9.1. On the Scheme becoming Effective, all the executives, staff, workmen, and other employees, if any, in the service of the Transferor Company 1 shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:
  - (a) All staff, workmen, employees engaged with the Transferor Company 1 shall become the staff, workmen and employees of the Transferee Company, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company 1, subject to the terms and conditions or People Policies of the employees of the Transferee company, without any interruption or break of service as a result of the amalgamation of Transferor Company 1 into the Transferee company. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, compensated absences, etc., if any, such past services with the Transferor Company 1 shall also be taken into account. Transferee Company undertakes to continue to abide by agreement/settlement, if any, entered into by Transferor Company 1 with any union/employee thereof.
  - (b) The services of such employees, staff, workmen shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or any other incentive or privilege basis internal policies of Transferor/ Transferee Company or the Group or other statutory purposes and for



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all purposes will be reckoned from the date of their respective appointments with the Transferor Company 1.

- (c) It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company 1 ("Funds or Trusts") are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company 1 in respect of the employees transferred with the Undertaking 1 for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers, and obligations of the Transferor Company 1 in relation to such Funds or Trusts shall become those of the Transferee Company. The trustees including the Board of Directors of the Transferor Company 1 and the Transferee Company shall be entitled to adopt such course in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company 1. The existing Funds or Trusts, if any, created by Transferor Company 1 for their employees shall be continued on terms and conditions not less favorable than those on which they are engaged by the Transferor Company 1.
- (d) Notwithstanding the aforesaid, the Board of Transferee Company, if it deems fit and subject to Applicable Law, shall be entitled to:
- i. Retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company 1; or
  - ii. Merge the pre-existing funds of the Transferor Company 1 with other similar funds of the Transferee Company

## 10. LEGAL PROCEEDINGS

- 10.1. With effect from the Appointed Date, Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against Transferor Company 1.

Provided however, all legal, administrative and other proceedings of whatsoever nature by or against Transferor Company 1 pending in any court or before any authority, judicial, quasi-judicial or administrative, any adjudicating authority and/or arising after the Appointed Date and relating to Transferor Company 1 or its respective properties, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against Transferor Company 1; and from the Effective Date, shall



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be continued and enforced by or against Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company 1.

- 10.2. If any suit, appeal or other proceedings of whatever nature by or against Transferor Company 1 be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Transferor Company 1's businesses and undertakings or of anything contained in this scheme but the proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company 1 as if this Scheme had not been made.

## 11. TAXATION AND OTHER MATTERS

- 11.1. Upon the Scheme becoming effective, the Transferee Company shall have the right to revise their respective tax returns along with prescribed forms, filings and annexures under the IT Act (even in a case where the due date to revise the income tax returns have expired under the provisions of the IT Act), laws in relation to GST, entry tax, excise duty, customs duty, central sales tax or state value added taxes and other tax laws, and to claim refunds and/ or credit for taxes paid by the Transferor Company 1 (including advance tax, self-assessment tax, tax deducted at source, Minimum Alternate Tax credit in accordance with the provisions of Section 115JAA of the IT Act, amount of accumulated losses and unabsorbed depreciation carried forward under the IT Act, foreign tax credit, etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- 11.2. All tax assessment/ adjudication proceedings/ appeals of whatsoever nature by or against the Transferor Company 1 pending and/ or arising at the Appointed Date and relating to the Transferor Company 1 shall be continued and/ or enforced until the Effective Date by the Transferor Company 1. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company 1.
- 11.3. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company 1 with the Transferee Company or anything contained in the Scheme.
- 11.4. Any refund, under the IT Act and laws in relation to excise duty, entry tax, customs, foreign trade policy, GST, central sales tax or state value added taxes, CENVAT credits, State industrial and incentive policies and schemes or other Applicable Laws or regulations dealing with taxes or duties or levies due to Transferor Company 1 consequent to the assessment made on Transferor Company 1 (including any refund for which no credit is taken in the accounts of the Transferor Company 1) for which credit may or may not have been taken in the accounts as on the date immediately



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preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.

- 11.5. Upon the scheme coming into effect, all taxes (including, without limitation income tax, excise duty, entry tax, customs, GST, central sales tax or state value added taxes, CENVAT credits etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, cess, duties payable by or on behalf of the Transferor Company 1 from the Appointed Date onwards including all or any refunds and claims, including the right of carry forward of accumulated business losses under the applicable provisions read with prescribed conditions and unabsorbed depreciation under the IT Act, if any and right to claim Minimum Alternate Tax credit in accordance with the provisions of Section 115JAA of the IT Act, if any, right for any tax allowances and deductions, of the Transferor Company 1, shall, for all purposes, be treated as the tax, cess, duty, liabilities or refunds, claims, allowances and deductions, accumulated business losses or unabsorbed depreciation and tax credit of the Transferee Company.
- 11.6. The brought forward losses and unabsorbed depreciation as per the books of accounts of the Transferor Company 1 as on the date immediately preceding the Appointed Date shall be deemed to be the brought forward losses and unabsorbed depreciation of the Transferee Company which shall be available for set off in the year of amalgamation as well as subsequent years, for the purpose of computation of book profit to calculate the minimum alternate tax payable under the IT Act by the Transferee Company.
- 11.7. Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company 1 shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 11.8. All expenses incurred by the Transferor Company 1 but deduction to be claimed on payment basis / on compliance with withholding tax provisions (as the case may be) under Sections 43B, 40(a)(i) and 40(a)(ia) of the IT Act (if any), input tax credit available under GST Act, pertaining to the period(s) prior to the Appointed Date and post Appointed date but prior to Effective date shall be treated as the liability or refunds / claim(s) / credit(s), as the case may be, of the Transferee Company.
- 11.9. All intangible assets belonging to but not recorded in the books of account of the Transferor Company 1 and all intangible assets arising or recorded in the process of the amalgamation in books of account of Transferee Company shall, for all purposes, be regarded as an intangible asset in terms of Explanation 3(b) to Section 32(1) of the IT Act and Transferee Company shall be eligible for depreciation on the same at the prescribed rates.
- 11.10. For the period after the Appointed Date, all its continued benefits, incentives (including the Modified Special Incentive Package), exemptions, concessions and other benefits or privileges enjoyed by the Transferor Company 1 granted by any government body, regulatory authority, local authority, by any other person or law or availed of by the



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Transferor Company 1, the same shall without any other further act or deed shall vest with and be available to the Transferee Company on the same terms and conditions.

- 11.11. Without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, MAT, tax deducted at source, foreign tax credit, excise duty, customs duty, CENVAT credit, foreign trade policy benefits, State industrial policy and incentive schemes, drawback, etc.) whether under the IT Act or in accordance with any law or act, to which the Transferor Company 1 is entitled to, whether in India, or anywhere outside India, including the amounts to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be available to and vest in the Transferee Company, in terms of Applicable Laws, upon this Scheme coming into effect. Any surplus in the provision for taxation / duties / levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.
- 11.12. Upon the coming into effect of this scheme, all tax compliances under any tax laws by the Transferor Company 1 on or after Appointed Date shall be deemed to be made by the Transferee Company.
- 11.13. Part III - Section A of this Scheme dealing with amalgamation of the Transferor Company 1 with the Transferee Company has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, specifically Section 2(1B) of the IT Act and other relevant provisions of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law with retrospective effect or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act and other relevant provisions of the IT Act. Such modification will however not affect the other parts of the Scheme.
- 11.14. All the expenses incurred by the Transferor Company 1 and the Transferee Company in relation to the Amalgamation as per this Scheme, including stamp duty expenses if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the IT Act over a period of 5 years with effect from the Appointed Date.
- 11.15. Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions, and other authorizations of Transferor Company 1 shall stand transferred by the order the Tribunal to Transferee Company, Transferee Company shall file the relevant intimations, for the record of the statutory



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authorities who shall take them on file, pursuant to the vesting orders of the sanctioning Tribunal.

## 12. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY 1 UNTIL THE EFFECTIVE DATE

12.1. With effect from the Appointed Date and up to the Effective Date:

- (a) The Transferor Company 1 shall carry on and be deemed to have carried on the business and activities in relation to the Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the entire business and Undertaking 1 for and on account of or on behalf of and in trust for the Transferee Company.
- (b) All the profits or income accruing or arising to the Transferor Company 1 or expenditure or losses arising or incurred by the Transferor Company 1 shall for all purposes be treated and deemed to be accrued as the profits or income or expenditure or losses (as the case may be) of the Transferee Company.
- (c) The Transferor Company 1 shall carry on the business and activities of whole Undertaking 1 with reasonable diligence and business prudence in the same manner as they had been doing hitherto, and Transferor Company 1 shall not alter or substantially expand their businesses except with the concurrence of Transferee Company. Any of the rights, powers, authorities, privileges related or pertaining to the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of, and in trust for and as an agent of the Transferee Company.
- (d) The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the central government and all other agencies, departments and authorities concerned, as are necessary under any law for such consents, approvals, and sanctions which Transferee Company may require to carry on the business of the Transferor Company 1.
- (e) Transferor Company 1 shall not, without the written concurrence of Transferee Company, alienate, charge or encumber any of their properties, issue guarantees, indemnities, letters of comfort or commitments of any nature whatsoever for themselves or on behalf of any third parties, or sell, transfer, alienate, charge, mortgage or encumber or deal with assets of the Transferor Company 1 or any part thereof save and except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company or on account of any agreement executed between the Transferor Company 1 and the Transferee Company to this effect, as the case may be.



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- (f) Transferor Company 1 shall not vary or alter, except in the ordinary course of their business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written concurrence of Transferee Company.
- (g) With effect from the Appointed Date, all debts, liabilities, duties, and obligations of Transferor Company 1 as on the close of business on the date preceding the Appointed Date, whether or not provided in their books and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties, and obligations of Transferee Company.
- (h) With effect from the date of filing this Scheme of Amalgamation and upto the Effective date, Transferor Company 1 and Transferee Company shall be entitled to use the combined assets, liabilities, employees or any other right or obligation of each other to achieve the business and operational synergies or any other objectives referred in Part I, Clause 3 above of this Scheme of Amalgamation.
- (i) With effect from the Appointed Date, all taxes, duties, cess paid in advance or payable by the Transferor Company 1 or any advance tax paid including Minimum Alternate Tax credit in accordance with the provisions of Section 115JAA of the IT Act, refunds/ credit / claims relating thereto shall be treated as the liability or refund/ credit/ claims, as the case may be, of the Transferee Company. The Transferee company shall be entitled to file/ revise its tax returns, TDS Certificates, TDS returns and other statutory returns, if required and shall have the right to claim refund/ credits and/ or set off all amounts paid by the Transferor Companies assets, undertakings of the Transferor Company 1 under the relevant income tax, service tax, excise duty, customs, or any other tax laws. The right to make such revisions in the tax returns and to claim refunds/ credits is expressly reserved in favor of the Transferee Company.
- (j) Where any such debts, loans raised, liabilities, duties, and obligations of the Transferor Company 1 as on the Appointed Date have been discharged by the Transferor Company 1 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company.

### 13. SAVING OF CONCLUDED TRANSACTIONS

- 13.1. The transfer and vesting of the Undertaking 1 of the Transferor Company 1 into the Transferee Company and the continuance of proceedings by or against the Transferee Company under Clause 10 above shall not affect any transaction or proceedings relating to the Transferor Company 1 already concluded by the Transferor Company 1 on or after the Appointed Date to the end and intent that the Transferee Company accepts



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and adopts all acts, deeds, matters and things done and/ or executed by the Transferor Company 1 in regard thereto as having been done or executed on behalf of the Transferee Company.

#### 14. CONSIDERATION

14.1. Upon this Scheme coming into effect and upon transfer and vesting of the business and Undertaking of Transferor Company 1 in Transferee Company, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by Transferee Company as follows:

- (a) The Transferee Company, without further application, act or deed, shall issue and allot to the shareholders of Transferor Company 1 holding 99.99% of the share capital i.e. Continental Automotive Holding Netherlands B.V. (other than the shares already held therein immediately before the amalgamation by Transferee Company, its Nominee or Subsidiary Company) and minority shareholder of the Transferor Company 1 holding 0.01% of the share capital i.e., CAH Holding B.V., as per the share exchange ratio determined by the Registered Valuer (basis the Valuation Report dated 13 December 2022), ie :

**1 Equity Share of Rs. 10.00 (Rupees Ten) each Fully Paid-up to Continental Automotive Holding Netherlands B.V., and CAH Holding B.V. Transferee Company in lieu of every 5 equity shares of Rs. 10.00 (Rupees Ten) each Fully Paid-up in Transferor Company 1 ("New Equity Shares").**

- (b) Any fraction arising out of allotment of New Equity Shares as per Clause 14.1.(a) of Part III above shall be rounded off to the next nearest whole number.
- (c) The issue and allotment of the New Equity Shares to Continental Automotive Holding Netherlands B.V and CAH Holding B.V as provided in this Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under Section 62 and any other applicable provisions of the Act, and such other statutes and regulations as may be applicable were duly complied with.
- (d) The said New Equity Shares in the capital of Transferee Company be issued to the shareholder of Transferor Company 1 i.e., to Continental Automotive Holding Netherlands B.V and CAH Holding B.V shall rank pari passu in all respects, with the existing equity shares in Transferee Company. Such shares in Transferee Company, to be issued to the shareholder of Transferor Company 1 will, for all purposes, save as expressly provided otherwise, be deemed to have been held by each such member from the Appointed Date.



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- (e) Upon the Scheme becoming effective and subject to the above provisions, the shareholder of Transferor Company 1 as on the effective date shall receive new dematerialized shares/ share certificates of Transferee Company. Upon the issue and allotment of new shares in the capital of Transferee Company to the shareholders of Transferor Company 1, the dematerialized shares/ share certificates in relation to the shares held by them in Transferor Company 1 shall be deemed to have been cancelled.
- (f) Upon coming into effect of this Scheme, the shares, or the share certificates of the Transferor Company 1 in relation to the shares held by its members shall, without any further application, act, instrument, or deed, be deemed to have been automatically cancelled and be of no effect on and from the Effective Date without any necessity of them being surrendered.

## 15. DIVIDENDS AND PROFITS

- 15.1. The Transferor Company 1 shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the financial year/accounting period prior to the Appointed Date. The Transferor Company 1 shall not declare any dividend for the period commencing from and after appointed date without written consent of the Transferee Company. The Transferor Company 1 shall obtain the consent of the Board of Directors of Transferee Company before declaration of any dividend. The Transferor Company 1 and the Transferee Company shall not transfer any amount from the reserves or amount lying in credit to the Profit & Loss account on the Appointed Date for the purpose of payment of dividend.
- 15.2. Subject to the provisions of the Scheme, the profits/losses of the Transferor Company 1 for the period beginning from the Appointed Date shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed off in any manner as it thinks fit including declaration of dividend by the Transferee Company in respect of its financial year ending on 31st March 2023 or any year thereafter.
- 15.3. The New Equity Shares of the Transferee Company to be issued and allotted to the shareholders of the Transferor Company 1 as provided in Clause 14.1 of Part III here shall rank pari passu in all respects with the equity shares of the Transferee Company including proportionate entitlements to dividend in respect of dividends declared after the Effective Date. The holders of the Shares of the Transferor Company 1 and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights, voting rights and in all other respects under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members till the Effective Date.
- 15.4. It is clarified, however, that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any right on any member



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of the Transferor Company 1 or the Transferee Company to demand or claim any dividend which shall be entirely at the discretion of the Board of Directors and subject to the provisions of the said Act.

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## 16. ACCOUNTING TREATMENT

- 16.1. Upon the scheme becoming effective and from the Appointed Date, the amalgamation shall be accounted for in the books of Transferee Company according to the applicable accounting standards i.e., Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with paragraph 3 of the Company (Indian Accounting Standards Rules) 2015 (as amended) and other generally accepted accounting principles, as applicable.
- 16.2. Upon the scheme becoming effective, the Transferee Company shall account for the amalgamation of Transferor Company 1 for in accordance with **"Pooling of Interest Method of Accounting"** prescribed under Appendix C as per Indian Accounting Standards 103 (Business Combination) and/or Section 133 of the Companies Act, 2013 read with other relevant rules thereunder, relevant clarifications issued by the IND AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles.
- 16.3. Upon the Scheme becoming effective, and on the date as determined as per Appendix C of Ind AS 103, the Transferee Company shall account for the amalgamation in its books as under:
- The Transferee Company shall record all the assets and liabilities of the Transferor Company 1 transferred to and vested in Transferee Company at their respective carrying amounts in the books of account of Transferor Company 1 and in same form.
  - The identity of the reserves shall be preserved, and the Transferee Company shall record the reserves of the Transferor Company 1 in the same form and at the carrying amount as appearing in the financial statement of the Transferor Company 1.
  - The Transferee Company shall recognize the issuance of shares to be issued on amalgamation at the face value according to Clause 14.1(a) and accordingly credit its Share Capital Account.
  - The difference, if any arising of the net value of assets, liabilities and reserves as recorded in clauses 16.3 (a), 16.3 (b) and 16.3 (c) shall be accounted as per Indian Accounting Standard (IND AS) 103 - "Business Combinations" prescribed under Section 133 of the Act read with the relevant rules issued thereunder, relevant clarifications issued by the IND AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles. The difference as a result of the amalgamation shall be transferred to the 'Capital Reserve' in the financial statements of the Transferee



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Company and shall be presented separately from other capital reserves with the disclosure of its nature and purpose in the notes.

- (e) No adjustment shall be made to reflect fair value or recognize any new assets or liabilities. The only adjustment shall be made are to harmonize accounting policies. In case of difference in accounting policy between the Transferor Company 1 and the Transferee Company, the accounting policy followed by the Transferee Company shall prevail and the difference till the Appointed Date shall be quantified and adjusted in the retained earnings to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. The difference, if any in the accounting policies between the Transferee Company and the Transferor Company 1 shall be ascertained and quantified and the adjustment to the retained earnings, as applicable, in accordance with the requirements of Ind AS 8 Accounting policies, changes in accounting estimates and errors.
- (f) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements.
- (g) The Scheme set out herein in its present form or with any modification(s) of amendment(s) approved, imposed, or directed by the Tribunals or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.
- (h) Without prejudice to the above provisions, upon the Scheme coming into effect and with effect from the Appointed Date, all inter-party transactions between the Transferor Company 1 and the Transferee Company shall be considered as intra-party transactions for all purposes. Consequently, upon the Scheme coming into effect and from the Appointed Date, to the extent there are inter-corporate loans, deposits, obligations, balances or other outstanding as between the Transferor Company 1 inter-se and/or the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding elimination effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.



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## 17. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 17.1. The Scheme shall be Effective at and from the Appointed Date for amalgamation of the Transferor Company 1 into the Transferee Company but shall be operative from the Effective Date.

## 18. DISSOLUTION / WINDING-UP OF TRANSFEROR COMPANY 1

- 18.1. Upon this Scheme becoming effective, the Transferor Company 1 shall be dissolved without winding-up pursuant to the provisions of Section 232 of the Act. Any obligations/ steps which need to be undertaken by the Transferor Company 1 pursuant to the sanction of this Scheme shall be fulfilled by the Transferee Company.

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### PART III

#### SECTION B – AMALGAMATION OF TRANSFEROR COMPANY 2 WITH TRANSFeree COMPANY

#### 19. TRANSFER AND VESTING OF UNDERTAKING 2

- 19.1. At and after the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the Undertaking 2 shall pursuant to the provisions of Sections 230 to 232 of the Act and the orders received from the NCLT ("Orders"), the Rules and other applicable rules, and pursuant to the sanction of the Scheme by Tribunal, stand amalgamated with and vested in the Transferee Company, as a going concern, without any further act or instrument, together with all the properties, assets, rights, liabilities, benefits and interests therein by virtue of and in the manner provided in this Scheme.
- 19.2. Without prejudice to the generality of the above, at and after the Appointed Date and upon the Scheme becoming effective:
- (a) all assets, properties, tangible or intangible, licenses, franchises, rights, privileges, permits, quotas, entitlements, registrations, allotments, approvals, consents, concessions, trade mark licenses, no objection certificates required to carry on the business of the Transferor Company 2, including application for registration of trade mark, patents, copyrights and their right to use available to the Transferor Company 2 as on the Appointed Date or any other date which may be taken after the Appointed Date but till the Effective Date, shall get transferred to the Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
  - (b) With effect from the Appointed Date and upon the Scheme becoming effective, all Certificate of Registrations and Approval Letters/ Orders as available with Transferor Company 2 as on the Appointed Date or any other date which may be taken by the Transferor Company 2 after the Appointed Date but till the Effective Date shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge, or securities.
  - (c) With effect from the Appointed Date and upon the Scheme becoming effective, all the assets of the Transferor Company 2 as are movable in nature including, sundry debtors, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT) set-off rights, tax losses and unabsorbed depreciation set-off rights, pre-paid taxes (including taxes deducted at source), levies/liabilities, Tax deduction or any other benefit available under the IT Act, including but not limited to Tax deduction available on payment of certain expenses, CENVAT/ Central Sales Tax or State Value added tax credits, GST credits, benefits/ credits available under excise or customs duty regulations benefits receivable from Government or Statutory or Regulatory authorities such



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as duty drawback, incentives, rebates etc., if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery, would get transferred by physical delivery only and all others assets would get transferred by endorsement and delivery, by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of the Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

- (d) All guarantees provided by any bank in favor of the Transferor Company 2 outstanding as on the Effective Date, shall stand substituted in favor of and vest in the Transferee Company and shall endure to the benefit of the Transferee Company.
- (e) With effect from the Appointed Date and upon the Scheme becoming effective, all incorporeal properties of the Transferor Company 2 as on Appointed Date or any such property which may be taken after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge, or securities.
- (f) With effect from the Appointed Date and upon the Scheme becoming effective, all investment in subsidiaries, special purpose vehicles, joint ventures of Transferor Company 2 as on Appointed Date or any investment which may be made after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge, or securities.
- (g) With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties including but not limited to land and buildings or any other immovable properties of Transferor Company 2, whether freehold or leasehold, and any documents of title, registrations, rights and easements in relation thereto shall stand transferred to and be vested in Transferee Company, without any further instrument, deed or act or payment of any further fee, charge or securities either by the Transferor Company 2 or Transferee Company.
- (h) With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and the Scheme becoming effective in accordance with the terms hereof.
- (i) With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other



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instruments of whatsoever nature in relation to Transferor Company 2 to which the Transferor Company 2 is a party or to the benefit of which Transferor Company 2 may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company 2, Transferee Company had been a party or beneficiary or obligee thereto.

- (j) With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, bonds, guarantees provided, incentives or subsidies, entitlements, licenses including those relating to trademarks, tenancies, patents, copyrights, privileges, software, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Company 2 to which Transferor Company 2 is a party or to the benefit of which Transferor Company 2 may be eligible and which are subsisting or having effect immediately before the effective date, shall be enforceable as fully and effectually as if, instead of Transferor Company 2, Transferee Company had been a party or beneficiary or obligee thereto.
- (k) With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of Transferor Company 2 or granted to Transferor Company 2 shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favor of Transferee Company upon the vesting of Transferor Company 2 businesses and Undertakings pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals, and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Company 2 shall vest in and become available to Transferee Company pursuant to this Scheme.
- (l) With effect from the Appointed Date and upon the Scheme becoming effective, all motor vehicles of any description whatsoever of Transferor Company 2 shall stand transferred to and be vested in the Transferee Company, and the appropriate Governmental and Registration Authorities shall substitute the name of Transferee Company in place of Transferor Company 2, without any further instrument, deed or act or any further payment of fee, charge, or securities.

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## 20. TRANSFER OF DEBTS AND LIABILITIES

- 20.1. With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, trade payables, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to any liability in whatever form), duties and obligations whether provided for or not in the books of accounts or disclosed in the balance sheets of Transferor Company 2, shall, without any further act, instrument or deed be transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act, so as to become the liabilities of the Transferee Company and further that it shall not be necessary to intimate or obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.
- 20.2. Without prejudice to the generality of the above, at and after the Appointed Date and upon the Scheme becoming effective:
- (a) Where any such debts, loans raised, liabilities, duties, and obligations of the Transferor Company 2 as on the Appointed Date have been discharged or satisfied by the Transferor Company 2 after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
  - (b) All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company 2 in the ordinary course of business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
  - (c) The transfer and vesting of the entire business and Undertaking of Transferor Company 2 as aforesaid, shall be subject to the existing securities, charges and mortgages, encumbrances, if any, subsisting, over or in respect of the property and assets or any part thereof of Transferor Company 2, as the case may be.

Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets



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of Transferor Company 2 vested in Transferee Company pursuant to the Scheme.

- (d) Transferee Company will, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so, required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to Transferor Company 2 to which Transferor Company 2 is a party, in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Company 2 and to carry out or perform all such formalities or compliances referred to above on part of Transferor Company 2.
- (e) The provisions of this Clause in so far as they relate to the transfer of liabilities to the Transferee Company shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/ or superseded by the foregoing provisions.
- (f) Loans, payables, or other obligations, if any, due between or amongst the Transferor Company 2 and the Transferee Company shall stand cancelled / discharged and there shall be no liability in that behalf with effect from the Appointed Date.
- (g) It is hereby clarified that, unless expressly provided for, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts and liabilities, have arisen, in order to give effect to the provisions of this clause.

## 21. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 21.1. Upon the coming into effect this Scheme and with effect from the Appointed Date and subject to other provisions contained in this Scheme all contracts, deeds, agreements, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company 2 are party to or to the benefit of which the Transferor Company 2 may be eligible, and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect against or in favor of the Transferor Company 2 and may be enforced as fully and effectually as if instead of the Transferor Company 2, the Transferee Company had been the party thereto or the beneficiary or obligee thereof.
- 21.2. The Transferee Company shall, if so, required under the laws in force or become necessary, enter into and/or issue and / or execute deeds, writings, or confirmation in order to give formal effect to the provisions of this Scheme. Further, upon this Scheme coming into effect and with effect from the Appointed Date, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings, or confirmation



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on behalf of the Transferor Company 2 and all the formalities required on the part of the Transferor Company 2 to give effect to the provisions of the Scheme

- 21.3. In relation to the assets, properties and rights including rights arising from contracts, deeds, instruments, and agreements, if any, belonging to the Transferor Company 2, which by reason of any special law or regulation require separate documents for transfer including documents for attornment or endorsement, as the case may be, the Transferor Company 2 shall execute such separate documents, as and when required by the Transferee Company.
- 21.4. All subsisting agreements/ arrangements of the Transferor Company 2 relating to the use of patents, patent applications, trademarks (including logos), brands, designs, copyrights, and / or technology and all other intellectual property and rights, subsisting or having effect on or after the Effective Date, shall accrue to and for the benefit of the Transferee Company.
- 21.5. From the Effective Date until such time that the names of the respective bank accounts, Demat accounts of the Transferor Company 2 are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the respective bank accounts and Demat accounts of the Transferor Company 2, in their respective names, in so far as may be necessary.
- 21.6. All cheques and other negotiable instruments, payment orders received in the name of the Transferor Company 2 at and after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of the Transferee Company shall honor cheques issued by the Transferor Company 2 for payment at or after the Appointed Date and presented at the Effective Date.

## 22. TRANSFER OF EMPLOYEES

- 22.1. On the Scheme becoming Effective, all the executives, staff, workmen, and other employees, if any, in the service of the Transferor Company 2 shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:
  - (a) All staff, workmen, employees engaged with the Transferor Company 2 shall become the staff, workmen and employees of the Transferee Company, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company 1, subject to the terms and conditions or People Policies of the employees of the Transferee company, without any interruption or break of service as a result of the amalgamation of Transferor Company 2 into the Transferee company. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, compensated absences, etc if any, such past



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services with the Transferor Company 2 shall also be taken into account. Transferee Company undertakes to continue to abide by agreement/settlement, if any, entered into by Transferor Company 2 with any union/employee thereof.

- (b) The services of such employees, staff, workmen shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or any other incentive or privilege basis internal policies of Transferor/ Transferee Company or the Group or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company 2.
- (c) It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company 2 ("Funds or Trusts") are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company 2 in respect of the employees transferred with the Undertaking 2 for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers, and obligations of the Transferor Company 2 in relation to such Funds or Trusts shall become those of the Transferee Company. The trustees including the Board of Directors of the Transferor Company 2 and the Transferee Company shall be entitled to adopt such course in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company 2. The existing Funds or Trusts, if any, created by Transferor Company 2 for their employees shall be continued on terms and conditions not less favorable than those on which they are engaged by the Transferor Company 2.
- (d) Notwithstanding the aforesaid, the Board of Transferee Company, if it deems fit and subject to Applicable Law, shall be entitled to:
  - a. Retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company 2; or
  - b. Merge the pre-existing funds of the Transferor Company 2 with other similar funds of the Transferee Company.

## 23. LEGAL PROCEEDINGS

- 23.1. With effect from the Appointed Date, Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against Transferor Company 2.



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Provided however, all legal, administrative and other proceedings of whatsoever nature by or against Transferor Company 2 pending in any court or before any authority, judicial, quasi-judicial or administrative, any adjudicating authority and/or arising after the Appointed Date and relating to Transferor Company 2 or its respective properties, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against Transferor Company 2; and from the Effective Date, shall be continued and enforced by or against Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company 2.

- 23.2. If any suit, appeal or other proceedings of whatever nature by or against Transferor Company 2 be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Transferor Company 2's businesses and undertakings or of anything contained in this scheme but the proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company 2 as if this Scheme had not been made.

#### 24. TAXATION AND OTHER MATTERS

- 24.1. Upon the Scheme becoming effective, the Transferee Company shall have the right to revise their respective tax returns along with prescribed forms, filings and annexures under the IT Act (even in a case where the due date to revise the income tax returns have expired under the provisions of the IT Act), laws in relation to GST, entry tax, excise duty, customs duty and other tax laws, and to claim refunds and/ or credit for taxes paid by the Transferor Company 2 (including advance tax, self-assessment tax, tax deducted at source, Minimum Alternate Tax credit in accordance with the provisions of Section 115JAA of the IT Act, amount of accumulated losses and unabsorbed depreciation carried forward under the IT Act, foreign tax credit, etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- 24.2. All tax assessment/ adjudication proceedings/ appeals of whatsoever nature by or against the Transferor Company 2 pending and/ or arising at the Appointed Date and relating to the Transferor Company 2 shall be continued and/ or enforced until the Effective Date by the Transferor Company 2. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company 2.
- 24.3. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company 2 with the Transferee Company or anything contained in the Scheme.
- 24.4. Any refund, under the IT Act and laws in relation to excise duty, entry tax, customs,



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foreign trade policy, GST, State industrial and incentive policies and schemes or other Applicable Laws or regulations dealing with taxes or duties or levies due to Transferor Company 2 consequent to the assessment made on Transferor Company 2 (including any refund for which no credit is taken in the accounts of the Transferor Company 2) for which credit may or may not have been taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.

- 24.5. Upon the scheme coming into effect, all taxes (including, without limitation income tax, excise duty, entry tax, customs, GST etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, cess, duties payable by or on behalf of the Transferor Company 2 from the Appointed Date onwards including all or any refunds and claims, including the right of carry forward of accumulated business losses under the applicable provisions read with prescribed conditions and unabsorbed depreciation under the IT Act or unabsorbed depreciation, if any and right to claim Minimum Alternate Tax credit in accordance with the provisions of Section 115JAA of the IT Act, if any, right for any tax allowances and deductions, of the Transferor Company 2, shall, for all purposes, be treated as the tax, cess, duty, liabilities or refunds, claims, allowances and deductions, accumulated losses or unabsorbed depreciation and tax credit of the Transferee Company.
- 24.6. The brought forward losses and unabsorbed depreciation as per the books of accounts of the Transferor Company 2 as on the date immediately preceding the Appointed Date shall be deemed to be the brought forward losses and unabsorbed depreciation of the Transferee Company which shall be available for set off in the year of amalgamation as well as subsequent years, for the purpose of computation of book profit to calculate the minimum alternate tax payable under the IT Act by the Transferee Company.
- 24.7. Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company 2 shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 24.8. All expenses incurred by the Transferor Company 2 but deduction to be claimed on payment basis / on compliance with withholding tax provisions (as the case may be) under Sections 43B, 40(a)(i) and 40(a)(ia) of the IT Act (if any), input tax credit available under GST Act, pertaining to the period(s) prior to the Appointed Date and post Appointed date but prior to Effective date shall be treated as the liability or refunds / claim(s) / credit(s), as the case may be, of the Transferee Company.



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- 24.9. All intangible assets belonging to but not recorded in the books of account of the Transferor Company 2 and all intangible assets arising or recorded in the process of the amalgamation in books of account of Transferee Company shall, for all purposes, be regarded as an intangible asset in terms of Explanation 3(b) to Section 32(1) of the IT Act and Transferee Company shall be eligible for depreciation on the same at the prescribed rates.

For the period after the Appointed Date, all its continued benefits, incentives (including the Modified Special Incentive Package), exemptions, concessions and other benefits or privileges enjoyed by the Transferor Company 2 granted by any government body, regulatory authority, local authority, by any other person or law or availed of by the Transferor Company 2, the same shall without any other further act or deed shall vest with and be available to the Transferee Company on the same terms and conditions.

- 24.10. Without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, MAT, tax deducted at source, foreign tax credit, excise duty, customs duty, CENVAT credit, foreign trade policy benefits, State industrial policy and incentive schemes, drawback, etc.) whether under the IT Act or in accordance with any law or act, to which the Transferor Company 2 is entitled to, whether in India, or anywhere outside India, including the amounts to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be available to and vest in the Transferee Company, in terms of Applicable Laws, upon this Scheme coming into effect. Any surplus in the provision for taxation / duties / levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.
- 24.11. Upon the coming into effect of this scheme, all tax compliances under any tax laws by the Transferor Company 2 on or after Appointed Date shall be deemed to be made by the Transferee Company.
- 24.12. Part III - Section A of this Scheme dealing with amalgamation of the Transferor Company 2 with the Transferee Company has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, specifically Section 2(1B) of the IT Act and other relevant provisions of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law with retrospective effect or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act and other relevant provisions of the IT Act. Such modification will however not affect the other parts of the Scheme.



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24.13. All the expenses incurred by the Transferor Company 2 and the Transferee Company in relation to the Amalgamation as per this Scheme, including stamp duty expenses if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the IT Act over a period of 5 years with effect from the Appointed Date.

24.14. Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions, and other authorizations of Transferor Company 2 shall stand transferred by the order the Tribunal to Transferee Company, Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning Tribunal.

## **25. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY 2 UNTIL THE EFFECTIVE DATE**

25.1. With effect from the Appointed Date and up to the Effective Date:

- (a) The Transferor Company 2 shall carry on and be deemed to have carried on the business and activities in relation to the Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the entire business and Undertaking 2 for and on account of or on behalf of and in trust for the Transferee Company.
- (b) All the profits or income accruing or arising to the Transferor Company 2 or expenditure, or losses arising or incurred by the Transferor Company 2 shall for all purposes be treated and deemed to be accrued as the profits or income or expenditure or losses (as the case may be) of the Transferee Company.
- (c) The Transferor Company 2 shall carry on the business and activities of whole Undertaking 2 with reasonable diligence and business prudence in the same manner as they had been doing hitherto, and Transferor Company 2 shall not alter or substantially expand their businesses except with the concurrence of Transferee Company. Any of the rights, powers, authorities, privileges related or pertaining to the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of, and in trust for and as an agent of the Transferee Company.
- (d) The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the central government and all other agencies, departments and authorities concerned, as are necessary under any law for such consents, approvals, and sanctions which Transferee Company may require to carry on the business of the Transferor Company 2.
- (e) Transferor Company 2 shall not, without the written concurrence of Transferee



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Company, alienate, charge or encumber any of their properties, issue guarantees, indemnities, letters of comfort or commitments of any nature whatsoever for themselves or on behalf of any third parties, or sell, transfer, alienate, charge, mortgage or encumber or deal with assets of the Transferor Company 2 or any part thereof save and except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company or on account of any agreement executed between the Transferor Company 2 and the Transferee Company to this effect, as the case may be.

- (f) Transferor Company 2 shall not vary or alter, except in the ordinary course of their business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written concurrence of Transferee Company.
- (g) With effect from the Appointed Date, all debts, liabilities, duties, and obligations of Transferor Company 2 as on the close of business on the date preceding the Appointed Date, whether or not provided in their books and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties, and obligations of Transferee Company.
- (h) With effect from the date of filing this Scheme of Amalgamation and upto the Effective date, Transferor Company 2 and Transferee Company shall be entitled to use the combined assets, liabilities, employees or any other right or obligation of each other to achieve the business and operational synergies or any other objectives referred in Part I, Clause 3 above of this Scheme of Amalgamation.
- (i) With effect from the Appointed Date, all taxes, duties, cess paid in advance or payable by the Transferor Companies or any advance tax paid including Minimum Alternate Tax credit in accordance with the provisions of Section 115JAA of the IT Act, refunds/ credit / claims relating thereto shall be treated as the liability or refund/ credit/ claims, as the case may be, of the Transferee Company. The Transferee company shall be entitled to file/ revise its tax returns, TDS Certificates, TDS returns and other statutory returns, if required and shall have the right to claim refund/ credits and/ or set off all amounts paid by the Transferor Companies assets, undertakings of the Transferor Company 2 under the relevant income tax, service tax, excise duty, customs, or any other tax laws. The right to make such revisions in the tax returns and to claim refunds/ credits is expressly reserved in favor of the Transferee Company.
- (j) Where any such debts, loans raised, liabilities, duties, and obligations of the Transferor Company 2 as on the Appointed Date have been discharged by the Transferor Company 2 after the Appointed Date and prior to the Effective Date,



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such discharge shall be deemed to be for and on account of the Transferee Company.

## 26. SAVING OF CONCLUDED TRANSACTIONS

- 26.1. The transfer and vesting of the Undertaking 2 of the Transferor Company 2 into the Transferee Company and the continuance of proceedings by or against the Transferee Company under Clause 10 above shall not affect any transaction or proceedings relating to the Transferor Company 2 already concluded by the Transferor Company 2 on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds, matters and things done and/ or executed by the Transferor Company 2 in regard thereto as having been done or executed on behalf of the Transferee Company.

## 27. CONSIDERATION

- 27.1. Upon this Scheme coming into effect and upon transfer and vesting of the business and Undertaking of Transferor Company 2 in Transferee Company, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by Transferee Company as follows:

- (a) The Transferee Company, without further application, act or deed, shall issue and allot to the shareholders of Transferor Company 2 holding 99.99% of the share capital i.e. Continental Automotive Holding Netherlands B.V (other than the shares already held therein immediately before the amalgamation by Transferee Company, *its Nominee or Subsidiary Company*) and minority shareholder of the Transferor Company 2 holding 1% of the share capital i.e., CAH Holding B.V, as per the share exchange ratio determined by the Registered Valuer (basis the Valuation Report dated 13 December 2022), ie :

**1 Equity Share of Rs. 10.00 (Rupees Ten) each Fully Paid-up to Continental Automotive Holding Netherlands B.V., and CAH Holding B.V. in Transferee Company in lieu of every 1 equity share of Rs. 10.00 (Rupees Ten) each Fully Paid-up in Transferor Company 2 ("New Equity Shares").**

- (b) Any fraction arising out of allotment of New Equity Shares as per Clause 27.1.(a) of Part III above shall be rounded off to the next nearest whole number.
- (c) The issue and allotment of the New Equity Shares to Continental Automotive Holding Netherlands B.V and CAH Holding B.V as provided in this Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under Section 62 and any other applicable provisions of the Act, and such other statutes and regulations as may be applicable were duly complied with.



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- (d) The said New Equity Shares in the capital of Transferee Company be issued to the shareholder of Transferor Company 2 i.e., to Continental Automotive Holding Netherlands B.V and CAH Holding B.V shall rank pari passu in all respects, with the existing equity shares in Transferee Company. Such shares in Transferee Company, to be issued to the shareholder of Transferor Company 2 will, for all purposes, save as expressly provided otherwise, be deemed to have been held by each such member from the Appointed Date.
- (e) Upon the Scheme becoming effective and subject to the above provisions, the shareholder of Transferor Company 2 as on the effective date shall receive new dematerialized shares/ share certificates of Transferee Company. Upon the issue and allotment of new shares in the capital of Transferee Company to the shareholders of Transferor Company 2, the dematerialized shares/ share certificates in relation to the shares held by them in Transferor Company 2 shall be deemed to have been cancelled.
- (f) Upon coming into effect of this Scheme, the shares, or the share certificates of the Transferor Company 2 in relation to the shares held by its members shall, without any further application, act, instrument, or deed, be deemed to have been automatically cancelled and be of no effect on and from the Effective Date without any necessity of them being surrendered.

## 28. DIVIDENDS AND PROFITS

- 28.1. The Transferor Company 2 shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the financial year/accounting period prior to the Appointed Date. The Transferor Company 2 shall not declare any dividend for the period commencing from and after appointed date without written consent of the Transferee Company. The Transferor Company 2 shall obtain the consent of the Board of Directors of Transferee Company before declaration of any dividend. The Transferor Company 2 and the Transferee Company shall not transfer any amount from the reserves or amount lying in credit to the Profit & Loss account on the Appointed Date for the purpose of payment of dividend.
- 28.2. Subject to the provisions of the Scheme, the profits/losses of the Transferor Company 2 for the period beginning from the Appointed Date shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed off in any manner as it thinks fit including declaration of dividend by the Transferee Company in respect of its financial year ending on 31st March 2023 or any year thereafter.
- 28.3. The New Equity Shares of the Transferee Company to be issued and allotted to the shareholders of the Transferor Company 2 as provided in Clause 14.1 of Part III here before shall rank pari passu in all respects with the equity shares of the Transferee



Company including proportionate entitlements to dividend in respect of dividends declared after the Effective Date. The holders of the Shares of the Transferor Company 2 and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights, voting rights and in all other respects under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members till the Effective Date.

- 28.4. It is clarified, however, that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company 2 or the Transferee Company to demand or claim any dividend which shall be entirely at the discretion of the Board of Directors and subject to the provisions of the said Act.

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## 29. ACCOUNTING TREATMENT

- 29.1. Upon the scheme becoming effective and from the Appointed Date, the amalgamation shall be accounted for in the books of Transferee Company according to the applicable accounting standards i.e., Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with paragraph 3 of the Company (Indian Accounting Standards Rules) 2015 (as amended) and other generally accepted accounting principles, as applicable.
- 29.2. Upon the scheme becoming effective, the Transferee Company shall account for the amalgamation of Transferor Company 2 for in accordance with **"Pooling of Interest Method of Accounting"** prescribed under Appendix C as per Indian Accounting Standards 103 (Business Combination) and/or Section 133 of the Companies Act, 2013 read with other relevant rules thereunder, relevant clarifications issued by the IND AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles.
- 29.3. Upon the Scheme becoming effective, and on the date as determined as per Appendix C of Ind AS 103, the Transferee Company shall account for the amalgamation in its books as under:
- The Transferee Company shall record all the assets and liabilities of the Transferor Company 2 transferred to and vested in Transferee Company at their respective carrying amounts in the books of account of Transferor Company 2 and in same form.
  - The identity of the reserves shall be preserved, and the Transferee Company shall record the reserves of the Transferor Company 2 in the same form and at the carrying amount as appearing in the financial statement of the Transferor Company 2.
  - The Transferee Company shall recognize the issuance of shares to be issued on amalgamation at the face value according to Clause 27.1(a) and accordingly credit its Share Capital Account.
  - The difference, if any arising of the net value of assets, liabilities and reserves as recorded in clauses 28.3 (a), 28.3 (b) and 28.3 (c) shall be accounted as per Indian Accounting Standard (IND AS) 103 - "Business Combinations" prescribed under Section 133 of the Act read with the relevant rules issued thereunder, relevant clarifications issued by the IND AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles. The difference as a result of the amalgamation shall be transferred to the 'Capital Reserve' in the financial statements of the Transferee



Company and shall be presented separately from other capital reserves with the disclosure of its nature and purpose in the notes.

- (e) No adjustment shall be made to reflect fair value or recognize any new assets or liabilities. The only adjustment shall be made are to harmonize accounting policies. In case of difference in accounting policy between the Transferor Company 2 and the Transferee Company, the accounting policy followed by the Transferee Company shall prevail and the difference till the Appointed Date shall be quantified and adjusted in the retained earnings to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. The difference, if any in the accounting policies between the Transferee Company and the Transferor Company 2 shall be ascertained and quantified and the adjustment to the retained earnings, as applicable, in accordance with the requirements of Ind AS 8 Accounting policies, changes in Accounting estimates and errors.
- (f) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements.
- (g) The Scheme set out herein in its present form or with any modification(s) of amendment(s) approved, imposed, or directed by the Tribunals or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.
- (h) Without prejudice to the above provisions, upon the Scheme coming into effect and with effect from the Appointed Date, all inter-party transactions between the Transferor Company 2 and the Transferee Company shall be considered as intra-party transactions for all purposes. Consequently, upon the Scheme coming into effect and from the Appointed Date, to the extent there are inter-corporate loans, deposits, obligations, balances or other outstanding as between the Transferor Company 2 inter-se and/or the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding elimination effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.



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**30. DATE OF TAKING EFFECT AND OPERATIVE DATE**

- 30.1. The Scheme shall be Effective at and from the Appointed Date for amalgamation of the Transferor Company 2 into the Transferee Company but shall be operative from the Effective Date.

**31. DISSOLUTION / WINDING-UP OF TRANSFEROR COMPANY 2**

- 31.1. Upon this Scheme becoming effective, the Transferor Company 2 shall be dissolved without winding-up pursuant to the provisions of Section 232 of the Act. Any obligations/ steps which need to be undertaken by the Transferor Company 2 pursuant to the sanction of this Scheme shall be fulfilled by the Transferee Company.

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## PART IV

### GENERAL TERMS AND CONDITIONS

#### **32. CHANGE IN THE OBJECT CLAUSE OF THE TRANSFeree COMPANY**

- 32.1. With effect from the Appointed Date and upon the scheme being effective, the main object clause of the Memorandum of Association of the Transferee Company shall stand altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business of the Transferor Companies, pursuant to the provisions of Section 13 and other applicable provisions of the Companies Act and applicable rules. Accordingly, the main object clause of the Memorandum of Association of the Transferee Company, upon the scheme being effective, shall stand altered and amended and the following clauses shall be inserted:

*To carry out business including but not limited to design, develop, produce, prepare, manufacture, buy, sell, supply, lease, hire, purchase, distribute, assemble, export, import, repair, maintain, research and develop all precision instruments, components, systems including panel instruments, body, chassis, and interior components/systems for automobiles and vehicles of all descriptions, garage equipments, tools and machineries of all descriptions; brakes of all descriptions including frictional, dynamic, slipper, mechanical, magnetic, vacuum servo, hydraulic, electronic, band-brakes, electro-mechanical and other power brakes, railway and tramcar brakes, hand, post and load brakes and running brakes, in India and abroad; lighting functions (visible and non-visible) and developments, derivatives as well as substitutes thereof for motor driven vehicles, in particular automotive lighting as well as any activities ancillary thereto; and to carry on the business of engineering, tooling, supply chain management, logistics, process improvements, e-business and to offer services ranging from design engineering, process engineering, product data management, knowledge based engineering, systems engineering, tool development, software development and software customization and such similar Information Technology-enabled service related activities in respect of parts, accessories, components, systems, modules, assemblies or aggregates of any vehicles of any description, directly or indirectly in relation to the transportation industry and any other field, whether directly or through alliances, joint ventures, outsourcing or otherwise and to provide onsite, offsite consulting services for clients in India and abroad.*

- 32.2. For the purpose of amendment in the Memorandum of Association of the Transferee Company as provided in this clause, the consent/approval given by the members of the Transferor Companies and Transferee Company to this Scheme pursuant to section 230 of the Act and any other applicable provisions of the Companies Act shall be deemed to be sufficient and no further resolution of the members of the Transferee Company, post the scheme being effective, shall be required under the provisions of Section 13 of the Act and other applicable provisions of the Act and applicable rules shall be required to be passed for making the change/amendment in the Memorandum of Association.



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- 32.3. Upon the scheme being effective, the Transferee Company shall file with the Registrar of Companies, all the requisite forms and complete the compliance and procedural requirements under the Act, if any.

### 33. COMBINATION OF AUTHORIZED SHARE CAPITAL

- 33.1. Upon coming into effect of the Scheme, the Authorized share capital of the Transferor Company 1 and Transferor Company 2 as mentioned in Clause 5.1 and Clause 5.2 of Part II, shall be deemed to be added to the Authorized share capital of the Transferee Company, without any further act, instrument or deed on the part of the Transferee company including payment of stamp duty and registration fees payable to the Registrar of Companies and the Memorandum of Association of the Transferee Company (relating to the Authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified, amended and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 4, 13 and 61 and all other applicable provisions of the Companies Act, 2013, if any, would be required to be separately passed as the case may be, and for this purpose the stamp duties and fees paid on the Authorized share capital of the Transferor Company 1 and Transferor Company 2 shall be utilized and applied to the increased Authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the Authorized share capital to that extent. However, fees or stamp duty, if any, to be paid on the consolidation of the authorized capital of the Transferor Companies with the Authorized Capital of the Transferee Company, the same will be paid to the Ministry of Corporate Affairs, Government of India to that extent.
- 33.2. For the purpose of combination of Authorized share capital as contemplated in this Clause, any subsequent increase in the Authorized share capital of the Transferor Company 1, Transferor Company 2 and Transferee Company, as may be applicable, shall be considered and the effect of such further increase be given accordingly.
- 33.3. Accordingly, in terms of this Scheme, the Authorized share Capital of the Transferee Company shall enhance by an amount of INR 6,70,29,00,000/- (Rupees Six Hundred and Seventy Crores and twenty nine lakhs only) divided into 67,02,90,000 Equity Shares of Re. 10/- each and clause V (a) of the Memorandum and Association of Transferee Company shall on the effective date, stand substituted to read as follows :

*V The Authorized share Capital of the Company is INR 26,70,29,00,000/- (Two thousand six hundred and seventy crores and twenty-nine lakhs only) comprising of 2,67,02,90,000 (Two sixty-seven crores two lakh ninety thousand only) Equity Shares of INR 10/- each*



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- 33.4. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum of association and the Articles of Association of the Transferee Company as may be required under the Companies Act, and Clause V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme.

#### 34. APPLICATION TO THE NCLT

- 34.1. The Transferor Companies and the Transferee Company shall, with all reasonable dispatch, make applications (as may be applicable) to the National Company Law Tribunal, Bangalore Bench and to the National Company Law Tribunal, Chandigarh Bench for sanctioning this Scheme under Sections 230 to 232 of the Act for an order or orders thereof for carrying this Scheme into effect and for dissolution of the Transferor Companies without winding up.
- 34.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any Law for such Governmental Approvals which the Transferee Company may require to own the Undertakings of the Transferor Companies and to carry on the business of the Transferor Companies.

#### 35. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 35.1. Subject to the approval of Tribunal, the Transferor Companies and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee of the Board or persons, may consent, to any modifications or amendments of the Scheme or to any conditions or limitations that the Tribunals or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Tribunal or such other Governmental Authority for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme, whether in pursuance of a change in Law or otherwise. The Transferor Companies and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.
- 35.2. For the purpose of giving effect to this Scheme or to any modification or amendments thereof or additions thereto, the delegate(s) and/ or Board of Director(s) of Transferor Companies and the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on the Transferor Companies and the



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Transferee Company, in the same manner as if the same were specifically incorporated in this Scheme.

### 36. CONDITIONALITY OF THE SCHEME

36.1. This Scheme is and shall be conditional upon and subject to:

- (a) The sanctions and approval, including sanctions of any governmental authority or any other agency, department or authority as may be required under any law.
- (b) The Scheme being approved by the requisite majorities in value of such classes of persons including the shareholders and/or creditors of the Transferor Companies and the Transferee Company, as may be directed by the NCLT or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable.
- (c) The sanction of the NCLTs or any other Appropriate Authority under law being obtained under the relevant provisions of the Act and other applicable laws by the Transferor Companies and the Transferee Company.
- (d) The certified copy of the Order of the NCLT under Sections 230 to 232 of the Act or any other competent authority or any appropriate authority under the applicable provisions of the Act, as may be applicable, being filed with the Registrar of Companies, Karnataka and the Registrar of Companies, New Delhi and Haryana by the Transferor Companies and the Transferee Company as applicable; and
- (e) If any part of this Scheme is found to be unworkable for any reason whatsoever, then the same shall not, subject to the final decision of the Transferee Company, affect the validity, working or implementation of other parts/ provisions of the Scheme.

### 37. EFFECT OF NON-RECEIPT OF APPROVALS

- 37.1. In the event of any of the said sanctions and approvals referred to in Clause 32 not being obtained and/ or complied with and/or satisfied and/ or the Scheme not being sanctioned by the NCLTs or such other competent authority, this Scheme shall stand revoked, cancelled and be of no effect. The Transferor Companies and the Transferee Company shall, in such event, inter se bear and pay their respective costs, charges, expenses in connection with the Scheme.
- 37.2. Further, in the event of non-receipt of approvals to the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the Transferor Companies or the Transferee Company or their shareholders, creditors, employees or any other person except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto



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and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

### 38. POWER TO WITHDRAW THE SCHEME AT ANYTIME

- 38.1. In the event of any condition or amendment or modification that may be imposed by the NCLT or any competent authority, or if the Board of Directors of the Transferor Companies or the Board of Directors of the Transferee Company, may find it unacceptable for any reason or if the Board of Directors of the said Transferor Companies or Transferee Company decides, they shall be at a liberty to withdraw from the Scheme unconditionally prior to the Effective date but with the mutual consent of both the Transferor Companies and the Transferee Company, effected through their respective Board of Directors.
- 38.2. For this purpose, it shall not be necessary for either the Transferor Companies or the Transferee Company to obtain any further consent of any of their respective shareholders or any other person. The consents given by such shareholders of the Transferor Companies and the Transferee Company shall be deemed to include their consent authorizing to the Board of Directors of the respective companies to withdraw the Scheme at any time prior to the Effective Date.

### 39. REMOVAL OF DIFFICULTIES

- 39.1. The Transferor Companies and Transferee Company may, by mutual consent and acting through their respective authorized representatives, agree to take all such steps as may be necessary, desirable or proper to resolve all doubts, difficulties or questions, that may arise in relation to the meaning or interpretation of the respective sections of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or order of the Tribunal or any other Governmental Authority or otherwise, howsoever arising out of, under or by virtue of this Scheme in relation to the amalgamation contemplated under this Scheme and / or any matters concerned or connected therewith and to do and execute all acts, deeds, matters and things, necessary for giving effect to this Scheme.
- 39.2. This Scheme is in full compliance with the provisions relating to / definition of "amalgamation" as provided under Section 2(1B) and other related provisions of the IT Act and applicable rules. If any terms or provisions of this Scheme is / are inconsistent with the provisions of Section 2(1B) of the IT Act, the provisions of Section 2(1B) of the IT Act shall prevail and this Scheme shall stand modified to the extent necessary to comply with provisions of Section 2(1B) of the IT Act and such modification shall not affect other terms of provisions of this Scheme.



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#### 40. BOARD RESOLUTIONS OF TRANSFEROR COMPANIES

Upon the Scheme coming into effect, with effect from the Appointed Date, the resolutions, if any, of Transferor Companies, which are valid and subsisting on the Effective date, shall continue to be valid and subsisting and be considered as resolutions of Transferee Company. If any such resolutions have any monetary limits approved as per the provisions of the Act, or any other applicable statutory provisions, then such limits shall be added to the limits, if any, under resolutions passed by Transferee Company and shall constitute the aggregate of the said limits in Transferee Company.

#### 41. CONDUCT OF TRANSFEE COMPANY

The Transferee Company shall continue to be governed by Applicable Law with respect to conduct of its business; or with respect to undertaking any purchase / acquisition / sale / transfer of any business or undertaking; or issue or buy-back of any shares or securities; during the period after the Appointed Date. The provisions of this Scheme shall not have the effect of prohibiting, or restricting, or requiring any additional approvals to be obtained for undertaking the above-mentioned activities by the Transferee Company.

#### 42. SEVERABILITY

If any part of this Scheme is held invalid, ruled illegal/ unenforceable for any reason whether under present or future laws by Tribunal, parties or any other government authorities / persons(s) as applicable under the Act, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part.

#### 43. OPERATIVE DATE OF THE SCHEME

The Scheme, although operative from the Appointed Date, as the case may be, shall become effective from the Effective Date.

#### 44. EXPENSES CONNECTED WITH THE SCHEME

- 44.1. All costs, charges, taxes including duties, levies, and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company and shall be debited to the Profit and Loss account. It is further clarified that any costs arising or accruing to the Transferor Companies in carrying out and implementing this Scheme and matters incidental thereto, as on or after the Effective Date, shall for all purpose be treated and be deemed to be arising or accruing as costs



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of the Transferee Company. Stamp duty cost, if any, incurred in connection with the Scheme shall also be borne by the Transferee Company.

#### 45. NO CAUSE OF ACTION

No third party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Transferor Companies or the Transferee Company or their directors or officers, if the Scheme does not take effect or is withdrawn, amended, or modified for any reason whatsoever.

#### 46. REPEAL AND SAVINGS

The provisions of the Act and the rules made thereunder shall not be required to be separately complied with, in relation to the acts done by the Transferor Companies or the Transferee Company as per the direction or order by the Tribunal sanctioning this Scheme.

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**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**BENGALURU BENCH, BENGALURU**

**CA (CAA) No.02/BB/2023**

U/s. 230 to 232 of the R/w Rule 3(2) of the  
Companies (Compromises, Arrangements,  
Amalgamations) Rules, 2016

**1. Continental Automotive Brake Systems (I) Private Limited,**

Registered office: Plot No. 179-180

Sector -5 IMT Manesar,

Gurgaon – 122050 ---

Transferor Company No.1/  
Non-Applicant

**AND**

**2. Continental Lighting India Private Limited**

No. 53B, Bommasandra Industrial Area,

Phase I, Hosur Road,

Bengaluru – 560099 ---

Applicant Company No.1/  
Transferor Company No.2

**3. Continental Automotive Components (India) Private Limited,**

Plot No. 53B, Bommasandra Industrial Area,

Attibele Hobli, Anekal Taluk,

Bengaluru – 5600099 ---

Applicant Company No.2/  
Transferee Company

**Order delivered on : 02<sup>ND</sup> MARCH, 2023**

**Coram:** 1. Hon'ble Justice (Retd.) T.Krishnavalli, Member (Judicial)

2. Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

**Present:**

For the Applicant Companies: Shri Dushyanth Kumar, PCS

**ORDER**

**Per: Manoj Kumar Dubey, Member (Technical)**

1. The present First Motion Application for Amalgamation is filed on 23.12.2022 by **Continental Lighting India Private Limited** (described in short as 'Applicant Company No.1/Transferor Company No.2) and **Continental Automotive Components (India) Private Limited** (described in short as 'Applicant Company No.2/ Transferee Company) under Sections 230 to 232 of Companies Act, 2013 r/w Rule 3(2) of the Companies (Compromises, Arrangements, Amalgamations) Rules 2016, seeking to convene the meetings

of the Equity Shareholders of the Transferor Company No.2 and Transferee Company (Applicant Companies No.1 & 2); to dispense with the meeting of the Unsecured Creditors of the Transferor Company No.2 or alternatively convene the meeting of the Unsecured Creditors of the Transferor Company No.2 and direction to convene the meeting of the Unsecured Creditors of the Transferee Company. The Scheme of Amalgamation (for short the 'Scheme') of Transferor Companies No.1 & 2 and Transferee Company has been placed on record as Annexure-K, at Pg 323-381 of Application.

2. The Applicant Company No.1 (Transferor Company No.2) namely, **Continental Lighting India Private Limited** was incorporated under the name and style of "Osram Continental India Private Limited" under the provisions of the Companies Act, 2013 with the Registrar of Companies, Karnataka on 28<sup>th</sup> September 2018 bearing CIN U31900KA2018FTC116935. The registered office is situated at No.53B, Bommasandra Industrial Area, Phase I, Hosur Road, Bengaluru-560099. The copy of Certificate of Incorporation and Memorandum and Articles of Association is found attached as Annexure-A to the Application. As per the Memorandum of Association, the main objects of Applicant Company No.1 is as follows:

*"To carry out businesses including but not limited to develop, manufacture, supply and sell lighting functions (visible and non-visible) and developments, derivatives as well as substitutes thereof for motor driven vehicles in particular automotive lighting as well as any activities ancillary thereto."*

3. The authorised, issued, subscribed and paid up share capital of the Applicant Company No.1 as on date of this application is as follows:

Particulars	Amount
<b>Authorised Share capital</b>	
80,40,000 Equity Shares of Rs.10 each	8,04,00,000
Total	8,04,00,000
<b>Issued, Subscribed and paid-up share capital</b>	
80,40,000 Equity Shares of Rs.10 each	8,04,00,000
Total	8,04,00,000

4. The Applicant Company No.2 (Transferee Company) namely, **Continental Automotive Components (India) Private Limited** was incorporated on 15<sup>th</sup> June 2007 under the provisions of the Companies Act, 1956/2013 with a CIN No. U72900KA2007PTC043146 and having its registered office at Plot No. 53B, Bommasandra Industrial Area, Attibele Hobli, Anekal Taluk, Bengaluru -

560099. The copy of Certificate of Incorporation, Memorandum and Articles of Association of Association of Applicant Company No.2 is produced at Annexure-D of the Application. As per the Memorandum of Association, the main object of the Applicant Company No.2 is as follows:

*“to design, develop, manufacture, buy, sell, lease, hire, purchase, distribute, assemble, export, import, repair all precision instruments, components, systems including panel instruments, body, chassis and interior components/systems for automobiles and vehicles of all descriptions, garage equipments, tools and machineries of all descriptions”*

5. The authorised, issued, subscribed and paid-up share capital of the Applicant Company No.2 as on the date of this application :

Particulars	Amount
<b>Authorised share capital</b>	
2,00,00,00,000 equity shares of 10 each	20,00,00,00,000
Total	20,00,00,00,000
<b>Issued, subscribed and paid-up share capital</b>	
94,13,21,250 equity shares of Re.10 each	9,41,32,12,500
Total	9,41,32,12,500

6. The Non-Applicant Company/Transferor Company No.1 namely, **Continental Automotive Brake Systems (I) Private Limited** is a company incorporated under the name and style of “Continental Rico Hydraulic Brakes India Private Limited” under the provisions of the Companies Act, 1956/2013 with the Registrar of Companies, Delhi and Haryana and Certificate of Incorporation was obtained on 3<sup>rd</sup> January 2008 bearing CIN No.U74900HR2008PTC037519. The Registrar of Companies, New Delhi and Haryana has issued a certificate dated 4<sup>th</sup> May 2012, pursuant to the change in name of the company to Continental Automotive Brake Systems (I) Private Limited. The Registered office of the Transferor Company No.1 is currently situated at Plot No. 179-180, Sector-5 IMT Manesar, Gurgaon-122050, Haryana. The copy of Certificate of Incorporation, Memorandum and Articles of Association of Association of Transferor Company No.1 is produced at Annexure-G of the Application. As per the Memorandum of Association, the main object of the Applicant Company No.2 is as follows:

*“to manufacture, produce, prepare, develop, repair, export, import, purchase, sell and generally carry on business in the manufacture, sale and supply of brakes of all descriptions including frictional, dynamic, slipper, mechanical, magnetic, vacuum servo, hydraulic, electronic, bandbrakes, electro-mechanical and other power brakes, railway and tramcar brakes, hand, post and load brakes and running rakes in India and abroad ”.*

**7.** The preamble of the proposed Scheme reads as under:-

*“This Scheme of Amalgamation (the scheme) is presented pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) for amalgamation of Continental Automotive Brake Systems (I) Private Limited (“Continental Brakes” or “Transferor Company No.1”) and Continental Lighting India Private Limited (“Continental Lighting” or Transferor Company No.2”) with Continental Automotive Components (India) private Limited (“Continental Automotive” or Transferee Company”) and Section 2 (1B) and other related provision of the IT Act.*

**8.** The Board of Directors of the Transferor Companies No.1 & 2 and Transferee company have approved the Scheme vide their respective Board Resolutions dated 12.12.2022 and 13.12.2022 subject to the sanctioning of the same by this Tribunal. The aforesaid Board Resolutions of the Transferor Companies No.1 & 2 and Transferee Company are at Annexure-J respectively of the Application.

**9.** The Appointed date as stated in the Scheme,” *appointed date means the open of business on 1<sup>st</sup> April 2022 or such date as may be determined by the Board of Directors of the Transferor Companies, and the Transferee Company or such other time and date as the Tribunal may fix or direct”.*

**10.** The instant Application has been by the Applicant Companies for the following reliefs:

- i. *To pass necessary direction/order as it deemed fit for the purpose of convening the meetings of the equity shareholders of the Transferor Company No.2 and Transferee Company to be held physically or through Video Conference (VC) or other Audio Visual means (OAVM) on such date and time as this Hon’ble Tribunal may deem fit and that a Chairman and Scrutinizer be appointed for that meeting and pass necessary directions with regard to issue of notice through post, courier or e-mail ids for convening and conducting of the meeting and that a Chairman and Scrutinizer be appointed for that meeting and pass necessary directions with regard to issue of notice, convening and conducting of the meetings;*
- ii. *To pass necessary direction/order as it deemed fit for the purpose of Convening meeting of the unsecured Creditors of the Transferee Company to whom INR 5,00,000 (Indian Rupees Five Lakh only) or more is payable to be held physically or through Video Conference (VC) or other Auditor Visual Means (OAVM) on such date and time as this Hon’ble Tribunal may deem fit and that a Chairman and Scrutinizer be appointed for that meeting and pass necessary directions with regard to issue of notice through post, courier or e-*

*mail ids for convening and conducting of the meeting and that a Chairman and Scrutinizer be appointed for that meeting and pass necessary directions with regard to issue of notice, convening and conducting of the meetings;*

- iii. *To dispense with the meeting of the Unsecured Creditors of the Transferor Company No.2 or alternatively convene the meeting the meeting of the Unsecured Creditors of Transferor Company No. 02 to whom INR 5,00,000 (Indian Rupees Five Lakh only) or more is payable to be held physically or through Video Conference (VC) or other Auditor Visual Means (OAVM) on such date and time as this Hon'ble Tribunal may deem fit and that a Chairman and Scrutinizer be appointed for that meeting and pass necessary directions with regard to issue of notice through post, courier or e-mail ids for convening and conducting of the meeting and that a Chairman and Scrutinizer be appointed for that meeting and pass necessary directions with regard to issue of notice, convening and conducting of the meetings;*
- iv. *To pass necessary direction for publication of notice in one English newspaper i.e., 'The Financial Express' Bangalore edition (English daily) and one vernacular newspaper i.e., 'Samyukta Karnataka' Bangalore Edition (Kannada Daily) and*
- v. *Pass such further and other orders as may be deemed fit and proper by the Hon'ble Tribunal.*

- 11.** The Learned PCS for the Applicant Company No.1 submitted that as per Certificate dated 13.12.2022 (Annexure M of the Application) issued by Ankh and Associates, Chartered Accountants, the number of equity shareholders of the Applicant Company No.1 as on 30.11.2022 is as under:

Sl. No	Name of Members	No. of shares held	% of holding	Amount
1.	Continental Automotive Holding Netherlands B.V	79,59,600	99%	7,95,96,000
2	CAH Holding B.V	80,400	1%	8,04,000

- 12.** It is submitted that as per CA Certificate dated 13.12.2022 issued by Ankh and Associates, Chartered Accountants, there are no Secured Creditors in the Applicant Company No.1 as on 30.11.2022. Further, as per CA Certificate dated 13.12.2022 there are 8 (eight) Unsecured Creditors in the Applicant Company No.1 as on 30.11.2022. The CA certificates dated 13.12.2022 are attached as Annexure-'N' & 'P' to the application. Further, the Learned PCS has filed a Memo vide Diary No. 319 dated 17.01.2023 producing the consent affidavits of three (3) Unsecured Creditors out of Eight (08) Unsecured Creditors which constitutes 92.32% in value; along with C.A Certificate from Ankh & Associates, Chartered Accountants and seeks for the dispensation of

the meeting of the Unsecured Creditors of the Applicant Company No.1/Transferor Company No.2.

- 13.** The Learned PCS for the Applicant Company No.2/Transferee Company submitted that as per Certificate dated 15.12.2022 (Annexure-Q of the Application) issued by Shivakumara swamy and Associates, Chartered Accountants, the number of equity shareholders of the Applicant Company No.2 as on 30.11.2022 is as under:

Sl.No	Name of Members	No. of shares held	% of holding	Amount
1.	Continental Automotive Holding Netherlands B.V	94,13,21,249	99.99%	9,41,32,12,490
2	CAH Holding B.V	1	0.01%	10

- 14.** It is submitted that as per Certificate dated 15.12.2022 (Annexure R of the Application) issued by Shivakumara swamy and Associates, Chartered Accountants, there are no Secured Creditors in the Applicant Company No.2 as on 30.11.2022. Further, as per CA Certificate dated 20.12.2022 there are 506 (five Hundred and Six) Unsecured Creditors in the Applicant Company No.2. The CA certificate dated 15.12.2022 and 20.12.2022 are attached as Annexure-R & S to the application.
- 15.** The Learned PCS for the Applicant Companies submits that the Certificate of the Auditors have been filed stating that the Accounting Treatment contained in the Scheme is in compliance with all the applicable Accounting Standards as notified under Section 133 of the Companies Act, 2013 with effect from appointed date, and other generally accepted accounting principles, as applicable. The Certificates dated 21.12.2022 are attached as Annexure – T to the Application.
- 16.** It is submitted that the affidavit dated 22.12.2022 is filed by Authorised representative of the Applicant companies stating that the Applicant Companies are not subjected to any kind of legal prosecutions or proceedings thereof and not filed any other application under Section 230 to 232 of the Companies Act, 2013 with any adjudicating authorities. The affidavit filed by the Authorised Representative of the Applicant Companies is attached as Annexure – W of the application.

**17.** The Rationale of Scheme as given in the scheme is as follows:

- a. Achieve greater integration and greater financial strength and flexibility for the combined entity leading to stronger negotiation power in the market and strengthened leadership in the industry.*
- b. Achieve business synergies on account of consolidation of related/duplicated processes, including consolidation of Plant/Manufacturing infrastructure, consolidation of support services divisions within these entities, eliminate inter-company transactions, cost optimization etc.*
- c. Achieve greater efficiency in cash management and unfettered access to large cash flows, effective and centralized management of funds generated by the combined business which can be deployed more efficiently to fund larger projects with a stronger platform and strengthen brand visibility.*

**18.** The Learned PCS for the Applicant Companies submitted that the Applicant Companies have filed their audited financial statements for the year ending 31.03.2022 and provisional financial statements for the period between 01.04.2022 to 30.11.2022. The Audited and provisional financial statements are found attached as Annexure B,C, E & F of the Application.

**19.** It is further submitted that the affidavits dated 22.12.2022 of the Authorised Representative of the Applicant Companies have been filed stating the scheme does not envisage for capital reduction for the equity share capital of the Transferor Companies or Transferee Company and does not provide for any kind of arrangement with the outside creditors of Transferor Company No.2 and Transferee Company and thereby Corporate Debt Restructuring with regard to outside creditors is not applicable to the scheme.

**20.** It is submitted that an affidavit dated 22.12.2022 of the authorised Representatives of the Applicant Companies have been filed stating that Companies are not regulated by any sectoral regulators with whom the application and scheme needs to be filed before or after filing of the company application and scheme under Section 230 of the Companies Act, 2013. Further, after the filing of the company application under Section 232 of the Companies Act, 2013 notice of the petition to be issued to certain regulatory authorities such as (a) The Regional Director, South- East Region (b) The Registrar of Companies, MCA (c) The Office of the Official Liquidator (d) The Income Tax Department. The affidavit dated 22.12.2022 filed by the Authorised Representative of the Applicant Companies is attached Annexure – U of the application.

**21.** Clause 9.1 of the Scheme states that, on the scheme becoming effective, all the executives, staff, workmen and other employees if any in the service of the

Transferor Company No.1 shall become the executives, staff, workmen, and other employees of the Transferee company.

- 22.** We have heard the learned PCS for the Applicant Companies and have perused the records and the supporting documents/papers filed along with the “Scheme” contemplated by the Applicant Companies with the assistance of learned PCS for the Applicant Companies.
- 23.** In view of the above, following directions are issued with respect to dispensation or calling and convening various meetings, as well as issuance of notices including by way of publication in newspaper:
- a) Since 03 (three) Unsecured Creditors of the Transferor Company No.2/Applicant Company No.1 constituting 92.32% of the total value have given consent to the Scheme, the meeting of the Unsecured Creditors of the Transferor Company No.2 is dispensed with.
  - b) Since there are Nil Secured Creditors in the Transferor Company No.2 and Transferee Company, there is nothing to convene their meeting.
  - c) Meeting of the Equity Shareholders of the Transferor Company No.2 is to be convened on **24<sup>th</sup> April 2023**, at **10.30 A.M** through Video Conferencing or Other Audio Visual Means (OAVM) as per the guidelines issued by MCA or through physical meeting, subject to the notice of the meeting being issued through post or electronic mode. The quorum of the meeting of the Equity Shareholders shall be as prescribed under section 103 of the Companies Act, 2013.
  - d) In case the required quorum as noted above for the meetings of the Equity Shareholders of the Transferor Company No.2 is not present at the commencement of the meetings, the respective meetings shall be adjourned by 30 minutes, and thereafter, the persons present and voting shall be deemed to constitute the quorum. For the purpose of completing the quorum, the valid proxies and Authorized Representatives shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed through email or otherwise at the respective registered office of the Transferee Company. The Chairperson along with Scrutinizer shall ensure that the proxy register is properly maintained. The Scrutinizer is also duty bound to

record all proceedings of the meeting conducted through Video Conference.

- e) Meeting of the Equity Shareholders of the Transferee Company is to be convened on **24<sup>th</sup> April 2023** at **11.00 A.M** through Video Conferencing or Other Audio Visual Means (OAVM) as per the guidelines issued by MCA or through physical meeting, subject to the notice of the meeting being issued through post or electronic mode. The quorum of the meeting of the Equity Shareholders shall be as prescribed under section 103 of the Companies Act, 2013.
- f) In case the required quorum as noted above for the meetings of the Equity Shareholders of the Transferee Company is not present at the commencement of the meetings, the respective meetings shall be adjourned by 30 minutes, and thereafter, the persons present and voting shall be deemed to constitute the quorum. For the purpose of completing the quorum, the valid proxies and Authorized Representatives shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed through email or otherwise at the respective registered office of the Transferee Company. The Chairperson along with Scrutinizer shall ensure that the proxy register is properly maintained. The Scrutinizer is also duty bound to record all proceedings of the meeting conducted through Video Conference.
- g) Meeting of the Unsecured Creditors of the Transferee Company is to be convened on **24<sup>th</sup> April 2023** at **11.30 A.M** through Video Conferencing or Other Audio Visual Means (OAVM) as per the guidelines issued by MCA or physical meeting, subject to the notice of the meeting being issued through post or electronic mode. The quorum of the meeting of the Unsecured Creditors shall be 40% in total value either personally present or through proxy.
- h) In case the required quorum as noted above for the meetings of the unsecured creditors of the Transferee Company is not present at the commencement of the meetings, the respective meetings shall be adjourned by 30 minutes, and thereafter, the persons present and voting shall be deemed to constitute the quorum. For the purpose of completing

the quorum, the valid proxies and Authorized Representatives shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed through email or otherwise at the respective registered office of the Transferee Company. The Chairperson along with Scrutinizer shall ensure that the proxy register is properly maintained. The Scrutinizer is also duty bound to record all proceedings of the meeting conducted through Video Conference.

- i) **Shri Anirudh Suresh Adv.** having address at 273, Ramaiyengar Road, V.V. Puram, Bengaluru - 560004 emailid [anirudh@anirudhassociates.com](mailto:anirudh@anirudhassociates.com) Mobile No. 9740133639 is appointed as the Chairperson for the above meetings. He shall be paid fee of Rs. 1,00,000/- (Rupees One Lakh) for his services as the Chairperson. **Shri Raghavendra Naveen B.K** having address at No. 17, 2<sup>nd</sup> Cross, Sachidanand Nagar, Near Robin Theatre, Kengeri Upanagar, Bengaluru - 560 060 email ID [support@raoandassociates.co.in](mailto:support@raoandassociates.co.in), Mobile No. 9916667966 is appointed as the Scrutinizer for the above meetings. He shall be paid fee of Rs.60,000/- (Rupees Sixty Thousand only) for his services as the Scrutinizer.
- j) It is further directed that individual notices of the said meeting shall be sent by the Applicant Companies to the respective Equity Shareholders and Unsecured Creditors through registered post or speed post or through courier or through electronic mode, 30 days in advance before the scheduled date of meeting, indicating the day, date, time and link to the meeting if meeting is conducted through Video Conference as aforesaid, together with a copy of the Scheme, copy of explanatory statement required to be sent under the Companies Act, 2013 and the applicable Rules, along with the proxy forms and any other documents as may be prescribed under the Act shall also be duly sent with the notice.
- k) It is further directed that along with the notice Applicant Companies shall also send statement explaining the effect of the Scheme on the Shareholders and Creditors, key managerial personnel, promoters and non-promoter members etc., along with effect of the arrangement for amalgamation on any material interests of the Directors of the Company as provided under sub-section 3 of the Section 230 of the Act.

- l) That the Applicant Companies shall publish with a gap of at least 30 clear days before the aforesaid meetings, indicating the day, date, time and link of the meeting to be conducted through video Conference as aforesaid, to be published in “Financial Express” (English) and “Samyuktha Karnataka” (Kannada), both in Karnataka Edition. It is to be stated in the advertisement that the copies of “Scheme”, the Explanatory Statement required to be published pursuant to Section 230 to 232 of the Act and the form of proxy shall be provided free of charge at the registered office of the Applicant Companies. The Applicant Companies shall also publish the notice on its respective website, if any.
- m) The Authorized Representative of the Applicant Companies shall furnish affidavit of service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least ten (10) days before the date of proposed meetings.
- n) Voting shall be allowed on the “Scheme” in person or by proxy or through electronic means as may be applicable to the Applicant Companies under the Act or there under.
- o) The Chairperson shall be responsible to report the result of the meeting to the Tribunal in Form No. CAA 4, as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within 07 (seven) days of the conclusion of the meetings. He would be fully assisted by the Authorized Representative/Company Secretary of the Applicant Companies and the Scrutinizer, who will assist the Chairperson and Alternate Chairperson in preparing and finalizing the reports.
- p) The Applicant Companies shall in compliance of sub-section (5) of section 230 and Rule 8 of the Companies (Compromises, Arrangement and Amalgamation) Rules, 2016 send notices in Form No. CAA 3 along with a copy of the Scheme, the Explanatory Statement and the disclosures mentioned in Rule 6 of the “Rules” to (i) the Central Government through the office of the Regional Director (South East Region); (ii) Concerned Registrar of Companies; (iii) Official Liquidator (iv) Jurisdictional Assessing Officer, Income Tax Department, Bangalore by mentioning their respective PAN Number; (v) Competition Commission of India (CCI) and other Sectoral Regulators/ Authorities, if any, stating that

representations, if any, to be made by them shall be sent to the Tribunal within a period of 30 days from the date of receipt of such notice and copy of such representation shall simultaneously be sent to the concerned companies, failing which, it shall be presumed that they have no objection to the proposed Scheme.

- q) The Applicant Companies shall furnish copy of the Scheme free of charge within one day of any requisition for the “Scheme” made by any shareholder entitled to attend the aforesaid meetings.
- r) It shall be the responsibility of the Applicant Companies to ensure that the notices are sent under the signature and supervision of the authorized representative of the Company on the basis of Board Resolutions.
- s) All the aforesaid directions are to be complied with strictly in accordance with the applicable law including forms and formats contained in the “Rules” as well as the provisions of the Companies Act, 2013, by the Applicant Companies.

**24.** With the aforesaid directions, this First Motion Application bearing **C.A (CAA) No. 02/BB/2023** stands allowed giving liberty to the Applicant Companies to file Second Motion petition with the direction that the Applicant Companies shall make specific prayer for sending notice to the (a) Central Government (b) The Registrar of Companies, (c) The Official Liquidator (d) Jurisdictional Income Tax Authorities by disclosing the PAN Numbers of the Applicant Companies and (e) other relevant statutory authorities/sectoral regulators as applicable in the title of the Second Motion petition.

**25.** A copy of this order be supplied to the learned PCS for the Applicant Companies, who in turn shall supply copy of the same to the Chairperson and the Scrutinizer.

**Sd/-**

**(MANOJ KUMAR DUBEY)**  
**MEMBER (TECHNICAL)**

**Sd/-**

**(T.KRISHNAVALLI)**  
**MEMBER (JUDICIAL)**

## Continental Automotive Brake Systems (I) Private Limited

Balance Sheet as at 31 March 2022

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	10,905	14,978
Capital work-in-progress	2	531	1,043
Right of use assets	31	1,500	1,752
Intangible assets	3	55	39
Intangible asset under development	3	-	37
Financial assets			
Loans	4	-	-
Other financial assets	4	204	149
Income tax assets	5	218	53
Other non-current assets	6	1,050	729
<b>Total non-current assets</b>		<b>14,464</b>	<b>18,780</b>
<b>Current assets</b>			
Inventories	7	11,992	11,839
Financial assets			
Trade receivables	8	11,247	11,372
Cash and Cash Equivalents	9	13,299	17,174
Loans	4	-	-
Other current assets	6	1,040	1,403
<b>Total Current assets</b>		<b>37,578</b>	<b>41,788</b>
<b>TOTAL ASSETS</b>		<b>52,041</b>	<b>60,568</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	63,212	63,212
Other equity	11	(34,072)	(28,609)
<b>Total equity</b>		<b>29,140</b>	<b>34,603</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	31	1,848	2,093
Provisions	12	564	606
Deferred tax liabilities (Net)			
<b>Total non-current liabilities</b>		<b>2,412</b>	<b>2,699</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities	31	247	187
Trade payables	13		
- Outstanding dues to Micro and Small enterprises; and		395	373
- Outstanding dues to parties other than Micro and Small enterprises		18,010	21,345
Other financial liabilities	14	300	511
Provisions	12	48	45
Other current liabilities	15	1,489	805
<b>Total Current Liabilities</b>		<b>20,489</b>	<b>23,266</b>
<b>Total Liabilities</b>		<b>22,901</b>	<b>25,965</b>
<b>TOTAL EQUITY AND LIABILITY</b>		<b>52,041</b>	<b>60,568</b>

## Summary of significant accounting policies

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For Varish &amp; Associates

Chartered Accountants

Firm Registration Number - 005388N

Kapil Kumar Khadwalal

Partner

Membership No. 513636

Place: New Delhi

Date: 23 September 2022

UDIN: 22513636BBBYCR6007

For and on behalf of Board of Directors of  
Continental Automotive Brake Systems (I) Private Limited

Prashanth Dureswamy

Director

DIN: 06962458

Place: Bengaluru

Date: 23 September 2022

Prashant Kumar

Company Secretary

Membership No.: ACS 21571

Place: Mangaluru

Date: 23 September 2022

Bernhard Willi Klumpp

Director

DIN: 08400978

Place: Frankfurt

Date: 23 September 2022



Continental Automotive Brake Systems (I) Private Limited  
Statement of Profit and Loss for the year ended 31 March 2022  
(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
I Revenue from operations	16	69,484	53,837
II Other income	17	861	678
III Total income (I + II)		70,345	54,515
IV Expenses			
Cost of raw materials consumed	18.1	53,573	39,161
Purchases of stock-in-trade	18.2	529	1,032
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18.3	19	585
Employee benefits expense	19	2,682	2,743
Finance costs	20	242	261
Depreciation and amortisation expense	21	3,620	3,735
Other expenses	22	15,253	8,550
Total expenses (IV)		75,918	56,067
V Profit/(loss) before exceptional items and tax (III - IV)		(5,573)	(1,552)
VI Exceptional Items		-	-
VII Profit/(Loss) before Tax (V - VI)		(5,573)	(1,552)
VIII Income tax expense	23		
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
IX Profit for the year (VII - VIII)		(5,573)	(1,552)
X Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain/(loss) on defined benefit liability	11	110	35
- Income tax relating to these items	23	-	-
Total other comprehensive income for the year		110	35
XI Total comprehensive income for the year (IX + X)		(5,463)	(1,517)
Earning per share (face value of Rs 10 each)	30		
Basic and Diluted (in Rs.)		(0.88)	(0.25)

Summary of significant accounting policies

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For Vaish & Associates  
Chartered Accountants  
Firm Registration Number - 005388N

Kapil Kumar Khandelwal  
Partner

Membership No.: 513636

Place: New Delhi

Date: 23 September 2022

UDIN: 22513636BBYCR6007

For and on behalf of Board of Directors of  
Continental Automotive Brake Systems (I) Private Limited

Prashanth Doreswamy  
Director

DIN: 06962488

Place: Bengaluru

Date: 23 September 2022

Prashant Kumar

Company Secretary

Membership No.: ACS 21571

Place: Manesar

Date: 23 September 2022

Bernhard Willi Klumpp  
Director

DIN: 08400978

Place: Frankfurt

Date: 23 September 2022



Handwritten signature/initials.

**Continental Automotive Brake Systems (I) Private Limited**  
**Statement Of Changes In Equity for the year ended 31 March 2022**  
 (All amounts in Rupees Lakhs, unless otherwise stated)

**(a) Equity share capital**

Particulars	Note	Amount
Balance as at 1 April 2020		632,118,770
Shares issued during the year	10	-
Changes in Equity Share Capital due to prior period errors		-
Restated balance at the beginning of the current reporting period		-
Changes in equity share capital during the year		-
Balance as at 31 March 2021		632,118,770
Changes in equity share capital during the year	10	-
Changes in Equity Share Capital due to prior period errors		-
Restated balance at the beginning of the current reporting period		-
Changes in equity share capital during the year		-
Balance as at 31 March 2022		632,118,770

**(b) Other Equity**

Particulars	Note	Retained earnings	Items of other comprehensive income (Remeasurements of defined benefit plans)	Total
Balance as at 1 April 2020 (A)	11	(27,092)	-	(27,092)
Addition during the year		-	-	-
Changes in accounting policy or prior period errors		-	-	-
Restated balance at the beginning of the current reporting period		-	-	-
Dividends		-	-	-
Any other change (to be specified)		-	-	-
Profit for the year	11	(1,552)	-	(1,552)
Other comprehensive income for the year, net of income tax	11	-	35	35
Transferred to retained earnings	11	35	(35)	-
Balance as at 31 March 2021 (A + B)		(28,609)	-	(28,609)
Addition during the year		-	-	-
Changes in accounting policy or prior period errors		-	-	-
Restated balance at the beginning of the current reporting period		-	-	-
Dividends		-	-	-
Any other change (to be specified)		-	-	-
Profit for the year	11	(5,573)	-	(5,573)
Other comprehensive income for the year, net of income tax	11	-	110	110
Transferred to retained earnings	11	110	(110)	-
Balance as at 31 March 2022 (A+B+C)		(34,072)	-	(34,072)

**Summary of significant accounting policies**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

**For Vaish & Associates**

Chartered Accountants

Firm Registration Number - 005388N

**Kapil Kumar Khandelwal**

Partner

Membership No.: 513636

Place : New Delhi

Date : 23 September 2022

UDIN : 22513636BBBYCR6007

For and on behalf of Board of Directors of

**Continental Automotive Brake Systems (I) Private Limited**

**Prashanth Doreswamy**

Director

DIN : 06962488

Place: Bengaluru

Date : 23 September 2022

**Prashant Kumar**

Company Secretary

Membership No.: ACS 21571

Place: Manesar

Date : 23 September 2022

**Bernhard Willi Klumpp**

Director

DIN : 08400978

Place: Frankfurt

Date : 23 September 2022



## Continental Automotive Brake Systems (I) Private Limited

## Cash Flow Statement for the year ended 31 March 2022

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(5,573)	(1,552)
Adjustments for:		
Depreciation and amortisation expense	3,620	3,735
Interest expense on lease liabilities	231	250
Interest expense - Others	6	11
Interest income on deposits	(143)	(145)
Loss on sale of property, plant and equipment (net)	12	84
Unrealised currency exchange fluctuation (gain)/ loss (net)	266	(392)
<b>Operating cash flows before working capital changes</b>	<b>(1,581)</b>	<b>1,990</b>
<b>Changes in assets and liabilities</b>		
Adjustments for (increase) / decrease in assets :-		
Trade receivables	114	(1,807)
Inventories	(153)	(1,869)
Loans	-	4
Other assets	(75)	(123)
Adjustments for increase / (decrease) in liabilities :-		
Trade payables	(3,568)	9,229
Provisions	(71)	53
Other liabilities	659	15
<b>Cash generated from operations</b>	<b>(4,674)</b>	<b>7,493</b>
Income taxes paid	(165)	15
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>(4,839)</b>	<b>7,508</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest income on deposits	246	164
Payment for purchase of property, plant and equipment, intangible assets, capital work in progress and Intangible asset under development (net)	(338)	(503)
Proceeds from sale of property, plant and equipment	1,496	6
<b>Net cash used in investing activities (B)</b>	<b>1,404</b>	<b>(333)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid on lease liabilities	(231)	(250)
Principal repayment of lease liabilities	(209)	(175)
<b>Net cash flow (used in)/from financing activities (C)</b>	<b>(440)</b>	<b>(425)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(3,875)</b>	<b>6,750</b>
Cash and cash equivalents at the beginning of the year	17,174	10,424
<b>Cash and cash equivalents at the end of the year (refer note 9)</b>	<b>13,299</b>	<b>17,174</b>
<b>SUPPLEMENTARY INFORMATION:</b>		
<b>Movement of financial liabilities</b>		
	Year ended 31 March 2022	Year ended 31 March 2021
At the beginning of the year (current and non current)	2,282	2,444
Additions	24	12
Interest expense accrued	231	250
Payment of lease liabilities	(440)	(425)
<b>At the end of the year (current and non current)</b>	<b>2,097</b>	<b>2,282</b>

The Statement of Cash Flow has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 - 'Statement of Cash Flows' as specified under section 133 of the Companies Act, 2013.

As per our report of even date attached

For Vaish & Associates  
Chartered Accountants  
Firm Registration Number - 005388N

Kapil Kumar Khandelwal

Partner

Membership No.: 513636

Place: New Delhi

Date: 23 September 2022

UDIN : 22513636BBB7CR6007

For and on behalf of Board of Directors of  
Continental Automotive Brake Systems (I) Private Limited

Prashanth Doreswamy

Director

DIN : 06962488

Place: Bengaluru

Date: 23 September 2022

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Membership No.: ACS 21571

Place: Manesar

Date: 23 September 2022

Bernhard Willi Klumpp

Director

DIN : 08400978

Place: Frankfurt

Date: 23 September 2022



Continental Automotive Brake Systems (I) Private Limited  
Notes forming part of the financial statements for the year ended 31 March 2022  
(All amounts in Rupees Lakhs, unless otherwise stated)

## 2. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

### a) Property, plant and equipment

Particulars	Leasehold Improvements	Plant and machinery	Furniture and Fixtures	Office Equipment	Computers	Vehicle	Total
<b>Gross block</b>							
Balance as at 31 March 2020	1,019	21,261	517	223	426	28	23,273
Additions	332	351	-	-	43	14	740
Deletions	-	(200)	(7)	(4)	(1)	-	(212)
Balance as at 31 March 2021	1,351	21,412	310	219	468	42	23,801
Additions	41	660	9	26	12	-	758
Deletions*	-	(1,561)	-	(11)	-	(6)	(1,578)
Balance as at 31 March 2022	1,392	20,511	329	234	480	36	22,981
<b>Depreciation</b>							
Balance as at 31 March 2020	220	4,872	57	113	219	17	5,498
For the year	198	3,062	35	47	99	6	3,447
Deletions	-	(108)	(12)	(3)	(1)	-	(122)
Balance as at 31 March 2021	418	7,828	80	157	317	23	8,823
For the year	217	2,960	35	30	84	7	3,323
Deletions	-	(53)	-	(11)	-	(6)	(70)
Balance as at 31 March 2022	635	10,735	115	166	401	24	12,076
<b>Net block as at 31 March 2020</b>	1,019	21,261	317	223	426	28	23,273
<b>Net block as at 31 March 2021</b>	933	13,584	230	62	151	19	14,978
<b>Net block as at 31 March 2022</b>	757	9,776	214	68	79	12	10,995

\* It includes Capital Subsidy received during the year of Rs. 1,495 Lakhs

### b) Capital work-in-progress

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Capital work-in-progress	531	1,043	1,020
	531	1,043	1,020
<b>Movement in Capital Work-in-Progress</b>	<b>Total</b>		
Balance as at 31 March 2020	1,020		
Additions	1,008		
Capitalization	(740)		
Balance as at 31 March 2021	1,043		
Additions	246		
Capitalization	(758)		
Balance as at 31 March 2022	531		

#### Capital work-in-progress ageing schedule as on 31st Mar 2022

Capital work-in-progress	Amount in CWP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	102	49	306	13	512
Projects temporarily suspended	-	-	-	19	19

#### Capital work-in-progress ageing schedule as on 31st Mar 2021

Capital work-in-progress	Amount in CWP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	32	868	61	82	1043
Projects temporarily suspended	-	-	-	0	0

#### For capital-work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan as on 31st Mar 2022

Capital work-in-progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
VFD Periphery Investments	25	-	-	-	25
SAP Maintenance Module For Main	22	-	-	-	22
External tooling, tools owned	4	-	-	-	4
Front-External tooling	19	-	-	-	19

#### For capital-work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan as on 31st Mar 2021

Capital work-in-progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
NIL	0	0	0	0	0



**Continental Automotive Brake Systems (I) Private Limited**
**Notes forming part of the financial statements for the year ended 31 March 2022**
**1.1 Company Overview**

Continental Automotive Brake Systems (I) Private Limited ('the Company') is a private company that was incorporated in India on 3 January 2008 and is primarily engaged in the business of manufacturing, selling and distributing hydraulic brake systems and electronic brake systems in India and the overseas market. The Company was incorporated as a joint venture between Continental AG, Germany and Rico Auto Industries Limited, India. On 9 March 2012, Continental Automotive Holding Netherlands B.V. acquired the entire share capital held by Rico Auto Industries Limited in Continental Automotive Brake Systems (I) Private Limited.

**1.2 Basis of Preparation**
**A Statement of compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 notified under the Section 133 of the Companies Act, 2013, ("the Act"), Companies Indian Accounting Standards (Amendment) Rules, 2016 and other relevant provisions of the Act ("financial statements").

Details of Company's accounting policies are included in Note 1.3.

**B Functional and Presentation currency**

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs unless otherwise indicated. Further, amounts below INR 50,000 have been rounded off to "-" in the financial statements while rounding off to the nearest lakhs unless otherwise indicated.

**C Basis of measurement**

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair value.

**D Use of estimates and judgements**

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Assumptions and estimation uncertainties and judgements**

Information about judgements, assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ended 31 March 2022 and judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Estimated useful life of property, plant and equipment and Intangible assets – Note 1.3B and 1.3C
- Estimation of defined benefit obligations – Note 1.3K and 27
- Recognition of deferred tax assets – Note 1.3I
- Provision for obsolete, defective and unserviceable inventories – Note 1.3F

**E Measurement of fair values**

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

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

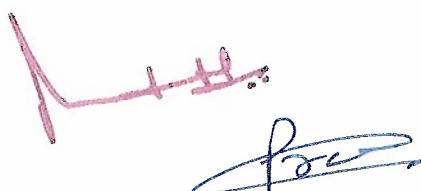
Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the Note 33.





### 1.3 Significant accounting policies

#### A Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

An asset is classified 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 classified as 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.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle to be less than 12 months for the purpose of current and noncurrent classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### B Property, plant and equipment (PPE) and Depreciation

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

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

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2018, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

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

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

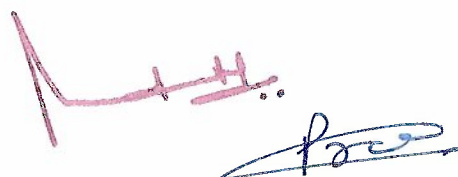
Depreciation is calculated on cost of property, plant and equipment over their estimated useful lives using the straight-line method, and is recognized in the Statement of Profit and Loss. Leasehold improvements are amortised over the period of lease or estimated useful life whichever is lower. Depreciation is calculated on a pro rata basis except that, assets costing up to Rs. 5,000 each are fully depreciated in the year of purchase.

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

Category of assets	Estimated useful life (in years)
Furniture and fixtures	10
Office equipment (including computers and servers)	4 - 10
Vehicles	4
Plant and machinery	8

The estimated useful lives mentioned above are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013. However, based on internal technical evaluation, Management believes that the useful lives mentioned above best represent the period over which the Company expects to use these assets.

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





### C Intangible Assets and Amortisation

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as at 1 April 2018, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight line method and is included in depreciation and amortisation in Statement of Profit and Loss.

The management's estimates of the useful lives of the software is 3-6 years and technical know-how is 3 years.

Amortisation method and useful lives are reviewed at the end of each financial year and adjusted if appropriate.

### D Leases

The Company's lease asset classes primarily consist of leases for buildings, vehicles and certain equipment. The Company assesses whether a contract contains a lease, at inception of that contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### E Foreign currency transactions

#### Initial recognition and settlement

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in the Statement of Profit or Loss.

#### Subsequent recognition

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in Statement of Profit and Loss, except exchange differences arising from the translation of the following items which are recognised in OCI.

- equity investments at fair value through OCI (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.



## F Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

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

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

Obsolete, defective and unserviceable stocks are duly provided for, wherever required.

## G Provisions (other than for employee benefits) and Contingent liabilities

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

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates.

### Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

### Contingent liabilities

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and 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 enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

## H Revenue recognition (as per Ind AS 115)

### Sale of goods (including tools)

#### Nature and timing of satisfaction of performance obligations, including significant payment terms

Customers obtain control of goods when the goods are delivered to and have been accepted at their premises. However, few customers accept the goods when goods have been dispatched by the Company. Invoices are generated at that point in time. Invoices are usually payable within 45 days. Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered.

#### Revenue recognition

Revenue arising from the sale of goods (including tools) is recognized when the customer obtains control of the promised asset, i.e. either at the delivery or dispatch of goods (based on the agreed terms of sale with the respective customers), which is the point in time when the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits of the goods. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

### Sale of services

#### Nature and timing of satisfaction of performance obligations, including significant payment terms

Customers obtain control of design services when the services are completed to the satisfaction of the Customer. Invoices for services are usually payable within 45 days.

#### Revenue recognition

Revenue arising from the sale of services is recognized at the point in time when the Company satisfies the performance obligation and the services are completely rendered to the customer.



## I Taxation

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

### *Current tax*

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

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

### *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

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

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is expected to be realised or the liability is expected to be settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

## J Grant

Where the grant or subsidy relates to an asset, it is recognized by deducting the grant in arriving at the carrying amount of asset. However, when the grant or subsidy relates to an expenses item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the Company receives grants of non-monetary assets, the asset is recognized by deducting the fair value of grant from gross value of asset.

## K Employee benefits

### *Short-term employee benefits*

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

### *Defined contribution plans:*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Provident Fund and Employee State Insurance: The Company makes specified monthly contributions towards Government administered Provident Fund and Employee State Insurance scheme in respect of certain employees. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

### *Defined benefit plans:*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of gratuity which is its defined benefit plan is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods after discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to gratuity are recognised in Statement of Profit and Loss.





**Other long-term employee benefits - Compensated absences**

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as an other long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

**L Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**M Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments 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 changes in value.

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**N 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 transaction costs that are attributable to the acquisition of the financial asset except in the case of financial assets recorded at fair value through profit and loss

**Classification**

On Initial recognition, a financial asset is classified as measured at:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

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

A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met and is not designated as at FVTPL:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVOCI if both of the following criteria are met and is not designated as at FVTPL:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.






**Financial assets: Business model assessment**

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

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

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

**Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest:**

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

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

- a) contingent events that would change the amount or timing of cash flows;
- b) terms that may adjust the contractual coupon rate, including variable interest rate features;
- c) prepayment and extension features; and
- d) terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

**Financial assets: Subsequent measurement and gains**

**Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

**Financial assets at amortised cost**

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

**Debt investments at FVOCI**

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

**Equity investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of Profit and Loss.





**Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

**Derecognition**

**Financial asset**

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**Financial liability**

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

**Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**O Impairment**

**(i) Impairment of financial assets**



The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and financial assets measured at FVOCI- debt investments. At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- a breach of contract such as a default or being past due.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.


Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 6-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 6 months after the reporting date (or a shorter period if the expected life of the instrument is less than 6 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

#### *Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk for individual customers. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates and delays in realisations over the expected life of the trade receivable and is adjusted for forward looking estimates. At every balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

#### *Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### **(ii) Impairment of non-financial assets**

The Company's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.



## P Recent accounting pronouncements

### a. Amended standards adopted by the Company

Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

i). A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest

ii) Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued

iii) Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

### Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond June 30, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before June 30, 2022 from June 30, 2021. The amendment applies to annual reporting periods beginning on or after April 1, 2021. These amendments had no impact on the financial statements of the Company.

### b. Standards issued but not yet effective

The Ministry of Corporate Affairs ("MCA") vide its notification dated March 23, 2022 has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 to further amend the Companies (Indian Accounting Standards) Rules, 2015. Amendments have been made to the following standards.

#### Amendment to Ind AS 16, Property, Plant and Equipment

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use.

#### Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

#### Amendment to Ind AS 109, Financial Instruments

The Ministry of Corporate Affairs ("MCA") vide notification dated March 23, 2022, has issued an amendment to Ind AS 109 which clarifies that which fees an entity should include when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendments listed above will be effective on or after April 1, 2022 and are not expected to significantly affect the current or future periods.






Continental Automotive Brake Systems (I) Private Limited

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Notes forming part of the financial statements for the year ended 31 March 2022

(All amounts in Rupees Lakhs, unless otherwise stated)

## 3 INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

## a) Intangible assets

Particulars	Software	Total
<b>Gross block</b>		
Balance as at 1 April 2020	27	27
Additions	45	45
Deletions	-	-
Balance as at 31 March 2021	72	72
Additions	37	37
Deletions	-	-
Balance as at 31 March 2022	109	109
<b>Amortisation</b>		
Balance as at 1 April 2020	20	20
For the year	13	13
Deletions	-	-
Balance as at 31 March 2021	33	33
For the year	21	21
Deletions	-	-
Balance as at 31 March 2022	54	54
Net block as at 31 March 2020	7	7
Net block as at 31 March 2021	39	39
Net block as at 31 March 2022	55	55

## b. Intangible asset under development

Balance as at 1 April 2020	15
Additions	67
Capitalization	(45)
Balance as at 31 March 2021	37
Additions	
Capitalization	(37)
Balance as at 31 March 2022	-

## Intangible assets under development ageing schedule as on 31st Mar 2022

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0	0	0	0	0
Projects temporarily suspended				0	0

## Intangible assets under development ageing schedule as on 31st Mar 2021

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0	37	0	0	37
Projects temporarily suspended				0	0






**Continental Automotive Brake Systems (I) Private Limited**

Notes forming part of the financial statements for the year ended 31 March 2022

(All amounts in Rupees Lakhs, unless otherwise stated)

**4 FINANCIAL ASSETS**

(unsecured and considered good, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<u>Loans</u>		
<u>Other financial assets</u>		
<b>Non-current</b>		
Balance with Bank		
- Fixed Deposit for Margin Money	41	38
- Security Deposits	163	111
	<u>204</u>	<u>149</u>

The Company's exposure to credit and currency risks relating to above items are disclosed in Note 33.

**5 INCOME TAX ASSETS**

	As at 31 March 2022	As at 31 March 2021
Advance Income tax	218	53
	<u>218</u>	<u>53</u>

**6 OTHER ASSETS**

(unsecured and considered good, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>Non-Current</b>		
Capital Advances	63	201
Balance with government authorities		
- Custom duty paid under protest	317	173
- Edu. Cess Paid under protest	20	20
- SVB recoverable	16	16
- Goods and Services tax input credit receivable		
Considered good	634	111
Considered doubtful	60	84
Less: Provision for doubtful advances	(60)	(84)
Tools in process	0	208
	<u>1,050</u>	<u>729</u>
<b>Current</b>		
Advance to suppliers		
Considered good	194	165
Considered doubtful	50	50
Less: Provision for doubtful advances	(50)	(50)
	<u>194</u>	<u>165</u>
Advance to Employees	2	7
Balance with government authorities		
- Balance with custom authorities	624	1,005
Prepaid expenses	109	81
Export incentive receivable	30	145
Tools in process	80	
	<u>1,039</u>	<u>1,403</u>



Continental Automotive Brake Systems (I) Private Limited  
Notes forming part of the financial statements for the year ended 31 March 2022  
(All amounts in Rupees Lakhs, unless otherwise stated)

**7 INVENTORIES**  
(VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

	As at 31 March 2022	As at 31 March 2021
Raw material *	10,006	9,834
Work-in-progress	208	379
Finished goods *	1,726	1,524
Stock-in-trade *	52	102
	<b>11,992</b>	<b>11,839</b>
<b>* Goods-in-transit included above:</b>		
Raw material	4,163	5,120
Finished goods (pertains to sales goods-in transit)	521	307
Stock-in-trade	0	1
	<b>4,683</b>	<b>5,428</b>

Due to the fact that certain products were slow moving, the Company is carrying the provision of Rs. 202 Lakhs (Rs. 202 Lakhs) towards write down in the value of inventory. The write down is included in cost of materials consumed or changes in inventories of finished goods and work-in-progress.

**8 TRADE RECEIVABLES**

	As at 31 March 2022	As at 31 March 2021
Receivable considered good - Unsecured	11,247	11,372
	<b>11,247</b>	<b>11,372</b>

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 33.

**Trade receivables ageing schedule as on 31st Mar 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	11,232	15	0	-	-	11,247
(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	-	-	-	-	-	-
	<b>11,232</b>	<b>15</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>11,247</b>

**Trade receivables ageing schedule as on 31st Mar 2021**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	11,366	6	-	-	-	11,372
(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	-	-	-	-	-	-
	<b>11,366</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,372</b>

**9 CASH AND CASH EQUIVALENTS**

	As at 31 March 2022	As at 31 March 2021
Cash on hand*	-	-
Balances with banks	-	-
- In current accounts	13,299	17,174
	<b>13,299</b>	<b>17,174</b>

\* Amount below rounding off norm adopted by the Company.



**Continental Automotive Brake Systems (I) Private Limited**  
**Notes forming part of the financial statements for the year ended 31 March 2022**  
**(All amounts in Rupees Lakhs, unless otherwise stated)**

**10 SHARE CAPITAL**

	As at 31 March 2022	As at 31 March 2021
<b>Authorised share capital:</b>		
662,250,000 (as at 31 March 2020: 662,250,000) equity shares of Rs. 10 each	66,225	66,225
	<b>66,225</b>	<b>66,225</b>
<b>Issued, subscribed and paid-up</b>		
632,118,770 (as at 31 March 2020: 632,118,770) equity shares of Rs. 10 each	63,212	63,212
	<b>63,212</b>	<b>63,212</b>
<b>Reconciliation of equity share capital</b>		
	<b>Number of shares</b>	<b>Number of shares</b>
Balance as at 1 April 2020	632,118,770	632,118,770
Issued during the year	-	-
Balance as at 31 March 2021	632,118,770	632,118,770
Issued during the year	-	-
Balance as at 31 March 2022	<b>632,118,770</b>	<b>632,118,770</b>

**Terms/ rights attached to equity shares :**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holder of equity shares will be entitled to receive the residual assets of the Company remaining after distribution of all preferential amounts, if any, in proportion to the number of equity shares held.

**Details of shares held by holding/ ultimate holding company:**

	<b>Number of equity shares</b>
<b>As at 31 March 2022</b>	
Continental Automotive Holding Netherlands B.V., the holding company	632,118,769
CAH Holding B.V. The Netherlands	1
<b>As at 31 March 2021</b>	
Continental Automotive Holding Netherlands B.V., the holding company	632,118,769
Continental AG, Germany, the ultimate holding company	1
<b>As at 1 April 2020</b>	
Continental Automotive Holding Netherlands B.V., the holding company	632,118,769
Continental AG, Germany, the ultimate holding company	1

**Details of shares held by shareholders holding more than 5% shares of a class of shares:**

Class of shares / Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares of Rs. 10 each fully paid-up held by Continental Automotive Holding Netherlands B.V., the holding company	632,118,769	99.99%	632,118,769	99.99%

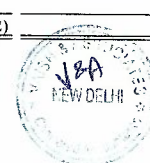
**Details of shares held by promoters at the end of the year 31st Mar 2022**

Promoter name	No. of Shares*	% of total shares	% Change during the year
Continental Automotive Holding Netherlands B.V	632,118,769	99.99%	-
	632,118,769	99.99%	-

\* There is no change in promoters from last year

**11 OTHER EQUITY**

	As at 31 March 2022	As at 31 March 2021
<b>Retained earnings</b>		
Balance at the beginning of the year	(28,609)	(27,092)
Add: Profit/(loss) for the year	(5,573)	(1,552)
Add: Transferred from other comprehensive income	110	35
	<b>(34,072)</b>	<b>(28,609)</b>


Continental Automotive Brake Systems (I) Private Limited  
Notes forming part of the financial statements for the year ended 31 March 2022  
(All amounts in Rupees Lakhs, unless otherwise stated)

## 12 PROVISIONS

	As at 31 March 2022	As at 31 March 2021
<b>Non-Current</b>		
Provision for employee benefits		
Gratuity	369	413
Compensated absences	111	108
Long term service award	8	15
Other Provisions		
Provision for decommissioning cost (refer note 12.1 below)	76	70
	<b>564</b>	<b>606</b>
<b>Current</b>		
Provision for employee benefits		
Gratuity	5	5
Compensated absences	4	4
Long term service award	7	12
Other Provisions		
Provision for warranties (refer note 12.2 below)	32	24
	<b>48</b>	<b>45</b>

### 12.1 Details of movement in provision for decommissioning cost

	As at 31 March 2022	As at 31 March 2021
At the commencement of the year	70	65
Provision made during the year	6	5
Provision reversed during the year	-	-
Amount utilized during the year	-	-
At the end of the year	<b>76</b>	<b>70</b>

### 12.2 Details of movement in provision for warranties

	As at 31 March 2022	As at 31 March 2021
At the commencement of the year	24	35
Provision made during the year	28	4
Amount utilized during the year	(20)	(15)
At the end of the year	<b>32</b>	<b>24</b>

## 13 TRADE PAYABLES

	As at 31 March 2022	As at 31 March 2021
Total outstanding due to micro enterprises and small enterprises (refer note 13.1; below for details of dues to micro and small enterprises)	395	373
Total outstanding due to creditors other than micro enterprises and small enterprises	18,010	21,345
	<b>18,405</b>	<b>21,718</b>

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 33.

Particulars	Outstanding for following periods from due date of payments as on 31st Mar 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	275	10	110	0	395
(ii) Others	17,706	191	82	30	18,010
(iii) Disputed Dues-MSME	-	-	-	-	-
(iv) Disputed Dues-others	-	-	-	-	-
	<b>17,981</b>	<b>202</b>	<b>191</b>	<b>31</b>	<b>18,405</b>

Particulars	Outstanding for following periods from due date of payments as on 31st Mar 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	264	110	-	-	373
(ii) Others	20,460	825	33	28	21,345
(iii) Disputed Dues-MSME	-	-	-	-	-
(iv) Disputed Dues-others	-	-	-	-	-
	<b>20,724</b>	<b>934</b>	<b>33</b>	<b>28</b>	<b>21,718</b>

### 13.1 Dues To micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2022 have been made in the financial statements based on information received and available with the Company.

	As at 31 March 2022	As at 31 March 2021
a. (i) The principal amount remaining unpaid to any supplier as at the end of each accounting period.	272	263
(ii) The interest due thereon remaining unpaid to any supplier as at the end of each accounting period.	0	0
b. The amount of principal paid under the Act beyond the appointed day during the year	1,340	1,169
c. The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period.	-	-
d. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	4	6
e. The amount of interest accrued and remains unpaid at the end of the year	122	118

f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.



## Continental Automotive Brake Systems (I) Private Limited

Notes forming part of the financial statements for the year ended 31 March 2022

(All amounts in Rupees Lakhs, unless otherwise stated)

## 14 OTHER CURRENT FINANCIAL LIABILITIES

	As at 31 March 2022	As at 31 March 2021
Creditors for property, plant and equipment		
Total outstanding due of micro enterprises and small enterprises {refer note 13.1}	44	-
Total outstanding due of creditors other than micro enterprises and small enterprises	4	234
Employee payables	252	277
	<b>300</b>	<b>511</b>

## 14.1 Dues To micro, small and medium enterprises

	As at 31 March 2022	As at 31 March 2021
a. (i) The principal amount remaining unpaid to any supplier as at the end of each accounting period.	44	-
(ii) The interest due thereon remaining unpaid to any supplier as at the end of each accounting period.	1	-
b. The amount of principal paid under the Act beyond the appointed day during the year	-	-
c. The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period	-	-
d. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
e. The amount of interest accrued and remaining unpaid at the end of the year	1	-
f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.		

## 15 OTHER LIABILITIES

	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
Advances received from customers	875	73
Customs duty payable	-	-
Provident fund and ESI payable	16	34
TDS payable	212	193
Goods & Services tax payable	386	505
	<b>1,489</b>	<b>805</b>



Continental Automotive Brake Systems (I) Private Limited  
Notes forming part of the financial statements for the year ended 31 March 2022  
(All amounts in Rupees Lakhs, unless otherwise stated)

16 REVENUE FROM OPERATIONS

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Sale of products</b>		
Finished goods	67,209	50,953
Traded goods	565	1,495
<b>Total Sale of products (A)</b>	<b>67,774</b>	<b>52,448</b>
<b>Sale of services (B)</b>		
Engineering Service-R&D	353	457
Engineering Service-other	898	827
<b>Total Sale of services (B)</b>	<b>1,251</b>	<b>1,284</b>
<b>Other operating revenues</b>		
Scrap sales	49	26
Sale of tools	410	79
<b>Total other operating revenues (C)</b>	<b>459</b>	<b>105</b>
<b>Total Revenue from operations (A+B+C)</b>	<b>69,484</b>	<b>53,837</b>

17 OTHER INCOME

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Interest income</b>		
on bank deposits	143	137
others	-	8
	143	145
<b>Export incentives (refer note 24)</b>	<b>139</b>	<b>125</b>
<b>Foreign exchange fluctuation gain (net)</b>	<b>513</b>	<b>349</b>
<b>Miscellaneous income</b>	<b>66</b>	<b>59</b>
	<b>861</b>	<b>678</b>

18.1 COST OF RAW MATERIALS CONSUMED

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Inventory of raw materials at the beginning of the year</b>	<b>9,834</b>	<b>7,380</b>
<b>Add: Purchases of raw materials</b>	<b>53,745</b>	<b>41,615</b>
	63,579	48,995
<b>Less: Inventory of raw materials at the end of the year</b>	<b>10,006</b>	<b>9,834</b>
<b>Cost of raw materials consumed</b>	<b>53,573</b>	<b>39,161</b>

18.2 PURCHASES OF STOCK IN TRADE

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Purchase of Stock in Trade</b>	<b>529</b>	<b>1,032</b>
	<b>529</b>	<b>1,032</b>



Continental Automotive Brake Systems (I) Private Limited  
Notes forming part of the financial statements for the year ended 31 March 2022  
(All amounts in Rupees Lakhs, unless otherwise stated)

18.3 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Inventories at the end of the year:</b>		
Finished goods	1,726	1,524
Work-in-progress	208	379
Stock-in-trade	52	102
	<b>1,986</b>	<b>2,005</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	1,524	1,668
Work-in-progress	379	243
Stock-in-trade	102	679
	<b>2,005</b>	<b>2,590</b>
<b>Net (increase) / decrease</b>		
Finished goods	(202)	144
Work-in-progress	171	(136)
Stock-in-trade	50	577
	<b>19</b>	<b>585</b>

19 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	2,291	2,446
Contribution to provident and other funds	107	110
Gratuity (Refer note 27)	78	88
Compensated absences	27	(17)
Staff welfare expense	179	116
	<b>2,682</b>	<b>2,743</b>

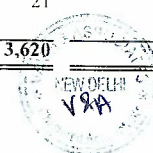
20 FINANCE COST

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on lease liabilities	231	244
Interest expense on MSME	5	6
Interest expense - Others	6	11
	<b>242</b>	<b>261</b>

21 DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment	3,323	3,446
Amortisation of right of use assets	276	276
Amortisation of intangible assets	21	13
	<b>3,620</b>	<b>3,735</b>






## Continental Automotive Brake Systems (I) Private Limited

Notes forming part of the financial statements for the year ended 31 March 2022

(All amounts in Rupees Lakhs, unless otherwise stated)

## 22 OTHER EXPENSES

	Year ended 31 March 2022	Year ended 31 March 2021
Consumption of stores and spares	223	178
Power and fuel	444	337
Contractual manpower	737	454
Rent (refer note 31)	-	16
Repairs and maintenance		
- Plant and machinery	234	145
- Others	117	171
Rates and taxes	71	32
Insurance	105	68
Travelling and conveyance	86	74
Freight and forwarding	258	167
Selling and distribution	6	10
Other Business Obligations	2,792	-
Office expenses	4	1
Research and development	13	167
Communication	22	26
Legal and professional	62	95
Audit fees *	18	15
Warranty	28	4
Corporate overheads and Royalty	9,919	6,407
Bank charges	21	8
Printing and stationery	7	9
Loss on sale of property, plant and equipment (net)	12	84
Miscellaneous expenses	74	82
	<b>15,253</b>	<b>8,550</b>
<b>*Audit fees (excluding applicable taxes)</b>		
As auditor		
- Statutory audit	16	15
- Other certification fees	1	-
- Outlays	1	
	<b>18</b>	<b>15</b>






Continental Automotive Brake Systems (I) Private Limited  
Notes forming part of the financial statements for the year ended 31 March 2022  
(All amounts in Rupees Lakhs, unless otherwise stated)

### 23 INCOME TAX

#### A. AMOUNT RECOGNISED IN PROFIT AND LOSS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax	-	-
Deferred tax	-	-

#### B. AMOUNT RECOGNISED IN OTHER COMPREHENSIVE INCOME

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Remeasurement gain (loss) on defined benefit plans	-	-
Current tax	-	-
Net of tax	-	-

#### C. RECONCILIATION OF TAX

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Rate (%)	Amount	Rate (%)	Rate (%)
Profit before tax		(5,463)		(1,552)
Effective tax rates in India	33.38%	(1,824)	33.38%	(518)
Effect of:				
Effect of non deductible expenses for tax purpose	0%	2	3%	4
Set off against unabsorbed business losses and depreciation		1,822		515
Income tax expenses recognised in profit and loss		-		-

#### D. DEFERRED TAX ASSETS (NET)

Particulars	As on 31 March 2022	As on 31 March 2021
<b>Deferred tax liabilities</b>		
Difference between block of assets as per books and as per Income-tax Act, 1961	-	458
<b>Deferred tax assets</b>		
Difference between block of assets as per books and as per Income-tax Act, 1961	27	-
Provision for gratuity	125	139
Provision for compensated absences	38	37
Provision for long term service award	5	9
Provision for warranty	11	8
Provision for decommissioning cost	25	23
Provision for inventory	67	24
Right of use assets and lease liabilities	199	177
Provision on doubtful advances	37	-
Brought forward business loss and unabsorbed depreciation*	7,551	6,964
Others	-	22
	<b>8,085</b>	<b>7,404</b>
Deferred tax asset recognised to the extent of deferred tax liability	-	458
Net deferred tax asset / (liability) recognized	Nil	Nil

#### E. SUMMARY OF UNRECOGNISED DEFERRED TAX ASSETS

	As at 31 March 2022		As at 31 March 2021	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences	1,519	507	-	-
Difference between written down value of Property, plant and equipment as per Income tax Act, 1961 and as per Companies Act	80	27	-	-
Tax losses and unabsorbed depreciation	22,619	7,551	20,806	6,946
	<b>24,218</b>	<b>8,085</b>	<b>20,806</b>	<b>6,946</b>

#### F. TAX LOSSES AND UNABSORBED DEPRECIATION FOR WHICH NO DEFERRED TAX ASSET WAS RECOGNISED EXPIRE AS FOLLOWS.

Expire year	As at 31 March 2022		As at 31 March 2021	
Business Loss	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
2017-18	-	-	-	-
2021-22	-	-	-	-
2022-23	-	-	-	-
2023-24	1,803	602	3,050	1,018
2024-25	1,980	661	1,803	602
2025-26	1,047	350	1,980	661
2026-27	1,604	535	1,047	350
2027-28	-	-	1,604	535
2028-29	-	-	-	-
2029-30	-	-	-	-
2030-31	2,081	695	-	-
	<b>8,515</b>	<b>2,843</b>	<b>9,484</b>	<b>3,166</b>
Unabsorbed depreciation				
Never expire	14,066	4,696	11,376	3,798
	<b>22,581</b>	<b>7,538</b>	<b>20,860</b>	<b>6,964</b>

Based on Management's assessment of losses that will be allowed to be carried forward under the Income tax Act, 1961. As at year end, the Company has significant unabsorbed depreciation / brought forward losses as per Income tax Act, 1961. In the absence of virtual certainty of sufficient future taxable profits, deferred tax asset has been recognized only to the extent of deferred tax liability.



**CONTINENTAL AUTOMOTIVE BRAKE SYSTEMS (I) PRIVATE LIMITED**

Notes forming part of the financial statements for the year ended 31 March 2022

(All amounts in Rupees Lakhs, unless otherwise stated)

**24 EXPORT INCENTIVES**

The Company is availing export incentives under Merchandise Exports from India Scheme (MEIS/Roadtap) of Central government. These incentives are availed in case of export of specified goods. During the year, the Company has recognized income of Rs. 139 lakhs (31 March 2021 - Rs. 125) under the above scheme.

**25 CONTINGENT LIABILITIES AND COMMITMENTS****a Contingent liabilities**

As at 31 March 2022

Name of the Statute	Nature of the dues	Amount due (in lakhs)	Amount paid (in lakhs)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Demand for short levy of duty due to classification of certain materials	318	318	Financial years 2018-19 and 2019-20	Commissioner of Customs (Appeals)
Central Excise Act, 1944	Duty involved on value of drawing and designs provided by customer	77	-	Financial years 2014-18	Directorate General of Goods and Services Tax Intelligence

As at 31 March 2021

Name of the Statute	Nature of the dues	Amount due (in lakhs)	Amount paid (in lakhs)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Demand for short levy of duty due to classification of certain materials	172	172	Financial years 2018-19 and onward	Commissioner of Customs (Appeals)
Central Excise Act, 1944	Duty involved on value of drawing and designs provided by customer	77	-	Financial years 2014-18	Directorate General of Goods and Services Tax Intelligence

The Company is of the firm belief that the above demands are not tenable and are highly unlikely to be retained and is therefore not carrying any provision in its books in respect of above cases.

Company has issued bank guarantees of Rs. 33.79 lakhs for customer tooling advance receipt and 100% funded through fixed deposits.

**b Income tax litigations**

The income tax officer under section 143(3) of Income Tax Act, 1961 had incorporated additions to income amounting to INR 187 lakhs (31 March 2020 - INR 187 lakhs), INR 37 lakhs (31 March 2020 - INR 37 lakhs) and INR 186 lakhs (31 March 2020 - INR 186 lakhs) for financial years relevant to assessment years 2009-10, 2010-11 and 2012-13 on account of difference in arm's length price and certain other disallowances.

During the financial year 2019-20, the Government of India has introduced Vivad se Vishwas scheme for settlement of Income Tax disputes vide The Direct Tax Vivad Se Vishwas Act, 2020, which was optional.

During the current financial year, the Company has opted for settlement of eligible Income Tax disputes for the Assessment Years 2009-10, 2010-11, 2012-13 and 2013-14 through Vivad se Vishwas Scheme introduced by the Government of India vide The Direct Tax Vivad Se Vishwas Act, 2020. As per the provisions of the scheme liability has been assessed and paid at Rs. 12,16,558/- for Assessment Year 2012-13 and Rs. 4,21,364/- for Assessment Year 2013-14 in respect of said years. The company has already paid the liability.

**c Capital commitments (to the extent not provided for):**

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of Contract (net of advances) remaining to be executed on capital account	233	264

- d In February 2019, the Honourable Supreme Court of India in its judgment clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company is of the view that there are many interpretative challenges on the application of judgment retrospectively and as such the Company does not consider any probable obligations for past periods. Accordingly, the Company has made provision for provident fund contribution from the date of Honourable Supreme Court's judgment.



## Continental Automotive Brake Systems (I) Private Limited

Notes forming part of the financial statements for the year ended 31 March 2022  
(All amounts in Rs. Lakhs, unless otherwise stated)

## 26 Related party disclosures

## a) Related party and nature of related party relationship where control exists:

Description of relationship	Name of the party
Ultimate Holding Company	Continental AG, Germany
Holding Company	Continental Automotive Holding Netherlands B.V.

## b) Other related parties with whom transactions have taken place:

Description of relationship	Name of the party
<b>Key management personnel</b>	
Krishan Kohli	Managing Director (w.e.f. 01 January 2020)
Prashant Kumar	Company Secretary (w.e.f. 06 October 2014)
<b>Fellow subsidiaries</b>	
Continental Aftermarket GMBH	
Continental Automotive Bangkok Co. Ltd	
Continental Automotive Benelux Bvba	
Continental Automotive Components India Pvt Limited	
Continental Automotive Corporation Japan	
Continental Automotive Czech Republic s.r.o.	
Continental Automotive GMBH	
Continental Automotive Holding Shanghai	
Continental Automotive Hungary Kft.	
Continental Automotive Systems Jiading Shanghai	
Continental Automotive Systems (Shanghai) Co. Ltd.	
Continental Automotive, Japan	
Continental Automotive Malaysia Sdn	
Continental Automotive Do Brasil Ltda	
Continental Automotive Systems Changshu Co Ltd	
Continental Automotive Systems Inc, USA	
Continental Automotive Systems Slovakia S.R.O	
Continental Brakes Italy S.P.A.	
Temic Automotive (Phils), Inc.	
Continental India Pvt. Limited	
Continental Teves AG & Co. OHG	
Continental Teves Portugal	
Contitech Mexicana SA de CV	
Continental Automotive Mexicana S.A.de C.V.	
Vitesco Automotive Changchun Co., Ltd.	
Contitech Vibration Control SAS (France)	
Contitech Vibration Control GMBH	
Contitech Vibration Control Slovakia S.R.O	
Emitec Emission Control Technologies India Pvt. Ltd	
Vitesco Technologies Germany GmbH (Firstwhile known as CPT Group GmbH)	
Conti Temic Microelectronic GMBH	
Continental Automotive Malaysia Sdn	
Continental Holding China Co., Ltd	
Continental Aftermarket & Services GMBH	
Continental Surface Solutions India Private Limited	
Vitesco Technologies India Private Limited	
Vitesco Technologies Mexico S. de R.L. de C.V.	
Continental Teves UK, Ltd.	
ContiTech India Pvt. Ltd.	
Continental Automotive System Slovakia S.R.O	
Continental Systeme Automotive Maroc Sarl	

## c) Transactions during the year

Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>i) With Holding Company</b>		
<b>Issue of Equity share capital</b>		
Continental Automotive Holding Netherlands B.V.	-	0
<b>ii) With key management personnel</b>		
Employee benefits expenses	0	0
Post-employment benefits		
Other long-term benefits		





Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>iii) With fellow subsidiaries</b>		
<b>Purchase of raw material and stock-in-trade (net of returns)</b>		
Continental Automotive Systems (Shanghai) Co. Ltd.	1,463	1,221
Continental Teves AG & Co. OHG	1,488	1,111
Continental Automotive Corporation Japan	5,134	4,726
Continental Automotive Components India Pvt Limited	17,956	13,416
Continental Brakes Italy S.P.A.	162	84
Continental Automotive Do Brasil Ltda	73	123
Contitech Vibration Control GMBH	127	91
Continental Automotive Systems Changshu Co Ltd	-	38
Contitech Vibration Control Slovakia S.R.O	34	29
Contitech Vibration Control SAS (France)	9	7
Continental Automotive Czech Republic s.r.o.	94	19
Contitech Mexicana SA de CV	17	1
Continental AG Germany	29	-
Continental Automotive Mexicana S. de R.L. de C.V.	2	-
Continental Automotive Benelux Bvba	1	-
Continental Aftermarket & Services GMBH	6	3
Continental Automotive GMBH	-	(1)
Temic Automotive (Phils), Inc.	919	1,073
Conti Temic Microelectronic GMBH	-	(0)
Continental Automotive System Slovakia S.R.O	(6)	6
Vitesco Technologies Germany GmbH (Erstwhile known as CPT Group GmbH)	25	109
Vitesco Technologies Mexico S. de R.L. de C.V.	53	-
Vitesco Automotive Changchun Co., Ltd.	12	-
<b>Corporate overheads and Royalty</b>		
Continental Automotive GMBH	2,777	1,997
Continental Teves AG & Co. OHG	7,054	3,877
Continental AG, Germany	-	34
Continental Automotive Systems (Shanghai) Co. Ltd.	43	15
Continental Automotive Benelux Bvba	14	-
Vitesco Technologies Germany GmbH (Erstwhile known as CPT Group GmbH)	-	44
Continental Automotive Corporation Japan	14	-
Continental Automotive Systems Inc, USA	11	-
<b>Research and development</b>		
Continental Teves AG & Co. OHG	-	8
Continental Automotive Corporation Japan	-	(0)
Continental Automotive Czech Republic s.r.o.	2	-
Continental Automotive Components India Pvt Limited	-	65
Conti Temic microelectronic GMBH	45	63
Continental Brakes Italy S.P.A.	1	-
Continental Automotive Systems (Shanghai) Co. Ltd.	-	5
<b>Sale of products (net of returns)</b>		
Continental Automotive Malaysia Sdn	2,407	4,027
Continental Automotive Czech Republic s.r.o.	113	69
Continental Automotive Corporation Japan	3	4
Continental Automotive Components India Pvt Limited	1	0
Continental Systeme Automotive Maroc Sarl	141	54
Continental Automotive Hungary Kft.	1	1
Continental Teves AG & Co. OHG	606	2
Continental Automotive Systems Changshu Co., Ltd.	2	-
Continental Automotive Systems (Shanghai) Co. Ltd.	2	158
Continental Automotive Do Brasil Ltda	-	174
Continental Automotive Bangkok Co.,Ltd	33	-
Continental Automotive Benelux Bvba	-	1






Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Sales of services</b>		
Continental Teves AG & Co. OHG	14	524
Continental Automotive Benelux Bvba	14	12
Continental Automotive Corporation Japan	14	12
Continental Automotive Do Brasil Ltda	57	92
Continental Automotive Systems (Shanghai) Co., Ltd.	26	94
Continental Automotive Systems Inc, USA	14	17
Continental Brakes Italy S.p.A.	4	-
Continental Automotive Components India Pvt Limited	3	6
ContiTech India Pvt. Ltd.	3	-
Continental Automotive Systems Changshu Co., Ltd.	1	-
Continental Aftermarket & Services GmbH	4	5
Continental India Private Limited	3	-
<b>Purchase of Property, plant and equipment (including Capital work-in-progress)</b>		
Continental Teves AG & Co. OHG	9	147
Continental Automotive Systems Slovakia s.r.o.	-	6
Conti Temic Microelectronic GmbH	-	5
<b>Repair and Maintenance</b>		
Continental Teves AG & Co. OHG	5	2
Conti Temic microelectronic GmbH	2	0
Continental Aftermarket & Services GmbH	1	-
Continental AG, Germany	1	0
<b>Reimbursement of salary to</b>		
Continental Teves AG & Co. OHG	-	16
Continental AG, Germany	6	-
Continental Automotive Corporation Japan	-	33
Continental Automotive Components India Pvt Limited	19	8
<b>Reimbursement of salary from</b>		
Continental Automotive Corporation Japan	-	18
<b>Reimbursement of expenses to</b>		
Continental AG, Germany	32	28
Continental Automotive Corporation Japan	-	8
Continental Automotive Systems Inc, USA	-	15
Continental Automotive Components India Pvt Limited	23	-
Continental Teves AG & Co. OHG	3	0
ContiTech Vibration Control Slovakia s.r.o.	-	0
Continental Automotive Czech Republic s.r.o.	-	1
Continental Automotive Do Brasil Ltda	-	47
Continental Brakes Italy S.p.A.	1	-
Continental Automotive Benelux Bvba	-	8
Continental Automotive Malaysia Sdn	21	115
<b>Reimbursement of expenses from</b>		
ContiTech Vibration Control GmbH	(0)	-
Continental AG, Germany	10	-
Continental Systeme Automotive Maroc Sarl	3	-
Continental Automotive Czech Republic s.r.o.	83	54
Continental Automotive Components India Pvt Limited	5	-
Continental Teves AG & Co. OHG	-	1



d) Outstanding balances are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Trade receivables</b>		
Continental AG, Germany	10	-
Continental Automotive Malaysia Sdn	508	1,147
Continental Automotive Czech Republic s.r.o.	23	64
Continental Automotive Do Brasil Ltda	-	9
Continental Automotive Components India Pvt Limited	6	5
Continental Teves AG & Co. OHG	171	7
Continental Aftermarket & Services GMBH	-	5
Continental Automotive Systems (Shanghai) Co. Ltd.	-	39
Continental Automotive Systems Inc, USA	20	-
Continental Automotive Corporation Japan	1	12
Continental Automotive Benelux Bvba	-	0
Continental Systeme Automotive Maroc Sarl	26	37
Continental Automotive Hungary Kft.	1	0
Continental Brakes Italy S.p.A.	4	-
Continental Automotive Systems Changshu Co., Ltd.	14	-
<b>Trade payables and creditors for property, plant and equipment</b>		
Continental Teves AG & Co. OHG	2,428	4,174
Continental Automotive Systems (Shanghai) Co. Ltd.	265	485
Continental Automotive GMBH	648	1,727
Continental Automotive Corporation Japan	1,844	4,505
Continental Automotive Systems Inc, USA	30	12
Continental Automotive Components India Pvt Limited	4,533	3,064
Continental Automotive Systems Changshu Co Ltd	17	-
Continental Brakes Italy S.P.A.	35	29
Continental Automotive Do Brasil Ltda	49	116
Temic Automotive (Phils), Inc.	243	219
Contitech Vibration Control GMBH	37	22
Conti Temic Microelectronic GMBH	64	48
Continental AG, Germany	59	2
Continental Automotive Czech Republic s.r.o.	106	16
Contitech Vibration Control Slovakia S.R.O	12	10
Contitech Vibration Control SAS (France)	2	3
Continental Automotive Mexicana S. de R.L. de C.V.	2	-
Contitech Mexicana SA de CV	7	1
Vitesco Technologies Germany GmbH (Firstwhile known as CPT Group GmbH)	-	155
Continental Automotive Benelux Bvba	16	2
Continental Automotive Systems Slovakia S.R.O	0	11
Continental Aftermarket & Services GMBH	10	3
Vitesco Technologies India Private Limited	-	0
<b>Advance to suppliers</b>		
Continental Automotive Systems Changshu Co Ltd	-	67

\* Amount below rounding off norm adopted by the Company.






Continental Automotive Brake Systems (I) Private Limited  
 Notes forming part of the financial statements for the year ended 31 March 2022  
 (All amounts in Rs. Lakhs, unless otherwise stated)

## 27 EMPLOYEE BENEFIT OBLIGATIONS

### 27.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

	As at 31 March 2022	As at 31 March 2021
Contribution to Provident fund	186	108
Contribution to Employees' State Insurance Corporation	1	2
	<b>187</b>	<b>110</b>

The expenses incurred on account of the above defined contribution plans have been included in Note 19 "Employee Benefits Expenses" under the head "Contribution to provident and other funds."

### 27.2 Defined benefit plans

#### (i) Information about the Defined benefit plan

The Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. These defined benefit plan expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

#### (ii) The principal actuarial assumptions as at the reporting date:

Particulars	As at 31 March 2022	As at 31 March 2021
Discount Rate	7.48%	6.76%
Future salary growth	10.00%	10.00%
Retirement Age (years)	60	60
Mortality Rates	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Withdrawal rate		
Upto 30 years	3.00%	3.00%
31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

The cost of the defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary growth and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

#### (iii) Expense recognised in statement of profit or loss in respect of these benefit plans are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Current service cost	30	62
Net interest cost on defined benefits obligation	28	26
	<b>78</b>	<b>88</b>

#### (iv) Remeasurements recognised in Other Comprehensive Income:

Particulars	As at 31 March 2022	As at 31 March 2021
Actuarial (gain)/losses arising from changes in demographic assumptions	-	-
Actuarial (gain)/losses arising from changes in financial assumptions	-27	(38)
Actuarial (gain)/losses arising from changes in experience adjustments	-83	3
	<b>(110)</b>	<b>(35)</b>

#### (v) The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of defined benefit obligation	374	418
Fair Value of plan assets	-	-
Deficit	<b>374</b>	<b>418</b>
Effect of asset ceiling, if any	-	-
Net defined benefit liability at the end of the year	<b>374</b>	<b>418</b>

#### (vi) Reconciliation of present value of defined benefit obligation

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the year	418	388
Current Service Cost	30	62
Interest Cost	28	26
Actuarial (gain)/loss recognised in Other Comprehensive		
- Changes in demographic / financial assumptions	(27)	(38)
- Experience adjustments	(83)	3
Benefits paid	(12)	(24)
Balance at the end of the year	<b>374</b>	<b>418</b>

#### (vii) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding and other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Discount rate (0.5% movement)		
- Increase	(29)	(33)
- Decrease	32	37
Future salary growth (0.5% movement)		
- Increase	20	26
- Decrease	(19)	(26)
Withdrawal rate (0.5% movement)		
- Increase	-	-
- Decrease	-	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.



**Continental Automotive Brake Systems (I) Private Limited**  
**Notes forming part of the financial statements for the year ended 31 March 2022**  
**(All amounts in Rs. Lakhs, unless otherwise stated)**

**28 SEGMENT REPORTING**

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which financial information is available. The Company is engaged in the business of auto components including activities related to development, design, manufacture, assembly and sale of Brake systems, as well as sale of related parts. The Company's activities/business is regularly reviewed by the Company from an overall business perspective, rather than reviewing products/services as individual standalone components. Thus, the Company considers its entire business as only one operating segment, and accordingly no reportable business segments have been disclosed in accordance with Ind AS 108 Operating Segments.

The entity wide disclosures as required by Ind AS 108 are as follows:

**A. Revenue from customer**

	India	Outside India*	Total
For the year ended 31 March 2022	65,338	4,146	69,484
For the year ended 31 March 2021	48,300	5,537	53,837

\* Exports to any one country is not material enough to be disclosed

**B. Non-current assets\*\***

	India	Outside India	Total
As at 31 March 2022	14,464	-	14,464
As at 31 March 2021	18,669	-	18,669

\*\* Non-current assets exclude financial assets.

**C. Product/ Service Description**

**For the year ended 31 March 2022:**

	India	Outside India	Total
Sale of products			
- Finished goods	63,426	3,783	67,209
- Traded goods	565	-	565
Sale of services	888	363	1,251
Other operating revenues			-
- Scrap sales	49	-	49
- Tooling sale	410	-	410
	<b>65,338</b>	<b>4,146</b>	<b>69,484</b>

**For the year ended 31 March 2021:**

	India	Outside India	Total
Sale of products			
- Finished goods	46,349	4,604	50,953
- Traded goods	1,331	164	1,495
Sale of services	515	769	1,284
Other operating revenues			
- Scrap sales	26	-	26
- Tooling sale	79	-	79
	<b>48,300</b>	<b>5,537</b>	<b>53,837</b>

**D. Major customers**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from four (three) customers which accounts for more than 10% of Company's total revenue	37,422	31,493

- 29 In view of pandemic relating to COVID-19, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the provision towards employee benefits, carrying value of Inventories and recoverability of right-of-use assets, trade receivables and other financial assets, for any possible impact on the Financial Statements. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting and control etc. and is of the view that based on its present assessment this whole matter does not materially impact these financial statements. However, the actual impact of COVID-19 on these financial statements may differ from that estimated due to unforeseen circumstances and the Company will continue to closely monitor any material changes to future economic conditions.



Continental Automotive Brake Systems (I) Private Limited  
Notes forming part of the financial statements for the year ended 31 March 2022  
(All amounts in Rs. Lakhs, unless otherwise stated)

### 30 EARNINGS PER SHARE

	For the year ended 31 March 2022	For the year ended 31 March 2021
Basic and Diluted earnings per share (Rs.)	(0.88)	(0.25)
Profit attributable to the equity holders of the Company used in calculating basic earnings per share and diluted earnings per share	(5,573)	(1,552)
Weighted average number of equity shares for the purpose of calculating basic earnings per shares and diluted earnings per share (nos.)	632,118,770	632,118,770

Calculation of weighted average number of equity shares for the year ended 31 March 2021:

Particulars	Number of shares	Weighted Average
As at 31 March 2021	632,118,770	632,118,770
Issued during the year	-	-
As at 31 March 2022	632,118,770	632,118,770

### 31 CHANGES IN RIGHT OF USE ASSETS/ LEASE LIABILITIES

	As at 31 March 2022	As at 31 March 2021
<b>Right of Use assets</b>		
Building	1,378	1,633
Car	29	11
Solar Plant	93	108
	<b>1,500</b>	<b>1,752</b>

	Building	Car	Solar Plant	Total
<b>Carrying Amount</b>				
Balance as at 31 March 2021	1,633	11	108	1,752
Additions	-	24	-	24
Amortisation expenses	(255)	(6)	(15)	(276)
Balance as at 31 March 2022	1,378	29	93	1,500

(a) The following is the break-up of current and non-current lease liabilities:

	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	247	187
Non-current lease liabilities	1,848	2,093
<b>Total</b>	<b>2,095</b>	<b>2,280</b>

(b) The following is the movement in lease liabilities:

	Amount
Balance as at 31 March 2021	2,280
Additions	24
Interest expense accrued	231
Payment of lease liabilities	(440)
Balance as at 31 March 2022	2,095

(c) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at 31 March 2022	As at 31 March 2021
-Within one year	471	416
-Later than one year & not later than five years	2,065	1,882
-Later than five years	254	757

(d) The Company has taken certain premises and vehicles on lease with contract terms of one or less than one year. These leases are short term and accordingly, the Company has elected not to recognise Right-of-use assets and lease liabilities for these leases. Further, the total cash outflow relating to such lease payments during the current year amounts to Rs. NIL (Previous year ended 31 March 2021 - Rs. 16 lakhs).



Continental Automotive Brake Systems (I) Private Limited  
Notes forming part of the financial statements for the year ended 31 March 2022  
(All amounts in Rs. Lakhs, unless otherwise stated)

## 32 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### 32.1 Capital Management

For the purpose of Company's capital management, capital includes issued equity share capital and other equity. The primary objectives of the Company's capital management is to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholder's value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ending 31 March 2022 and 31 March 2021. The Company does not have any borrowings as at 31 March 2022, 31 March 2021 and hence, disclosure of Capital gearing ratio has not been given.

#### (i) Risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Board of Directors provide written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk and investment of excess liquidity. The Company's risk management is carried out by a central treasury team under policies approved by the Board of Directors.

### 32.2 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities:

Particulars	As at 31 March 2022	As at 31 March 2021
	Amortised Cost	Amortised Cost
<b>Financial Assets</b>		
<b>Non-Current</b>		
Loans	-	111
Other financial assets	204	38
<b>Current</b>		
Trade receivables	11,247	11,372
Cash and cash equivalents	13,299	17,174
Loans	-	-
<b>Total</b>	<b>24,750</b>	<b>28,695</b>
<b>Financial Liabilities</b>		
<b>Non-Current</b>		
Lease liabilities	1,848	2,093
<b>Current</b>		
Lease liabilities	247	187
Trade payables	18,405	21,718
Other financial liabilities	300	511
<b>Total</b>	<b>20,800</b>	<b>24,509</b>

### 32.3 Measurements of fair values

Fair value of the trade receivables, cash and cash equivalents, loans, trade payables and other current financial liabilities approximate their carrying amounts, largely due to the short term nature of these instruments.

### 32.4 Financial Risk Management

The Company's activities expose it to a variety of financial risks arising from financial instruments. These risks include:

- (i) Market risk
- (ii) Credit risk
- (iii) Liquidity risk.

#### (i) Market Risk

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





**A. Currency risk**

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated. The functional currency for the Company is INR. The currencies in which these transactions are primarily denominated are US dollars, Euro and JPY.

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Foreign currency amount	Rupee equivalent amount	Foreign currency amount	Rupee equivalent amount
<b>Receivable</b>				
USD	0	7	0	31
EUR	13	1,062	16	1,342
JPY	-	-	15	10
GBP	-	-	*	*
<b>Payable</b>				
USD	32	2,406	24	1,739
EUR	78	6,563	139	11,885
JPY	33	20	90	59
CNY	19	231	1	16
GBP	0	2	*	*
CHF	0	35	*	6

\* Amount below rounding off norm adopted by the Company.

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of USD, JPY, EUR and other currencies against INR (Rs.) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables remain constant.

The possible impact on total comprehensive income is as below:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Rs. strengthens by 5%	Rs. weakens by 5%	Rs. strengthens by 5%	Rs. weakens by 5%
USD	(120)	120	(85)	85
EUR	(275)	275	(527)	527
JPY	(1)	1	(2)	2
Other currencies	(13)	13	(1)	1

**B. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure based on floating interest rates, hence it is not exposed to interest rate risks.

The Company does not have interest bearing borrowings hence there is no impact on profit/loss due to interest rate fluctuations.

**(ii) Credit Risk Management**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial asset fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and other deposits etc. The carrying amounts of financial assets represent the maximum credit risk exposure.

The following table gives details in respect of percentage of revenues generated from its top most customer and the top two customers:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from top customer	26%	25%
Revenue from top two customers	39%	44%

**Trade receivables**

Credit risk arising from trade receivables is managed in accordance with the Company's established policy with regard to credit limits, control and approval procedures. The Company provides for expected credit losses on trade receivables based on a simplified approach as per Ind AS 109. Under this approach, expected credit losses are computed basis the probability of defaults over the lifetime of the asset. The expected probability of default in the Company's case is negligible or nil.

**Cash and cash equivalents**

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with domestic banks which are reputed organizations.



## (iii) Liquidity Risk Management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Long term cash flow requirement is monitored through long term plans. In the line of long term planning, short term plans are reviewed on quarterly basis and compared with actual position on monthly basis to assess the performance of the Company and liquidity position.

The Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

**Exposure to liquidity risk**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

Particulars	As at 31 March 2022		
	Less than 1 year	More than 1 year	Total
Trade payables	18,405	-	18,405
Lease liabilities	247	1,848	2,095
Other financial liabilities			
- Creditors for property, plant and equipment	48	-	48
- Employee payables	252	-	252
<b>Total</b>	<b>18,952</b>	<b>1,848</b>	<b>20,800</b>

Particulars	As at 31 March 2021		
	Less than 1 year	More than 1 year	Total
Trade payables	21,718	-	21,718
Lease liabilities	187	2,093	2,280
Other financial liabilities			
- Creditors for property, plant and equipment	234	-	234
- Employee payables	277	-	277
<b>Total</b>	<b>22,416</b>	<b>2,093</b>	<b>24,509</b>





## Continental Automotive Brake Systems (I) Private Limited

Notes forming part of the financial statements for the year ended 31 March 2022

( All amounts in Rs. Lakhs, unless otherwise stated)

## 33. Following are analytical ratios for the year ended March 31, 2022 and March 31, 2021:

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	Variance *
Current ratio	Current assets	Current liabilities	1.83	1.80	0.02
Debt equity ratio	Total Debt (including lease liabilities)	Shareholder's Equity	-	-	-
Debt service coverage ratio	Earnings available for debt service = Net profit after taxes + Depreciation + Finance cost	Debt payments including lease payments during the year	-	-	-
Return on equity	Net profit after taxes	Average shareholder's equity	(0.09)	(0.02)	2.59
Inventory turnover ratio	Cost of goods sold includes cost of raw material consumed, purchase of stock in trade and change in inventories of finished goods, stock in trade and work-in-progress	Average Inventory	4.54	3.74	0.21
Trade receivables turnover ratio	Sale of products + income from services	Average Trade receivables	6.22	5.20	0.20
Trade payables turnover ratio	Purchase of stock in trade + Purchase raw material and components - cash discount + Other expenses	Average Trade Payables	3.47	2.96	0.17
Net capital turnover ratio	Revenue from operations	Average Working capital (Current assets - current liabilities)	3.95	3.03	0.30
Net profit ratio	Net profit after taxes	Total income	(0.08)	(0.03)	1.78
Return on capital employed (ROCE)	Earnings before interest and taxes	Capital employed = Tangible net worth + Total debt + deferred tax liability	(0.09)	0.03	(3.69)
Return on investment (ROI)	Income generated from investments carried at FVTPL and amortised cost	Investments carried at FVTPL and amortised cost	There is no investment		



**34 Events After the Reporting Period**

There are no material non-adjusting events that have occurred after the balance sheet date.

- 35 No proceedings have been initiated during the year or are pending against the Company as at 31st March 2022 for holding any benami property under the Benami Transaction (Prohibition) Act, 1988, as amended and rules made thereunder.
- 36 The company did not have any material transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the financial year.
- 37 The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 38 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 39 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
- 40 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.
- 41 No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person,
- 42 The Company has not 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)
- 43 The company do not have sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year
- 44 The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year
- 45 The Company has not been declared wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- 46 **Corporate Social Responsibility**  
As required by Section 135 of the Companies Act, 2013, the Company is not required to spend any amount on CSR activities during the year.
- 47 Previous year's figures has been regrouped and/ or reclassified wherever necessary to confirm to the current year's groupings and classifications.



**Continental Lighting India Private Limited**

(formerly Osram Continental India Private Limited)

**Balance sheet as at March 31, 2022**

(All amounts in Indian Rupees in Thousands, except as otherwise stated)

	<u>Notes</u>	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' funds</b>			
Share capital	3	80,400	80,400
Reserves and surplus	4	98,984	71,050
		<b>179,384</b>	<b>151,450</b>
<b>Non-current liabilities</b>			
Long-term provisions	5	9,086	6,715
		<b>9,086</b>	<b>6,715</b>
<b>Current liabilities</b>			
Trade payables	6		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		6,925	19,542
Other current liabilities	7	60,755	16,412
Short-term provisions	5	6,664	3,016
		<b>74,344</b>	<b>38,970</b>
		<b>262,814</b>	<b>197,135</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	21,222	39,960
Intangible assets	9	15,292	34,909
Deferred tax assets	10	10,790	7,126
Long-term loans and advances	11	-	125
		<b>47,304</b>	<b>82,120</b>
<b>Current assets</b>			
Trade receivables	12	21,536	25,575
Cash and cash equivalents	13	185,883	70,093
Short-term loan and advances	11	8,091	19,123
Other current assets	14	-	224
		<b>215,510</b>	<b>115,015</b>
		<b>262,814</b>	<b>197,135</b>

Summary of significant accounting policies

2.1

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

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

MMA

per Navin Agrawal  
Partner

Membership number: 056102

**For and on Behalf of the Board of Directors of  
Continental Lighting India Private Limited**

(formerly Osram Continental India Private Limited)

S. Vidyasagar  
Vidyasagar Sriperumbudur  
Managing Director  
DIN: 08240576Valerio Jude Fernandes  
Director  
DIN: 07396552Vinayak Shridhar Bhat  
Company Secretary  
Membership number: A53560Place: Bengaluru  
Date : September 27, 2022Place: Bengaluru  
Date : September 27, 2022

**Continental Lighting India Private Limited**

(formerly Osram Continental India Private Limited)

**Statement of Profit and Loss for the year ended March 31, 2022**

(All amounts in Indian Rupees in Thousands, except as otherwise stated)

	<u>Notes</u>	<u>For the year ended March 31, 2022</u>	<u>For the year ended March 31, 2021</u>
<b><u>INCOME</u></b>			
Revenue from operations			
Income from research and development services		320,158	363,568
Other income	15	2,628	54
		<u>322,786</u>	<u>363,622</u>
<b><u>EXPENSES</u></b>			
Employee benefits expense	16	130,904	135,183
Depreciation and amortisation expense	17	31,390	33,556
Finance cost	18	-	1
Other expenses	19	116,104	147,878
		<u>278,398</u>	<u>316,618</u>
<b>Profit before tax</b>		44,388	47,004
<b>Tax expense</b>			
Current tax		20,118	14,726
Deferred tax (credit)		(3,664)	(2,386)
		<u>16,454</u>	<u>12,340</u>
<b>Net profit</b>		<u>27,934</u>	<u>34,664</u>
<b>Earnings per equity share [nominal value of share Rs. 10 each (March 31, 2021 - Rs. 10 each)]</b>			
Basic (Rs.)		3.47	4.31
<b>Weighted average number of shares used in computing above</b>			
Basic (Nos.)		8,040,000	8,040,000

Summary of significant accounting policies

2.1

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

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004


per Navin Agrawal  
Partner

Membership number: 056102




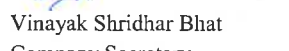
Place: Bengaluru

Date : September 27, 2022

**For and on Behalf of the Board of Directors of****Continental Lighting India Private Limited**

(formerly Osram Continental India Private Limited)

  
Vidyasagar Sripurumbudur  
Managing Director  
DIN: 08240576


Valerio Jude Fernandes  
Director  
DIN: 07396552
  
Vinayak Shridhar Bhat  
Company Secretary  
Membership number: A53560


Place: Bengaluru

Date : September 27, 2022

**Continental Lighting India Private Limited**

(formerly Osram Continental India Private Limited)

**Cash flow statement for the year ended March 31, 2022**

(All amounts in Indian Rupees in Thousands, except as otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		44,388	47,004
Adjustments :			
Depreciation and amortisation expense		31,390	33,556
Profit on sale of property, plant and equipment and intangible assets		(2,628)	(54)
Interest on borrowings		-	1
<b>Operating profit before working capital changes</b>		<b>73,150</b>	<b>80,507</b>
Movement in working capital:			
Increase in Trade payables and Other current liabilities		31,726	13,208
Increase in Provisions		1,946	2,712
Decrease in Trade receivables		4,039	741
Decrease/(Increase) in Loans and advances		11,032	(11,519)
Decrease in Other current assets		224	1,296
		<b>48,967</b>	<b>6,438</b>
<b>Cash generated from operations</b>		<b>122,117</b>	<b>86,945</b>
Direct taxes paid (net of refund)		(15,920)	(14,184)
<b>Net cash generated from operating activities</b>		<b>106,197</b>	<b>72,761</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment and intangible assets		(6,975)	(18,435)
Proceeds from sale of property, plant and equipment and intangible assets		16,568	208
<b>Net cash generated from/(used in) investing activities</b>		<b>9,593</b>	<b>(18,227)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid on borrowings		-	(1)
<b>Net cash flow (used in) financing activities</b>		<b>-</b>	<b>(1)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>		<b>115,790</b>	<b>54,533</b>
Cash and cash equivalents at the beginning of the year		70,093	15,560
<b>Cash and cash equivalents at the end of the year</b>		<b>185,883</b>	<b>70,093</b>
<b>Components of cash and cash equivalents</b>			
Balance with scheduled bank on current account		185,883	70,093
<b>Total cash and cash equivalents</b>		<b>185,883</b>	<b>70,093</b>

Summary of significant accounting policies

2.1

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

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

  
 per Navin Agrawal  
 Partner

Membership number: 056102

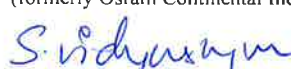


Place: Bengaluru

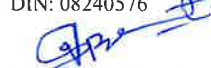
Date : September 27, 2022

**For and on Behalf of the Board of Directors of****Continental Lighting India Private Limited**

(formerly Osram Continental India Private Limited)

  
 S. Sridhar  
 Managing Director  
 DIN: 08240576

  
 Valerio Jude Fernandes  
 Director  
 DIN: 07396552

  
 Vinayak Shridhar Bhat  
 Company Secretary  
 Membership number: A53560

Place: Bengaluru

Date : September 27, 2022



**Continental Lighting India Private Limited**  
**(formerly Osram Continental India Private Limited)**

**Notes to financial statements for the year ended March 31, 2022**

(All amounts in Indian Rupees in Thousands, except as otherwise stated)

## 1. Corporate information

Continental Lighting India Private Limited (formerly Osram Continental India Private Limited) ("the Company") is a private limited company incorporated on September 27, 2018 and is domiciled in India. The Company is a wholly owned subsidiary of Continental Automotive Holding Netherlands B.V., Netherlands, ("the Holding Company") effective from October 1, 2021. Till September 30, 2021 it was a wholly owned subsidiary of Osram Continental GmbH, Germany.

The Company is engaged in the business of providing research and development services to its group companies. The Company has entered into service agreement, whereunder, the Company is entitled to receive service fees computed at an agreed mark-up on costs for services provided to its group companies.

## 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India ("Indian GAAP"). The Company has prepared these financial statements to comply in all material respects with the accounting standards specified under section 133 of the Companies Act, 2013 ("the Act"), read together with Companies (Accounting Standards) Rules, 2021 (as amended) and presentation requirements of Division I of Schedule III to the Act, as applicable. The financial statements have been prepared on an accrual basis and under the historical cost convention. The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest thousands, except when otherwise indicated.

The accounting policies adopted in the preparation of financial statement are consistent with those of previous year.

### 2.1. Summary of significant accounting policies

#### (a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities, at the date of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumption and estimates could result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

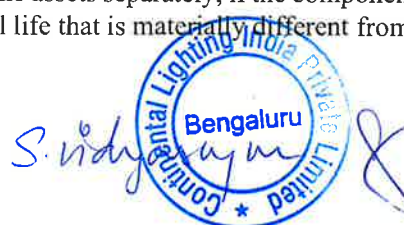
#### (b) Property, plant and equipment

Property, plant and equipment ("PPE") are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The exchange differences arising on translation/settlement of foreign currency monetary items pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss.

Gains or losses arising from derecognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company identifies and determines cost of each components/part of the assets separately, if the components/parts has a cost which is significant to the total cost of the assets and has useful life that is materially different from that of the remaining assets.



**Continental Lighting India Private Limited**  
**(formerly Osram Continental India Private Limited)**  
**Notes to financial statements for the year ended March 31, 2022**  
 (All amounts in Indian Rupees in Thousands, except as otherwise stated)

**(c) Depreciation on property, plant and equipment**

Leasehold improvements are amortised on a straight-line basis over the unexpired lease period or over the estimated useful life, whichever is shorter.

Depreciation on property, plant and equipment is calculated on a straight-line basis over the useful lives of assets estimated by the management, as below:

	Useful lives estimated by the management (years)	Useful lives as per Schedule II of the Act (years)
Plant and equipment	5	15
Computer	3	3
Office equipment	5	5

Property, plant and equipment individually costing below Rs. 80,000 are fully depreciated in the year of acquisition. The useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(d) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The amortisation period and the amortisation method are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The cost of intangible assets is amortised on a straight-line basis over the useful lives of assets estimated by the management, as below:

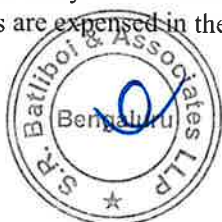
	Useful lives estimated by the management (years)
Software	3
Goodwill	5

**(e) Impairment of property, plant and equipment and intangible assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. The Company measures its 'value in use' on the basis of undiscounted cash flows of next five years projections estimated based on current prices. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**(f) Borrowing cost**

Borrowing costs directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.



**Continental Lighting India Private Limited**  
**(formerly Osram Continental India Private Limited)**  
**Notes to financial statements for the year ended March 31, 2022**  
 (All amounts in Indian Rupees in Thousands, except as otherwise stated)

**(g) Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**(h) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

*Revenue from services*

Revenue from services are recognized as services are rendered on the basis of an agreed mark-up on costs incurred, in accordance with the agreement entered into with the group companies.

**(i) Foreign currency translation**

**(i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are measured at fair value or other similar valuation denominated in a foreign currency are translated using the exchange rates at the date when such value were determined.

**(iii) Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognized as income or as expenses in the period in which they arise.

**(j) Retirement and other employee benefits**

- (i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.
- (ii) Gratuity liability under the Payment of Gratuity Act is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method, made at the end of each financial year and the gratuity liability is not externally funded.
- (iii) Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on actuarial valuation using the projected unit credit method.

The Company presents the entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.



**Continental Lighting India Private Limited****(formerly Osram Continental India Private Limited)****Notes to financial statements for the year ended March 31, 2022****(All amounts in Indian Rupees in Thousands, except as otherwise stated)**

(iv) Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

**(k) Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflects the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**(l) Provisions**

A provision is recognized when a Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

**(m) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**(n) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares), that have changed the number of equity shares outstanding, without a corresponding change in resources.

**(o) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



**Continental Lighting India Private Limited**

(formerly Osram Continental India Private Limited)

**Notes to financial statements for the year ended March 31, 2022**

(All amounts in Indian Rupees in Thousands, except as otherwise stated)

	As at March 31, 2022	As at March 31, 2021
<b>3. Share capital</b>		
<b>Authorised shares</b>		
8,040,000 (March 31, 2021 - 8,040,000) equity shares of Rs. 10 each	80,400	80,400
	<u>80,400</u>	<u>80,400</u>
<b>Issued, subscribed and fully paid-up shares</b>		
8,040,000 (March 31, 2021 - 8,040,000) equity shares of Rs. 10 each	80,400	80,400
	<u>80,400</u>	<u>80,400</u>

**(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year**

	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	8,040,000	80,400	8,040,000	80,400
Changes during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<u>8,040,000</u>	<u>80,400</u>	<u>8,040,000</u>	<u>80,400</u>

**(b) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders in the Company**

Name of the shareholder	March 31, 2022		March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of Rs. 10 each, fully paid-up</b>				
Continental Automotive Holding Netherlands B.V., the Holding Company	7,959,600	99%	-	-
CAH Holding B.V., Netherlands	80,400	1%	-	-
Osram Continental GmbH, Germany	-	-	7,959,600	99%
Osram Continental Austria GmbH, Austria	-	-	80,400	1%
	<u>8,040,000</u>	<u>100%</u>	<u>8,040,000</u>	<u>100%</u>

**(d) Details of shares held by promoters - equity shares of Rs. 10 each, fully paid-up**

Promoter name	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total shares	% change during the year
<b>March 31, 2022</b>					
Continental Automotive Holding Netherlands B.V., Netherlands, the Holding Company	-	7,959,600	7,959,600	99%	99%
CAH Holding B.V., Netherlands	-	80,400	80,400	1%	1%
Osram Continental GmbH, Germany	7,959,600	(7,959,600)	-	-	-99%
Osram Continental Austria GmbH, Austria	80,400	(80,400)	-	-	-1%
	<u>8,040,000</u>	<u>-</u>	<u>8,040,000</u>	<u>100%</u>	<u>-</u>
<b>March 31, 2021</b>					
Osram Continental GmbH, Germany	7,959,600	-	7,959,600	99%	-
Osram Continental Austria GmbH, Austria	80,400	-	80,400	1%	-
	<u>8,040,000</u>	<u>-</u>	<u>8,040,000</u>	<u>100%</u>	<u>-</u>

As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownership of shares.



**Continental Lighting India Private Limited**

(formerly Osram Continental India Private Limited)

**Notes to financial statements for the year ended March 31, 2022**

(All amounts in Indian Rupees in Thousands, except as otherwise stated)

**4. Reserves and surplus**

	As at March 31, 2022	As at March 31, 2021
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	71,050	36,386
Add: Profit for the year	27,934	34,664
<b>Net surplus in the statement of profit and loss</b>	<b>98,984</b>	<b>71,050</b>

**5. Provisions**

	<b>Long-term</b>		<b>Short-term</b>	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Provision for employee benefits				
Gratuity	9,086	6,715	604	573
Compensated absences	-	-	1,987	2,443
Provision for income tax (net)	-	-	4,073	-
	<b>9,086</b>	<b>6,715</b>	<b>6,664</b>	<b>3,016</b>

**6. Trade payables**

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises**	6,925	19,542
	<b>6,925</b>	<b>19,542</b>

\*Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2022 and March 31, 2021.

\*\*Includes dues to related parties (Refer Note 20)

**(a) Trade payables ageing schedule**

	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>March 31, 2022</b>						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,546	3,379	-	-	-	6,925
<b>Total</b>	<b>3,546</b>	<b>3,379</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,925</b>
<b>March 31, 2021</b>						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,931	12,611	-	-	-	19,542
<b>Total</b>	<b>6,931</b>	<b>12,611</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,542</b>

**7. Other current liabilities**

	As at March 31, 2022	As at March 31, 2021
Unearned revenue (Refer Note 20)	45,028	-
Salaries and bonus payable	10,779	10,613
Statutory dues payable	4,948	5,799
	<b>60,755</b>	<b>16,412</b>



**Continental Lighting India Private Limited**  
(formerly Osram Continental India Private Limited)  
**Notes to financial statements for the year ended March 31, 2022**  
(All amounts in Indian Rupees in Thousands, except as otherwise stated)

**8. Property, plant and equipment**

	Leasehold improvement	Plant and equipment	Computer	Office equipment	Total
<b>Cost</b>					
At April 1, 2020	1,755	46,757	4,931	5,016	58,459
Additions	-	18,383	821	-	19,204
<b>At March 31, 2021</b>	<b>1,755</b>	<b>65,140</b>	<b>5,752</b>	<b>5,016</b>	<b>77,663</b>
Additions	-	2,206	145	-	2,351
Disposals	(1,755)	(10,418)	(922)	(80)	(13,175)
<b>At March 31, 2022</b>	<b>-</b>	<b>56,928</b>	<b>4,975</b>	<b>4,936</b>	<b>66,839</b>
<b>Depreciation</b>					
At April 1, 2020	1,755	15,400	1,708	4,322	23,185
Charge for the year	-	12,321	1,752	445	14,518
<b>At March 31, 2021</b>	<b>1,755</b>	<b>27,721</b>	<b>3,460</b>	<b>4,767</b>	<b>37,703</b>
Charge for the year	-	10,308	1,584	159	12,051
Disposals	(1,755)	(1,670)	(632)	(80)	(4,137)
<b>At March 31, 2022</b>	<b>-</b>	<b>36,359</b>	<b>4,412</b>	<b>4,846</b>	<b>45,617</b>
<b>Net block</b>					
<b>At March 31, 2021</b>	<b>-</b>	<b>37,419</b>	<b>2,292</b>	<b>249</b>	<b>39,960</b>
<b>At March 31, 2022</b>	<b>-</b>	<b>20,569</b>	<b>563</b>	<b>90</b>	<b>21,222</b>

**9. Intangible assets**

	Software	Goodwill	Total
<b>Cost</b>			
At April 1, 2020	37,731	30,441	68,172
Additions	2,057	-	2,057
Disposals	(194)	-	(194)
<b>At March 31, 2021</b>	<b>39,594</b>	<b>30,441</b>	<b>70,035</b>
Additions	4,624	-	4,624
Disposals	(5,386)	-	(5,386)
<b>At March 31, 2022</b>	<b>38,832</b>	<b>30,441</b>	<b>69,273</b>
<b>Amortisation</b>			
At April 1, 2020	7,504	8,624	16,128
Charge for the year	12,950	6,088	19,038
Disposals	(40)	-	(40)
<b>At March 31, 2021</b>	<b>20,414</b>	<b>14,712</b>	<b>35,126</b>
Charge for the year	13,251	6,088	19,339
Disposals	(484)	-	(484)
<b>At March 31, 2022</b>	<b>33,181</b>	<b>20,800</b>	<b>53,981</b>
<b>Net block</b>			
<b>At March 31, 2021</b>	<b>19,180</b>	<b>15,729</b>	<b>34,909</b>
<b>At March 31, 2022</b>	<b>5,651</b>	<b>9,641</b>	<b>15,292</b>

**10. Deferred tax assets**

	As at March 31, 2022	As at March 31, 2021
Differences in depreciation in block of property, plant and equipment and intangible assets as per tax books and financial books	5,138	2,923
Expenditure debited to the statement of profit and loss in the current year but allowable for tax purposes in following years	5,652	4,203
	<b>10,790</b>	<b>7,126</b>



**Continental Lighting India Private Limited**

(formerly Osram Continental India Private Limited)

**Notes to financial statements for the year ended March 31, 2022**

(All amounts in Indian Rupees in Thousands, except as otherwise stated)

**11. Loans and advances**

(Unsecured, considered good)

Advance income tax (net of provision for taxation)

Prepaid expenses

Advance to suppliers

GST input credit receivable

Long-term		Short-term	
March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
-	125	-	-
-	-	2,823	4,398
-	-	151	271
-	-	5,117	14,454
-	125	8,091	19,123

**12. Trade receivables\***

Unsecured, considered good

As at March 31, 2022	As at March 31, 2021
21,536	25,575
21,536	25,575

\*Includes receivables from related parties (Refer Note 20)

**(a) Trade receivables ageing schedule**

Particulars	Outstanding for following periods from due date of payment					Total
	Current but not due	Less than 6 months	6 months-1 year	1-2 years	More than 2 years	
<b>March 31, 2022</b>						
Trade receivables - considered good	-	21,536	-	-	-	21,536
Trade receivables - considered doubtful	-	-	-	-	-	-
<b>Total</b>	-	21,536	-	-	-	21,536
<b>March 31, 2021</b>						
Trade receivables - considered good	-	25,575	-	-	-	25,575
Trade receivables - considered doubtful	-	-	-	-	-	-
<b>Total</b>	-	25,575	-	-	-	25,575

**13. Cash and cash equivalents**

Balance with scheduled bank on current account

As at March 31, 2022	As at March 31, 2021
185,883	70,093
185,883	70,093

**14. Other current assets\*\***

(Unsecured, considered good)

Unbilled revenue

-	224
-	224

\*\*Includes from related parties (Refer Note 20)



**Continental Lighting India Private Limited**

(formerly Osram Continental India Private Limited)

**Notes to financial statements for the year ended March 31, 2022**

(All amounts in Indian Rupees in Thousands, except as otherwise stated)

	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
<b>15. Other income</b>		
Profit on sale of property, plant and equipment and intangible assets	2,628	54
	<b>2,628</b>	<b>54</b>
<b>16. Employee benefits expense</b>		
Salaries, allowances and bonus	120,545	126,222
Contribution to provident fund and other funds	6,421	6,156
Gratuity expense	3,569	2,523
Staff welfare expenses	369	282
	<b>130,904</b>	<b>135,183</b>
<b>17. Depreciation and amortisation expense</b>		
Property, plant and equipment	12,051	14,518
Intangible assets	19,339	19,038
	<b>31,390</b>	<b>33,556</b>
<b>18. Finance cost</b>		
Interest on borrowings	-	1
	<b>-</b>	<b>1</b>
<b>19. Other expenses</b>		
Consumables	966	622
Rent	18,727	18,797
Electricity charges	2,280	2,309
Rates and taxes	318	-
Insurance	4,144	2,654
Repairs and maintenance		
Building	4,367	2,431
Plant and machinery	4,506	3,950
Others	9,216	7,925
IT support service charges (Refer Note 20)	42,838	87,593
Custom duty and handling charges on consumables	700	2,368
Travelling and conveyance	2,018	3,556
Communication expenses	3,569	3,539
Contract processing charges	12,655	5,394
Legal and professional fees	4,010	4,478
Foreign exchange loss, net	4,590	471
Miscellaneous expenses	1,200	1,791
	<b>116,104</b>	<b>147,878</b>
<b>Payment to auditor (included under legal and professional fees)*</b>		
Statutory audit fee	1,525	1,424
Tax audit fee	150	150
	<b>1,675</b>	<b>1,574</b>

\*Excluding taxes and reimbursement of expenses.



**Continental Lighting India Private Limited**

(formerly Osram Continental India Private Limited)

**Notes to financial statements for the year ended March 31, 2022**

(All amounts in Indian Rupees in Thousands, except as otherwise stated)

**20. Related party disclosure**Names of related parties where control exists irrespective of whether transactions have occurred or not:

Ultimate parent company	: Continental AG, Germany (from October 1, 2021)
Holding Company	: Continental Automotive Holding Netherlands B.V., Netherlands (effective from October 1, 2021) : Osram Continental GmbH, Germany* (till September 30, 2021)
Ultimate parent companies of the respective joint venture partners	: Osram Licht AG, Germany (till September 30, 2021) : Continental AG, Germany (till September 30, 2021)
Joint venture partners of the Holding Company	: Osram GmbH, Germany (till September 30, 2021) : Continental Automotive GmbH, Germany (till September 30, 2021)

Names of related parties with whom transactions have taken place during the year:

Fellow subsidiaries	: Continental Automotive GmbH, Germany (from October 1, 2021) : Continental Automotive Components (India) Private Limited, India : Continental Automotive Lighting Austria GmbH, Austria (from October 1, 2021)* : Osram Continental Austria GmbH, Austria (till September 30, 2021)* : Osram Continental Romania S.R.L., Romania (till September 30, 2021)* : Osram Continental (Shanghai) Intelligent Lighting Co., Ltd., Shanghai (till September 30, 2021) : Osram Lighting India Private Limited, India (till September 30, 2021)
Key management personnel	: Mr. Vidyasagar Sriperumbudur, Managing Director : Mr. Raghavendra Manjunath Nayak, Whole-time director (till October 1, 2021) : Mr. Vinayak Shridhar Bhat, Company Secretary

Details of transactions entered into with related parties along with balances as at year end are as given below:

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>a) Transactions during the year</b>		
<u>Income from services</u>		
Osram Continental GmbH	166,557	349,121
Continental Automotive GmbH	152,669	-
Osram Continental (Shanghai) Intelligent Lighting Co., Ltd.	932	14,447
	<u>320,158</u>	<u>363,568</u>
<u>Purchase of property, plant and equipment</u>		
OSRAM Continental Romania S.R.L.	-	5,417
Continental Automotive Components (India) Private Limited	-	779
	<u>-</u>	<u>6,196</u>
<u>Sale of property, plant and equipment and intangible assets</u>		
Continental Automotive Components (India) Private Limited	16,376	-
Osram Lighting India Private Limited	191	-
	<u>16,567</u>	<u>-</u>
<u>IT support service charges paid</u>		
Osram Continental GmbH	39,996	87,593
Continental Automotive GmbH	2,842	-
	<u>42,838</u>	<u>87,593</u>
<u>Reimbursement of other expenses paid</u>		
Continental Automotive Components (India) Private Limited	25,132	5,550
Osram GmbH	59	74
	<u>25,191</u>	<u>5,624</u>

\*The Company has received consumables for research and development purpose at free of charge custom duty assessable value of Rs. 1,918 Thousands (March 31, 2021 - Rs. 5,867 Thousands) from Continental Automotive Lighting Austria GmbH, Austria (formerly known as Osram Continental Austria GmbH, Austria), Osram Continental GmbH, Germany and Osram Continental Romania S.R.L., Romania on which the Company has paid custom duty and handling charges.



**Continental Lighting India Private Limited**

(formerly Osram Continental India Private Limited)

**Notes to financial statements for the year ended March 31, 2022**

(All amounts in Indian Rupees in Thousands, except as otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Remuneration paid*</b>		
Mr. Vidyasagar Sriperumbudur	6,648	5,494
Mr. Raghavendra Manjunath Nayak	1,734	3,481
Mr. Vinayak Shridhar Bhat	1,099	973
	<b>9,481</b>	<b>9,948</b>

\*As the liabilities for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable and, therefore, not included above. Remuneration paid is for the period the employee holds the office as KMP of the Company.

b) Balances as at the year end	As at March 31, 2022	As at March 31, 2021
<b>Trade receivables</b>		
Continental Automotive GmbH	21,536	-
Osram Continental GmbH	-	25,575
	<b>21,536</b>	<b>25,575</b>
<b>Unbilled revenue</b>		
Osram Continental GmbH	-	224
	-	<b>224</b>
<b>Unearned revenue</b>		
Continental Automotive GmbH	45,028	-
	<b>45,028</b>	-
<b>Trade payables</b>		
Continental Automotive GmbH	853	-
Osram Continental GmbH	-	8,228
Continental Automotive Components (India) Private Limited	-	3,169
Osram GmbH	-	18
	<b>853</b>	<b>11,415</b>

**21. Commitments**

As at March 31, 2022, estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. Nil (March 31, 2021 - Rs. Nil).

**22. Operating lease**

The Company has entered into operating lease for office premises and residential premises. There is escalation clause of 5% in the lease agreements. There are certain restrictions imposed by lease arrangements. There are no sub-leases. Gross lease rental expense from operating leases recognized in the statement of profit and loss for the said leases for the year ended March 31, 2022 is Rs. 18,727 Thousands (March 31, 2021 - Rs. 18,797 Thousands).

**23. Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is not externally funded. The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	As at March 31, 2022	As at March 31, 2021
	(%)	(%)
Discount rate	6.96	6.16
Employee turnover	6.00	6.00



**Continental Lighting India Private Limited**

(formerly Osram Continental India Private Limited)

**Notes to financial statements for the year ended March 31, 2022**

(All amounts in Indian Rupees in Thousands, except as otherwise stated)

**24. Financial Ratios and it's elements (as applicable)**

Sl. No.	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Change	Reason for variance exceeding 25% as compared to preceding period
1.	Current ratio	Current assets	Current liabilities	2.90	2.95	-2%	-
2.	Return on equity ratio (%)	Net profits after taxes	Average shareholder's equity	17%	26%	-35%	Decrease in revenue.
3.	Trade receivable turnover ratio	Net credit sales = Gross credit sales - sales return	Average trade receivable	13.59	14.01	-3%	-
4.	Trade payable turnover ratio	Net credit purchases = Gross credit purchases - Purchase return	Average Trade Payables	8.77	9.35	-6%	-
5.	Net capital turnover ratio	Net sales = Total sales - Sales return	Working capital = Current assets – Current liabilities	2.27	4.78	-53%	Decrease in revenue.
6.	Net profit ratio (%)	Net profit	Net sales = Total sales - sales return	9%	10%	-8%	
7.	Return on capital employed (%)	Earnings before interest and taxes	Capital employed = Tangible net worth + Total bebt - Deferred tax asset	29%	43%	-33%	Increase in capital employed.



**Continental Lighting India Private Limited**

(formerly Osram Continental India Private Limited)

**Notes to financial statements for the year ended March 31, 2022**

(All amounts in Indian Rupees in Thousands, except as otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>25. Earnings in foreign currency (on accrual basis)</b>		
Income from services	320,158	363,568
	<b>320,158</b>	<b>363,568</b>
<b>26. Expenditure in foreign currency (on accrual basis)</b>		
IT support service charges	42,838	87,593
Maintenance charges	1,242	-
Travelling and conveyance	-	885
Miscellaneous expenses	59	74
	<b>44,139</b>	<b>88,552</b>
<b>27. Value of imports calculated on CIF basis*</b>		
Capital goods	-	16,615
	<b>-</b>	<b>16,615</b>

\*Excluding consumables for research and development purpose imported on free of cost basis from group companies.

**28. Unhedged foreign currency exposure**

	As at March 31, 2022		As at March 31, 2021	
	Rs. in thousands	EURO	Rs. in thousands	EURO
Trade receivable	21,536	254,388	25,575	297,656
Unbilled revenue	-	-	224	2,602
Trade payable	853	10,076	8,246	95,979
Unearned revenue	45,028	531,869	-	-

29. The Company has undertaken necessary steps to comply with the Transfer Pricing regulations. Management is of the view that the transactions within the meaning of section 92A of the Income Tax Act, 1961 entered into by the Company are at arm's length and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

30. As per section 135 of the Act, a company, having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crores or more or a net profit of rupees five crores or more during any financial year ("applicable threshold"), needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company has not met the applicable threshold and hence the requirement to comply with the said section is not applicable to the Company.

31. The Company is a Small and Medium Sized Company as defined in the General Instructions in respect of Accounting Standards specified under section 133 of the Act, read together with Companies (Accounting Standards) Rules, 2021 (as amended). Accordingly, the Company has complied with the Accounting Standards as applicable to the Small and Medium Sized Company.

32. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.



**Continental Lighting India Private Limited**

(formerly Osram Continental India Private Limited)

**Notes to financial statements for the year ended March 31, 2022**

(All amounts in Indian Rupees in Thousands, except as otherwise stated)

**33. Other statutory information**

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) The Company did not have any transactions with companies 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 the financial year.
- (v) The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other persons(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writing or otherwise, 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 did 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.

34. The previous year's figures have been regrouped/reclassified, where necessary, to confirm to this year's classification.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

  
per Navin Agrawal  
Partner

Membership number: 056102



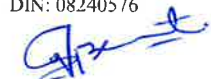
Place: Bengaluru

Date : September 27, 2022

**For and on Behalf of the Board of Directors of****Continental Lighting India Private Limited**

(formerly Osram Continental India Private Limited)

  
Vidyasagar Sriperumbudur  
Managing Director  
DIN: 08240576

  
Vinayak Shridhar Bhat  
Company Secretary  
Membership number: A53560

Place: Bengaluru

Date : September 27, 2022

  
Valerio Jude Fernandes  
Director  
DIN: 07396552



Continental Automotive Components (India) Private Limited  
Balance Sheet

As at	Note	31 March 2022	31 March 2021
<i>(INR in millions)</i>			
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	5,590.71	5,454.08
Right-of-use assets	4.1	8,044.33	1,712.11
Capital work in progress	4.3	2,249.11	1,885.06
Intangible assets	5	58.00	73.18
<b>Financial assets</b>			
Loans	6	500.00	-
Other financial assets	7	86.49	914.09
Other non-current assets	8	66.13	143.00
Deferred tax assets (net)	27	578.27	549.84
Income tax assets (net)	27	298.83	320.90
<b>Total non-current assets</b>		<b>17,471.87</b>	<b>11,052.46</b>
<b>Current assets</b>			
Inventories	9	1,790.84	1,782.13
<b>Financial assets</b>			
Trade receivables	10	5,381.07	3,889.76
Cash and cash equivalents	11	2,675.23	2,919.97
Other financial assets	7	966.76	431.43
<b>Other current assets</b>	8	<b>553.39</b>	<b>409.81</b>
<b>Total current assets</b>		<b>11,367.29</b>	<b>9,433.10</b>
<b>Total assets</b>		<b>28,839.16</b>	<b>20,485.56</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	12.1	6,978.41	6,978.41
Other equity	12.2	3,210.42	2,297.13
<b>Total equity</b>		<b>10,188.83</b>	<b>9,275.54</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	29	151.00	1,678.69
Other financial liabilities	13	170.37	215.88
Provisions	15	623.01	340.99
<b>Total non-current liabilities</b>		<b>944.38</b>	<b>2,235.56</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	1,387.30	1,372.59
Lease liabilities	29	7,900.08	419.46
Trade payables			
Total outstanding dues to micro and small enterprises	17	47.34	37.76
Total outstanding dues to creditors other than micro and small enterprises	17	2,615.81	2,799.36
Other financial liabilities	13	2,278.26	1,751.20
Other current liabilities	14	261.07	191.89
Provisions	15	96.17	54.92
Income tax liabilities (net)	27	1,099.92	2,347.28
<b>Total current liabilities</b>		<b>17,705.95</b>	<b>8,974.46</b>
<b>Total liabilities</b>		<b>18,650.33</b>	<b>11,210.02</b>
<b>Total equity and liabilities</b>		<b>28,839.16</b>	<b>20,485.56</b>

The accompanying notes form integral part of the financial statements

1 - 46

In terms of our report attached  
for **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
Firm's Registration No. 117366/WV-100018

Sathya P Koushik  
Partner  
Membership No. 206920

Bengaluru  
Date

for and on behalf of the Board of Directors of  
Continental Automotive Components (India) Private Limited

Prashanth Doraswamy  
Managing Director & CEO  
DIN: 06962488

Valerio Fernandes  
Head of Finance, Controlling, IT & Law

Bengaluru  
Date: 21 September 2022

Philipp Von Hirschheydt  
Director  
DIN: 09534901

G. Srinivasiah  
Company Secretary  
Membership No. A14176



Continental Automotive Components (India) Private Limited  
Statement of profit and loss

For the year ended	Note	31 March 2022	31 March 2021
<i>(INR in millions)</i>			
Revenue from operations	18	24,784.58	20,196.25
Other income	19	484.07	256.79
<b>Total income</b>		<b>25,268.65</b>	<b>20,453.04</b>
<b>Expenses</b>			
Cost of material consumed	20	8,087.28	7,182.89
Purchase of stock in trade	21	458.43	501.16
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	33.64	147.45
Employee benefits expense	23	7,364.78	5,714.11
Finance costs	24	859.82	343.53
Depreciation and amortisation expenses	25	2,106.42	2,039.50
Other expenses	26	4,819.73	3,853.58
<b>Total expenses</b>		<b>23,730.10</b>	<b>19,782.22</b>
<b>Profit before income tax</b>		<b>1,538.55</b>	<b>670.82</b>
Tax expense:	27		
Current tax			
for the year		541.82	457.69
relating to earlier years		1.09	61.56
Deferred tax credit		(54.45)	(55.49)
<b>Total Tax expense</b>		<b>488.46</b>	<b>463.76</b>
<b>Profit for the year</b>		<b>1,050.09</b>	<b>207.06</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement (gains)/ losses on defined benefit liability/ asset		110.78	(2.64)
Income tax relating to items that will not be reclassified to profit or loss	27	26.02	0.66
<b>Other comprehensive loss/(income), net of tax</b>		<b>136.80</b>	<b>(1.98)</b>
<b>Total comprehensive income for the year</b>		<b>913.29</b>	<b>209.04</b>
<b>Earnings per share (Nominal value INR 10 each):</b>	28		
Basic and diluted		1.50	0.30
<b>Weighted average numbers of equity shares used in computing earnings per share</b>			
Basic and diluted		697,841,250	697,841,250

The accompanying notes form integral part of the financial statements

I - 46

In terms of our report attached  
for DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

Sathya P Koushik  
Partner  
Membership No 206920

Bengaluru  
Date

for and on behalf of the Board of Directors of  
Continental Automotive Components (India) Private Limited

Prashanth Doreeswamy  
Managing Director & CEO  
DIN: 06962488

Valerio Fernandes  
Head of Finance, Controlling, IT & Law

Bengaluru  
Date: 21 September 2022

Phillip Von Hirschheydt  
Director  
DIN: 0934901

G. Srinivasiah  
Company Secretary  
Membership No.: A14176



Continental Automotive Components (India) Private Limited  
Statement of changes in equity

Particulars	(INRs in millions)				
	Equity share capital	Other equity		Total equity attributable to equity holders of the Company	
		Reserves and surplus	Retained earnings (includes other comprehensive income)		
		Securities premium	Capital reserve		
Balance as at 1 April 2020	6,978.41	4,917.69	(4,194.16)	1,364.56	9,066.50
Changes in equity for the year ended 31 March 2021					
Other comprehensive income, net of tax effect	-	-	1.98	-	1.98
Profit for the year	-	-	207.06	-	207.06
Balance as at 31 March 2021	6,978.41	4,917.69	(3,985.12)	1,364.56	9,275.54
Balance as at 1 April 2021	6,978.41	4,917.69	(3,985.12)	1,364.56	9,275.54
Changes in equity for the year ended 31 March 2022					
Other comprehensive loss, net of tax effect	-	-	(136.80)	-	(136.80)
Profit for the year	-	-	1,050.09	-	1,050.09
Balance as at 31 March 2022	6,978.41	4,917.69	(3,071.83)	1,364.56	10,188.82

The accompanying notes form integral part of the financial statements

1 - 46

In terms of our report attached  
for DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
Firm's Registration No. 117366W/V-100018

Sathya P Koushik  
Partner  
Membership No. 206920

for and on behalf of the Board of Directors of  
Continental Automotive Components (India) Private Limited

Prashanth Doraswamy  
Managing Director & CEO  
DIN: 06962488

Philipp Von Hirschheydt  
Director  
DIN: 09534901

Valerio Fernandes  
Head of Finance, Controlling, IT & Law

G. Srinivasiah  
Company Secretary  
Membership No. A14176

Bengaluru  
Date

21 September 2022



Continental Automotive Components (India) Private Limited  
Statement of Cash Flows

For the year ended	INR in millions	
	31 March 2022	31 March 2021
<b>Cash flows from operating activities</b>		
Profit before income tax	1,538.53	679.82
Adjustments for:		
Depreciation and amortisation expenses	2,106.42	2,039.50
Provision for doubtful receivables written back	(2.11)	(0.90)
Allowances for credit losses-Contractual receivable from related parties	5.08	81.72
Finance costs	465.43	190.15
Finance costs on lease	353.39	153.18
Interest income on fixed deposit and loans to related parties	(52.29)	(76.97)
Interest income on security deposits	(11.31)	(31.79)
Interest on Income tax refund	(37.79)	-
Interest on Income -others	(0.62)	-
Unrealised net (gain)/ loss on foreign currency transactions and translation	(55.91)	(115.11)
Development cost written off	230.95	202.24
Provision for warranty	31.97	(0.00)
Loss on Sale/wrote off of property plant and equipment	48.79	32.87
Sale of tools and jigs	(6.56)	(0.28)
Gain on termination of lease	(317.19)	-
Movement in working capital:	4,306.80	3,147.43
(Increase)/ decrease in inventories	(8.71)	206.05
(Increase)/ decrease in trade receivables	(1,498.58)	(542.57)
(Increase)/ decrease in other financial assets and other assets	(249.35)	18.44
(Decrease)/ increase in trade payables	(171.83)	(764.41)
Increase / (decrease) in other financial liabilities, other liabilities and provisions	727.84	(233.03)
<b>Net change in working capital</b>	<b>(1,202.63)</b>	<b>(1,314.92)</b>
<b>Cash generated from operating activities</b>	<b>3,104.17</b>	<b>1,832.51</b>
Income tax paid (net of refund)	(163.49)	(509.21)
<b>Net cash from operating activities [A]</b>	<b>2,940.68</b>	<b>1,323.30</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(2,350.90)	(1,464.18)
Proceeds from sale of plant, property and equipment	175.69	20.53
Interest received	94.51	80.25
<b>Net cash (used in) investing activities [B]</b>	<b>(2,230.70)</b>	<b>(1,363.40)</b>
<b>Cash flows from financing activities</b>		
Proceeds from current borrowings	25.70	31.27
Payment of lease liabilities	(1,944.31)	(534.07)
Interest paid	(11.14)	(30.09)
<b>Net cash (used in) financing activities [C]</b>	<b>(1,029.75)</b>	<b>(532.89)</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents [D]	75.03	72.38
<b>Net decrease in cash and cash equivalents during the year [A + B + C + D]</b>	<b>(244.74)</b>	<b>(560.61)</b>
Cash and cash equivalents as at the beginning of the year	2,919.97	3,510.58
Cash and cash equivalents as at the end of the year (refer note 10)	2,675.23	2,919.97

Note: Cash flow statement is prepared as per indirect method as described in IND AS-7 "Statement of cash flows"



Continental Automotive Components (India) Private Limited  
Statement of Cash Flows (continued)

Reconciliation of liabilities from financing activities for the year ended 31 March 2022

(INR in millions)

Particulars	As at 1 April 2021	Proceeds/ impact of Ind AS 116	Repayment	Fair value changes	As at 31 March 2022
Borrowings	1,372.59	25.79	-	(10.59)	1,387.30
Lease liabilities	2,098.16	6,543.84	(1,044.31)	453.39	8,051.08
	3,470.75	6,569.64	(1,044.31)	442.40	9,438.38

Reconciliation of liabilities from financing activities for the year ended 31 March 2021

Particulars	As at 1 April 2020	Proceeds/ impact of Ind AS 116	Repayment	Fair value changes	As at 31 March 2021
Borrowings	1,403.42	31.27	-	(62.10)	1,372.59
Lease liabilities	2,471.59	5.25	(534.07)	153.39	2,098.16
	3,877.01	36.52	(534.07)	91.29	3,470.75

The accompanying notes form integral part of the financial statements

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In terms of our report attached  
for DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
Firm's Registration No 117366W/V-100018

Sathya P Koushik  
Partner  
Membership No 206920

Bengaluru  
Date

for and on behalf of the Board of Directors of  
Continental Automotive Components (India) Private Limited

Prashanth Doraswamy  
Managing Director & CEO  
DIN 00962488

Valerio Fernandes  
Head of Finance, Controlling, IT & Law

Bengaluru  
Date 21 September 2022

Philipp Von Hirschheydt  
Director  
DIN 09536501

G. Srinivasan  
Company Secretary  
Membership No A14176



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**1. Reporting entity**

Continental Automotive Components (India) Private Limited (the 'Company') is a company domiciled in India, with its registered office situated at Plot No 53B, Bommasandra Industrial Area, Attibele Hobli, Anekal Taluk, Bangalore 560099. The Company is primarily engaged in the business of manufacturing and trading of instrumentation products, clusters, sensors and other allied components for the automobile industry. The Company is a subsidiary of Continental Automotive GMBH, Germany and its ultimate holding company is Continental AG, Germany.

**2. Basis of preparation**

**A. Statement of compliance**

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 21st September 2022

Details of the Company's significant accounting policies are included in Note 3.

**B. Functional and presentation currency**

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest millions, unless otherwise indicated.

**C. Basis of measurement**

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

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

**D. Use of estimates and judgments**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2022 is included in the following notes:

- Note 4, 4.1 and 5 - useful life of property, plant and equipment, intangible assets and ROU;
- Note 6, 7, 10 and 11 - impairment of financial assets;
- Note 27 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used.
- Note 29 - measurement of right of use and lease liabilities
- Note 30 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; and
- Note 31 - measurement of defined benefit obligations: key actuarial assumptions;

**E. Measurement of fair values**

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

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

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 32 - financial instruments



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**3. Significant accounting policies**

**(a) Property, plant and equipment**

*(i) Recognition and measurement*

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

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

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

The cost of property, plant and equipment not ready for their intended use at the balance sheet date are disclosed as capital work in progress. Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date are disclosed as 'capital advances' under 'other non current assets'.

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

*(ii) Subsequent expenditure*

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

*(iii) Depreciation*

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss.

Leasehold improvements are amortised over the period of lease or the estimated useful life whichever is lower. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

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

Type of asset	Estimated life (SLM)
Building	25 years
Plant and Machinery	5-20 years
Tools & Designs	3 years
Furniture and fixtures	10 years
Vehicles	4 years
Office equipments	5 years
Computers	3-5 years
Leasehold improvement	Duration of the lease

*(iii) Depreciation (continued)*

Depreciation/amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that the estimates of useful lives as given above best represent the period over which management expects to use these assets and are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013 for some assets except buildings, plant and machinery, office equipments, vehicles and tools, jigs and moulds where useful life considered by management is lower than as prescribed in the schedule and computers where useful life considered by management is higher than as prescribed in the schedule.

Depreciation on additions/ disposals is provided on a pro rata basis i.e., from (upto) the date on which asset is ready for use (disposed of).

The Company enters into contracts with customers for supply of products. Towards these, the Company incurs certain designing costs which are integral part of development of the Tools which are used for manufacture of the final products by the Company. Such designing costs are included as part of the cost of Tools and are classified under the Property Plant & Equipment as Tools & Designs, as these meet the definition of asset under Ind AS 16.



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**(b) Intangible assets**

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

Expenditure on research activities is recognised in the statement of profit and loss as incurred.

**(i) Amortisation**

Amortisation is calculated to write off the cost of the intangible asset less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

The estimated useful lives are as follows :

- Computer software	3 years
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**(c) Inventories**

Inventories are valued at the lower of cost and estimated net realizable value, after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. The costs of raw materials and traded goods, manufactured work-in-progress and finished goods are ascertained on weighted average method.

Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

The provision for inventory obsolescence is ascertained regularly based on estimated usage of the products.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials and other supplies held for use in production of the finished goods are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the related finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed periodically based on the consumption pattern and is provided as necessary. Inventories are disclosed net of provision for inventory obsolescence.

**(d) Leases**

The Company lease asset classes primarily consist of leases for land, buildings and motor vehicles. The Company, at the inception of a contract, assesses whether the contract is a lease or contain a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

At the date of commencement of lease, the Company recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it's a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and would include the exercise price of the purchase option where lessee is reasonably certain to exercise that option and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less accumulated depreciation and impairment losses if any. The ROU asset is depreciated using the straight-line method from the commencement date over the shorter of lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments that are not paid at the commencement date, discounted using the discount rate implicit in the lease, if not determinable, discounted with the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

Assets or liabilities recognised under IND AS 103 (Business Combinations), relating to favourable or unfavourable terms of an operating lease, acquired during business combination, the same is derecognised and appropriate ROU and lease liability is recognised on the date of transition.

ROU and lease liability are separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**(e) Revenue**

*(i) Sale of goods (including scrap sales)*

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, discounts, sales incentives, goods & service tax and value added taxes.

Revenue from sale of products is presented in the statement of profit and loss within Revenue from operations. The Company presents revenue net of indirect taxes in its statement of profit and loss. Sale of products comprise revenue from sales of products, net of sales returns, rebates, incentives and customer discounts.

Revenue is recognized when it is probable that future economic benefits will flow to the Company and these benefits can be measured reliably. Further, revenue recognition requires that all significant risks and rewards of ownership of the goods included in the transaction have been transferred to the buyer, and that Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Performance obligations are satisfied at one point in time, typically on delivery. Revenue is recognized when the Company transfers control over the product to the customers; control of a product refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, that asset. The majority of revenue earned by the Company is derived from the satisfaction of a single performance obligation for each contract which is the sale of products.

Revenue is measured at the fair value of consideration received or receivable. Returns and customer discounts, as described above, are recognized in the period in which the underlying sales are recognized.

*(ii) Rendering of services*

Service income is recognised as service is rendered on the basis of an agreed mark-up on costs incurred in accordance with the agreement entered into with the group companies. Revenue in excess of billing is classified as unbilled revenue under "other current financial asset" while billing in excess of revenue is classified as unearned revenue under "other current liabilities".

*(iii) Interest*

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

**(f) Foreign currency transactions and translations**

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the balance sheet date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as FVTOCI are included in other comprehensive income, net of taxes.

**(g) Financial Instruments**

*(i) Recognition and initial measurement*

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

*(ii) Classification and subsequent measurement*

**Financial assets:**

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

*Financial assets carried at amortised cost*

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

*Financial assets at fair value through other comprehensive income*

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Financial assets at fair value through profit or loss*

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**Financial liabilities:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

*(iii) Derecognition of financial instruments*

*Financial assets:*

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

*Financial liabilities:*

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

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

*(iv) offsetting*

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability.

**(h) Impairment**

*(i) Impairment of financial assets*

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit and loss.

*(ii) Impairment of non-financial assets*

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash generating units (CGUs) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**(i) Employee benefits**

*(i) Short - term employee benefits*

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

*(ii) Post employment obligations*

The company operates the following post-employment schemes:

- (a) Defined contribution plan such as provident fund and super annuation fund; and
- (b) Defined benefit plan such as gratuity and post employment medical plans

*(a) Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which the related services are rendered by employees.

*Provident fund*

Contribution towards provident fund for certain 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 on a monthly basis.

*Superannuation*

The Company makes contribution to the Superannuation Scheme for certain employees participating in the scheme, a defined contribution scheme, administered by fund manager, based on a specified percentage of eligible employees' salary. The Company's obligation to the scheme is restricted to the contributions to the scheme.

*(b) Defined benefit plans*

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

*Gratuity*

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company has an Employees Gratuity Fund where the investments are administered by a Fund Manager. The Company accounts for the liability of Gratuity Benefits payable in future based on an independent actuarial valuation (using the Projected Unit Credit method). Actuarial losses/ gains are recognised in 'Other Comprehensive Income' in the year in which they arise.

*Post retirement medical benefits*

The post retirement medical benefits ( PRMB) scheme is a fixed monetary amount defined benefits plan that provides for a lump sum payment made after retirement when a retiree claims medical benefits.

*(iii) Compensated absences*

The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long term as well as short term employee benefits. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/ gain are recognised in 'Other comprehensive income' in the year in which they arises.



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**(j) Income taxes**

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

*i. Current tax*

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

*ii. Deferred tax*

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

**(k) Earnings Per Share**

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit/ loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**(l) Provisions and contingencies**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed. 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. Expected future operating losses are not provided for.

**(i) Warranties**

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on internal technical evaluation and past experiences. The management accrues the estimated cost of warranties at the time when the revenue is recognised.

**(ii) Contingent liability**

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**(ii) Onerous contracts**

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

**(m) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**(ii) Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to purchase of property, plant and equipment are credited to respective property plant and equipment and recognised in the statement of profit and loss under depreciation over balance useful life of the assets.

**(o) Cash flows statement**

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

**(p) Borrowing costs**

Borrowing costs are interest and other costs incurred by the company in connection with the borrowing of funds. Borrowing costs are accounted as an expense in the period in which they are incurred.

**(q) Segment**

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

**Recent Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

**a) Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements have any significant impact in its financial statements.

**b) Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**c) Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

**d) Ind AS 109 – Annual improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.





Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

4 Property, plant and equipment

	(INR in millions)									
	Freehold land*	Building **	Lease hold improvements	Plant and equipment	Tools & Designs ***	Computers	Furniture and fixtures	Office equipments	Vehicles	Total
<b>Deemed cost</b>										
Balance as at 1 April 2020	211.15	414.00	34.02	5,308.15	2,730.37	1,090.95	337.13	141.59	26.67	10,294.03
Additions	-	-	-	1,596.35	295.61	114.72	18.23	7.35	10.53	2,042.79
Disposals	-	(3.09)	-	(311.31)	(84.96)	(23.11)	(3.21)	(1.18)	-	(426.86)
Balance as at 31 March 2021	211.15	410.91	34.02	6,593.19	2,941.02	1,182.56	352.15	147.76	37.20	11,909.96
Balance as at 1 April 2021	211.15	410.91	34.02	6,593.19	2,941.02	1,182.56	352.15	147.76	37.20	11,909.96
Additions	-	-	-	706.51	618.48	413.06	75.18	85.42	-	1,898.65
Government Grant-MSIPS ****	-	-	-	(117.20)	-	-	(0.19)	-	-	(117.39)
Disposals	-	-	(0.03)	(148.47)	(21.91)	(26.49)	(12.70)	(1.38)	(1.22)	(212.19)
Balance as at 31 March 2022	211.15	410.91	33.99	7,034.03	3,537.60	1,569.14	414.44	231.80	35.98	13,479.03
<b>Accumulated depreciation</b>										
Balance as at 1 April 2020	-	94.68	17.11	2,029.68	2,102.54	592.32	125.93	71.53	17.41	5,051.20
Charge for the year	-	21.03	3.93	760.04	469.85	244.73	45.85	18.29	11.91	1,575.63
Disposals	-	(1.79)	-	(78.59)	(64.42)	(22.85)	(2.15)	(1.15)	-	(170.94)
Balance as at 31 March 2021	-	113.92	21.05	2,711.12	2,507.97	814.19	169.64	88.66	29.33	6,455.88
Balance as at 1 April 2021	-	113.92	21.05	2,711.12	2,507.97	814.19	169.64	88.66	29.33	6,455.88
Charge for the year	-	20.91	3.93	822.99	369.74	234.80	50.67	21.97	5.97	1,530.98
Disposals	-	-	(0.03)	(63.59)	(0.63)	(25.94)	(6.21)	(0.92)	(1.22)	(98.53)
Balance as at 31 March 2022	-	134.84	24.95	3,470.52	2,877.08	1,023.06	214.09	109.71	34.09	7,888.33
<b>Carrying amounts</b>										
As at 31 March 2021	211.15	297.00	12.98	3,882.06	433.05	368.36	182.52	59.10	7.87	5,454.08
As at 31 March 2022	211.15	276.07	9.04	3,563.51	660.52	546.08	200.36	122.09	1.90	5,590.70

\* The title deed of freehold land is in the name of Siemens VDO Automotive Components Private Limited (the erstwhile name of the Company)

\*\* Disposal of building includes disposal of temporary structures for one of our Building.

\*\*\* The Company classifies cost of design and tooling as a composite asset under property, plant, and equipment under the head "Tools & Designs". Refer Note 2

\*\*\*\* Government incentive under scheme announced by Ministry of Electronics and Information Technology (MEITY) called MSIPS and detailed are part of note 38

**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022 (continued)**

**4.1 Right to use**

Particulars	(INR in millions)		
	Buildings	Vehicles	Total
<b>Balance as at 1 April 2020</b>	2,543.11	45.13	2,588.24
Additions	-	-	-
Disposals	-	-	-
<b>Balance as at 31 March 2021</b>	<b>2,543.11</b>	<b>45.13</b>	<b>2,588.24</b>
Additions (Note 40)	8,126.98	43.66	8,170.64
Deductions	(2,203.88)	-	(2,203.88)
<b>Balance as at 31 March 2022</b>	<b>8,466.21</b>	<b>88.79</b>	<b>8,555.00</b>
<b>Accumulated amortisation</b>			
<b>Balance as at 1 April 2020</b>	437.97	12.55	450.52
Charge for the year	416.16	9.45	425.61
Deductions	-	-	-
<b>Balance as at 31 March 2021</b>	<b>854.13</b>	<b>22.00</b>	<b>876.13</b>
Charge for the year	508.95	19.85	528.80
Deductions	(894.26)	-	(894.26)
<b>Balance as at 31 March 2022</b>	<b>468.82</b>	<b>41.85</b>	<b>510.67</b>
<b>Carrying amounts</b>			
<b>As at 31 March 2021</b>	<b>1,688.97</b>	<b>23.13</b>	<b>1,712.11</b>
<b>As at 31 March 2022</b>	<b>7,997.39</b>	<b>46.94</b>	<b>8,044.33</b>



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022 (continued)**

**5 Intangible assets**

<i>(INR in millions)</i>	
Particulars	Software
<b>Balance as at 1 April 2020</b>	128.21
Additions	38.23
Disposals	-
<b>Balance as at 31 March 2021</b>	<b>166.44</b>
Balance as at 1 April 2021	166.44
Additions	30.30
Disposals	-
<b>Balance as at 31 March 2022</b>	<b>196.74</b>
<b>Accumulated amortisation</b>	
<b>Balance as at 1 April 2020</b>	54.80
Amortisation for the year	38.26
Disposals	-
<b>Balance as at 31 March 2021</b>	<b>93.06</b>
Balance as at 1 April 2021	93.06
Amortisation for the year	46.64
Disposals	-
<b>Balance as at 31 March 2022</b>	<b>139.71</b>
<b>Carrying amounts</b>	
<b>As at 31 March 2021</b>	<b>73.38</b>
<b>As at 31 March 2022</b>	<b>58.00</b>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

6 Loans

As at	(INR in millions)	
	31 March 2022	31 March 2021
<b>Non current</b>		
Unsecured, considered good		
Loan to related party # (refer note 33)	500.00	-
	<u>500.00</u>	<u>-</u>
# Loan has been provided to Continental Surface Solutions India Pvt Ltd, Satara India @ 5.10% p.a repayable before the expiry of 2 years from the drawdown date		

7 Other financial assets

As at		
	31 March 2022	31 March 2021
<b>Non current</b>		
Unsecured, considered good		
Security deposits	86.49	562.51
Contractual receivable from related parties (net off Expected credit losses PY - Rs. 83.72). Refer note 33	-	351.58
	<u>86.49</u>	<u>914.09</u>
<b>Current</b>		
Unsecured, considered good		
Security deposits	573.51	388.81
Interest accrued but not due-fixed deposits	1.31	0.73
Interest accrued but not due to related parties	2.13	-
Advances to employees	7.26	2.17
Contractual receivable from related parties (net off Expected credit losses Rs. 88.80 mio, PY Rs. 83.72). Refer note 33	382.55	26.76
Other receivables from third parties	-	12.96
	<u>966.76</u>	<u>431.43</u>
<b>Total</b>	<u>1,053.24</u>	<u>1,345.52</u>

8 Other assets

As at		
	31 March 2022	31 March 2021
<b>Non current</b>		
Unsecured, considered good		
Capital advances	14.02	53.26
Advances other than capital advances		
Prepayments	1.88	36.42
Tax deposited under protest (refer note 30)	50.23	53.32
Unsecured, considered doubtful		
Tax deposited under protest (refer note 30)	52.77	52.77
Less: Provision for doubtful deposits	(52.77)	(52.77)
	<u>66.13</u>	<u>143.00</u>
<b>Current</b>		
Unsecured, considered good		
Advance for supply of goods	27.96	22.06
Prepayments	151.42	121.67
Indirect Tax receivables	374.01	266.08
	<u>553.39</u>	<u>409.81</u>
<b>Total</b>	<u>619.52</u>	<u>552.81</u>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

9 Inventories

As at	(INR in millions)	
	31 March 2022	31 March 2021
Raw materials (including goods in transit INR 194.22 million, 31 March 2021: INR 314.23 million)	1,331.01	1,288.66
Work-in Progress	96.21	124.25
Finished goods (including goods in transit INR 29.80 million, 31 March 2021: INR 27.51 million)	292.00	256.89
Stock-in-trade (including goods in transit INR 16.02 million, 31 March 2021: INR 29.09 million)	71.62	112.33
<b>Total</b>	<b>1,790.84</b>	<b>1,782.13</b>

The write down of inventories to net realisable value during the year amounted to INR 8.04 million (31 March 2021: INR 6.67 million). The provision estimated by the management for obsolete stock during the year amounted to INR 127.53 million (31 March 2021: INR 113.70 million). The write down, reversal and provision for obsolete stock are included in the costs of materials consumed or changes in inventories of finished goods and work in progress.

10 Trade receivables

As at	31 March 2022	31 March 2021
Secured, considered good	-	-
Unsecured, considered good*	5,381.07	3,889.76
Unsecured, credit impaired	0.33	0.43
<b>Loss allowance</b>		
Unsecured, credit impaired	(0.33)	(0.43)
<b>Net trade receivables</b>	<b>5,381.07</b>	<b>3,889.76</b>

Trade Receivables ageing

Trade Receivables ageing							31 March 2022
Outstanding for following periods from due date of payment							
Particulars	Not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	3,624.10	1,668.63	5.40	80.40	1.79	1.08	5,381.40
Undisputed Trade Receivables – credit impaired	-	-	(0.33)	-	-	-	(0.33)
	3,624.10	1,668.63	5.07	80.40	1.79	1.08	5,381.07

Trade Receivables ageing							31 March 2021
Outstanding for following periods from due date of payment							
Particulars	Not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	2,619.56	1,206.11	4.33	58.11	1.29	0.78	3,890.19
Undisputed Trade Receivables – credit impaired	-	-	(0.43)	-	-	-	(0.43)
	2,619.56	1,206.11	3.90	58.11	1.29	0.78	3,889.76

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

As at	31 March 2022	31 March 2021
Trade receivables from related parties (refer note 33)	3,627.91	2,115.93
Loss allowance	-	-
<b>Net trade receivables</b>	<b>3,627.91</b>	<b>2,115.93</b>

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 34.

11 Cash and cash equivalents

As at	31 March 2022	31 March 2021
Cash on hand	-	0.03
Cheques on hand	2.62	-
Balances with banks :		
in current account	1,372.61	1,719.94
in deposit account (original maturity of less than 3 months)	1,300.00	1,200.00
<b>Total</b>	<b>2,675.23</b>	<b>2,919.97</b>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

12.1 Share capital

a) Particulars	(INR in millions except for number of shares)	
	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>		
900,000,000 (previous year: 900,000,000) equity shares of INR 10 each	9,000.00	9,000.00
<b>Issued, subscribed and paid-up capital</b>		
697,841,250 (previous year: 697,841,250) equity shares of INR 10 each fully paid up	6,978.41	6,978.41
<b>Total</b>	<b>6,978.41</b>	<b>6,978.41</b>

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares	Amount	No of shares	Amount
Number of shares outstanding at the beginning of the year	697,841,250	6,978.41	697,841,250	6,978.41
Add: Shares issued during the year in cash	-	-	-	-
Number of shares outstanding at the end of the year	<b>697,841,250</b>	<b>6,978.41</b>	<b>697,841,250</b>	<b>6,978.41</b>

c) Rights, preference and restriction attached to equity shares

The Company has a single class of equity shares having nominal value of INR 10 each. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of preferential amounts in proportion to the number of equity shares held.

There has been no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the balance sheet date.

d) Equity shares held by holding company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares	Amount	No of shares	Amount
Continental Automotive GmbH, Germany, Holding company	697,841,249	6,978.41	697,841,249	6,978.41
CAH Holding BV, the Netherlands	1	0.00	1	0.00
	<b>697,841,250</b>	<b>6,978.41</b>	<b>697,841,250</b>	<b>6,978.41</b>

e) Details of equity shareholders holding more than 5 % of aggregate shares and promoters holding in the company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares	%	Number of shares	%
Continental Automotive GmbH, Germany, Holding company	697,841,249	99.99%	697,841,249	99.99%

12.2 Other equity

Particulars	Reserves and Surplus			Total
	Securities premium	Retained earnings (includes other comprehensive income)	Capital reserve	
Balance as at 31 March 2020	4,917.69	(4,194.16)	1,364.56	2,088.09
Other comprehensive income, net of tax effect	-	-	-	-
Profit for the year	-	207.06	-	207.06
Other comprehensive income, net of tax effect	-	1.98	-	1.98
Balance as at 31 March 2021	4,917.69	(3,985.13)	1,364.56	2,297.13
Balance as at 1 April 2021	4,917.69	(3,985.13)	1,364.56	2,297.13
Profit for the year	-	1,050.09	-	1,050.09
Other comprehensive loss, net of tax effect	-	(136.80)	-	(136.80)
Balance as at 31 March 2022	<b>4,917.69</b>	<b>(3,071.84)</b>	<b>1,364.56</b>	<b>3,210.42</b>

As at	31 March 2022	31 March 2021
Securities premium	4,917.69	4,917.69
Retained earnings	(3,071.83)	(3,985.12)
Capital reserve	1,364.56	1,364.56
	<b>3,210.42</b>	<b>2,297.13</b>

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

Capital Reserve

Capital Reserve is created on transfer of business.



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

13 Financial liabilities

(INR in millions)		
As at	31 March 2022	31 March 2021
<b>Non current</b>		
Employee payables	169.88	213.38
Dealer deposits	0.50	2.50
	<u>170.38</u>	<u>215.88</u>
<b>Current</b>		
Creditors for capital goods*	7.95	30.56
Employee payables*	595.71	373.96
Contractual payable to related parties (refer note 33)	248.27	199.76
Accrued expenses *	<u>1,426.33</u>	<u>1,146.92</u>
	<u>2,278.26</u>	<u>1,751.20</u>
<b>Total</b>	<u>2,448.64</u>	<u>1,967.08</u>

\* includes due to related parties

As at	31 March 2022	31 March 2021
Creditors for capital goods (refer note 33)	7.59	16.32
Reimbursement of Employee's expenses included (refer note 33)	0.68	27.46
Accrued expenses (refer note 33)	<u>5.86</u>	<u>5.94</u>

The Company's exposure to currency and liquidity risks related to financial liability is disclosed in note 34.

14 Other liabilities

As at	31 March 2022	31 March 2021
<b>Current</b>		
Other liabilities	56.62	46.67
Advance from customers	0.06	-
Statutory liabilities (TDS, PF, ESI, PT, VAT etc.)	<u>204.39</u>	<u>145.22</u>
	<u>261.07</u>	<u>191.89</u>
<b>Total</b>	<u>261.07</u>	<u>191.89</u>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

15 Provisions

As at	31 March 2022		31 March 2021	
	Current	Non current	Current	Non current
<i>(INR in millions)</i>				
<b>Provision for employee benefits ( refer note 31)</b>				
Gratuity	-	284.02	-	116.97
Compensated absences	34.65	183.78	26.18	104.69
Post-employment medical benefits	11.29	0.07	0.07	8.91
<b>Others</b>				
Provision for warranty	50.23	-	28.67	-
Provision for asset retirement obligation	-	5.66	-	5.23
Provision for indirect tax matters	-	149.48	-	105.19
<b>Total</b>	<b>96.17</b>	<b>623.01</b>	<b>54.92</b>	<b>340.99</b>
<b>Provision for warranty</b>				
<b>As at</b>			<b>31 March 2022</b>	<b>31 March 2021</b>
Balance at the beginning of the year			28.67	63.26
Add: Additional ( reversal) provision made during the year			31.97	(0.00)
Less: Amount utilised during the year			(10.41)	(34.59)
<b>Balance at the end of the year</b>			<b>50.23</b>	<b>28.67</b>

A provision of INR 50.23 million (31 March 2021: INR 28.67 million,) has been estimated for expected warranty claims on the products sold by the Company during the year. It is expected that this amount will be utilised over a period ranging from 12 to 36 months from the balance sheet date. The warranty rate is derived based on the past trend and the warranty amount is calculated based on the 12 months sale of the current year. The Company does not expect any reimbursements towards these provisions.

**Provision for asset retirement obligation**

Particulars	31 March 2022	31 March 2021
At the beginning of the year	5.23	4.83
Add: Additional ( reversal) provision made during the year	0.43	0.40
<b>At the end of the year</b>	<b>5.66</b>	<b>5.23</b>

Asset Retirement Obligation (ARO): The ARO liability is recognised pertaining to the existing lease of "factory building" at Manesar starting on 1-Nov-2012 & ending on 31-Dec-2023. The terminal value of liability at end of the lease period is estimated at 6.5 MNR.

**Provision for Indirect Tax matters**

Particulars	31 March 2022	31 March 2021
At the beginning of the year	157.94	107.47
Add: Additional provision made during the year	48.79	53.57
Less: Amount utilized during the year	(4.49)	(3.10)
<b>At the end of the year</b>	<b>202.24</b>	<b>157.94</b>

The provision for indirect tax matters with respect to demands raised is INR 149.48 million (31 March 2021: INR 105.19 million) classified under "Provisions" and the provision towards indirect taxes deposited is INR 52.77 million (31 March 2021: INR 52.77 million) classified under "other non current assets". The provisions are made on the exposure based on the notices received from the government department, past experiences and the probability of not collecting the required forms. The Company is contesting these litigations with various departments. The provision will be utilised to make good any amount payable in the event of any adverse judgement on the Company. The Company, however, can not estimate with reasonable certainty the period of utilisation of the same.

16 Borrowings

As at	31 March 2022	31 March 2021
<b>Unsecured - measured at amortized cost</b>		
Short Term Bank Loan (refer note below)	1,387.30	1,372.59
<b>Total</b>	<b>1,387.30</b>	<b>1,372.59</b>

\* Note: Short term loan is Pre-shipment credit in Foreign Currency taken at interest rate in the range of LIBOR+0.70% to 0.90% (March 2021 : LIBOR + 0.70% to 0.90%) interest rate for the period of six months to meet the working capital requirements.



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

17 Trade payables

		(INR in millions)			
As at		31 March 2022	31 March 2021		
<b>Financial liabilities at amortised cost</b>					
Total outstanding dues to micro and small enterprises (refer note (a) below)		47.34	37.76		
Total outstanding dues to creditor other than micro and small enterprises*		2,635.81	2,799.36		
<b>Total</b>		<b>2,683.15</b>	<b>2,837.12</b>		
As at		31 March 2022	31 March 2021		
*Trade payables due to related parties (refer note 33)		611.68	902.47		
<b>Trade Payable ageing</b>		<b>31 March 2022</b>			
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	46.96	0.39	-	-	47.34
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,483.28	26.72	125.81	-	2,635.81
	<b>2,530.24</b>	<b>27.11</b>	<b>125.81</b>	<b>-</b>	<b>2,683.15</b>
		<b>31 March 2021</b>			
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	37.76	-	-	-	37.76
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,603.72	26.80	168.84	-	2,799.36
	<b>2,641.48</b>	<b>26.80</b>	<b>168.84</b>	<b>-</b>	<b>2,837.12</b>

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 34.

Note (a)

1. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:

- Principal	46.48	37.59
- Interest	0.86	0.17

2. The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year

- Interest	-	-
- Principal	-	-

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

- Interest	0.86	0.17
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4. The amount of interest accrued and remaining unpaid at the end of each accounting year

- Interest	1.03	0.17
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5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

Note: The above information has been determined based on vendors identified by the Company and confirmed by the vendors.



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

18 Revenue from operations

	(INR in millions)	
For the year ended	31 March 2022	31 March 2021
Sale of products		
Sale of finished goods	12,079.94	10,897.92
Sale of traded goods	610.06	686.90
<b>Sub-total</b>	<b>12,690.00</b>	<b>11,584.82</b>
Sale of services		
Sale of software, engineering and design services	12,002.10	8,497.30
<b>Sub-total</b>	<b>12,002.10</b>	<b>8,497.30</b>
Other operating revenue		
Compensation from customers	52.57	27.37
Sale of tools and jigs	6.56	0.28
Scrap sales	14.83	12.26
Others	18.52	74.22
<b>Sub-total</b>	<b>92.48</b>	<b>114.13</b>
<b>Total</b>	<b>24,784.58</b>	<b>20,196.25</b>

Disaggregated revenue disclosures

The Company disaggregate the revenue based on geographic locations and it is disclosed under note 31(a) - Segment reporting. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

Trade receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for revenue contracts are recognized at a point in time when the Company transfers control over the product to the customer.

Trade receivable are presented net of impairment in the Balance Sheet

19 Other income

For the year ended	31 March 2022	31 March 2021
Interest income from financial assets carried at amortized cost		
Interest on deposits from banks and loans to related parties	52.29	76.97
Interest income on security deposits	44.31	31.79
Interest on Income tax refund	37.79	-
Interest on Income -others	0.62	-
Gain on termination of lease	317.19	-
Provision for doubtful receivables written back	0.11	0.90
Exchange gain on foreign currency transactions, net	-	1.72
Miscellaneous income	31.76	145.41
<b>Total</b>	<b>484.07</b>	<b>256.79</b>

20 Cost of material consumed

For the year ended	31 March 2022	31 March 2021
Inventory of raw-materials at the beginning of the year	1,288.66	1,347.87
Purchase of raw-materials	8,129.63	7,123.68
Inventory of raw-materials at the end of the year	(1,331.01)	(1,288.66)
<b>Total</b>	<b>8,087.28</b>	<b>7,182.89</b>

21 Purchase of stock in trade

For the year ended	31 March 2022	31 March 2021
Vehicle body and security products	180.05	205.32
Fuel supply products	79.57	84.56
Engine systems and components	89.21	94.80
Instrumentation products	62.28	66.19
Speed sensors	7.86	8.35
Sensors and actuators	39.46	41.94
<b>Total</b>	<b>458.43</b>	<b>501.16</b>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

22 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	(INR in millions)	
For the year ended	31 March 2022	31 March 2021
Opening stock		
Finished goods	256.89	312.62
Work in progress	124.25	118.47
Stock-in-trade	112.33	209.83
	<u>493.47</u>	<u>640.92</u>
Closing stock		
Finished goods	(292.00)	(256.89)
Work in progress	(96.21)	(124.25)
Stock-in-trade	(71.62)	(112.33)
	<u>(459.83)</u>	<u>(493.47)</u>
<b>Total</b>	<b>33.64</b>	<b>147.45</b>

23 Employee benefits expense

For the year ended	31 March 2022	31 March 2021
Salaries and wages	6,697.47	5,157.87
Contribution to provident and other funds (refer note 30)	443.24	402.22
Workmen and staff welfare expenses	224.07	154.02
<b>Total</b>	<b>7,364.78</b>	<b>5,714.11</b>

24 Finance costs

For the year ended	31 March 2022	31 March 2021
Interest on bank overdraft and other loan facilities from bank	10.71	29.69
Interest on financial liability measured at amortised cost	0.43	0.40
Interest on financial liability measured at Lease	453.39	153.38
Interest on Income tax provision	395.29	160.06
<b>Total</b>	<b>859.82</b>	<b>343.53</b>

25 Depreciation and amortization expenses

For the year ended	31 March 2022	31 March 2021
Depreciation of property, plant and equipments	1,530.98	1,575.63
Amortization of intangible assets	46.64	38.26
Amortization of Lease	528.80	425.61
<b>Total</b>	<b>2,106.42</b>	<b>2,039.50</b>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

26 Other expenses

	(INR in millions)	
For the year ended	31 March 2022	31 March 2021
Shared services	1,528.19	1,238.70
Royalty	299.70	202.88
Research and development	4.36	4.62
Subcontractor cost	1,580.15	1,146.36
Travelling expenses	17.76	17.03
Rent expense	36.11	95.03
Foreign exchange loss, net	150.14	-
Expenditure on corporate social responsibility (refer note-35)	24.85	24.04
Repairs and maintenance		
Machinery	110.31	164.30
Building	41.69	32.52
Others	8.74	8.21
Power and fuel	174.42	132.51
Freight, clearing and forwarding	130.02	114.04
Allowances for credit losses-Contractual receivable from related parties	5.08	83.72
Rates and taxes	46.43	55.69
Telephone and other communication expenses	118.19	80.95
Consumption of stores and spare parts	69.78	63.32
Loss on Sale/write off of property plant and equipment	48.79	32.87
Warranty expense	31.97	(0)
Advertising and sales promotion	5.38	8.90
Printing and stationary	16.96	17.84
Development cost written off	230.95	202.24
Insurance	21.60	18.26
Bank charges	4.47	3.98
Legal and professional fees	11.38	9.68
Payment to auditors (refer note below)*	7.01	7.72
Miscellaneous expenses	95.30	88.17
<b>Total</b>	<b>4,819.73</b>	<b>3,853.58</b>
<b>Payment to auditors*:</b>		
As auditor		
Statutory audit	4.00	3.10
Tax audit	-	-
Professional Services	2.92	4.52
Out of pocket fees	0.09	0.10
<b>Total</b>	<b>7.01</b>	<b>7.72</b>

\* Excluding goods and services tax ('GST')



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

27 Income taxes

Income tax expense in the statement of profit and loss consists of:

(INR in millions)

For the year ended	31 March 2022	31 March 2021
Amounts recognised in profit and loss		
Current tax		
-Tax for the current year	541.82	457.69
-Tax pertaining to prior years	1.09	61.56
	542.91	519.25
Deferred tax		
-Temporary differences of the current year	(54.45)	(55.49)
	(54.45)	(55.49)
Total tax recognised in profit and loss	488.46	463.76
Amounts recognised in other comprehensive income		
Deferred tax	26.02	0.66
	26.02	0.66
Grand Total	514.48	464.42

Reconciliation of effective tax rate

	31-Mar-22	31-Mar-21
Profit before tax	1,538.55	670.82
Tax using the Company's domestic tax rate	25.17%	25.17%
Adjustments	1,150.24	440.43
Change in estimates related to prior years	1.09	61.56
	1,538.55	670.82

Deferred tax assets are attributable to the following:

	31 March 2022		
Particulars	Deferred tax assets	Deferred tax liabilities	Deferred tax, net
Property, plant and equipment	290.91	-	290.91
Employee benefits expense	203.74	-	203.74
Provision	83.62	-	83.62
	578.27	-	578.27

Movement in temporary differences

Particulars	Balance as at 1 April 2021	Recognised in profit and loss and OCI	Balance as at 31 March 2022
Property, plant and equipment	332.74	(41.83)	290.91
Employee benefits expense	150.56	53.19	203.75
Provision	66.53	17.08	83.61
Total	549.84	28.44	578.27

	31 March 2021		
Particulars	Deferred tax assets	Deferred tax liabilities	Deferred tax, net
Property, plant and equipment	332.74	-	332.74
Employee benefits expense	150.57	-	150.57
Provision	66.53	-	66.53
	549.84	-	549.84

Movement in temporary differences

Particulars	Balance as at 1 April 2020	Recognised in profit and loss and OCI	Balance as at 31 March 2021
Property, plant and equipment	241.74	91.00	332.74
Employee benefits expense	224.75	(74.19)	150.56
Provision	28.52	38.02	66.54
Total	495.01	54.83	549.84



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2022, March 31, 2021

As at	(INR in millions)	
	31-Mar-22	31-Mar-21
Income tax assets (non current)	50.00	44.54
Paid under protest (non current) (refer note 30)	389.32	408.98
Less: Provision made for income tax	(140.49)	(132.62)
	298.83	320.90
<b>Current</b>		
Income tax assets	1,620.92	1,443.30
Income tax liabilities (current)	(4,720.84)	(3,790.58)
	(3,099.92)	(2,347.28)
<b>Net income tax assets/ (liabilities) at the end of the year</b>	<b>(2,801.09)</b>	<b>(2,026.38)</b>

The movement in the income tax asset/(liabilities) net for the year ended March 31, 2022 and March 31, 2021 is as follows:

For the year ended	31 March 2022	31 March 2021
Net income tax asset/(liability) at the beginning of the year	(2,026.38)	(1,946.28)
Current tax	(542.91)	(519.25)
Interest on income tax provision	(395.29)	(160.06)
Income tax paid including TDS deducted at source during the year	163.49	599.21
<b>Net income tax liability at the end of the year</b>	<b>(2,801.09)</b>	<b>(2,026.38)</b>

28 Earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

Particulars	31-Mar-22	31-Mar-21
Profit for the year, attributable to the equity shareholders	1,050.09	207.06
Weighted average number of equity shares of INR 10 each outstanding during the year	697,841,250	697,841,250
<b>Earnings per share - Basic and diluted</b>	<b>1.50</b>	<b>0.30</b>
There are no diluted potential equity shares		

29 Leases

The Company has taken buildings and cars on leases for its employees with lease terms ranging between 3 to 11 years and 2 to 5 years respectively  
The following is the movement in lease liabilities:

Particulars	
Carrying amount as at 1st April 2020	2,473.59
Add: Additions	5.25
Less: Deletions	-
Add: Finance cost accrued during the period	153.38
Less: Repayment of lease liabilities	534.07
<b>Carrying amount as at 31 March 2021</b>	<b>2,098.15</b>
Add: Additions	8,170.64
Less: Deletions	1,626.80
Add: Finance cost accrued during the period	453.39
Less: Repayment of lease liabilities	1,044.31
<b>Carrying amount as at 31 March 2022</b>	<b>8,051.07</b>

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2022 and March 31, 2021 on an undiscounted basis:

Particulars	March 31, 2022	March 31, 2021
<b>Current</b>		
Less than one year	8,100.59	545.71
<b>Total</b>		
<b>Non-current</b>		
One to five years	193.48	1,870.75
More than five years	-	-
	8,294.07	2,416.46



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

30 Contingents Liabilities and Commitments (to the extent not provided for) :			(INR in millions)
As at	March 31, 2022	March 31, 2021	
(i) Contingent liabilities			
(a) Claims against the Company not acknowledged as debts*			
Income tax matters	3,963.23	3,407.53	
Excise duty, service tax, custom duty, sales tax and VAT	319.04	319.04	
(b) Possible obligations in favour of custom authorities - Provisional duty (PD) Bond	1,000.60	963.00	
(ii) Commitments			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	1,200.30	525.75	
	6,483.17	5,215.32	

\*The Company has deposited an amount of INR 389.32 million (31 March 2021: INR 408.98 million) towards disputed demand for income tax and INR 103.00 million (31 March 2021: INR 106.08 million) in respect of disputed demand for excise, custom duty, sales tax, VAT and service tax. The amount deposited has been classified under "Income tax assets" and "Other non-current assets" respectively.

In respect of the Income tax assessments for assessment years 2008-2019, the department has disallowed certain claims made or set offs availed by the Company amounting to INR 14,749.03 million (31 March 2021: INR 11,553.90 million). During the previous year 2017-18, the Company has received a favourable order from the Dispute Resolution Panel ('DRP') for the assessment year 2012-13 allowing certain tax adjustment done by the authorities. Based on the above order the Company has made provision for tax for certain previous years and the current year after considering similar reliefs as given by the aforesaid DRP order.



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

31 Employee benefits

(i) Defined contribution plans:

The Company's contribution to provident fund superannuation fund and Employees' State Insurance (ESI) are considered as defined contribution plans. The Company has no obligations other than to make the specified contributions.

During the year, the Company has recognised the following amounts in the statement of profit and loss, which are included in contribution to provident and other funds:

Benefits (contribution to)	(INR in millions)	
	31 March 2022	31 March 2021
Provident fund	341.26	181.87
Employee State Insurance Corporation	0.68	0.92
	341.94	182.79

(ii) Defined benefit plan:

The Company operates two post-employment defined benefit plans that provide gratuity and medical benefits. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary (one-half month basic salary plus dearness allowance) for each year of completed service at the time of retirement/exit. Gratuity is funded by the plan assets. The Company accrued gratuity under the provisions of the Payment of Gratuity Act, 1972 as applicable at the balance sheet date and accordingly the maximum payment is restricted to INR 2 million. The medical plan entitles the retired employees to reimbursement of medical cost.

A. Reconciliation of present value of the defined benefit obligation

Particulars	31 March 2022		31 March 2021	
	Medical benefit	Gratuity	Medical benefit	Gratuity
Obligation at the beginning of the year	8.98	477.43	12.77	375.09
Current service cost	0.60	97.64	0.66	88.17
Benefits paid	(0.08)	(31.88)	(0.04)	(22.55)
Interest cost (income)	0.61	30.00	0.84	24.01
Actuarial loss (gain) arising recognized in other comprehensive income				
Demographic assumptions	(3.12)	(19.74)	-	-
Financial assumptions	(1.45)	(9.63)	(0.48)	4.16
Experience adjustment	5.81	94.93	(4.77)	8.56
Obligation at the end of the year	11.36	638.74	8.98	477.44

B. Reconciliation of present value of the plan assets

Particulars	31 March 2022		31 March 2021	
	Medical benefit	Gratuity	Medical benefit	Gratuity
Plan assets at the beginning of the year	-	360.48	-	5.60
Contributions paid into the plan	-	-	-	368.92
Benefits paid	-	(28.39)	-	(10.18)
Interest income	-	22.51	-	12.21
Return on plan assets greater/(lesser) than discount rate recognized in other comprehensive income	-	0.13	-	(16.07)
Plan assets at the end of the year*	-	354.72	-	360.48

\* The fund manager invests the funds as per products approved by Insurance Regulatory and Development Authority, however the exact asset mix is unknown and not publicly available.

C. Reconciliation of present value of defined benefit obligation and the fair value of plan assets to the assets and liability recognized in the balance sheet

Particulars	31 March 2022		31 March 2021	
	Medical benefit	Gratuity	Medical benefit	Gratuity
Present value of the obligation at the end of the year	11.36	638.74	8.98	477.44
Fair value of plan assets at the end of the year	-	354.72	-	360.47
Liability/asset recognised in balance sheet	11.36	284.02	8.98	116.97
Current portion	11.29	-	8.91	116.97
Non-current portion	0.07	284.02	0.07	-



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

D. Expense recognized in statement of profit and loss and other comprehensive income

Particulars	31 March 2022		31 March 2021	
	Medical benefit	Gratuity	Medical benefit	Gratuity
Net defined benefit (asset)/liability :				
Current service cost	0.60	97.64	0.66	88.17
Past Service Cost	-	-	-	-
Interest cost	0.61	7.49	0.84	11.80
Component of defined benefit costs recognised in the Statement of profit and loss	1.21	105.13	1.50	99.98
Actuarial losses/(gains) on remeasurement of the net defined benefit liability/ (asset)	1.25	65.41	(5.25)	28.79
Component of defined benefit costs recognised in the other comprehensive income	1.25	65.41	(5.25)	28.79

\*The current service cost and the interest cost for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The actuarial losses/(gains) on remeasurement of the net defined benefit liability is included in other comprehensive income.

E. Actuarial assumptions

Particulars	31 March 2022		31 March 2021	
	Medical benefit	Gratuity	Medical benefit	Gratuity
Discount rate	7.30%	6.70%	6.80%	6.50%
Medical inflation rate/ Salary escalation rate	12.00%	9.00%	12.00%	9.00%
Attrition Rate	12.00%	12.00%	10.00%	10.00%
Mortality rate	Indian assured lives mortality(2006-08)(Ult.)			

The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

F. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	31 March 2022				As at 31 March, 2021			
	Medical Benefit		Gratuity		Medical Benefit		Gratuity	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.31)	3.14	(44.48)	50.88	(1.99)	2.79	(38.98)	45.34
Future salary growth/ medical inflation rate (1% movement)	0.92	(0.81)	42.47	(40.33)	0.85	(0.74)	39.64	(36.30)
Attrition rate (1% movement)	(1.03)	1.28	(7.92)	8.58	(0.96)	1.14	(8.64)	9.54

G. Maturity profile of defined benefit obligation

Particulars	Medical Benefit	Gratuity	Total
a. March 31, 2023	0.08	60.86	60.94
b. March 31, 2024	0.12	75.71	75.83
c. March 31, 2025	0.14	87.62	87.76
d. March 31, 2026	0.15	100.33	100.48
e. March 31, 2027	0.22	118.82	119.04
f. March 31, 2028 to March 31, 2032	1.80	733.74	735.53



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022 (continued)**

**32 Operating segments**

The Company operates as a single operating segment - automotive component products. The CODM evaluates the Company's performance and allocates resources on overall basis.

**Geographical information**

Geographical information analyses the Company's revenue and non current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customers and segment assets which have been based on the geographical location of the assets.

**a) Revenue from sale of products and services**

(INR in millions)

Geography	For the year ended 31 March 2022	For the year ended 31 March 2021
i) India	11,928.20	10,820.78
ii) Outside India	12,763.90	9,261.32
<b>Total Revenue</b>	<b>24,692.10</b>	<b>20,082.10</b>

**b) Non current assets\***

Geography	For the year ended 31 March 2022	For the year ended 31 March 2021
i) India	16,807.11	9,588.53
ii) Outside India	-	-
Unallocable	-	-
<b>Total non current assets</b>	<b>16,807.11</b>	<b>9,588.53</b>

\* other than financial instruments and deferred tax assets

b) The Company has derived 68.19% of its external revenue from four customers amounting to INR 6,743.95 million, each of whom individually accounted for more than 10% of the Company's external revenues during the year ended March 31, 2022. The Company had derived 54.94% of its external revenue from two customers amounting to INR 4,719 million, each of whom individually accounted for more than 10% of the Company's external revenue during the year ended March 31, 2021.



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

33 Related party transaction

(a) Names of related parties and description of relationships :

Nature of Relationship	Name of Related Parties
Ultimate Holding Company	Continental AG, Germany
Holding Company	Continental Automotive GmbH, Germany
Fellow Subsidiaries	<p>Benecke-Kaliko AG, Germany</p> <p>Continental Reifen Deutschland GmbH (Production), Germany</p> <p>ContiTech Antriebssysteme GmbH, Germany</p> <p>Continental India Limited, Modipuram-India</p> <p>ContiTech India Limited, Sonapat-India</p> <p>Continental Tires (Shanghai) Co., Ltd. China</p> <p>Continental Teves AG &amp; Co. OHG, Germany</p> <p>Continental Automotive Benelux BVBA, Belgium</p> <p>Continental Automotive Brake Systems (I) P. Ltd, Gurgaon-India</p> <p>Continental Automotive Hungaria Kft, Hungary</p> <p>Continental Automotive Systems S.R.L, Romania</p> <p>Teves Servicios S.A. de C.V, Mexico</p> <p>Continental Automotive Corporation K.K, Japan</p> <p>Continental Automotive Corporation Co. Ltd, Lianyungang China</p> <p>Continental Automotive Systems (Tianjin) Co. Ltd, Tianjin-China</p> <p>Continental Automotive Corporation, Changchun-China</p> <p>CAC Philippines, Inc, Philippines</p> <p>Continental Automotive Jinan Co. Ltd., Jinan-China</p> <p>ADC Automotive Distance Control Systems GmbH, Germany</p> <p>Elektrobit Automotive GmbH, Germany</p> <p>Elektrobit Austria GmbH, Vienna Austria</p> <p>Elektrobit India Private Limited, Bangalore-India</p> <p>Continental Tire the Americas LLC (Production), USA</p> <p>Conti Temic microelectronic GmbH, Germany</p> <p>Continental Engineering Services GmbH, Germany</p> <p>Temic Automotive Philippines Inc, Philippines</p> <p>Continental Automotive Systems (Shanghai) Co. Ltd, China</p> <p>Continental Temic Electronics (Philippines), Inc, Calamba City-Philippines</p> <p>Temic Automotive of North America, Inc USA</p> <p>Quantum Inventions Private Limited, Singapore</p> <p>Continental Automotive Interior Wuhu Co., Ltd, China</p> <p>Continental Automotive Changchun Co. Limited, China</p> <p>Continental Powertrain Romania S.R.L, Romania</p> <p>Continental Aftermarket GmbH, Germany</p> <p>Continental Trading GmbH, Germany</p> <p>Continental Safety Engineering International GmbH, Germany</p> <p>Continental Mechanical Components Germany GmbH, Germany</p> <p>Continental Automotive Austria GmbH, Austria</p> <p>Continental Pty. Ltd, Australia</p> <p>Continental Brasil Indústria Automotiva Ltda.</p> <p>Continental Automotive Switzerland AG</p> <p>Continental Automotive Asia Pacific Co. Ltd, Shanghai</p> <p>Continental Automotive Changchun Co. Ltd.</p> <p>Continental Automotive Wuhu Co. Ltd.</p> <p>Continental Automotive Czech Republic s.r.o, Czech Republic</p> <p>Continental Automotive Czech Republic s.r.o.</p> <p>Continental Automotive Spain S.A.</p> <p>Continental Automotive Trading France SAS</p> <p>Continental Automotive France SAS</p> <p>Continental Automotive Trading UK Ltd.</p>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

33 Related party disclosures (continued)

(a) Names of related parties and description of relationships (continued)

Nature of Relationship	Name of Related Parties
Fellow Subsidiaries (continued)	Continental Automotive Trading Italia s.r.l. Continental Automotive Italy SpA Continental Automotive Japan K.K. Continental Automotive Electronics, LLC Continental Automotive Systems Corporation Continental Automotive Korea Ltd. Continental Automotive Guadalajara Mexico, S.A. de C.V. Continental Guadalajara Services Mexico, S.A. de C.V. Continental Automotive Malaysia Sdn. Bhd. Continental Automotive Components Malaysia Sdn. Bhd. Continental Automotive RUS, Russia Continental Automotive Singapore Pte., Ltd. Singapore Continental Automotive (Thailand) Co. Ltd. Thailand Continental Automotive Systems Inc, USA Synerject Motorcycle Systems Changchun Co. Ltd. China Synerject SAS France, France Phoenix Conveyor Belt India Private Ltd. Kolkata-India Emitec France S.A.S., France CPT Group GmbH, Germany CPT Zwei GmbH, Germany CPT France SAS, France CPT Japan K.K., Japan Continental Powertrain USA LLC, Seguin-USA Continental Powertrain Czech Republic s.r.o., Czech Republic Continental Powertrain USA, Newport-LLC Continental Tire the Americas LLC, USA Continental Intelligent Transport Systems, LLC, USA OSRAM Continental India, Bangalore-India Continental Surface Solutions India Pvt Ltd, Satara India Continental Automotive Bangkok Co. Ltd, Thailand Vitesco Technologies Czech Republic s.r.o. Czech Republic Vitesco Technologies Italy S.R.L., Italy Zonar Systems Inc
Key management personnel	Mr. Prashanth Doreswamy- Managing Director Dr. Bernhard Willi Klumpp-Director Mr. Philipp Von Hirschheydt (Joined with effect from 15th March 2022)

(b) Transactions with related party

(i) Key management personnel compensation

	(INR in millions)	
	31 March 2022	31 March 2021
Short term employee benefits		
Prashanth Doreswamy	20.13	18.30
	<u>20.13</u>	<u>18.30</u>

The remuneration to KMP does not include the provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Company as a whole.



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

33 Related party disclosures (continued)  
(b) Transactions with related party (continued)

For the year ended	31 March 2022	31 March 2021
<i>(INR in millions)</i>		
<b>Purchase of property plant and equipment</b>		
<b>Holding Company</b>		
Continental Automotive GmbH, Germany	1,385.10	536.16
<b>Fellow Subsidiaries</b>		
Continental Automotive Corporation Co. Ltd. Lianyungang	-	0.21
Continental Teves AG & Co. OHG, Germany	79.34	128.63
Elektrobit Automotive GmbH, Germany	22.03	-
Continental Automotive Guadalajara Mexico, S.A. de C.V.	-	7.21
Continental Automotive Electronics, LLC.	3.56	5.19
Continental Automotive Hungaria Kft. Hungary	1.88	21.44
CAC Philippines, Inc Philippines	-	0.04
ADC Automotive Distance Control Systems GmbH, Germany	-	13.24
Continental Automotive Singapore Pte., Ltd. Singapore	-	5.65
Others	11.61	17.32
	<b>1,503.51</b>	<b>735.09</b>
<b>Sale of products</b>		
<b>Holding Company</b>		
Continental Automotive GmbH, Germany	47.72	206.79
<b>Fellow Subsidiaries</b>		
Continental Automotive Brake Systems (I) Private Limited, Gurgaon-India	1,770.06	1,347.43
Continental Automotive Corporation K.K. Japan	294.84	369.09
Vitesco Technologies India Pvt. Ltd	526.23	1,018.04
Continental Automotive Components Malaysia Sdn. Bhd	1.29	-
Continental Automotive Malaysia Sdn. Bhd	21.71	21.20
Continental Automotive Changchun Co. Ltd.	0.13	1.82
Vitesco Technologies Czech	29.81	-
Continental Automotive Hungaria Kft. Hungary	75.28	-
Continental Automotive Guadalajara Mexico, S.A. de C.V.	6.53	1.16
Others	43.02	43.68
	<b>2,816.63</b>	<b>3,009.21</b>
<b>Sale of Services</b>		
<b>Holding Company</b>		
Continental Automotive GmbH, Germany	8,383.39	6,444.36
<b>Fellow Subsidiaries</b>		
Continental Teves AG & Co. OHG, Germany	2,214.25	1,617.38
ADC Automotive Distance Control Systems GmbH, Germany	937.39	-
Continental Automotive Corporation K.K. Japan	205.42	-
Others	192.22	403.31
	<b>11,932.66</b>	<b>8,465.05</b>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

33 Related party disclosures (continued)  
(b) Transactions with related party (continued)

For the year ended	31 March 2022	31 March 2021
<i>(INR in millions)</i>		
<b>Purchase of material</b>		
<b>Holding Company</b>		
Continental Automotive GmbH, Germany	225.40	178.53
<b>Fellow Subsidiaries</b>		
Continental Automotive Systems (Shanghai) Co. Ltd, China	29.53	17.65
Continental Teves AG & Co. OHG, Germany	11.72	-
Vitesco Technologies India Pvt. Ltd	-	98.21
Continental Automotive (Thailand) Co. Ltd, Thailand	-	50.58
Continental Automotive Changchun Co. Ltd.	11.25	40.56
Continental Automotive Systems Inc, USA	-	33.03
Continental Automotive Wuhu Co. Ltd.	-	19.15
Continental Automotive France SAS	60.87	-
Continental Teves AG & Co. OHG, Germany	-	65.96
Continental Automotive Corporation Co. Ltd, Lianyungang China	30.22	-
Vitesco Technologies Czech	153.33	107.40
Continental Automotive Hungaria Kft, Hungary	37.07	-
Continental Automotive Jinan Co. Ltd., Jinan-China	20.35	-
Others	215.76	387.44
	<b>795.52</b>	<b>998.51</b>
<b>Shared service expense</b>		
<b>Ultimate Holding Company</b>		
Continental AG, Germany	23.40	22.49
<b>Holding Company</b>		
Continental Automotive GmbH, Germany	1,471.10	1,112.96
<b>Fellow Subsidiaries</b>		
Others	33.69	103.25
	<b>1,528.19</b>	<b>1,238.70</b>
<b>Royalty fees</b>		
<b>Holding Company</b>		
Continental Automotive GmbH, Germany	211.15	148.23
<b>Fellow Subsidiaries</b>		
Continental Teves AG & Co. OHG, Germany	88.54	54.66
	<b>299.70</b>	<b>202.88</b>
<b>Reimbursement of expenses paid</b>		
<b>Ultimate Holding Company</b>		
Continental AG, Germany	13.36	-
<b>Holding Company</b>		
Continental Automotive GmbH, Germany	-	14.48
<b>Fellow Subsidiaries</b>		
Continental Teves AG & Co. OHG, Germany	-	20.27
ADC Automotive Distance Control Systems GmbH, Germany	6.70	12.61
Continental Automotive Corporation K.K. Japan	16.62	-
Continental Automotive Romania Srl	-	10.81
Conti Temic microelectronic GmbH, Germany	5.07	10.06
Others	4.44	38.83
	<b>46.19</b>	<b>107.06</b>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

33 Related party disclosures (continued)  
(b) Transactions with related party (continued)

For the year ended	31 March 2022	31 March 2021
<i>(INR in millions)</i>		
<b>Reimbursement of expenses received</b>		
<b>Holding Company</b>		
Continental Automotive GmbH, Germany	5.31	2.83
<b>Fellow Subsidiaries</b>		
Vitesco Technologies India Pvt. Ltd	41.30	43.84
Continental Automotive Malaysia Sdn. Bhd.	-	6.27
Continental Automotive Components Malaysia Sdn. Bhd.	8.27	-
Continental Automotive Corporation K.K. Japan	-	6.06
Vitesco Technologies Czech	6.69	-
Elektrobit India Private Limited, Bangalore-India	42.07	6.80
Continental Tires (Shanghai) Co., Ltd. China	-	5.67
Continental Automotive Changchun Co. Ltd.	8.89	-
Continental Teves AG & Co. OHG, Germany	-	5.18
Others	70.07	31.40
	<b>182.60</b>	<b>108.05</b>
<b>Other expenses (Training, testing and travel)</b>		
<b>Ultimate Holding Company</b>		
Continental AG, Germany	12.64	6.03
<b>Holding Company</b>		
Continental Automotive GmbH, Germany	4.78	6.58
<b>Fellow Subsidiaries</b>		
Continental Automotive Singapore Pte., Ltd. Singapore	7.92	-
Continental Automotive Hungaria Kft. Hungary	-	4.26
ADC Automotive Distance Control Systems GmbH, Germany	9.80	-
Elektrobit India Private Limited, Bangalore-India	7.40	-
Conti Temic microelectronic GmbH, Germany	1.89	1.36
Temic Automotive Philippines Inc. Philippines	13.74	-
Continental Teves AG & Co. OHG, Germany	3.40	-
Elektrobit Automotive GmbH, Germany	2.38	46.92
Continental Automotive Asia Pacific Co. Ltd. Shanghai	5.93	7.56
Others	39.28	36.62
	<b>109.16</b>	<b>109.33</b>
<b>Sale of property, plant and equipment</b>		
<b>Fellow Subsidiaries</b>		
Vitesco Technologies India Pvt. Ltd	44.55	192.03
Continental Automotive Components Malaysia Sdn. Bhd.	-	4.61
	<b>44.55</b>	<b>196.64</b>
<b>Other operating revenues</b>		
<b>Fellow Subsidiaries</b>		
Vitesco Technologies India private Limited (Emitec)	-	10.00
Vitesco Technologies GmbH	-	10.88
Continental Surface Solutions India Pvt Ltd, Satara India	13.45	-
Vitesco Technologies	-	16.03
Vitesco Technologies (Thailand)	-	100.76
Others	-	13.80
	<b>13.45</b>	<b>151.47</b>
<b>Research and development expenses</b>		
<b>Fellow Subsidiaries</b>		
Continental Automotive Hungaria Kft. Hungary	0.52	-
Continental Teves AG & Co. GmbH, Germany	-	0.52
Continental Holding China Co., Ltd	1.56	-
Continental Automotive Corporation Co. Ltd. Lianyungang China	0.01	-
Zonar Systems Inc	0.62	-
	<b>2.71</b>	<b>0.52</b>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

33 Related party disclosures (continued)

(c) Outstanding balances from related party

	(INR in millions)	
	31 March 2022	31 March 2021
<b>Contractual Receivable from related parties</b>		
<b>Holding Company</b>		
Continental Automotive GmbH, Germany	-	20.79
<b>Fellow Subsidiaries</b>		
Continental Automotive Corporation, Changchun-China	-	68.68
Continental Automotive Systems (Shanghai) Co. Ltd, China	167.64	168.32
Continental Automotive Jinan Co. Ltd., Jinan-China	61.52	58.88
Continental Automotive Changchun Co. Ltd.	76.47	70.00
Continental Automotive Corporation Co. Ltd. Lianyungang China	101.15	34.27
Continental Automotive Corporation K.K. Japan	2.45	14.95
Continental Automotive Benelux BVBA, Belgium	-	8.31
Vitesco Technologies India Pvt. Ltd	15.39	-
Others	46.73	17.86
Allowances for credit losses-Contractual receivable from related parties	(88.80)	(83.72)
	<b>382.55</b>	<b>378.34</b>
<b>Contractual Payable to related parties</b>		
<b>Holding Company</b>		
Continental Automotive GmbH, Germany	35.43	34.75
<b>Fellow Subsidiaries</b>		
Continental Automotive Changchun Co. Ltd.	43.35	42.94
Continental Automotive Corporation K.K. Japan	38.63	-
Continental Temic Electronics	16.73	-
Continental Automotive Systems Inc, USA	75.97	60.43
Continental Automotive (Thailand) Co. Ltd. Thailand	-	1.47
Others	37.48	32.71
	<b>247.59</b>	<b>172.30</b>
<b>Creditors for capital goods</b>		
<b>Holding Company</b>		
Continental Automotive GmbH, Germany	2.64	9.87
<b>Fellow Subsidiaries</b>		
Continental Teves AG & Co. OHG, Germany	1.36	2.81
Others	3.59	3.64
	<b>7.59</b>	<b>16.32</b>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

33 Related party disclosures (continued)  
(c) Outstanding balances from related party (continued)

	(INR in millions)	
	31 March 2022	31 March 2021
<b>Employee payable (reimbursements from related parties)</b>		
Ultimate Holding Company		
Continental AG, Germany	0.80	5.18
Holding Company		
Continental Automotive GmbH, Germany	-	3.46
Fellow Subsidiaries		
Continental Teves AG & Co. OHG, Germany	-	15.16
Others	(0.12)	3.66
	<u>0.68</u>	<u>27.46</u>
<b>Other Liabilities</b>		
Ultimate Holding Company		
Continental AG, Germany	5.86	5.94
	<u>5.86</u>	<u>5.94</u>
<b>Trade payables</b>		
Holding Company		
Continental Automotive GmbH, Germany	216.27	285.30
Fellow Subsidiaries		
Continental Automotive Systems (Shanghai) Co. Ltd, China	-	4.48
Continental Automotive Systems Inc, USA	-	4.13
Continental Teves AG & Co. OHG, Germany	53.37	199.75
ADC Automotive Distance Control	27.10	-
Continental Temic Electronics	34.76	-
Continental Automotive Wuhu Co. Ltd.	-	0.54
Vitesco Technologies GmbH	3.10	53.60
Continental Automotive Changchun Co. Ltd.	3.93	25.88
Continental Automotive France SAS	18.83	6.24
Continental Automotive Italy SpA	7.50	11.56
Continental Automotive Interior Wuhu Co., Ltd, China	27.12	31.54
Continental Automotive Corporation Co. Ltd, Lianyungang China	16.03	31.34
Vitesco Technologies India Pvt. Ltd	0.78	-
Vitesco Technologies Czech	32.37	36.74
Others	170.52	211.37
	<u>611.68</u>	<u>902.47</u>
<b>Loans</b>		
Fellow Subsidiaries		
Continental Surface Solutions India Pvt Ltd, Satara India	500.00	-
	<u>500.00</u>	<u>-</u>
<b>Trade receivables</b>		
Holding Company		
Continental Automotive GmbH, Germany	1,321.64	317.25
Fellow Subsidiaries		
Vitesco Technologies India Pvt. Ltd	425.10	1,021.82
Continental Automotive Corporation K.K. Japan	59.57	71.22
ADC Automotive Distance Control	935.44	-
Continental Teves AG & Co. OHG, Germany	345.73	307.68
Continental Automotive Brake Systems (I) Private Limited, Gurgaon-India	457.06	308.83
Continental Automotive Components Malaysia Sdn. Bhd.	7.43	4.60
Others	75.93	84.52
	<u>3,627.91</u>	<u>2,115.92</u>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

34 Financial instruments- Fair values & risk management

A. Accounting classifications and fair values

The following table shows the carrying amount and fair values of financial assets and financial liabilities:

As at 31 March 2022

(INR in millions)						
	Note	Mandatorily at FVTPL - others	FVOCI- Debt instruments	Carrying amount FVOCI- equity instruments	Other financial assets- amortised cost	Total carrying amount
Financial assets not measured at fair value						
Trade receivables	10	-	-	-	5,381.07	5,381.07
Cash and cash equivalents	11	-	-	-	2,675.23	2,675.23
Other financial assets	7	-	-	-	1,053.25	1,053.25
		-	-	-	9,109.55	9,109.55
Financial liability not measured at fair value						
Trade payables	17	-	-	-	2,635.81	2,635.81
Borrowings	16	-	-	-	1,387.30	1,387.30
Other financial liabilities	13	-	-	-	2,448.63	2,448.63
Lease liabilities	29	-	-	-	8,051.08	8,051.08
		-	-	-	14,522.82	14,522.82

As at 31 March 2021

	Note	Mandatorily at FVTPL - others	FVOCI- Debt instruments	Carrying amount		Total carrying amount
				FVOCI- equity instruments	other financial assets- amortised cost	
Financial assets not measured at fair value						
Trade receivables	10	-	-	-	3,889.76	3,889.76
Cash and cash equivalents	11	-	-	-	2,919.97	2,919.97
Other financial assets	7	-	-	-	1,345.52	1,345.52
		-	-	-	8,155.25	8,155.25
Financial liability not measured at fair value						
Trade payables	17	-	-	-	2,799.36	2,799.36
Borrowings	16	-	-	-	1,372.59	1,372.59
Other financial liabilities	13	-	-	-	1,967.08	1,967.08
Lease liabilities	29	-	-	-	2,098.15	2,098.15
		-	-	-	8,237.19	8,237.19



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

34 Financial instruments- Fair values & risk management (continued)

B. Financial risk management objective and policies

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

- Credit risk
- Liquidity risk
- Market risk

**Risk management framework**

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents that are derived directly from its operations.

i Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customer.

*(a) Financial assets that are not credit impaired*

The Company has financial assets, which are in the nature of cash and cash equivalents, advances to employees, unbilled revenue from related party, interest accrued on fixed deposits and receivables from related parties which are not credit impaired. These are contractually agreed with either banks, related parties or employees where the probability of default is negligible.

*(b) Financial assets that are credit impaired*

**Trade receivables**

The Company predominately follows its Group Credit Policy driven by Ultimate Holding Company - Continental AG. The Credit services team has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available. Sale credit limits are established for each customer and reviewed half-yearly. It has appointed a Credit management Committee to supervise and recommend on the credit limits, standard payment terms, delivery terms and conditions in consultation with the Key account management team (KAM). The credit policy is determined in separate manner for each group of customers based on the creditworthiness of the Customer. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed on periodical manner for each group of customers. Any receivables exceeding those limits require approval from the credit management committee.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.

**Expected credit loss assessment for the Company as at 31 March 2022 and 31 March 2021**

The Company has divided all the debtors outstanding for the last 5 years into age bracket of current (not past due), 0-12 months, 12-24 months, 24-36 months and amounts outstanding for more than 36 months.

The Company has calculated the impairment loss arising on account of past trends in the default rate for time bucket

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Out of the total trade receivables of INR 5,381.07 million (31 March 2021 : 3,889.76 million), the exposure considered for expected credit loss is INR 1,754.68 million (31 March 2021 : INR 1,773.83 million). The balance which is not considered for impairment pertains to intercompany receivables and secured debtors.

The maximum exposure to credit risk for trade receivables by geographic region is as follows -

	(INR in millions)	
	Carrying amount	
	31 March 2022	31 March 2021
India	1,664.61	1,734.75
Other regions	90.07	39.09
	1,754.68	1,773.83



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

34 Financial instruments- Fair values & risk management (continued)

B. Financial risk management objective and policies (continued)

As at 31 March 2022			
Particulars	Gross carrying amount	Weighted-average loss rate	(INR in millions) Loss allowance
Current ( not past due)	1,720.94	0.02%	0.30
Upto 12 months	32.22	0.07%	0.02
12-24 months	-	3.99%	-
24-36 months	-	20.00%	-
More than 36 months	-	100.00%	-
	1,753.16		0.32
Third parties accounts receivable	1,753.16		
Receivable from related parties	3,627.91		
Total trade receivable	5,381.07		
As at 31 March 2021			
Particulars	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current ( not past due)	1,523.22	0.02%	0.26
Upto 12 months	250.61	0.07%	0.17
12-24 months	-	3.99%	-
24-36 months	-	20.00%	-
More than 36 months	-	100.00%	-
	1,773.83		0.43
Third parties accounts receivable	1,773.83		
Receivable from related parties	2,115.93		
Total trade receivable	3,889.76		
Movement in the allowance for impairment in respect of trade receivable			
Particulars	31 March 2022	31 March 2021	
Balance at the beginning of the year		0.43	1.33
Amount written off		-	-
Net measurement of loss allowance		(0.11)	(0.90)
Balance at the end of the year		0.32	0.43



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

34 Financial instruments- Fair values & risk management (continued)

B. Financial risk management objective and policies (continued)

ii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The board of directors is the chief operating decision maker and the ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the short-term, medium-term and long-term funding and liquidity management requirements.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The Company has access to INR 2,592.43 million of undrawn borrowing Bank limit at the end of the reporting period.

Exposure to liquidity risk

The Company's financial liabilities include trade payables, employee benefits payable, PCFC Loan (Pre-shipment credit in Foreign Currency) and creditors for capital goods. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

The table below provides details regarding the contractual maturities of significant financial liabilities -

(INR in millions)							
As at 31 March 2022	Carrying Amount	Total	3 months or less	3-6 months	6-12 months	12-24 months	More than 24 months
<b>Non-derivative financial liability</b>							
Trade payables	2,683.15	2,683.15	2,683.15	-	-	-	-
Borrowings	1,387.30	1,387.30	1,387.30	-	-	-	-
Other financial liabilities	2,448.63	2,448.63	2,278.25	-	-	170.38	-
Lease liabilities	8,051.08	8,294.08	261.79	7,782.32	56.46	97.96	95.55
<b>Total</b>	<b>14,570.16</b>	<b>14,813.16</b>	<b>6,610.48</b>	<b>7,782.32</b>	<b>56.46</b>	<b>268.34</b>	<b>95.55</b>

(INR in millions)							
As at 31 March 2021	Carrying Amount	Total	3 months or less	3-6 months	6-12 months	12-24 months	More than 24 months
<b>Non-derivative financial liability</b>							
Trade payables	2,837.12	2,837.12	2,837.12	-	-	-	-
Borrowings	1,372.59	1,372.59	1,372.59	-	-	-	-
Other financial liabilities	1,967.08	1,967.08	1,751.20	-	-	215.88	-
Lease liabilities	2,098.15	2,416.46	135.16	76.35	99.35	113.34	1,992.26
<b>Total</b>	<b>8,274.95</b>	<b>8,593.26</b>	<b>6,096.08</b>	<b>76.35</b>	<b>99.35</b>	<b>329.22</b>	<b>1,992.26</b>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)

B. Financial Risk Management objective and policies (continued)

iii Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

i) Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management is as follows.

	31 March 2022			31 March 2021		
	USD	Euro	Others	USD	Euro	Others
Trade and other payables	939.64	2,433.96	3,145.48	911.79	2,725.08	2,539.92
Trade and other receivables	73.12	3,071.41	3,289.79	37.30	1,093.15	4,104.83
Net exposure in respect of recognised assets and liabilities	866.52	(637.45)	(144.31)	874.49	1,631.93	(1,564.91)

ii) Sensitivity Analysis

A reasonably possible strengthening (weakening) of the US Dollar or Euro against all other currencies as at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or Loss		Equity, Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2022				
USD (with every 1% movement)		(8.67)		(6.48)
EUR (with every 1% movement)		6.37		4.77
Others (with every 1% movement)		1.44		1.08
31 March 2021				
USD (with every 1% movement)		(8.74)		(6.50)
EUR (with every 1% movement)		16.32		12.14
Others (with every 1% movement)		15.65		11.64

35 Corporate social responsibilities

As required under section 135 of the Companies Act 2013, a Company, meeting the applicability of thresholds needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company has constituted a Corporate Social Responsibility Committee as per the Act comprising Mr. Prashanth Deraswamy, Dr. Bernhard Willi Klunpp and Mr. Philipp Von Hirschheydt as its members. During the FY 2021-22, the Company has spent Rs. 24.85 million on CSR activities primarily covering areas namely ensuring environmental sustainability and preventive healthcare.

Details of CSR expenditure:

a) Gross amount required to be spent by the entity during the year	March 31, 2022	March 31, 2021
b) Amount approved by the Board to be spent during the year	24.85	24.04
c) Amount spent during the year ending on March 31, 2022		
i) Construction/acquisition of any asset	In cash	to be paid in cash
ii) On purposes other than (i) above	24.85	24.85
d) Amount spent during the year ending on March 31, 2021		
i) Construction/acquisition of any asset	In cash	to be paid in cash
ii) On purposes other than (i) above	5.51	18.53
e) Details related to spent / unspent obligations:		
i) Contribution to Public Trust	March 31, 2022	March 31, 2021
ii) Contribution to Charitable Trust	-	-
iii) Unspent amount in relation to:		
- Ongoing project	-	14.50
- Other than ongoing project	-	-
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Amount spent on CSR activities through related parties	-	-
Whether any provision made with respect to a liability incurred by entering into a contractual obligation.	No	No



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022 (continued)**

**36 Impact of COVID-19**

In light of COVID-19 pandemic, the Company has considered the possible effects that may impact on carrying amount of property, plant and equipment, intangible assets, capital work in progress, intangible assets under development, inventories, and receivables. In developing assumptions relating to future uncertainties in economic conditions because of this pandemic, the Company has used internal and external information such as future volume estimate from business, contract terms, financial strengths of partners, etc. The Company has done a sensitivity analysis and having reviewed the underlying data and the related sensitivity analysis, the Company expects, the carrying amount of the aforesaid assets to be intact. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these statements.

**37 Equalisation adjustments:**

The Company in its normal course of business has transactions with its group entities located outside India in the nature of purchase of goods and sale of products at agreed transfer prices. Further, in terms of the understanding with the respective group entities, the Company either receives or raises a charge for equalization for the same in the form of debit notes/credit notes that are exchanged between the parties.

As at March 31, 2022, the Company has recorded liability to group entities towards equalization charges payable of Rs. 248.27 million and has recorded receivables from group entities towards equalization charges receivable of Rs. 382.55 million (net off expected credit loss of Rs. 88.80 million).

of the above:

- payables that are outstanding for over one year amount to Rs. 224.86 million (of which the payables outstanding for more than 3 years is 199.75 million) and,
- receivables that are outstanding for more than 15 months aggregate to Rs. 420.21 million.

Considering that, these balances are outstanding for more than the stipulated time, the Company obtained confirmation from the holding company for settlement of the balances. Basis such confirmation, the Company initiated an approval request with RBI through the AD bank (Deutsche Bank) and obtained approval on April 8, 2022 for settlement of the net balances through Continental AG, Germany.

Consequent to the approval, the Company would receive a remittance of net balance of EURO 2.77 million from Continental AG, Germany through pooling method.

**38 Modified Special Incentive Package Scheme (MSIPS)**

The Company had applied for MSIPS (Modified Special Incentive Package Scheme), an incentive scheme by the Ministry of Electronics and Information Technology (MEITY) in December 2014.

The incentive scheme was announced by MEITY to attract investments in order to promote the Electronics System Design and Manufacturing section. The scheme provides for 25% of the total eligible capital expenditure as incentive for investments in capital expenditure.

The Company's application was approved by MEITY on May 6, 2015, for Rs. 968.30 million under phase I of the capital expenditure program which defined the eligible capex and other rules to be followed for receipt of the said incentive.

The Company further incurred capital expenditure from 2015 till 2020 which are eligible as per the 2015 approval and submitted the required application for such incentive in 2021.

After multiple audits and inspections against the application submitted, MEITY granted incentive of 25% on the eligible capital expenditure amounting to Rs. 117.39 million (on total eligible capital expenditure of Rs. 469.56 million) on March 17, 2022. The amount was received in the bank on March 28, 2022.

During the current year, the Company has recognized this incentive of Rs. 117.39 million as reduction from the carrying amount of related property, plant and equipment as required under Ind AS 20. Accordingly, the incentive is recognized in the Statement of Profit & Loss over the useful life of related property, plant and equipment.

**39 Changes in group structure**

The Company's ultimate parent, Continental AG, has been doing a restructuring of the group with respect to the Group Automotive Business Segment. Under the revised group structure, certain companies incorporated in Netherlands are holding various legal entities which are part of the said segment.

Accordingly, there are changes in the Company's shareholders. Minority holdings of CAS-One Holdinggesellschaft GmbH, Germany (1 share equivalent to 0.0000001433% of total shareholding) was transferred to CAH Holdings BV, Netherlands on February 8, 2021. Shares held by Continental Automotive GmbH, Germany (697,841,349 shares; 99.999%) were transferred to Continental Automotive Holdings Netherlands BV, Netherlands on June 30, 2022.

Accordingly, the revised group structure of the Company would be as follows:

- Parent – Continental Automotive Holding Netherlands BV
- Intermediate parent – Continental Automotive Technologies GmbH
- Ultimate parent – Continental AG

**40 New lease for corporate office in Bangalore**

The Company entered into a lease agreement with MindComp Properties Pvt. Ltd ("lessor") in December 2020 and registered in June 2021 for lease of SouthGate Tech Park premises (land and building together referred to as "the property").

As per the lease agreement, the Company has an option to purchase the said property including fit outs at a pre-determined purchase price for a specified period i.e., the Company is required to provide a written notice to the lessor of its intention to purchase on or before March 31, 2022 and complete the payment of consideration and registration of the property by September 30, 2022. Purchase consideration payable by the Company as per the agreement is as follows:

Cost of Land + Building + Car parking (in million INR)	7,516.21
Depreciated Fit-out cost (in million INR)	1,105.28
Total (in million INR)	8,621.49

The Company started occupying the premises from mid-2021 and fully occupied the premises by early 2022.

On March 28, 2022, the Company provided a written letter to the lessor showcasing its intent to purchase the property. Subsequent to March 2022, the Company took the necessary steps for purchase of the property including performing required due diligences and evaluating various funding options. The Company has registered property in its name on September 26, 2022. The purchase of the property will be funded through 70% equity from parent and 30% through short term loans from banks.

Right of use asset and lease liability recognised during the year is including the exercise price of purchase option as required under Ind AS 116.





Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)  
Additional Disclosure

41 Ratios

Particulars	Numerator	Denominator	Ratios in millions			
			31 March 2022		31 March 2021	
			Numerator Amount	Denominator Amount	March 31, 2021 (%)	Variance
Current Ratio	Current Assets	Current Liabilities	11,367.29	17,705.95	0.64	
Debt Equity Ratio	Total Debt <sup>1</sup>	Shareholder's Equity <sup>2</sup>	9,438.38	10,188.83	0.93	
Debt Service Coverage Ratio	EBITDA	Debt Service	4,558.56	10,298.20	0.44	
Return on Equity Ratio	(PAT less Preference dividend, if any)	Average Shareholder's Equity <sup>2</sup>	1,050.09	9,732.18	0.11	
Inventory Turnover ratio	COGS or Sales	Average Inventory	8,379.35	1,786.49	4.80	
Trade Receivables turnover ratio	Net sales	Average Trade Receivable	24,692.10	4,635.42	5.33	
Trade Payables turnover ratio	Net purchases	Average Trade payable	8,129.63	2,760.13	2.95	
Net capital turnover ratio	Net sales	(Current Assets - Current Liabilities)	24,692.10	(6,318.66)	(3.90)	
Net profit ratio	PAT	Net sales	1,050.09	24,692.10	0.04	
Return on Capital employed	EBIT	Capital Employed <sup>3</sup>	3,398.37	19,637.21	0.12	
Return on investment	$\frac{[MV(T1) - MV(T0)]}{\text{Sum}[C(i)]}$	$\frac{[MV(T0) + \text{Sum}[W(i) + C(i)]]}{\text{Sum}[C(i)]}$	NA	NA	NA	

<sup>1</sup> Total Debt = Current + Non-current borrowings + Lease liability + interest accrued (external loans only)

<sup>2</sup> Shareholder's Equity = Equity Share Capital + Other Equity (excluding revaluation reserve)

<sup>3</sup> Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

<sup>4</sup> T1 = End of time period

T0 = Beginning of time period

(= Specific date falling between T1 and T0)

MV(T1) = Market Value at T1

<sup>5</sup> Debt service = Interest + Principal repayments + Lease payments

<sup>6</sup> The ratios disclosed should align to the ratios presented in other documents, foreg, the IPO offer documents or investor's presentation

42 Title Deeds related disclosure:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE	Land	211.15	No	30-Nov-07	It's the erstwhile name of the Company. Name change w.e.f 30th Nov 2007.

Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 31 March 2022 (continued)  
Additional Disclosure (continued)

43 Capital Work-in-progress ageing:

(INR in millions)

31 March 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,732.16	466.25	7.93	42.77	2,249.11
Projects temporarily suspended	-	-	-	-	-
Total	1,732.16	466.25	7.93	42.77	2,249.11

31 March 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,082.90	411.46	366.32	24.37	1,885.06
Projects temporarily suspended	-	-	-	-	-
Total	1,082.90	411.46	366.32	24.37	1,885.06

- a There are no projects whose completion is overdue under capital work in progress  
b There are no projects where activities has been suspended under capital work in progress  
c There are no projects whose cost has exceeded the original Budget of the management

44 Transactions and balances with struck off company:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at current period	Relationship with the struck off company, if any, to be disclosed	Balance outstanding as at previous period	Relationship with the struck off company, if any, to be disclosed
V R Engineer	Payables	0.44	Material Supplier	0.44	Material Supplier
Interplex Electronics India Pvt. Ltd	Payables	3.64	Material Supplier	6.11	Material Supplier
Vivek Engineers	Payables	0.07	Material Supplier	-	Material Supplier

45 Additional regulatory information not disclosed elsewhere in the standalone financial statement

- There are no properties / assets which are not held or registered in the name of the Company (benami property). No proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under Benami Property Transactions (prohibition) Act, 1988
- The Company has not traded / invested in Crypto currency or virtual currency
- The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period
- 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
  - 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
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 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
  - 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
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company has no 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)
- The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- The Company is not a declared wilful defaulter by any bank or financial institution or other lender

46 Previous period's figures have been regrouped/reclassified where ever necessary to correspond with current year's classification/disclosure

for and on behalf of the Board of Directors of  
Continental Automotive Components (India) Private Limited.

Prashanth Doraiswamy  
Managing Director & CEO  
DIN: 06962488

Julien Von Hirschheydt  
Director  
DIN: 69534901

Valerio Fernandes  
Head of Finance, Controlling, IT & Law

G. Srinivasiah  
Company Secretary  
Membership No. A14176


Bengaluru  
Date: 21 September 2022




Continental Automotive Brake Systems (I) Private Limited  
Provisional Balance Sheet as at 30 November 2022  
(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 30 November 2022	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	8,515	10,905
Capital work-in-progress	1	1,292	531
Right of use assets		1,319	1,500
Intangible assets	2	22	55
Intangible asset under development	2	-	-
Financial assets			
Loans	3	-	-
Other financial assets	3	204	204
Income tax assets	4	317	218
Other non-current assets	5	3,845	1,050
<b>Total non - current assets</b>		<b>15,514</b>	<b>14,464</b>
<b>Current assets</b>			
Inventories	6	10,187	11,992
Financial assets			
Trade receivables	7	19,386	11,247
Cash and Cash Equivalents	8	22,833	13,299
Loans	3	-	-
Other current assets	5	1,090	1,040
<b>Total Current assets</b>		<b>53,496</b>	<b>37,578</b>
<b>TOTAL ASSETS</b>		<b>69,010</b>	<b>52,041</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	63,212	63,212
Other equity	10	(29,415)	(34,072)
<b>Total equity</b>		<b>33,797</b>	<b>29,140</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities		1,634	1,848
Provisions	11	600	564
Deferred tax liabilities (Net)		-	-
<b>Total non - current liabilities</b>		<b>2,234</b>	<b>2,412</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities		288	247
Trade payables	12		
- Outstanding dues to Micro and Small enterprises; and		309	395
- Outstanding dues to parties other than Micro and Small enterprises		26,076	17,413
- Provisions		-	-
Other financial liabilities	13	453	300
Provisions	11	86	48
Other current liabilities	14	5,767	2,086
<b>Total Current Liabilities</b>		<b>32,979</b>	<b>20,489</b>
<b>Total Liabilities</b>		<b>35,213</b>	<b>22,901</b>
<b>TOTAL EQUITY AND LIABILITY</b>		<b>69,010</b>	<b>52,041</b>

For and on behalf of Board of Directors of  
Continental Automotive Brake Systems (I) Private Limited

  
Prashanth Doreswamy  
Director  
DIN : 06962488

Place: Bengaluru  
Date : 12 December 2022

  
Prashant Kumar  
Company Secretary  
Membership No.: ACS 21571

Place: Bengaluru  
Date : 12 December 2022



Continental Automotive Brake Systems (I) Private Limited  
Provisional Statement of Profit and Loss for the year ended 30 November 2022  
(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Note	Period ended 30 November 2022	Year ended 31 March 2022
I Revenue from operations	15	58,505	69,484
II Other income	16	2,212	861
III Total income (I + II)		60,717	70,345
IV Expenses			
Cost of raw materials consumed	17.1	43,714	53,573
Purchases of stock-in-trade	17.2	529	529
Changes in inventories of finished goods, work-in-progress and stock-in-trade	17.3	71	19
Employee benefits expense	18	1,728	2,682
Finance costs	19	148	242
Depreciation and amortisation expense	20	1,986	3,620
Other expenses	21	8,001	15,253
Total expenses (IV)		56,177	75,918
V Profit/(loss) before exceptional items and tax (III - IV)		4,540	(5,573)
VI Exceptional Items		-	-
VII Profit/(Loss) before Tax (V - VI)		4,540	(5,573)
VIII Income tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
IX Profit for the year (VII - VIII)		4,540	(5,573)
X Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain/(loss) on defined benefit liability		117	110
- Income tax relating to these items		-	-
Total other comprehensive income for the year		117	110
XI Total comprehensive income for the year (IX + X)		4,657	(5,463)
Earning per share (face value of Rs 10 each)			
Basic and Diluted (in Rs.)		0.72	(0.88)



For and on behalf of Board of Directors of  
Continental Automotive Brake Systems (I) Private Limited

Prashanth Doeswamy

Director

DIN : 06962488

Place: Bengaluru

Date : 12 December 2022

Prashant Kumar

Company Secretary

Membership No.: ACS 21571

Place: Bengaluru

Date : 12 December 2022

## Continental Automotive Brake Systems (I) Private Limited

## Cash Flow Statement for the year ended 30 November 2022

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Period ended 30 November 2022	Year ended 31 March 2022
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,540	(5,573)
Adjustments for:		
Depreciation and amortisation expense	1,986	3,620
Interest expense on lease liabilities	137	231
Interest expense - Others	6	6
Interest income on deposits	(76)	(143)
Loss on sale of property, plant and equipment (net)	14	12
Unrealised currency exchange fluctuation (gain)/ loss (net)	130	266
<b>Operating cash flows before working capital changes</b>	<b>6,736</b>	<b>(1,581)</b>
<b>Changes in assets and liabilities</b>		
Adjustments for (increase) / decrease in assets :-		
Trade receivables	(8,251)	114
Inventories	1,805	(153)
Loans	-	-
Other assets	(2,945)	(75)
Adjustments for increase / (decrease) in liabilities :-		
Trade payables	8,559	(3,568)
Provisions	(191)	(71)
Other liabilities	4,232	659
<b>Cash generated from operations</b>	<b>9,944</b>	<b>(4,674)</b>
Income taxes paid	(99)	(165)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>9,845</b>	<b>(4,839)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest income on deposits	246	246
Payment for purchase of property, plant and equipment, intangible assets, capital work in progress and intangible asset under development (net)	(849)	(338)
Proceeds from sale of property, plant and equipment	646	1,496
<b>Net cash used in investing activities (B)</b>	<b>42</b>	<b>1,404</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid on lease liabilities	(137)	(231)
Principal repayment of lease liabilities	(173)	(209)
<b>Net cash flow (used in)/from financing activities (C)</b>	<b>(310)</b>	<b>(440)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>9,578</b>	<b>(3,875)</b>
Cash and cash equivalents at the beginning of the year	13,299	17,174
<b>Cash and cash equivalents at the end of the year (refer note 9)</b>	<b>22,876</b>	<b>13,299</b>
<b>SUPPLEMENTARY INFORMATION:</b>		
<b>Movement of financial liabilities</b>	<b>Period ended 30 November 2022</b>	<b>Year ended 31 March 2022</b>
At the beginning of the year (current and non current)	2,097	2,282
Additions	24	24
Interest expense accrued	137	231
Payment of lease liabilities	(440)	(440)
<b>At the end of the year (current and non current)</b>	<b>1,818</b>	<b>2,097</b>



For and on behalf of Board of Directors of  
Continental Automotive Brake Systems (I) Private Limited

**Prashanth Doeswamy**  
Director  
DIN : 06962488  
Place: Bengaluru  
Date : 12 December 2022

**Prashant Kumar**  
Company Secretary  
Membership No.: ACS 21571  
Place: Bengaluru  
Date : 12 December 2022

Continental Automotive Brake Systems (I) Private Limited  
Statement Of Changes In Equity for the year ended 30 November 2022  
(All amounts in Rupees Lakhs, unless otherwise stated)

(a) Equity share capital

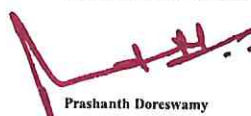
Particulars	Note	Amount
Balance as at 31 March 2021		632,118,770
Shares issued during the year	10	-
Changes in Equity Share Capital due to prior period errors		-
Restated balance at the beginning of the current reporting period		-
Changes in equity share capital during the year		-
Balance as at 31 March 2022		632,118,770
Changes in equity share capital during the year	10	-
Changes in Equity Share Capital due to prior period errors		-
Restated balance at the beginning of the current reporting period		-
Changes in equity share capital during the year		-
Balance as at 30 November 2022		632,118,770

(b) Other Equity

Particulars	Note	Retained earnings	Items of other comprehensive income (Remeasurements of defined benefit plans)	Total
Balance as at 1 April 2021 (A)	11	(28,609)	-	(28,609)
Addition during the year		-	-	-
Changes in accounting policy or prior period errors		-	-	-
Restated balance at the beginning of the current reporting period		-	-	-
Dividends		-	-	-
Any other change (to be specified)		-	-	-
Profit for the year	11	(5,573)	-	(5,573)
Other comprehensive income for the year, net of income tax	11	-	110	110
Transferred to retained earnings	11	110	(110)	-
Balance as at 31 March 2022 (A + B)		(34,072)	-	(34,072)
Addition during the year		-	-	-
Changes in accounting policy or prior period errors		-	-	-
Restated balance at the beginning of the current reporting period		-	-	-
Dividends		-	-	-
Any other change (to be specified)		-	-	-
Profit for the year	11	4,540	-	4,540
Other comprehensive income for the year, net of income tax	11	-	117	117
Transferred to retained earnings	11	117	(117)	-
Balance as at 30 November 2022 (A+B+C)		(29,415)	-	(29,415)

For and on behalf of Board of Directors of  
Continental Automotive Brake Systems (I) Private Limited



  
Prashanth Doreswamy  
Director

DIN : 06962488  
Place: Bengaluru  
Date : 12 December 2022



Prashant Kumar  
Company Secretary  
Membership No.: ACS 21571  
Place: Bengaluru  
Date : 12 December 2022

Continental Automotive Brake Systems (I) Private Limited  
Notes forming part of the financial statements for the year ended 30 November 2022  
(All amounts in Rupees Lakhs, unless otherwise stated)

1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

a) Property, plant and equipment

Particulars	Leasehold Improvements	Plant and machinery	Furniture and Fixtures	Office Equipment	Computers	Vehicle	Total
<b>Gross block</b>							
Balance as at 1 April 2021	1,351	21,412	310	219	468	42	23,801
Additions	41	660	19	26	12	-	758
Deletions*	-	(1,561)	-	(11)	-	(6)	(1,578)
Balance as at 31 March 2022	1,392	20,511	329	234	480	36	22,981
Additions	-	88	6	4	6	-	104
Deletions*	(42)	(1,832)	(19)	(50)	(93)	(13)	(2,049)
Balance as at 30 November 2022	1,350	18,767	316	188	393	23	21,036
<b>Depreciation</b>							
Balance as at 1 April 2021	418	7,828	80	157	317	23	8,823
For the year	217	2,960	35	20	84	7	3,323
Deletions	-	(53)	-	(11)	-	(6)	(70)
Balance as at 31 March 2022	635	10,735	115	166	401	24	12,076
For the year	85	1,692	23	8	24	2	1,834
Deletions	(38)	(1,209)	(11)	(47)	(77)	(7)	(1,389)
Balance as at 30 November 2022	682	11,218	127	127	348	19	12,521
<b>Net block as at 31 March 2021</b>	933	13,584	230	62	151	19	14,978
<b>Net block as at 31 March 2022</b>	757	9,776	214	68	79	12	10,905
<b>Net block as at 31 November 2022</b>	668	7,549	189	61	45	4	8,515

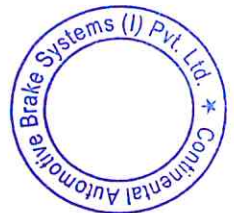
\* It includes Capital Subsidy received during the year of Rs. 1,495 Lakhs.

b) Capital work-in-progress

Particulars	As at 30 November 2022	As at 1 April 2022	As at 1 April 2021
<b>Capital work-in-progress</b>			
Balance as at 31 March 2021	1,043		
Additions	246		
Capitalization	(758)		
Balance as at 31 March 2022	531	531	1,043
Additions	770		
Capitalization	(104)		
Balance as at 30 November 2022	1,197	531	1,043

Movement in Capital Work-in-Progress

Balance as at 31 March 2021	1,043
Additions	246
Capitalization	(758)
Balance as at 31 March 2022	531
Additions	770
Capitalization	(104)
Balance as at 30 November 2022	1,197



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## Continental Automotive Brake Systems (I) Private Limited

Notes forming part of the financial statements for the year ended 30 November 2022

(All amounts in Rupees Lakhs, unless otherwise stated)

## 2 INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

## a) Intangible assets

Particulars	Software	Total
<b>Gross block</b>		
Balance as at 1 April 2021	72	72
Additions	37	37
Deletions	-	-
<b>Balance as at 31 March 2022</b>	<b>109</b>	<b>109</b>
Additions	-	-
Deletions	35	35
<b>Balance as at 30 November 2022</b>	<b>74</b>	<b>74</b>
<b>Amortisation</b>		
Balance as at 1 April 2021	33	33
For the year	21	21
Deletions	-	-
<b>Balance as at 31 March 2022</b>	<b>54</b>	<b>54</b>
For the year	(13)	(13)
Deletions	11	11
<b>Balance as at 30 November 2022</b>	<b>52</b>	<b>52</b>
<b>Net block as at 31 March 2021</b>	<b>39</b>	<b>39</b>
<b>Net block as at 31 March 2022</b>	<b>55</b>	<b>55</b>
<b>Net block as at 31 November 2022</b>	<b>22</b>	<b>22</b>

## b) Intangible asset under development

Balance as at 1 April 2021	15
Additions	-
Capitalization	(15)
<b>Balance as at 31 March 2022</b>	<b>-</b>
Additions	-
Capitalization	-
<b>Balance as at 30 November 2022</b>	<b>-</b>



## Continental Automotive Brake Systems (I) Private Limited

Notes forming part of the financial statements for the year ended 30 November 2022

(All amounts in Rupees Lakhs, unless otherwise stated)

## 3 FINANCIAL ASSETS

(unsecured and considered good, unless otherwise stated)

	As at 30 November 2022	As at 31 March 2022
<b>Loans</b>		
<b>Other financial assets</b>		
<b>Non-current</b>		
Balance with Bank		
- Fixed Deposit for Margin Money	41	41
- Security Deposits	163	163
	<b>204</b>	<b>204</b>

## 4 INCOME TAX ASSETS

	As at 30 November 2022	As at 31 March 2022
Advance Income tax	317	218
	<b>317</b>	<b>218</b>

## 5 OTHER ASSETS

(unsecured and considered good, unless otherwise stated)

	As at 30 November 2022	As at 31 March 2022
<b>Non-Current</b>		
Capital Advances	43	63
Balance with government authorities		
- Custom duty paid under protest	317	317
- Edu. Cess Paid under protest	20	20
- SVB recoverable	16	16
- Goods and Services tax input credit receivable		
Considered good	3,449	634
Considered doubtful	60	60
Less: Provision for doubtful advances	(60)	(60)
Tools in process	0	-
	<b>3,845</b>	<b>1,050</b>
<b>Current</b>		
Advance to suppliers		
Considered good	421	194
Considered doubtful	50	50
Less: Provision for doubtful advances	(50)	(50)
	<b>421</b>	<b>194</b>
Advance to Employees	1	2
Balance with government authorities		
- Balance with custom authorities	624	624
Prepaid expenses	13	109
Export incentive receivable	30	30
Tools in process	-	80
	<b>1,089</b>	<b>1,039</b>



## Continental Automotive Brake Systems (I) Private Limited

Notes forming part of the financial statements for the year ended 30 November 2022

(All amounts in Rupees Lakhs, unless otherwise stated)

## 6 INVENTORIES

(VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

	As at 30 November 2022	As at 31 March 2022
Raw material *	8,272	10,006
Work-in-progress	186	208
Finished goods *	1,677	1,726
Stock-in-trade *	52	52
	<b>10,187</b>	<b>11,992</b>
<b>* Goods-in-transit included above:</b>		
Raw material	-	4,163
Finished goods (pertains to sales goods-in transit)	-	521
Stock-in-trade	0	0
	<b>0</b>	<b>4,683</b>

## 7 TRADE RECEIVABLES

	As at 30 November 2022	As at 31 March 2022
Receivable considered good - Unsecured	19,386	11,247
	<b>19,386</b>	<b>11,247</b>

## 8 CASH AND CASH EQUIVALENTS

	As at 30 November 2022	As at 31 March 2022
Cash on hand*	-	-
Balances with banks		
- In current accounts	22,833	13,299
	<b>22,833</b>	<b>13,299</b>

\* Amount below rounding off norm adopted by the Company.



**Continental Automotive Brake Systems (I) Private Limited**  
**Notes forming part of the financial statements for the year ended 30 November 2022**  
**(All amounts in Rupees Lakhs, unless otherwise stated)**

**9 SHARE CAPITAL**

	As at 30 September 2022	As at 31 March 2022
<b>Authorised share capital:</b>		
662,250,000 (as at 31 March 2022: 662,250,000) equity shares of Rs. 10 each	66,225	66,225
	<u>66,225</u>	<u>66,225</u>
<b>Issued, subscribed and paid-up</b>		
632,118,770 (as at 31 March 2022: 632,118,770) equity shares of Rs. 10 each	63,212	63,212
	<u>63,212</u>	<u>63,212</u>
<b>Reconciliation of equity share capital</b>		
	<b>Number of shares</b>	<b>Number of shares</b>
<b>Balance as at 1 April 2021</b>	632,118,770	632,118,770
Issued during the year	-	-
<b>Balance as at 31 March 2022</b>	632,118,770	632,118,770
Issued during the year	-	-
<b>Balance as at 30 November 2022</b>	<u>632,118,770</u>	<u>632,118,770</u>

**Terms/ rights attached to equity shares :**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holder of equity shares will be entitled to receive the residual assets of the Company remaining after distribution of all preferential amounts, if any, in proportion to the number of equity shares held.

**Details of shares held by holding/ ultimate holding company:**

	<b>Number of equity shares</b>
<b>As at 30 November 2022</b>	
Continental Automotive Holding Netherlands B.V., the holding company	632,118,769
CAH Holding B.V., The Netherlands	1
<b>As at 31 March 2022</b>	
Continental Automotive Holding Netherlands B.V., the holding company	632,118,769
CAH Holding B.V., The Netherlands	1
<b>As at 1 April 2021</b>	
Continental Automotive Holding Netherlands B.V., the holding company	632,118,769
Continental AG, Germany, the ultimate holding company	1

**Details of shares held by shareholders holding more than 5% shares of a class of shares:**

Class of shares / Name of shareholder	As at 30 November 2022		As at 31 March 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares of Rs. 10 each fully paid-up held by Continental Automotive Holding Netherlands B.V., the holding company	632,118,769	99.99%	632,118,769	99.99%

**Details of shares held by promoters as on 30 November 2022**

Promoter name	No. of Shares*	% of total shares	% Change during the year
Continental Automotive Holding Netherlands B.V.	632,118,769	99.99%	-
	632,118,769	99.99%	-

\* There is no change in promoters from last year

**10 OTHER EQUITY**

**Retained earnings**

Balance at the beginning of the year  
Add: Profit/(loss) for the year  
Add: Transferred from other comprehensive income

	As at 30 November 2022	As at 31 March 2022
	(34,072)	(28,609)
	4,540	(5,573)
	117	110
	<u>(29,415)</u>	<u>(34,072)</u>



*[Handwritten signatures in red and blue ink]*

**Continental Automotive Brake Systems (I) Private Limited**
**Notes forming part of the financial statements for the year ended 30 November 2022**
**(All amounts in Rupees Lakhs, unless otherwise stated)**
**11 PROVISIONS**

	As at 30 November 2022	As at 31 March 2022
<b>Non-Current</b>		
Provision for employee benefits		
Gratuity	386	369
Compensated absences	123	111
Long term service award	8	8
Other Provisions		
Provision for decommissioning cost	82	76
	<b>600</b>	<b>564</b>
<b>Current</b>		
Provision for employee benefits		
Gratuity	6	5
Compensated absences	5	4
Long term service award	7	7
Other Provisions		
Provision for warranties	69	32
	<b>86</b>	<b>48</b>

**11.1 Details of movement in provision for decommissioning cost**

	As at 30 November 2022	As at 31 March 2022
At the commencement of the year	76	70
Provision made during the year	6	6
Provision reversed during the year	-	-
Amount utilized during the year	-	-
At the end of the year	<b>82</b>	<b>76</b>

**11.2 Details of movement in provision for warranties**

	As at 30 November 2022	As at 31 March 2022
At the commencement of the year	32	24
Provision made during the year	51	28
Amount utilized during the year	(20)	(20)
At the end of the year	<b>63</b>	<b>32</b>

**12 TRADE PAYABLES**

	As at 30 November 2022	As at 31 March 2022
Total outstanding due of micro enterprises and small enterprises below for details of dues to micro and small enterprises}	309	395
Total outstanding due of creditors other than micro enterprises and small enterprises	26,076	17,413
	<b>26,385</b>	<b>17,808</b>




**Continental Automotive Brake Systems (I) Private Limited****Notes forming part of the financial statements for the year ended 30 November 2022****(All amounts in Rupees Lakhs, unless otherwise stated)****13 OTHER CURRENT FINANCIAL LIABILITIES**

	As at 30 November 2022	As at 31 March 2022
Creditors for property, plant and equipment		
Total outstanding due of micro enterprises and small enterprises below for details of dues to micro and small enterprises}	-	44
Total outstanding due of creditors other than micro enterprises and small enterprises	-	4
Employee payables	453	252
	<u>453</u>	<u>300</u>

**14 OTHER LIABILITIES**

	As at 30 November 2022	As at 31 March 2022
<b>Current</b>		
Advances received from customers	83	875
Customs duty payable	-	-
Provident fund and ESI payable	15	16
TDS payable	82	212
Goods & Services tax payable	3,383	386
Provisions for expense	2,204	597
	<u>5,767</u>	<u>2,086</u>





**Continental Automotive Brake Systems (I) Private Limited**  
**Notes forming part of the financial statements for the year ended 30 November 2022**  
**(All amounts in Rupees Lakhs, unless otherwise stated)**

**15 REVENUE FROM OPERATIONS**

	Period ended 30 November 2022	Year ended 31 March 2022
<b>Sale of products</b>		
Finished goods	57,742	67,209
Traded goods	565	565
<b>Total Sale of products (A)</b>	<b>58,307</b>	<b>67,774</b>
<b>Sale of services (B)</b>		
Engineering Service-R&D	-	353
Engineering Service-other	172	898
<b>Total Sale of services (B)</b>	<b>172</b>	<b>1,251</b>
<b>Other operating revenues</b>		
Scrap sales	26	49
Sale of tools	-	410
<b>Total other operating revenues (C)</b>	<b>26</b>	<b>459</b>
<b>Total Revenue from operations (A+B+C)</b>	<b>58,505</b>	<b>69,484</b>

**16 OTHER INCOME**

	Period ended 30 November 2022	Year ended 31 March 2022
<b>Interest income</b>		
on bank deposits	76	143
others	-	-
	76	143
<b>Export incentives</b>		139
<b>Foreign exchange fluctuation gain (net)</b>	55	513
<b>Miscellaneous income</b>	2,081	66
	<b>2,212</b>	<b>861</b>

**17.1 COST OF RAW MATERIALS CONSUMED**

	Period ended 30 November 2022	Year ended 31 March 2022
Inventory of raw materials at the beginning of the year	10,006	9,834
Add: Purchases of raw materials	41,980	53,745
	51,986	63,579
Less: Inventory of raw materials at the end of the year	8,272	10,006
<b>Cost of raw materials consumed</b>	<b>43,714</b>	<b>53,573</b>

**17.2 PURCHASES OF STOCK IN TRADE**

	Period ended 30 November 2022	Year ended 31 March 2022
Purchase of Stock in Trade	529	529
	<b>529</b>	<b>529</b>



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**Continental Automotive Brake Systems (I) Private Limited**  
**Notes forming part of the financial statements for the year ended 30 November 2022**  
**(All amounts in Rupees Lakhs, unless otherwise stated)**

**17.3 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

	<b>Period ended 30 November 2022</b>	<b>Year ended 31 March 2022</b>
<b>Inventories at the end of the year:</b>		
Finished goods	1,677	1,726
Work-in-progress	186	208
Stock-in-trade	52	52
	<b>1,915</b>	<b>1,986</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	1,726	1,524
Work-in-progress	208	379
Stock-in-trade	52	102
	<b>1,986</b>	<b>2,005</b>
<b>Net (increase) / decrease</b>		
Finished goods	49	(202)
Work-in-progress	22	171
Stock-in-trade	-	50
	<b>71</b>	<b>19</b>

**18 EMPLOYEE BENEFIT EXPENSES**

	<b>Period ended 30 November 2022</b>	<b>Year ended 31 March 2022</b>
Salaries, wages and bonus	1,487	2,291
Contribution to provident and other funds	60	107
Gratuity	50	78
Compensated absences	19	27
Staff welfare expense	112	179
	<b>1,728</b>	<b>2,682</b>

**19 FINANCE COST**

	<b>Period ended 30 November 2022</b>	<b>Year ended 31 March 2022</b>
Interest expense on lease liabilities	137	231
Interest expense on MSME	5	5
Interest expense - Others	6	6
	<b>148</b>	<b>242</b>

**20 DEPRECIATION AND AMORTISATION EXPENSES**

	<b>Period ended 30 November 2022</b>	<b>Year ended 31 March 2022</b>
Depreciation of property, plant and equipment	1,792	3,323
Amortisation of right of use assets	181	276
Amortisation of intangible assets	13	21
	<b>1,986</b>	<b>3,620</b>



**Continental Automotive Brake Systems (I) Private Limited****Notes forming part of the financial statements for the year ended 30 November 2022****(All amounts in Rupees Lakhs, unless otherwise stated)****21 OTHER EXPENSES**

	Period ended 30 November 2022	Year ended 31 March 2022
Consumption of stores and spares	157	223
Power and fuel	289	444
Contractual manpower	502	737
Repairs and maintenance		
- Plant and machinery	185	234
- Others	139	117
Rates and taxes	3	71
Insurance	89	105
Travelling and conveyance	115	86
Freight and forwarding	195	258
Selling and distribution	2	6
Other Business Obligations	-	2,792
Office expenses	4	4
Research and development	5	13
Communication	11	22
Legal and professional	31	62
Audit fees *	18	18
Warranty	51	28
Corporate overheads and Royalty	6,169	9,919
Bank charges	6	21
Printing and stationery	7	7
Loss on sale of property, plant and equipment (net)	14	12
Miscellaneous expenses	9	74
	<b>8,001</b>	<b>15,253</b>
<b>*Audit fees (excluding applicable taxes)</b>		
As auditor		
- Statutory audit	16	16
- Other certification fees	1	1
- Outlays	1	1
	<b>18</b>	<b>18</b>



## Continental Lighting India Private Limited

## Unaudited Balance sheet as at November 30, 2022

(All amounts in Indian Rupees in Thousands, except as otherwise stated)

		Provisional	
		As at	As at
	Notes	Nov 30, 2022	March 31, 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	80,400	80,400
Reserves and surplus	4	1,18,492	98,983
		<b>1,98,892</b>	<b>1,79,383</b>
<b>Non-current liabilities</b>			
Long-term provisions	5	9,815	9,086
		<b>9,815</b>	<b>9,086</b>
<b>Current liabilities</b>			
Trade payables	6	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		16,471	3,127
Other current liabilities	7	20,611	64,554
Short-term provisions	5	5,021	6,665
		<b>42,103</b>	<b>74,345</b>
		<b>2,50,810</b>	<b>2,62,814</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	18,042	21,223
Intangible assets	9	5,795	15,292
Deferred tax assets	10	10,789	10,789
Long-term loans and advances	11	-	-
		<b>34,626</b>	<b>47,304</b>
<b>Current assets</b>			
Trade receivables	12	12,180	21,536
Cash and cash equivalents	13	1,87,656	1,85,883
Short-term loan and advances	11	16,348	8,091
Other current assets	14	-	-
		<b>2,16,184</b>	<b>2,15,510</b>
		<b>2,50,810</b>	<b>2,62,814</b>

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

## For ANKH &amp; Associates

Chartered Accountants

ICAI Firm registration number: 015330S


K. M. Narasimha Murthy  
Partner

Membership number: 205382

For and on Behalf of the Board of Directors of  
Continental Lighting India Private Limited

Vidyasagar Sriperumbudur  
Managing Director  
DIN: 08240576

Vinayak Shridhar Bhat  
Company Secretary  
Membership number: A53560

Place: Bengaluru

Date: 13.12.2022



## Continental Lighting India Private Limited

## Unaudited Statement of Profit and Loss for the year ended November 30, 2022

(All amounts in Indian Rupees in Thousands, except as otherwise stated)



	Notes	Provisional For the year ended November 30, 2022	For the year ended March 31, 2022
<b>INCOME</b>			
Revenue from operations			
Income from research and development services		1,99,856	3,20,158
Other income	15	-	2,628
		<u>1,99,856</u>	<u>3,22,786</u>
<b>EXPENSES</b>			
Employee benefits expense	16	93,818	1,30,905
Depreciation and amortisation expense	17	16,547	31,390
Other expenses	18	63,422	1,16,104
		<u>1,73,787</u>	<u>2,78,399</u>
<b>Profit before tax</b>		26,069	44,387
<b>Tax expense</b>			
Current tax		6,561	20,118
Deferred tax (credit)		-	(3,664)
		<u>6,561</u>	<u>16,454</u>
<b>Net profit</b>		<u>19,508</u>	<u>27,933</u>
<b>Earnings per equity share [nominal value of share Rs. 10 each (March 31, 2022 - Rs. 10 each)]</b>			
Basic (Rs.)		2.43	3.47
<b>Weighted average number of shares used in computing above</b>			
Basic (Nos.)		80,40,000	80,40,000

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

## For ANKH &amp; Associates

Chartered Accountants


ICAI Firm registration number: 015330S

K M Narasimha Murthy  
Partner  
Membership number: 205382

For and on Behalf of the Board of Directors of  
Continental Lighting India Private Limited


Vidyasagar Sriperumbudur  
Managing Director  
DIN: 08240576



Vinayak Shridhar Bhat  
Company Secretary  
Membership number: A53560

Place: Bengaluru  
Date: 13.12.2022



## Continental Lighting India Private Limited

Unaudited Cash flow statement for the year ended November 30, 2022  
(All amounts in Indian Rupees in Thousands, except as otherwise stated)

Notes	For the year ended Nov 30, 2022	For the year ended March 31, 2022
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	26,069	44,387
Adjustments :		
Depreciation and amortisation expense	16,547	31,390
Profit on sale of property, plant and equipment and intangible assets	-	(2,628)
Interest on borrowings	-	-
<b>Operating profit before working capital changes</b>	<b>42,616</b>	<b>73,150</b>
Movement in working capital:		
Increase in Trade payables and Other current liabilities	(30,598)	31,726
Increase in Provisions	2,363	1,946
Decrease in Trade receivables	9,355	4,039
Decrease/(Increase) in Loans and advances	(8,255)	11,032
Decrease in Other current assets	-	224
	<b>(27,135)</b>	<b>48,967</b>
<b>Cash generated from operations</b>	<b>15,481</b>	<b>1,22,117</b>
Direct taxes paid (net of refund)	(9,839)	(15,920)
<b>Net cash generated from operating activities</b>	<b>5,642</b>	<b>1,06,197</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	(3,870)	(6,975)
Proceeds from sale of property, plant and equipment and intangible assets	-	16,568
<b>Net cash generated from/(used in) investing activities</b>	<b>(3,870)</b>	<b>9,593</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid on borrowings	-	-
<b>Net cash flow (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>1,773</b>	<b>1,15,790</b>
Cash and cash equivalents at the beginning of the year	1,85,883	70,093
<b>Cash and cash equivalents at the end of the year</b>	<b>1,87,656</b>	<b>1,85,883</b>
<b>Components of cash and cash equivalents</b>		
Balance with scheduled bank on current account	1,87,656	1,85,883
<b>Total cash and cash equivalents</b>	<b>1,87,656</b>	<b>1,85,883</b>

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

For ANKH & Associates

Chartered Accountants

ICAI Firm registration number: 0153308

K M Narasimha Murthy

Partner

Membership number: 205382



For and on Behalf of the Board of Directors of  
Continental Lighting India Private Limited

S. Vidhyasagar

Vidhyasagar Srimurugan

Managing Director

DIN: 08240576

Vinayak Shridhar Bhat

Company Secretary

Membership number: A53560

Place: Bengaluru

Date: 13.12.2022



## Continental Lighting India Private Limited

Notes to financial statements for the year ended November 30, 2022  
(All amounts in Indian Rupees in Thousands, except as otherwise stated)

	As at Nov 30, 2022	As at March 31, 2022
<b>3. Share capital</b>		
<b>Authorised shares</b>		
8,040,000 (March 31, 2022 - 8,040,000) equity shares of Rs. 10 each	80,400	80,400
	<u>80,400</u>	<u>80,400</u>
<b>Issued, subscribed and fully paid-up shares</b>		
8,040,000 (March 31, 2022 - 8,040,000) equity shares of Rs. 10 each	80,400	80,400
	<u>80,400</u>	<u>80,400</u>

## (a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

	November 30, 2022		March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	80,40,000	80,400	80,40,000	80,400
Changes during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>80,40,000</b>	<b>80,400</b>	<b>80,40,000</b>	<b>80,400</b>

## (b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

## (c) Details of shareholders in the Company

Name of the shareholder	November 30, 2022		March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of Rs. 10 each, fully paid-up</b>				
Continental Automotive Holding Netherlands B.V., the Holding Company	79,59,600	99%	79,59,600.00	99%
CAH Holding B.V., Netherlands	80,400	1%	80,400.00	1%
	<u>80,40,000</u>	<u>100%</u>	<u>80,40,000</u>	<u>100%</u>

## (d) Details of shares held by promoters - equity shares of Rs. 10 each, fully paid-up

Promoter name	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total shares	% change during the year
<b>November 30, 2022</b>					
Continental Automotive Holding Netherlands B.V., Netherlands, the Holding Company	79,59,600		79,59,600	100%	-
CAH Holding B.V., Netherlands	80,400		-	0%	-
	<u>80,40,000</u>	<u>-</u>	<u>79,59,600</u>	<u>100%</u>	<u>-</u>
<b>March 31, 2022</b>					
Continental Automotive Holding Netherlands B.V., Netherlands, the Holding Company	79,59,600	-	79,59,600	99%	-
CAH Holding B.V., Netherlands	80,400	-	80,400	1%	-
	<u>80,40,000</u>	<u>-</u>	<u>80,40,000</u>	<u>100%</u>	<u>-</u>

As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownership of shares.



*Sridharan*



## Continental Lighting India Private Limited

Notes to financial statements for the year ended November 30, 2022  
(All amounts in Indian Rupees in Thousands, except as otherwise stated)

## 4. Reserves and surplus

## Surplus in the statement of profit and loss

Balance as per last financial statements  
Add: Profit for the year  
Net surplus in the statement of profit and loss

As at Nov 30, 2022	As at March 31, 2022
98,983	71,050
19,508	27,933
<u>1,18,491</u>	<u>98,983</u>

## 5. Provisions

## Provision for employee benefits

Gratuity  
Compensated absences  
Provision for income tax (net)

Long-term		Short-term	
Nov 30, 2022	March 31, 2022	Nov 30, 2022	March 31, 2022
9,815	9,086	1,079	604
-	-	3,147	1,988
-	-	795	4,073
<u>9,815</u>	<u>9,086</u>	<u>5,021</u>	<u>6,665</u>

## 6. Trade payables

Total outstanding dues of micro enterprises and small enterprises\*

Total outstanding dues of creditors other than micro enterprises and small enterprises\*\*

As at Nov 30, 2022	As at March 31, 2022
-	-
16,471	3,127
<u>16,471</u>	<u>3,127</u>

\*Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2022 and March 31, 2021.

\*\*Includes dues to related parties (Refer Note 20)

## (a) Trade payables ageing schedule

	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>November 30, 2022</b>						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	16,471	-	-	-	16,471
<b>Total</b>	-	<b>16,471</b>	-	-	-	<b>16,471</b>
<b>March 31, 2022</b>						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	3,127	-	-	-	3,127
<b>Total</b>	-	<b>3,127</b>	-	-	-	<b>3,127</b>

## 7. Other current liabilities

Unearned revenue (Refer Note 20)  
Other misc. accruals for operating exp  
Salaries and bonus payable  
Statutory dues payable

As at Nov 30, 2022	As at March 31, 2022
-	45,028
3,519	3,798
12,883	10,779
4,209	4,949
<u>20,611</u>	<u>64,554</u>



## Continental Lighting India Private Limited

Notes to financial statements for the year ended November 30, 2022  
(All amounts in Indian Rupees in Thousands, except as otherwise stated)

## 8. Property, plant and equipment

	Leasehold improvement	Plant and equipment	Computer	Office equipment	Total
<b>Cost</b>					
At April 1, 2021	1,755	65,140	5,752	5,016	77,663
Additions	-	2,206	145	-	2,351
Disposals	(1,755)	(10,418)	(922)	(80)	(13,175)
At March 31, 2022	-	56,928	4,975	4,936	66,839
Additions	-	3,870	-	-	3,870
Disposals	-	-	-	-	-
At November 30, 2022	-	60,798	4,975	4,936	70,709
<b>Depreciation</b>					
At April 1, 2021	1,755	27,721	3,460	4,768	37,704
Charge for the year	-	10,308	1,584	159	12,051
	(1,755)	(1,670)	(632)	(80)	(4,137)
At March 31, 2022	-	36,359	4,412	4,847	45,618
Charge for the year	-	6,625	335	90	7,050
Disposals	-	-	-	-	-
At November 30, 2022	-	42,984	4,747	4,937	52,668
<b>Net block</b>					
At March 31, 2022	-	20,569	563	89	21,221
At November 30, 2022	-	17,814	228	-	18,041

## 9. Intangible assets

	Software	Goodwill	Total
<b>Cost</b>			
At April 1, 2021	39,594	30,441	70,035
Additions	4,624	-	4,624
Disposals	(5,386)	-	(5,386)
At March 31, 2022	38,832	30,441	69,273
Additions	-	-	-
Disposals	-	-	-
At November 30, 2022	38,832	30,441	69,273
<b>Amortisation</b>			
At April 1, 2021	20,414	14,713	35,127
Charge for the year	13,251	6,088	19,339
Disposals	(484)	-	(484)
At March 31, 2022	33,181	20,801	53,982
Charge for the year	5,426	4,070	9,496
Disposals	-	-	-
At November 30, 2022	38,607	24,871	63,478
<b>Net block</b>			
At March 31, 2022	5,651	9,640	15,291
At November 30, 2022	225	5,570	5,795

## 10. Deferred tax assets

Differences in depreciation in block of property, plant and equipment and intangible assets as per tax books and financial books  
Expenditure debited to the statement of profit and loss in the current year but allowable for tax purposes in following years

As at Nov 30, 2022	As at March 31, 2022
7,304	12,577
3,485	4,203
10,789	16,780



S. Vidhyasagar



## Continental Lighting India Private Limited

Notes to financial statements for the year ended November 30, 2022  
(All amounts in Indian Rupees in Thousands, except as otherwise stated)

**11. Loans and advances**

(Unsecured, considered good)

Advance income tax (net of provision for taxation)  
Prepaid expenses  
Advance to suppliers  
GST input credit receivable

Long-term		Short-term	
Nov 30, 2022	March 31, 2022	Nov 30, 2022	March 31, 2022
-	-	-	-
-	-	253	2,823
-	-	2,804	151
-	-	13,289	5,117
-	-	<u>16,346</u>	<u>8,091</u>

**12. Trade receivables\***

(Unsecured, considered good)

Trade receivables

Outstanding for a period exceeding six months from the date they are due for payment  
Other receivables

As at  
Nov 31, 2022      March 31, 2022

-	-
<u>12,180</u>	<u>21,536</u>
<u>12,180</u>	<u>21,536</u>

\*Receivable from related parties (Refer Note 20)

**(a) Trade receivables ageing schedule**

Particulars	Outstanding for following periods from due date of payment					Total
	Current but not due	Less than 6 months	6 months-1 year	1-2 years	More than 2 years	
<b>November 30, 2022</b>						
Trade receivables - considered good	-	12,180	-	-	-	12,180
Trade receivables - considered doubtful	-	-	-	-	-	-
<b>Total</b>	-	<b>12,180</b>	-	-	-	<b>12,180</b>
<b>March 31, 2022</b>						
Trade receivables - considered good	-	21,536	-	-	-	21,536
Trade receivables - considered doubtful	-	-	-	-	-	-
<b>Total</b>	-	<b>21,536</b>	-	-	-	<b>21,536</b>

**13. Cash and cash equivalents**

Balance with scheduled bank on current account

As at <u>Nov 30, 2022</u>	As at <u>March 31, 2022</u>
<u>1,87,656</u>	<u>1,85,883</u>
<u>1,87,656</u>	<u>1,85,883</u>

**14. Other current assets\*\***

(Unsecured, considered good)

Unbilled revenue

\*\*From related parties (Refer Note 20)

-	-
<u>-</u>	<u>-</u>



## Continental Lighting India Private Limited

Notes to financial statements for the year ended November 30, 2022  
(All amounts in Indian Rupees in Thousands, except as otherwise stated)

	For the year ended Nov 30, 2022	For the year ended March 31, 2022
<b>15. Other income</b>		
Profit on sale of property, plant and equipment and intangible assets	-	2,628
	<u>-</u>	<u>2,628</u>
<b>16. Employee benefits expense</b>		
Salaries, allowances and bonus	86,866	1,20,546
Contribution to provident fund and other funds	4,763	6,421
Gratuity expense	1,939	3,569
Staff welfare expenses	250	369
	<u>93,818</u>	<u>1,30,905</u>
<b>17. Depreciation and amortisation expense</b>		
Property, plant and equipment	7,050	12,051
Intangible assets	9,496	19,339
	<u>16,546</u>	<u>31,390</u>
<b>18. Other expenses</b>		
Consumables	650	966
Rent	13,431	18,727
Electricity charges	2,736	2,280
Rates and taxes	225	318
Insurance	2,227	4,144
Repairs and maintenance		
Building	2,843	4,367
Plant and machinery	3,927	4,506
Others	9,963	9,216
IT support service charges (Refer Note 20)	9,560	42,838
Custom duty and handling charges on consumables	1,462	700
Travelling and conveyance	1,423	2,018
Communication expenses	323	3,569
Contract processing charges	9,801	12,655
Legal and professional fees	2,304	4,010
Foreign exchange loss, net	1,809	4,590
Miscellaneous expenses	738	1,200
	<u>63,422</u>	<u>1,16,104</u>
<b>Payment to auditor (included under legal and professional fees)*</b>		
Statutory audit fee	333	1,525
Tax audit fee	67	150
	<u>400</u>	<u>1,675</u>

\*Excluding taxes and reimbursement of expenses.




**Continental Automotive Components (India) Private Limited**  
**Balance Sheet**

		(INR in millions)	
As at	Note	30 Nov 2022	31 March 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	13,780.97	5,590.71
Right-of-use assets	4.1	215.73	8,044.33
Capital work in progress		3,853.04	2,249.11
Intangible assets	5	32.95	58.00
<b>Financial assets</b>			
Loans	6	500.00	500.00
Other financial assets	7	51.58	86.49
Other non-current assets	8	68.05	66.13
Deferred tax assets (net)	27	719.07	578.27
Income tax assets (net)	27	293.54	298.83
<b>Total non-current assets</b>		<b>19,514.93</b>	<b>17,471.87</b>
<b>Current assets</b>			
Inventories	9	2,234.99	1,790.84
<b>Financial assets</b>			
Trade receivables	10	5,587.08	5,381.07
Cash and cash equivalents	11	3,093.81	2,675.23
Other financial assets	7	624.58	966.76
Other current assets	8	704.29	553.39
<b>Total current assets</b>		<b>12,244.75</b>	<b>11,367.29</b>
<b>Total assets</b>		<b>31,759.68</b>	<b>28,839.16</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	12.1	9,413.21	6,978.41
Other equity	12.2	7,567.44	3,210.42
<b>Total equity</b>		<b>16,980.65</b>	<b>10,188.83</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities		133.52	151.00
Other financial liabilities	13	179.56	170.37
Provisions	15	544.09	623.01
<b>Total non-current liabilities</b>		<b>857.17</b>	<b>944.38</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	4,033.98	1,387.30
Lease liabilities		96.51	7,900.08
Trade payables			
Total outstanding dues to micro and small enterprises	17	63.71	47.34
Total outstanding dues to creditors other than micro and small enterprises	17	3,692.25	2,635.81
Other financial liabilities	13	2,102.84	2,278.26
Other current liabilities	14	256.24	261.07
Provisions	15	220.51	96.17
Income tax liabilities (net)	27	3,455.82	3,099.92
<b>Total current liabilities</b>		<b>13,921.86</b>	<b>17,705.95</b>
<b>Total liabilities</b>		<b>14,779.03</b>	<b>18,650.33</b>
<b>Total equity and liabilities</b>		<b>31,759.68</b>	<b>28,839.16</b>

for and on behalf of the Board of Directors of  
**Continental Automotive Components (India) Private Limited**

  
**Prashanth Doreswamy**  
 Managing Director & CEO  
 DIN: 06962488

  
**Valerio Fernandes**  
 Head of Finance, Controlling, IT & Law

  
**G. Srinivasiah**  
 Company Secretary  
 Membership No.: A14176

Bengaluru  
 Date: 13 December 2022



**Continental Automotive Components (India) Private Limited**  
**Statement of profit and loss**

		(INR in millions)	
For the year ended	Note	30 Nov 2022	31 March 2022
Revenue from operations	18	20,848.66	24,784.58
Other income	19	136.34	484.07
<b>Total income</b>		<b>20,985.00</b>	<b>25,268.65</b>
<b>Expenses</b>			
Cost of material consumed	20	6,575.19	8,087.28
Purchase of stock in trade	21	497.71	458.43
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(110.09)	33.64
Employee benefits expense	23	6,647.72	7,364.78
Finance costs	24	429.28	859.82
Depreciation and amortisation expenses	25	1,563.17	2,106.42
Other expenses	26	4,345.96	4,819.73
<b>Total expenses</b>		<b>19,948.94</b>	<b>23,730.10</b>
<b>Profit before income tax</b>		<b>1,036.06</b>	<b>1,538.55</b>
Tax expense:	27		
Current tax			
for the year		515.80	541.82
relating to earlier years		(43.76)	1.09
Deferred tax credit		(140.80)	(54.45)
<b>Total Tax expense</b>		<b>331.24</b>	<b>488.46</b>
<b>Profit for the year</b>		<b>704.82</b>	<b>1,050.09</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement (gains)/ losses on defined benefit liability/ asset		-	110.78
Income tax relating to items that will not be reclassified to profit or loss	27	-	26.02
<b>Other comprehensive loss /(income), net of tax</b>		<b>-</b>	<b>136.80</b>
<b>Total comprehensive income for the year</b>		<b>704.82</b>	<b>913.29</b>
<b>Earnings per share (Nominal value INR 10 each):</b>	28		
Basic and diluted		0.95	1.50
Weighted average numbers of equity shares used in computing earnings per share			
Basic and diluted		738,753,873	697,841,250

for and on behalf of the Board of Directors of  
**Continental Automotive Components (India) Private Limited**



**Prashanth Doreswamy**  
 Managing Director & CEO  
 DIN: 06962488



**Valerio Fernandes**  
 Head of Finance, Controlling, IT & Law



**G. Srinivasaiah**  
 Company Secretary  
 Membership No.: A14176

Bengaluru  
 Date: 13 December 2022



Continental Automotive Components (India) Private Limited  
Statement of changes in equity


Equity share capital

Particulars	(INR in millions)			
	Equity share capital	Other equity		Total equity attributable to equity holders of the Company
		Reserves and surplus		
		Securities premium	Retained earnings (includes other comprehensive income)	Capital reserve
Balance as at 1 April 2021	6,978.41	4,917.69	(3,985.12)	1,364.56
Changes in equity for the year ended 31 March 2022				
Other comprehensive income, net of tax effect	-	-	(136.80)	-
Profit for the year	-	-	1,050.09	-
Balance as at 31 March 2022	6,978.41	4,917.69	(3,071.83)	1,364.56
Balance as at 1 April 2022	6,978.41	4,917.69	(3,071.83)	1,364.56
Changes in equity for the period ended 30 Nov 2022				
Addition in equity	2,434.80	-	704.82	-
Profit for the year	-	-	-	-
Balance as at 30 Nov 2022	9,413.21	4,917.69	(2,367.01)	1,364.56

for and on behalf of the Board of Directors of  
Continental Automotive Components (India) Private Limited

  
Prashanth Doreswamy  
Managing Director & CEO  
DIN: 06962488

  
Valerio Fernandes  
Head of Finance, Controlling, IT & Law

  
G. Srinivasaiah  
Company Secretary  
Membership No.: A14176

Bengaluru  
Date: 13 December 2022



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 30 Nov 2022**

**1. Reporting entity**

Continental Automotive Components (India) Private Limited (the 'Company') is a company domiciled in India, with its registered office situated at Plot No 53B, Bommasandra Industrial Area, Attibele Hobli, Anekal Taluk, Bangalore 560099. The Company is primarily engaged in the business of manufacturing and trading of instrumentation products, clusters, sensors and other allied components for the automobile industry. The Company is a subsidiary of Continental Automotive GMBH, Germany and its ultimate holding company is Continental AG, Germany.

**2. Basis of preparation**

**A. Statement of compliance**

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 13th December 2022

Details of the Company's significant accounting policies are included in Note 3.

**B. Functional and presentation currency**

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest millions, unless otherwise indicated.

**C. Basis of measurement**

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

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

**D. Use of estimates and judgments**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30th November 2022 is included in the following notes:

- Note 4, 4.1 and 5 - useful life of property, plant and equipment, intangible assets and ROU;
- Note 6, 7, 10 and 11 - impairment of financial assets;
- Note 27 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used.
- Note 29 - measurement of right of use and lease liabilities
- Note 30 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; and
- Note 31 - measurement of defined benefit obligations: key actuarial assumptions;

**E. Measurement of fair values**

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

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

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 32 - financial instruments



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 30 Nov 2022**

**3. Significant accounting policies**

**(a) Property, plant and equipment**

*(i) Recognition and measurement*

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

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

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

The cost of property, plant and equipment not ready for their intended use at the balance sheet date are disclosed as capital work in progress. Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date are disclosed as 'capital advances' under 'other non current assets'.

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

*(ii) Subsequent expenditure*

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

*(iii) Depreciation*

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss.

Leasehold improvements are amortised over the period of lease or the estimated useful life whichever is lower. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

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

Type of asset	Estimated life (SLM)
Building	25 years
Plant and Machinery	5-20 years
Tools & Designs	3 years
Furniture and fixtures	10 years
Vehicles	4 years
Office equipments	5 years
Computers	3-5 years
Leasehold improvement	Duration of the lease

*(iii) Depreciation (continued)*

Depreciation/amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that the estimates of useful lives as given above best represent the period over which management expects to use these assets and are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013 for some assets except buildings, plant and machinery, office equipments, vehicles and tools, jigs and moulds where useful life considered by management is lower than as prescribed in the schedule and computers where useful life considered by management is higher than as prescribed in the schedule.

Depreciation on additions/ disposals is provided on a pro rata basis i.e., from (upto) the date on which asset is ready for use (disposed of).

The Company enters into contracts with customers for supply of products. Towards these, the Company incurs certain designing costs which are integral part of development of the Tools which are used for manufacture of the final products by the Company. Such designing costs are included as part of the cost of Tools and are classified under the Property Plant & Equipment as Tools & Designs, as these meet the definition of asset under Ind AS 16.



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 30 Nov 2022**

**(b) Intangible assets**

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

Expenditure on research activities is recognised in the statement of profit and loss as incurred.

*(i) Amortisation*

Amortisation is calculated to write off the cost of the intangible asset less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

The estimated useful lives are as follows :

- Computer software 3 years

**(c) Inventories**

Inventories are valued at the lower of cost and estimated net realizable value, after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. The costs of raw materials and traded goods, manufactured work-in-progress and finished goods are ascertained on weighted average method.

Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

The provision for inventory obsolescence is ascertained regularly based on estimated usage of the products.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials and other supplies held for use in production of the finished goods are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the related finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed periodically based on the consumption pattern and is provided as necessary. Inventories are disclosed net of provision for inventory obsolescence.

**(d) Leases**

The Company lease asset classes primarily consist of leases for land, buildings and motor vehicles. The Company, at the inception of a contract, assesses whether the contract is a lease or contain a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

At the date of commencement of lease, the Company recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it's a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and would include the exercise price of the purchase option where lessee is reasonably certain to exercise that option and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less accumulated depreciation and impairment losses if any. The ROU asset is depreciated using the straight-line method from the commencement date over the shorter of lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments that are not paid at the commencement date, discounted using the discount rate implicit in the lease, if not determinable, discounted with the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

Assets or liabilities recognised under IND AS 103 (Business Combinations), relating to favourable or unfavourable terms of an operating lease, acquired during business combination, the same is derecognised and appropriate ROU and lease liability is recognised on the date of transition.

ROU and lease liability are separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 30 Nov 2022**

**(e) Revenue**

*(i) Sale of goods (including scrap sales)*

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, discounts, sales incentives, goods & service tax and value added taxes.

Revenue from sale of products is presented in the statement of profit and loss within Revenue from operations. The Company presents revenue net of indirect taxes in its statement of profit and loss. Sale of products comprise revenue from sales of products, net of sales returns, rebates, incentives and customer discounts.

Revenue is recognized when it is probable that future economic benefits will flow to the Company and these benefits can be measured reliably. Further, revenue recognition requires that all significant risks and rewards of ownership of the goods included in the transaction have been transferred to the buyer, and that Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Performance obligations are satisfied at one point in time, typically on delivery. Revenue is recognized when the Company transfers control over the product to the customers; control of a product refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, that asset. The majority of revenue earned by the Company is derived from the satisfaction of a single performance obligation for each contract which is the sale of products.

Revenue is measured at the fair value of consideration received or receivable. Returns and customer discounts, as described above, are recognized in the period in which the underlying sales are recognized.

*(ii) Rendering of services*

Service income is recognised as service is rendered on the basis of an agreed mark-up on costs incurred in accordance with the agreement entered into with the group companies. Revenue in excess of billing is classified as unbilled revenue under "other current financial asset" while billing in excess of revenue is classified as unearned revenue under "other current liabilities"

*(iii) Interest*

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

**(f) Foreign currency transactions and translations**

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the balance sheet date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as FVTOCI are included in other comprehensive income, net of taxes.

**(g) Financial Instruments**

*(i) Recognition and initial measurement*

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

*(ii) Classification and subsequent measurement*

**Financial assets:**

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

*Financial assets carried at amortised cost*

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 30 Nov 2022**

*Financial assets at fair value through other comprehensive income*

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Financial assets at fair value through profit or loss*

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**Financial liabilities:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

*(iii) Derecognition of financial instruments*

*Financial assets:*

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

*Financial liabilities:*

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

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

*(iv) offsetting*

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(h) Impairment**

*(i) Impairment of financial assets*

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit and loss.

*(ii) Impairment of non-financial assets*

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash generating units (CGUs) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 30 Nov 2022**

**Employee benefits**

*(i) Short - term employee benefits*

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

*(ii) Post employment obligations*

The company operates the following post-employment schemes:

- (a) Defined contribution plan such as provident fund and super annuation fund; and
- (b) Defined benefit plan such as gratuity and post employment medical plans

*(a) Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which the related services are rendered by employees.

*Provident fund*

Contribution towards provident fund for certain 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 on a monthly basis.

*Superannuation*

The Company makes contribution to the Superannuation Scheme for certain employees participating in the scheme, a defined contribution scheme, administered by fund manager, based on a specified percentage of eligible employees' salary. The Company's obligation to the scheme is restricted to the contributions to the scheme.

*(b) Defined benefit plans*

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

*Gratuity*

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company has an Employees Gratuity Fund where the investments are administered by a Fund Manager. The Company accounts for the liability of Gratuity Benefits payable in future based on an independent actuarial valuation (using the Projected Unit Credit method). Actuarial losses/ gains are recognised in 'Other Comprehensive Income' in the year in which they arise.

*Post retirement medical benefits*

The post retirement medical benefits (PRMB) scheme is a fixed monetary amount defined benefits plan that provides for a lump sum payment made after retirement when a retiree claims medical benefits.

*(iii) Compensated absences*

The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long term as well as short term employee benefits. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/ gain are recognised in 'Other comprehensive income' in the year in which they arises.



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 30 Nov 2022**

**(j) Income taxes**

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

*i. Current tax*

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

*ii. Deferred tax*

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

**(k) Earnings Per Share**

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit/ loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**(l) Provisions and contingencies**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed. 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. Expected future operating losses are not provided for.

**(i) Warranties**

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on internal technical evaluation and past experiences. The management accrues the estimated cost of warranties at the time when the revenue is recognised.

**(ii) Contingent liability**

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**(ii) Onerous contracts**

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

**(m) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 30 Nov 2022**

**(n) Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to purchase of property, plant and equipment are credited to respective property plant and equipment and recognised in the statement of profit and loss under depreciation over balance useful life of the assets.

**(o) Cash flows statement**

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

**(p) Borrowing costs**

Borrowing costs are interest and other costs incurred by the company in connection with the borrowing of funds. Borrowing costs are accounted as an expense in the period in which they are incurred.

**(q) Segment**

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

**Recent Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

**a) Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements have any significant impact in its financial statements.

**b) Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**c) Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

**d) Ind AS 109 – Annual improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 30 Nov 2022 (continued)

4 Property, plant and equipment

	(INR in millions)									
	Freehold land*	Building **	Lease hold improvements	Plant and equipment	Tools & Designs ***	Computers	Furniture and fixtures	Office equipments	Vehicles	Total
<b>Deemed cost</b>										
Balance as at 1 April 2021	211.15	410.91	34.02	6,593.19	2,941.02	1,182.56	352.15	147.76	37.20	11,909.96
Additions	-	-	-	706.51	618.48	413.06	75.18	85.42	-	1,898.65
Government Grant-MSIPS ****	-	-	-	(117.20)	-	-	(0.19)	-	-	(117.39)
Disposals	-	-	(0.03)	(148.47)	(21.91)	(26.49)	(12.70)	(1.38)	(1.22)	(212.19)
<b>Balance as at 31 March 2022</b>	<b>211.15</b>	<b>410.91</b>	<b>33.99</b>	<b>7,034.03</b>	<b>3,537.60</b>	<b>1,569.14</b>	<b>414.44</b>	<b>231.80</b>	<b>35.98</b>	<b>13,479.04</b>
Balance as at 1 April 2022	211.15	410.91	33.99	7,034.03	3,537.60	1,569.14	414.44	231.80	35.98	13,479.04
Additions	3,210.79	4,801.49	-	392.89	806.31	277.33	2.34	8.78	0.47	9,500.41
Disposals	-	-	-	(12.90)	-	(0.76)	(0.01)	(0.11)	(0.42)	(14.20)
<b>Balance as at 30 Nov 2022</b>	<b>3,421.94</b>	<b>5,212.40</b>	<b>33.99</b>	<b>7,414.03</b>	<b>4,343.91</b>	<b>1,845.70</b>	<b>416.78</b>	<b>240.47</b>	<b>36.04</b>	<b>22,965.26</b>
<b>Accumulated depreciation</b>										
Balance as at 1 April 2021	-	113.92	21.05	2,711.12	2,507.97	814.19	169.64	88.66	29.33	6,455.89
Charge for the year	-	20.91	3.93	822.99	369.74	234.80	50.67	21.97	5.97	1,530.97
Disposals	-	-	(0.03)	(63.59)	(0.63)	(25.94)	(6.21)	(0.92)	(1.22)	(98.53)
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>134.84</b>	<b>24.95</b>	<b>3,470.51</b>	<b>2,877.08</b>	<b>1,023.05</b>	<b>214.09</b>	<b>109.71</b>	<b>34.10</b>	<b>7,888.32</b>
Balance as at 1 April 2022	-	134.84	24.95	3,470.51	2,877.08	1,023.05	214.09	109.71	34.10	7,888.32
Charge for the year	-	61.96	2.43	563.35	426.79	187.66	40.12	22.45	0.81	1,305.57
Disposals	-	-	-	(8.32)	-	(0.76)	(0.00)	(0.11)	(0.42)	(9.62)
<b>Balance as at 30 Nov 2022</b>	<b>-</b>	<b>196.79</b>	<b>27.37</b>	<b>4,025.54</b>	<b>3,303.87</b>	<b>1,209.96</b>	<b>254.21</b>	<b>132.05</b>	<b>34.49</b>	<b>9,184.29</b>
<b>Carrying amounts</b>										
As at 31 March 2022	211.15	276.07	9.04	3,563.51	660.52	546.08	200.36	122.09	1.90	5,590.71
As at 30 Nov 2022	3,421.94	5,015.61	6.62	3,388.47	1,040.04	635.74	162.58	108.42	1.55	13,780.97

\* The title deed of freehold land is in the name of Siemens VDO Automotive Components Private Limited (the erstwhile name of the Company)

\*\* Disposal of building includes disposal of temporary structures for one of our Building

\*\*\* The Company classifies cost of design and tooling as a composite asset under property, plant, and equipment under the head "Tools & Designs". Refer Note 2

\*\*\*\* Government incentive under scheme announced by Ministry of Electronics and Information Technology (MEITY) called MSIPS



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 30 Nov 2022 (continued)**

**4.1 Right to use**

(INR in millions)

Particulars	Buildings	Vehicles	Total
<b>Balance as at 1 April 2021</b>	2,543.11	45.13	2,588.24
Additions	8,126.98	43.66	8,170.64
Disposals	(2,203.88)	-	(2,203.88)
<b>Balance as at 31 March 2022</b>	<b>8,466.21</b>	<b>88.79</b>	<b>8,555.00</b>
Additions (Note 40)	-	-	-
Deductions	(7,598.87)	-	(7,598.87)
<b>Balance as at 30 Nov 2022</b>	<b>867.34</b>	<b>88.79</b>	<b>956.13</b>
<b>Accumulated amortisation</b>			
<b>Balance as at 1 April 2021</b>	<b>854.13</b>	<b>22.00</b>	876.13
Charge for the year	508.95	19.85	528.80
Deductions	(894.26)	-	(894.26)
<b>Balance as at 31 March 2022</b>	<b>468.82</b>	<b>41.85</b>	<b>510.67</b>
Charge for the year	216.49	13.23	229.73
Deductions	-	-	-
<b>Balance as at 30 Nov 2022</b>	<b>685.31</b>	<b>55.08</b>	<b>740.40</b>
<b>Carrying amounts</b>			
<b>As at 31 March 2022</b>	<b>7,997.39</b>	<b>46.94</b>	<b>8,044.33</b>
<b>As at 30 Nov 2022</b>	<b>182.02</b>	<b>33.71</b>	<b>215.73</b>



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 30 Nov 2022 (continued)**

**5 Intangible assets**

*(INR in millions)*

<b>Particulars</b>	<b>Software</b>	<b>Total</b>
<b>Balance as at 1 April 2021</b>	166.44	166.44
Additions	30.30	30.30
Disposals	-	-
<b>Balance as at 31 March 2022</b>	<b>196.74</b>	<b>196.74</b>
Balance as at 1 April 2022	196.74	196.74
Additions	3.80	3.80
Disposals	-	-
<b>Balance as at 30 Nov 2022</b>	<b>200.54</b>	<b>200.54</b>
<b>Accumulated amortisation</b>		
<b>Balance as at 1 April 2021</b>	93.06	<b>93.06</b>
Amortisation for the year	46.65	46.65
Disposals	-	-
<b>Balance as at 31 March 2022</b>	<b>139.71</b>	<b>139.71</b>
Balance as at 1 April 2022	139.71	139.71
Amortisation for the year	27.88	27.88
Disposals	-	-
<b>Balance as at 30 Nov 2022</b>	<b>167.59</b>	<b>167.59</b>
<b>Carrying amounts</b>		
<b>As at 31 March 2022</b>	<b>58.00</b>	<b>58.00</b>
<b>As at 30 Nov 2022</b>	<b>32.95</b>	<b>32.95</b>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 30 Nov 2022 (continued)

6 Loans

	(INR in millions)	
As at	30 Nov 2022	31 March 2022
<b>Non current</b>		
Unsecured, considered good		
Loan to related party # (refer note 33)	500.00	500.00
	<b>500.00</b>	<b>500.00</b>

# Loan has been provided to Continental Surface Solutions India Pvt Ltd, Satara India @ 5.10% p.a repayable before the expiry of 2 years from the drawdown date

7 Other financial assets

As at	30 Nov 2022	31 March 2022
<b>Non current</b>		
Unsecured, considered good		
Security deposits	51.58	86.49
	<b>51.58</b>	<b>86.49</b>
<b>Current</b>		
Unsecured, considered good		
Security deposits	70.65	573.51
Interest accrued but not due-fixed deposits	1.84	1.31
Interest accrued but not due to related parties	6.38	2.13
Advances to employees	125.25	7.26
Contractual receivable from related parties (net off Expected credit losses Rs. 92.20 mio, PY Rs. 88.80)	389.52	382.55
Other receivables from third parties	16.48	-
Other receivables from inter companies	14.46	-
	<b>624.58</b>	<b>966.76</b>
<b>Total</b>	<b>676.16</b>	<b>1,053.24</b>

\* Includes due from related parties as below:

As at	30 Nov 2022	31 March 2022
Unbilled revenue from related parties	389.52	382.55

8 Other assets

As at	30 Nov 2022	31 March 2022
<b>Non current</b>		
Unsecured, considered good		
Capital advances	15.94	14.02
Advances other than capital advances		
Prepayments	1.88	1.88
Tax deposited under protest (refer note 30)	50.23	50.23
Unsecured, considered doubtful		
Tax deposited under protest (refer note 30)	52.77	52.77
Less: Provision for doubtful deposits	(52.77)	(52.77)
	<b>68.05</b>	<b>66.13</b>
<b>Current</b>		
Unsecured, considered good		
Advance for supply of goods	18.74	27.96
Prepayments	132.34	151.42
Indirect Tax receivables	553.21	374.01
	<b>704.29</b>	<b>553.39</b>
<b>Total</b>	<b>772.34</b>	<b>619.52</b>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 30 Nov 2022 (continued)

9 Inventories

As at	(INR in millions)	
	30 Nov 2022	31 March 2022
Raw materials (including goods in transit INR 78.60 million, 31 March 2022: INR 194.22 million)	1,665.07	1,331.01
Work-in Progress	63.60	96.21
Finished goods (including goods in transit INR 43.84 million, 31 March 2022: INR 29.80 million)	339.16	292.00
Stock-in-trade (including goods in transit INR 10.69 million, 31 March 2022: INR 16.02 million)	167.16	71.62
<b>Total</b>	<b>2,234.99</b>	<b>1,790.84</b>

The write down of inventories to net realisable value during the year amounted to INR 8.04 million (31 March 2022: INR 8.04 million). The provision estimated by the management for obsolete stock during the year amounted to INR 150.23 million (31 March 2022: INR 127.53 million). The write down, reversal and provision for obsolete stock are included in the costs of materials consumed or changes in inventories of finished goods and work in progress.

10 Trade receivables

As at	30 Nov 2022	31 March 2022
Secured, considered good	-	-
Unsecured, considered good*	5,587.08	5,381.07
Unsecured, credit impaired	0.60	0.33
<b>Loss allowance</b>		
Unsecured, credit impaired	(0.60)	(0.33)
	(0.60)	(0.33)
<b>Net trade receivables</b>	<b>5,587.08</b>	<b>5,381.07</b>

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

As at	30 Nov 2022	31 March 2022
Trade receivables from related parties	2,979.17	3,627.91
Loss allowance	-	-
<b>Net trade receivables</b>	<b>2,979.17</b>	<b>3,627.91</b>

11 Cash and cash equivalents

As at	30 Nov 2022	31 March 2022
Cash on hand	-	-
Cheques on hand	2.58	2.62
Balances with banks :		
in current account	1,891.03	1,372.61
in deposit account (original maturity of less than 3 months)	1,200.20	1,300.00
<b>Total</b>	<b>3,093.81</b>	<b>2,675.23</b>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 30 Nov 2022 (continued)

12.1 Share capital

a) Particulars	(INR in millions except for number of shares)	
	As at Nov 30, 2022	As at March 31, 2022
Authorised		
20,00,000,000 (previous year: 900,000,000) equity shares of INR 10 each	20,000.00	9,000.00
Issued, subscribed and paid-up capital		
941,321,250 (previous year: 697,841,250) equity shares of INR 10 each fully paid up	9,413.21	6,978.41
<b>Total</b>	<b>9,413.21</b>	<b>6,978.41</b>

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

Particulars	As at Nov 30, 2022		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
Number of shares outstanding at the beginning of the year	697,841,250	6,978.41	697,841,250	6,978.41
Add: Shares issued during the year in cash	243,480,000	2,434.80	-	-
Number of shares outstanding at the end of the year	<b>941,321,250</b>	<b>9,413.21</b>	<b>697,841,250</b>	<b>6,978.41</b>

c) Rights, preference and restriction attached to equity shares

The Company has a single class of equity shares having nominal value of INR 10 each. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of preferential amounts in proportion to the number of equity shares held.

There has been no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the balance sheet date.

d) Equity shares held by holding company

Particulars	As at Nov 30, 2022		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
Continental Automotive Gmbh, Germany, Holding company	-	-	697,841,249	6,978.41
Continental Automotive Holding Netherlands B.V	941,321,249	9,413.21	-	-
CAH Holding BV, Netherlands	1	0.00	1	0.00
	<b>941,321,250</b>	<b>9,413.21</b>	<b>697,841,250</b>	<b>6,978.41</b>

e) Details of equity shareholders holding more than 5 % of aggregate shares and promoters holding in the company

Name of the shareholder	As at Nov 30, 2022		As at March 31, 2022	
	Number of shares	%	Number of shares	%
Continental Automotive Gmbh, Germany, Holding company	-	0.00%	697,841,249	99.99%
Continental Automotive Holding Netherlands B.V	941,321,249	99.99%	-	0.00%

Note: The company in relation to allotment of shares to non-residents has filed FC-GPR with Reserve Bank of India ('RBI') on September 7, 2015 and the approval of RBI is awaited.

12.2 Other equity

Particulars	Reserves and Surplus			Total
	Securities premium	Retained earnings (includes other comprehensive income)	Capital reserve	
Balance as at 31 March 2021	4,917.69	(3,985.13)	1,364.56	2,297.13
Other comprehensive income, net of tax effect	-	-	-	-
Profit for the year	-	1,050.09	-	1,050.09
Other comprehensive income, net of tax effect	-	(136.80)	-	(136.80)
Balance as at 31 March 2022	<b>4,917.69</b>	<b>(3,071.84)</b>	<b>1,364.56</b>	<b>3,210.42</b>
Balance as at 1 April 2022	4,917.69	(3,071.84)	1,364.56	3,210.42
Addition during the year	3,652.20	-	-	3,652.20
Profit for the year	-	704.82	-	704.82
Balance as at 30 Nov 2022	<b>8,569.89</b>	<b>(2,367.02)</b>	<b>1,364.56</b>	<b>7,567.44</b>

As at	30 Nov 2022	31 March 2022
Securities premium	4,917.69	4,917.69
Retained earnings	(2,367.01)	(3,071.83)
Capital reserve	1,364.56	1,364.56
	<b>3,915.24</b>	<b>3,210.42</b>

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

Capital Reserve

Capital Reserve is created on transfer of business.



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 30 Nov 2022 (continued)**

**13 Financial liabilities**

	<i>(INR in millions)</i>	
<b>As at</b>	<b>30 Nov 2022</b>	<b>31 March 2022</b>
<b>Non current</b>		
Employee payables	179.06	169.88
Dealer deposits	0.50	0.50
	<u>179.56</u>	<u>170.37</u>
<b>Current</b>		
Creditors for capital goods*	82.64	7.95
Employee payables*	525.55	595.71
Contractual payable to related parties (refer note 33)	208.90	248.27
Accrued expenses *	1,285.75	1,426.33
	<u>2,102.84</u>	<u>2,278.26</u>
<b>Total</b>	<b>2,282.38</b>	<b>2,448.63</b>

\* includes due to related parties

<b>As at</b>	<b>30 Nov 2022</b>	<b>31 March 2022</b>
Creditors for capital goods	81.89	7.59
Reimbursement of Employee's expenses included	-	0.68
Contractual Payable to inter companies	208.90	248.27
Accrued expenses	-	5.86

**14 Other liabilities**

<b>As at</b>	<b>30 Nov 2022</b>	<b>31 March 2022</b>
<b>Current</b>		
Other liabilities	38.94	56.62
Advance from customers	-	0.06
Statutory liabilities (TDS, PF, ESI, PT, VAT etc.)	217.30	204.39
	<u>256.24</u>	<u>261.07</u>
<b>Total</b>	<b>256.24</b>	<b>261.07</b>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 30 Nov 2022 (continued)

15 Provisions

As at	30 Nov 2022		31 March 2022	
	Current	Non current	Current	Non current
<i>(INR in millions)</i>				
<b>Provision for employee benefits ( refer note 31)</b>				
Gratuity	-	281.11	-	284.02
Compensated absences	156.19	130.89	34.65	183.78
Post-employment medical benefits	6.92	7.95	11.29	0.07
<b>Others</b>				
Provision for warranty	57.40	-	50.23	-
Provision for asset retirement obligation	-	5.95	-	5.66
Provision for indirect tax matters	-	118.19	-	149.48
<b>Total</b>	<b>220.51</b>	<b>544.09</b>	<b>96.17</b>	<b>623.01</b>

**Provision for warranty**

As at	30 Nov 2022	31 March 2022
<b>Balance at the beginning of the year</b>	50.21	28.67
Add: Additional ( reversal) provision made during the year	13.43	31.97
Less: Amount utilised during the year	(6.24)	(10.41)
<b>Balance at the end of the year</b>	<b>57.40</b>	<b>50.21</b>

A provision of INR 57.40 million (31 March 2022: INR 50.23 million,) has been estimated for expected warranty claims on the products sold by the Company during the year. It is expected that this amount will be utilised over a period ranging from 12 to 36 months from the balance sheet date. The warranty rate is derived based on the past trend and the warranty amount is calculated based on the 12 months sale of the current year. The Company does not expect any reimbursements towards these provisions.

**Provision for asset retirement obligation**

Particulars	30 Nov 2022	31 March 2022
<b>At the beginning of the year</b>	5.66	5.23
Add: Additional ( reversal) provision made during the year	-	0.43
<b>At the end of the year</b>	<b>5.66</b>	<b>5.66</b>

Asset Retirement Obligation (ARO): The ARO liability is recognised pertaining to the existing lease of "factory building" at Manesar starting on 1-Nov-2012 & ending on 31-Dec-2023. The terminal value of liability at end of the lease period is estimated at 6.5 MINR.

**Provision for Indirect Tax matters**

Particulars	30 Nov 2022	31 March 2022
<b>At the beginning of the year</b>	202.25	157.94
Add: Additional provision made during the year	13.27	48.79
Less: Amount utilized during the year	(44.57)	(4.49)
<b>At the end of the year</b>	<b>170.95</b>	<b>202.25</b>

The provision for indirect tax matters with respect to demands raised is INR 118.19 million (31 March 2022: INR 149.48 million) classified under "Provisions" and the provision towards indirect taxes deposited is INR 52.77 million (31 March 2022: INR 52.77 million) classified under "other non current assets". The provisions are made on the exposure based on the notices received from the government department, past experiences and the probability of not collecting the required forms. The Company is contesting these litigations with various departments. The provision will be utilised to make good any amount payable in the event of any adverse judgement on the Company. The Company, however, can not estimate with reasonable certainty the period of utilisation of the same.

16 Borrowings

As at	30 Nov 2022	31 March 2022
<b>Unsecured - measured at amortized cost</b>		
Short Term Bank Loan (refer note below)	4,033.98	1,387.30
<b>Total</b>	<b>4,033.98</b>	<b>1,387.30</b>

\* Note: Short term loan is Pre-shipment credit in Foreign Currency taken at interest rate in the range of EURIBOR+0.70% to 0.90% (March 2022 : LIBOR + 0.70% to 0.90%) interest rate for the period of six months to meet the working capital requirements.



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 30 Nov 2022 (continued)**

**17 Trade payables**

	<i>(INR in millions)</i>	
<b>As at</b>	<b>30 Nov 2022</b>	<b>31 March 2022</b>
<b>Financial liabilities at amortised cost</b>		
Total outstanding dues to micro and small enterprises (refer note (a) below)	63.71	47.34
Total outstanding dues to creditor other than micro and small enterprises*	3,692.25	2,635.81
<b>Total</b>	<b>3,755.96</b>	<b>2,683.16</b>
<b>As at</b>	<b>30 Nov 2022</b>	<b>31 March 2022</b>
*Trade payables due to related parties	1,766.44	902.47

**Note (a)**

1. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:

- Principal	61.91	46.48
- Interest	1.79	0.86

2. The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year

- Interest	-	-
- Principal	-	-

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

- Interest	1.79	0.86
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4. The amount of interest accrued and remaining unpaid at the end of each accounting year

- Interest	2.82	1.03
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5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

Note: The above information has been determined based on vendors identified by the Company and confirmed by the vendors.



**Continental Automotive Components (India) Private Limited**  
**Notes to the financial statements for the year ended 30 Nov 2022 (continued)**

**18 Revenue from operations**

	<i>(INR in millions)</i>	
<b>For the year ended</b>	<b>30 Nov 2022</b>	<b>31 March 2022</b>
<b>Sale of products</b>		
Sale of finished goods	10,008.82	12,079.94
Sale of traded goods	654.83	610.06
<b>Sub-total</b>	<b>10,663.65</b>	<b>12,690.00</b>
<b>Sale of services</b>		
Sale of software, engineering and design services	9,941.97	12,002.10
<b>Sub-total</b>	<b>9,941.97</b>	<b>12,002.10</b>
<b>Other operating revenue</b>		
Compensation from customers	203.93	52.57
Sale of tools and jigs	-	6.56
Scrap sales	14.15	14.83
Others	24.96	18.52
<b>Sub-total</b>	<b>243.04</b>	<b>92.48</b>
<b>Total</b>	<b>20,848.66</b>	<b>24,784.58</b>

**Disaggregated revenue disclosures**

The Company disaggregate the revenue based on geographic locations and it is disclosed under note 31(a) - Segment reporting.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

**Trade receivables and Contract Balances**

The Company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for revenue contracts are recognized at a point in time when the Company transfers control over the product to the customer.

Trade receivable are presented net of impairment in the Balance Sheet

**19 Other income**

<b>For the year ended</b>	<b>30 Nov 2022</b>	<b>31 March 2022</b>
Interest income from financial assets carried at amortized cost		
Interest on deposits from banks and loans to related parties	48.38	52.29
Interest income on security deposits	15.82	44.31
Interest on Income tax refund	-	37.79
Interest on Income -others	-	0.62
Gain on sale of fixed assets	1.59	-
Gain on termination of lease	-	317.19
Provision for doubtful receivables written back	-	0.11
Miscellaneous income	70.55	31.76
<b>Total</b>	<b>136.34</b>	<b>484.07</b>

**20 Cost of material consumed**

<b>For the year ended</b>	<b>30 Nov 2022</b>	<b>31 March 2022</b>
Inventory of raw-materials at the beginning of the year	1,331.01	1,288.66
Purchase of raw-materials	6,909.25	8,129.63
Inventory of raw-materials at the end of the year	(1,665.07)	(1,331.01)
<b>Total</b>	<b>6,575.19</b>	<b>8,087.28</b>

**21 Purchase of stock in trade**

<b>For the year ended</b>	<b>30 Nov 2022</b>	<b>31 March 2022</b>
Vehicle body and security products	199.10	180.05
Fuel supply products	85.35	79.57
Engine systems and components	95.69	89.21
Instrumentation products	66.81	62.28
Speed sensors	8.43	7.86
Sensors and actuators	42.32	39.46
<b>Total</b>	<b>497.71</b>	<b>458.43</b>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 30 Nov 2022 (continued)

22 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	(INR in millions)	
For the year ended	30 Nov 2022	31 March 2022
Opening stock		
Finished goods	292.00	256.89
Work in progress	96.21	124.25
Stock-in-trade	71.62	112.33
	<b>459.83</b>	<b>493.46</b>
Closing stock		
Finished goods	(339.16)	(292.00)
Work in progress	(63.60)	(96.21)
Stock-in-trade	(167.16)	(71.62)
	<b>(569.92)</b>	<b>(459.84)</b>
<b>Total</b>	<b>(110.09)</b>	<b>33.64</b>

23 Employee benefits expense

For the year ended	30 Nov 2022	31 March 2022
Salaries and wages	5,970.01	6,697.47
Contribution to provident and other funds (refer note 30)	477.13	443.24
Workmen and staff welfare expenses	200.58	224.07
<b>Total</b>	<b>6,647.72</b>	<b>7,364.78</b>

24 Finance costs

For the year ended	30 Nov 2022	31 March 2022
Interest on bank overdraft and other loan facilities from bank	52.81	10.71
Interest on financial liability measured at amortised cost	0.29	0.43
Interest on financial liability measured at Lease	222.54	453.39
Interest on Income tax provision	153.64	395.29
<b>Total</b>	<b>429.28</b>	<b>859.82</b>

25 Depreciation and amortization expenses

For the year ended	30 Nov 2022	31 March 2022
Depreciation of property, plant and equipments	1,305.57	1,530.98
Amortization of intangible assets	27.88	46.64
Amortization of Lease	229.72	528.80
<b>Total</b>	<b>1,563.17</b>	<b>2,106.42</b>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 30 Nov 2022 (continued)

26 Other expenses

	(INR in millions)	
For the year ended	30 Nov 2022	31 March 2022
Shared services	1,172.31	1,528.19
Royalty	240.90	299.70
Research and development	2.36	4.36
Subcontractor cost	1,274.99	1,580.15
Travelling expenses	220.09	17.76
Rent expense	27.73	36.11
Foreign exchange loss, net	284.11	150.14
Expenditure on corporate social responsibility ( refer note-35)	31.12	24.85
Repairs and maintenance		
Machinery	119.71	110.31
Building	57.83	41.69
Others	3.44	8.74
Power and fuel	132.26	174.42
Freight, clearing and forwarding	88.63	130.02
Loss on termination of lease	107.51	-
Allowances for credit losses-Contractual receivable from related parties	3.39	5.08
Provision for bad and doubtful debts	0.27	-
Rates and taxes	14.89	46.43
Telephone and other communication expenses	44.16	118.19
Consumption of stores and spare parts	68.57	69.78
Loss on Sale/write off of property plant and equipment	0.01	48.79
Warranty expense	13.43	32
Advertising and sales promotion	23.21	5.38
Printing and stationary	20.78	16.96
Development cost written off	211.70	230.95
Insurance	12.09	21.60
Bank charges	3.10	4.47
Legal and professional fees	33.97	11.38
Payment to auditors (refer note below)*	7.85	7.01
Miscellaneous expenses	125.54	95.30
<b>Total</b>	<b>4,345.96</b>	<b>4,819.73</b>
<b>Payment to auditors*:</b>		
As auditor		
Statutory audit	2.67	4.00
Tax audit	-	-
Professional Services	5.09	2.92
Out of pocket fees	0.09	0.09
<b>Total</b>	<b>7.85</b>	<b>7.01</b>

\* Excluding goods and services tax ('GST')



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 30 Nov 2022 (continued)

27 Income taxes

Income tax expense in the statement of profit and loss consists of:

(INR in millions)

For the year ended	30 Nov 2022	31 March 2022
<b>Amounts recognised in profit and loss</b>		
<i>Current tax</i>		
-Tax for the current year	515.80	541.82
-Tax pertaining to prior years	(43.76)	1.09
	<b>472.04</b>	<b>542.91</b>
<i>Deferred tax</i>		
-Temporary differences of the current year	(140.80)	(54.45)
-Recognition of previously unrecognised temporary differences	-	-
	<b>(140.80)</b>	<b>(54.45)</b>
Total tax recognised in profit and loss	<b>331.24</b>	<b>488.46</b>
<b>Amounts recognised in other comprehensive income</b>		
Deferred tax	-	26.02
	-	<b>26.02</b>
<b>Total</b>	<b>331.24</b>	<b>(28.43)</b>
<b>Grand Total</b>	<b>331.24</b>	<b>514.48</b>

Reconciliation of effective tax rate

	30-Nov-22	31-Mar-22
<b>Profit before tax</b>	<b>1,036.06</b>	<b>1,538.55</b>
Tax using the Company's domestic tax rate	25.17%	25.17%
Adjustments	260.76	385.03
Change in estimates related to prior years	819.06	1,143.71
	(43.76)	1.09
	<b>1,036.06</b>	<b>1,529.83</b>

Deferred tax assets are attributable to the following:

	31 Nov 2022		
Particulars	Deferred tax assets	Deferred tax liabilities	Deferred tax, net
Property, plant and equipment	278.19	-	278.19
Employee benefits expense	359.43	-	359.43
Provision	81.45	-	81.45
	<b>719.07</b>	<b>-</b>	<b>719.07</b>

Movement in temporary differences

Particulars	Balance as at 1 April 2022	Recognised in profit and loss and OCI	Balance as at 30 Nov 2022
Property, plant and equipment	290.91	(12.72)	278.19
Employee benefits expense	203.75	155.69	359.44
Provision	83.61	(2.16)	81.45
<b>Total</b>	<b>578.27</b>	<b>140.81</b>	<b>719.07</b>



Continental Automotive Components (India) Private Limited  
Notes to the financial statements for the year ended 30 Nov 2022 (continued)

The following table provides the details of income tax assets and income tax liabilities as of Nov 30, 2022, March 31, 2022

	(INR in millions)	
As at	30-Nov-22	31-Mar-22
<b>Non current</b>		
Income tax assets (non current)	50.00	50.00
Paid under protest (non current) (refer note 30)	389.32	389.32
Less: Provision made for income tax	(145.78)	(140.49)
Current income tax liabilities	-	-
	<b>293.54</b>	<b>298.83</b>
<b>Current</b>		
Income tax assets	1,885.41	1,620.92
Income tax liabilities (current)	(5,341.23)	(4,720.84)
	<b>(3,455.82)</b>	<b>(3,099.92)</b>
	-	-
Net income tax assets/ (liabilities) at the end of the year	<b>(3,162.28)</b>	<b>(2,801.09)</b>

The movement in the income tax asset/(liabilities) net for the year ended Nov 30, 2022 and March 31, 2022 is as follows:

For the year ended	30 Nov 2022	31 March 2022
Net income tax asset/(liability) at the beginning of the year	(2,801.09)	(2,026.38)
Current tax	(472.04)	(542.91)
Tax impact on transfer of business	-	-
Interest on income tax provision	(153.64)	(395.29)
Income tax paid including TDS deducted at source during the year	264.41	163.49
Net income tax liability at the end of the year	<b>(3,162.36)</b>	<b>(2,801.09)</b>

28 Earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

Particulars	30-Nov-22	31-Mar-22
Profit for the year, attributable to the equity shareholders	704.82	1,050.09
Weighted average number of equity shares of INR 10 each outstanding during the year	697,841,250	697,841,250
Balance at the beginning of the year	697,841,250	697,841,250
Effect of fresh issue of shares for cash	243,480,000	-
Weighted average number of equity shares of INR 10 each outstanding during the year	738,753,873	697,841,250
Earnings per share - Basic and diluted	<b>0.95</b>	<b>1.50</b>
There are no diluted potential equity shares		



The Board of Directors  
Continental Lighting India Private Limited  
No.53B, Bommasandra Industrial Area, Phase-1,  
Hosur Road,  
Bangalore-560 099

**Independent Auditor's Certificate on the proposed accounting treatment specified in the proposed Scheme of Amalgamation**

1. This Certificate is issued in accordance with the terms of our engagement letter dated 12<sup>th</sup> December 2022.

We, the statutory auditors of **Continental Lighting India Private Limited** (hereinafter referred to as "the Company") have examined the proposed accounting treatment as specified in **Para 29 of Section "B" of Part III** of the Scheme of Amalgamation as approved by the Board of Directors of the Company on 13<sup>th</sup> December 2022, between Continental Automotive Components India Private Limited, Continental Lighting India Private Limited and the Company and their respective shareholders and/or creditors ('the Scheme') in terms of the provisions of section 230 to section 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder with reference to its compliance with applicable Accounting Standards as notified under Section 133 of the Companies Act, 2013, with effect from the appointed date, and other generally accepted accounting principles, as applicable.

2. For ease of reference, **Para 29 of Section "B" of Part III** of the Scheme, duly authenticated by the authorized signatory on behalf of the Company, is attached as an Annexure to this certificate, and is initialed by us only for the purposes of identification.

**Management's responsibility**

3. The responsibility for the preparation of the Scheme and its compliance with the provisions of the Act and other relevant laws and regulations, including the applicable accounting standards, as aforesaid, is that of the Board of directors of the Company.
4. The responsibility for the preparation of the Scheme includes the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Management is also responsible for ensuring that the Company provides all relevant information to the National Company Law Tribunal, Registrar of Companies, Regional Director, Ministry of Corporate Affairs, and other regulatory authorities.



# ANKH & ASSOCIATES

## CHARTERED ACCOUNTANTS

### Independent Auditor's Certificate on the proposed accounting treatment specified in the proposed Scheme of Amalgamation

#### Auditors' responsibility

6. Our responsibility is only to examine and provide a reasonable assurance whether the accounting treatment prescribed upon the Scheme becoming effective complies with applicable Accounting Standards as notified under Section 133 of the Companies Act, 2013, with effect from the appointed date, and other generally accepted accounting principles, as applicable.
7. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
8. We conducted our examination of the accounting treatment in accordance with the "Guidance Note on Reports or Certificates for Special Purposes" ('the Guidance Note'), issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

#### Opinion

10. Based on our examination as above and according to the information and explanations and representations given to us, in our opinion, the accounting treatment specified in **Para 29 of Section "B" of Part III** of the Scheme, attached herewith and stamped by us for identification only, is in compliance with applicable Accounting Standards as notified under Section 133 of the Companies Act, 2013, with effect from the appointed date, and other generally accepted accounting principles, as applicable.

#### Restriction on use

11. This Certificate is provided to the Board of directors of the Company solely for the purpose of onward submission to the National Company Law Tribunal, Registrar of Companies and other regulatory authorities including Ministry of Corporate Affairs, in relation to the Scheme and should not be used for any other purpose or by any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

Place: Bengaluru  
Date: 21.12.2022

for **ANKH & Associates**  
Chartered Accountants  
Firm Registration No. 015330S

  
**K. M. Narasimha Murthy**

Partner  
Membership No: 205382  
UDIN: 22205382BFVHUT5908



Enclosed: Management certified true copy of **Para 29 of Section "B" of Part III** – Accounting Treatment, of the Scheme

Annexure

Annexure I to the certificate as indicated in the paragraph 11 to the Statutory Auditors' Certificate in pursuance of the provisions of section 230-232 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act')

Extract from the Proposed Scheme of Amalgamation ("the scheme") of Continental Automotive Brake System (I) Private Limited ("Transferor Company 1") and Continental Lighting India Private Limited ("Transferor Company 2") with Continental Automotive Components India Private Limited ("Transferee Company").

**29. ACCOUNTING TREATMENT:**

- 29.1. Upon the scheme becoming effective and from the Appointed Date, the amalgamation shall be accounted for in the books of Transferee Company according to the applicable accounting standards i.e., Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with paragraph 3 of the Company (Indian Accounting Standards Rules) 2015 (as amended) and other generally accepted accounting principles, as applicable.
- 29.2. Upon the scheme becoming effective, the Transferee Company shall account for the amalgamation of Transferor Company 2 for in accordance with "**Pooling of Interest Method of Accounting**" prescribed under Appendix C as per Indian Accounting Standards 103 (Business Combination) and/or Section 133 of the Companies Act, 2013 read with other relevant rules thereunder, relevant clarifications issued by the IND AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles.
- 29.3. Upon the Scheme becoming effective, and on the date as determined as per Appendix C of Ind AS 103, the Transferee Company shall account for the amalgamation in its books as under:
  - (a) The Transferee Company shall record all the assets and liabilities of the Transferor Company 2 transferred to and vested in Transferee Company at their respective carrying amounts in the books of account of Transferor Company 2 and in same form.
  - (b) The identity of the reserves shall be preserved, and the Transferee Company shall record the reserves of the Transferor Company 2 in the same form and at the carrying amount as appearing in the financial statement of the Transferor Company 2.



- (c) The Transferee Company shall recognize the issuance of shares to be issued on amalgamation at the face value according to Clause 27.1(a) and accordingly credit its Share Capital Account.
- (d) The difference, if any arising of the net value of assets, liabilities and reserves as recorded in clauses 28.3 (a), 28.3 (b) and 28.3 (c) shall be accounted as per Indian Accounting Standard (IND AS) 103 - "Business Combinations" prescribed under Section 133 of the Act read with the relevant rules issued thereunder, relevant clarifications issued by the IND AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles. The difference as a result of the amalgamation shall be transferred to the 'Capital Reserve' in the financial statements of the Transferee Company and shall be presented separately from other capital reserves with the disclosure of its nature and purpose in the notes.
- (e) No adjustment shall be made to reflect fair value or recognize any new assets or liabilities. The only adjustment shall be made are to harmonize accounting policies. In case of difference in accounting policy between the Transferor Company 2 and the Transferee Company, the accounting policy followed by the Transferee Company shall prevail and the difference till the Appointed Date shall be quantified and adjusted in the retained earnings to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. The difference, if any in the accounting policies between the Transferee Company and the Transferor Company 2 shall be ascertained and quantified and the adjustment to the retained earnings, as applicable, in accordance with the requirements of Ind AS 8 Accounting policies, changes in Accounting estimates and errors.
- (f) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements.
- (g) The Scheme set out herein in its present form or with any modification(s) of amendment(s) approved, imposed, or directed by the Tribunals or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.




# ANKH & ASSOCIATES

## CHARTERED ACCOUNTANTS

- (h) Without prejudice to the above provisions, upon the Scheme coming into effect and with effect from the Appointed Date, all inter-party transactions between the Transferor Company 2 and the Transferee Company shall be considered as intra-party transactions for all purposes. Consequently, upon the Scheme coming into effect and from the Appointed Date, to the extent there are inter-corporate loans, deposits, obligations, balances or other outstanding as between the Transferor Company 2 inter-se and/or the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding elimination effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.

Place: Bengaluru  
Date: 21.12.2022

for **ANKH & Associates**  
Chartered Accountants  
Firm Registration No. 015330S

  
**K. M. Narasimha Murthy**  
Partner  
Membership No: 205382



# Deloitte Haskins & Sells LLP

Chartered Accountants  
Prestige Trade Tower, Level 19  
46, Palace Road, High Grounds  
Bengaluru – 560 001  
Karnataka, India

Tel: +91 80 6188 6000  
Fax: +91 80 6188 6011

The Board of Directors  
Continental Automotive Components (India) Private Limited  
Plot No. 53B, Bommasandra Industrial Area,  
Attibele Hobli, Anekal Taluk,  
Bengaluru – 560099, Karnataka.

**Independent Auditor's Certificate certifying the accounting treatment (in the books of Transferee Company) contained in the Scheme of Amalgamation of Continental Automotive Brake Systems (I) Private Limited ("Transferor Company 1") and Continental Lighting India Private Limited ("Transferor Company 2") with Continental Automotive Components (India) Private Limited ("Transferee Company") and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules frame thereunder**

1. This certificate is issued in accordance with the terms of our engagement letter dated 13 December 2022.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), the Statutory Auditors of Continental Automotive Components (India) Private Limited having its Registered Office at Plot No. 53B, Bommasandra Industrial Area, Attibele Hobli, Anekal Taluk, Bengaluru – 560099, Karnataka, have examined the proposed accounting treatment specified in Clauses 16 and 29 "Accounting Treatment" of the Scheme of Amalgamation of Continental Automotive Brake Systems (I) Private Limited ("Transferor Company 1") and Continental Lighting India Private Limited ("Transferor Company 2") with Continental Automotive Components (India) Private Limited ("Transferee Company") and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules frame thereunder (hereinafter referred as 'the Scheme'), with reference to its compliance with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013, read with the rules made thereunder and other generally accepted accounting principles in so far as it relates to the accounting in the books of the Transferee Company.
3. The Scheme has been approved by the Board of Directors of the Company in its meeting held on 13 December 2022. The appointed date for the purpose of this draft scheme is 1 April 2022.

## Management's responsibility

4. The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including Section 133 of the Companies Act, 2013, read with the rules made there under and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Transferee Company involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; making estimates that are reasonable in the circumstances and includes the compliance with other relevant provisions of the Companies Act, 2013 and applicable laws and regulations.

## Auditor's responsibility

5. Our responsibility is only to examine and report whether the accounting treatment in the books of the Transferee Company mentioned in Clauses 16 and 29 of the Scheme, referred to above, comply with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013, read with the rules made thereunder and other generally accepted accounting principles in India and did not include examination of compliance of the Scheme with other relevant provisions of the Companies Act, 2013 and applicable laws and regulations. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financials statements of the Transferee Company.

# Deloitte Haskins & Sells LLP

- 6. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
- 7. We have complied with the relevant applicable requirements of the Standards on Quality Controls (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements. Further our work did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

**Opinion**

- 8. Based on our examination and according to the information and explanations given to us by the Management of the Transferee Company, we are of the opinion that the accounting treatment mentioned in Clauses 16 and 29 of the Scheme in so far as it relates to accounting in the books of the Transferee Company, is in compliance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013, read with the rules made thereunder and other generally accepted accounting principles in India, as applicable.
- 9. For ease of references, the extract of the Scheme, that covers the accounting treatment in the books of the Transferee Company, duly authenticated on behalf of the Transferee Company, is reproduced in Annexure 1 to this Certificate and is signed by us only for the purposes of identification.

**Restriction on use**

- 10. This certificate is issued at the request of the Transferee Company pursuant to the requirements under proviso to Section 230(7) of the Companies Act 2013, for onward submission to regulatory authorities such as National Company Law Tribunal (NCLT) and Regional Director, Ministry of Corporate Affairs (MCA). This certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

SATHYA  
PRAMOD  
KOUSHIK

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PRAMOD KOUSHIK  
Date: 2022.12.21 12:16:46  
+05'30'

**Sathya P. Koushik**  
Partner  
(Membership No. 206920)  
UDIN: 22206920BFUXPY6311

Place : Bengaluru  
Date : 21 December 2022  
Ref : SPK/94



#### Annexure 1:

**Relevant Extract of the Scheme of Amalgamation of Continental Automotive Brake Systems (I) Private Limited ("Transferor Company 1") and Continental Lighting India Private Limited ("Transferor Company 2") with Continental Automotive Components (India) Private Limited ("Transferee Company") and their respective shareholders and creditors under the provisions of Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder**

#### 16. ACCOUNTING TREATMENT

- 16.1. Upon the scheme becoming effective and from the Appointed Date, the amalgamation shall be accounted for in the books of Transferee Company according to the applicable accounting standards i.e., Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with paragraph 3 of the Company (Indian Accounting Standards Rules) 2015 (as amended) and other generally accepted accounting principles, as applicable.
- 16.2. Upon the scheme becoming effective, the Transferee Company shall account for the amalgamation of Transferor Company for in accordance with "**Pooling of Interest Method of Accounting**" prescribed under Appendix C as per Indian Accounting Standards 103 (Business Combination) and/or Section 133 of the Companies Act, 2013 read with other relevant rules thereunder, relevant clarifications issued by the IND AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles.
- 16.3. Upon the Scheme becoming effective, and on the date as determined as per Appendix C of Ind AS 103, the Transferee Company shall account for the amalgamation in its books as under:
  - (a) The Transferee Company shall record all the assets and liabilities of the Transferor Company 1 transferred to and vested in Transferee Company at their respective carrying amounts in the books of account of Transferor Company 1 and in same form.
  - (b) The identity of the reserves shall be preserved, and the Transferee Company shall record the reserves of the Transferor Company 1 in the same form and at the carrying amount as appearing in the financial statement of the Transferor Company 1.
  - (c) The Transferee Company shall recognize the issuance of shares to be issued on amalgamation at the face value according to Clause 14.1(a) and accordingly credit its Share Capital Account.
  - (d) The difference, if any arising of the net value of assets, liabilities and reserves as recorded in clauses 16.3 (a), 16.3 (b) and 16.3 (c) shall be accounted as per Indian Accounting Standard (IND AS) 103 - "Business Combinations" prescribed under Section 133 of the Act read with the relevant rules issued thereunder, relevant clarifications issued by the IND AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles. The difference as a result of the amalgamation shall be transferred to the 'Capital Reserve' in the financial statements of the Transferee Company and shall be presented separately from other capital reserves with the disclosure of its nature and purpose in the notes.



Continental Automotive Components (India) Pvt. Ltd.,  
Sattva South Gate Tech Park, Plot No. 1, Veerasandra Industrial Area,  
Hosur Main Road, Bangalore - 560100.

Phone +91 80 6679 1300  
Corporate Identity No.U72900KA2007PTC043146  
GSTIN:29AAKCS9578C12P  
www.continental.com

Regd. Office:Plot No.538, Bommasandra Industrial Area, Hosur Road, Attibele Hobli, Anekal Taluk, Bangalore -560099, India



- (e) No adjustment shall be made to reflect fair value or recognize any new assets or liabilities. The only adjustment shall be made are to harmonize accounting policies. In case of difference in accounting policy between the Transferor Company 1 and the Transferee Company, the accounting policy followed by the Transferee Company shall prevail and the difference till the Appointed Date shall be quantified and adjusted in the retained earnings to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. The difference, if any in the accounting policies between the Transferee Company and the Transferor Company 1 shall be ascertained and quantified and the adjustment to the retained earnings, as applicable, in accordance with the requirements of Ind AS 8 Accounting policies, changes in accounting estimates and errors.
- (f) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements.
- (g) The Scheme set out herein in its present form or with any modification(s) of amendment(s) approved, imposed, or directed by the Tribunals or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.
- (h) Without prejudice to the above provisions, upon the Scheme coming into effect and with effect from the Appointed Date, all inter-party transactions between the Transferor Company 1 and the Transferee Company shall be considered as intra-party transactions for all purposes. Consequently, upon the Scheme coming into effect and from the Appointed Date, to the extent there are inter-corporate loans, deposits, obligations, balances or other outstanding as between the Transferor Company inter-se and/or the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding elimination effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.

## 29. ACCOUNTING TREATMENT

- 29.1. Upon the scheme becoming effective and from the Appointed Date, the amalgamation shall be accounted for in the books of Transferee Company according to the applicable accounting standards i.e., Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with paragraph 3 of the Company (Indian Accounting Standards Rules) 2015 (as amended) and other generally accepted accounting principles, as applicable.
- 29.2. Upon the scheme becoming effective, the Transferee Company shall account for the amalgamation of Transferor Company for in accordance with **"Pooling of Interest Method of Accounting"** prescribed under Appendix C as per Indian Accounting Standards 103 (Business Combination) and/or Section 133 of the Companies Act, 2013 read with other relevant rules thereunder, relevant clarifications issued by the IND AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles.
- 29.3. Upon the Scheme becoming effective, and on the date as determined as per Appendix C of Ind AS 103, the Transferee Company shall account for the amalgamation in its books as under:

  
 Continental Automotive Components (India) Pvt. Ltd.,  
 Satva South Gate Tech. Park, Plot No. 1, Veerasandra Industrial Area,  
 Hosur Main Road, Bangalore - 560100.

Phone +91 80 6679 1300  
 Corporate Identity No.U72900KA2007PTC043146  
 GSTIN:29AAKCS9578C12P  
 www.continental.com

Regd. Office:Plot No.53B, Bommasandra Industrial Area, Hosur Road, Attibele Hobli, Anekal Taluk, Bangalore -560099, India



- (a) The Transferee Company shall record all the assets and liabilities of the Transferor Company 2 transferred to and vested in Transferee Company at their respective carrying amounts in the books of account of Transferor Company 2 and in same form.
- (b) The identity of the reserves shall be preserved, and the Transferee Company shall record the reserves of the Transferor Company 2 in the same form and at the carrying amount as appearing in the financial statement of the Transferor Company 2.
- (c) The Transferee Company shall recognize the issuance of shares to be issued on amalgamation at the face value according to Clause 27.1(a) and accordingly credit its Share Capital Account.
- (d) The difference, if any arising of the net value of assets, liabilities and reserves as recorded in clauses 28.3 (a), 28.3 (b) and 28.3 (c) shall be accounted as per Indian Accounting Standard (IND AS) 103 - "Business Combinations" prescribed under Section 133 of the Act read with the relevant rules issued thereunder, relevant clarifications issued by the IND AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles. The difference as a result of the amalgamation shall be transferred to the 'Capital Reserve' in the financial statements of the Transferee Company and shall be presented separately from other capital reserves with the disclosure of its nature and purpose in the notes.
- (e) No adjustment shall be made to reflect fair value or recognize any new assets or liabilities. The only adjustment shall be made are to harmonize accounting policies. In case of difference in accounting policy between the Transferor Company 2 and the Transferee Company, the accounting policy followed by the Transferee Company shall prevail and the difference till the Appointed Date shall be quantified and adjusted in the retained earnings to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. The difference, if any in the accounting policies between the Transferee Company and the Transferor Company 2 shall be ascertained and quantified and the adjustment to the retained earnings, as applicable, in accordance with the requirements of Ind AS 8 Accounting policies, changes in accounting estimates and errors.
- (f) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements.
- (g) The Scheme set out herein in its present form or with any modification(s) of amendment(s) approved, imposed, or directed by the Tribunals or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.



Continental Automotive Components (India) Pvt. Ltd.,  
Sattva South Gate Tech Park, Plot No. 1, Veerasandra Industrial Area,  
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- (h) Without prejudice to the above provisions, upon the Scheme coming into effect and with effect from the Appointed Date, all inter-party transactions between the Transferor Company 2 and the Transferee Company shall be considered as intra-party transactions for all purposes. Consequently, upon the Scheme coming into effect and from the Appointed Date, to the extent there are inter-corporate loans, deposits, obligations, balances or other outstanding as between the Transferor Company inter-se and/or the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding elimination effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.

For and on behalf of the Board of Directors of  
**Continental Automotive Components (India) Private Limited**

Ramasami  
Karhikeyan

Digitally signed by  
Ramasami Karhikeyan  
Date: 2022.12.21  
11:20:16 +05'30'

Name: R Karhikeyan  
Designation: General Manager, Finance  
Place: Bengaluru  
Date: 21 December 2022



SATHYA  
PRAMOD  
KOUSHIK

Digitally signed  
by SATHYA  
PRAMOD  
KOUSHIK  
Date: 2022.12.21  
12:26:07 +05'30'

Continental Automotive Components (India) Pvt. Ltd.,  
Sattva South Gate Tech Park, Plot No. 1, Veerasandra Industrial Area,  
Hosur Main Road, Bangalore - 560100.

Phone +91 80 6679 1300  
Corporate Identity No.U72900KA2007PTC043146  
GSTIN:29AAKCS9578C1ZP  
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**VAISH & ASSOCIATES**  
CHARTERED ACCOUNTANTS

219, South Extension Plaza-II,  
South Extension Part-II,  
New Delhi - 110049 (India)  
Tel: +91-11-4733 4300  
E-mail : info@vaishassociates.com

The Board of Directors  
Continental Automotive Brake System (I) Private Limited  
Plot No 179-180, Sector-5 IMT  
Manesar Gurugram -122050

**Independent Auditor's Certificate on the proposed accounting treatment specified in the proposed Scheme of Amalgamation**

1. This Certificate is issued in accordance with the terms of our engagement letter dated December 8, 2022.

We, the statutory auditors of **Continental Automotive Brake System (I) Private Limited** (hereinafter referred to as "the Company") have examined the proposed accounting treatment as specified in **Para 16 of Part III- Section-A** of the Scheme of Amalgamation as approved by the Board of Directors of the Company on **12<sup>th</sup> December 2022** between Continental Automotive Components (India) Private Limited, Continental Lighting India Private Limited and the Company and their respective shareholders and/or creditors ('the Scheme') in terms of the provisions of section 230 to section 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder with reference to its compliance with applicable Accounting Standards as notified under Section 133 of the Companies Act, 2013, with effect from the appointed date, and other generally accepted accounting principles, as applicable.

2. For ease of reference, **Para 16 of Part III- Section-A** of the Scheme, duly authenticated by the authorized signatory on behalf of the Company, is attached as an Annexure to this certificate, and is initialed by us only for the purposes of identification.

**Management's responsibility**

3. The responsibility for the preparation of the Scheme and its compliance with the provisions of the Act and other relevant laws and regulations, including the applicable accounting standards, as aforesaid, is that of the Board of directors of the Company.
4. The responsibility for the preparation of the Scheme includes the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Management is also responsible for ensuring that the Company provides all relevant information to the National Company Law Tribunal, Registrar of Companies, Regional Director, Ministry of Corporate Affairs, and other regulatory authorities.

**Auditors' responsibility**

6. Our responsibility is only to examine and provide a reasonable assurance whether the accounting treatment prescribed upon the Scheme becoming effective complies with applicable Accounting Standards as notified under Section 133 of the Companies Act, 2013, with effect from the appointed date, and other generally accepted accounting principles, as applicable.
7. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

Head Office: C-62, South Extension Part-II, New Delhi-110049



# VAISH & ASSOCIATES

CHARTERED ACCOUNTANTS

8. We conducted our examination of the accounting treatment in accordance with the "Guidance Note on Reports or Certificates for Special Purposes" ('the Guidance Note'), issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

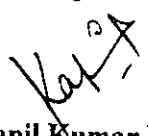
## Opinion

10. Based on our examination as above and according to the information and explanations and representations given to us, in our opinion, the accounting treatment specified in **Para 16 of Part III- Section-A** of the Scheme, attached herewith and stamped by us for identification only, is in compliance with applicable Accounting Standards as notified under Section 133 of the Companies Act, 2013, with effect from the appointed date, and other generally accepted accounting principles, as applicable.

## Restriction on use

11. This Certificate is provided to the Board of directors of the Company solely for the purpose of onward submission to the National Company Law Tribunal, Registrar of Companies and other regulatory authorities including Ministry of Corporate Affairs, in relation to the Scheme and should not be used for any other purpose or by any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For Vaish & Associates  
Chartered Accountants  
Firm Registration Number - 005388N

  
**Kapil Kumar Khandelwal**  
Partner  
M. No: 513636  
UDIN - 22513636BFWFRZ4236  
Place: New Delhi  
Date: 21 December 2022



Enclosed: Management certified true copy of **Para 16 of Part III- Section-A** – Accounting Treatment, of the Scheme



Automotive

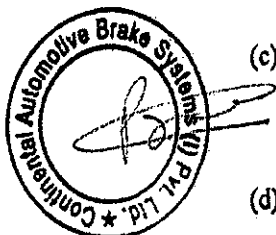
**Annexure-I**

Annexure I to the certificate as indicated in the paragraph 10 to the Statutory Auditor's Certificate in pursuance of the provisions of section 230-232 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act')

Extract from the Proposed Scheme of Amalgamation ("the scheme") of Continental Automotive Brake System (I) Private Limited ("Transferor Company 1") and Continental Lighting India Private Limited ("Transferor Company 2") with Continental Automotive Components India Private Limited ("Transferee Company").

**16. ACCOUNTING TREATMENT**

- 16.1. Upon the scheme becoming effective and from the Appointed Date, the amalgamation shall be accounted for in the books of Transferee Company according to the applicable accounting standards i.e., Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with paragraph 3 of the Company (Indian Accounting Standards Rules) 2015 (as amended) and other generally accepted accounting principles, as applicable.
- 16.2. Upon the scheme becoming effective, the Transferee Company shall account for the amalgamation of Transferor Company 1 for in accordance with "Pooling of Interest Method of Accounting" prescribed under Appendix C as per Indian Accounting Standards 103 (Business Combination) and/or Section 133 of the Companies Act, 2013 read with other relevant rules thereunder, relevant clarifications issued by the IND AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles.
- 16.3. Upon the Scheme becoming effective, and on the date as determined as per Appendix C of Ind AS 103, the Transferee Company shall account for the amalgamation in its books as under:
- (a) The Transferee Company shall record all the assets and liabilities of the Transferor Company 1 transferred to and vested in Transferee Company at their respective carrying amounts in the books of account of Transferor Company 1 and in same form.
  - (b) The identity of the reserves shall be preserved, and the Transferee Company shall record the reserves of the Transferor Company 1 in the same form and at the carrying amount as appearing in the financial statement of the Transferor Company 1.
  - (c) The Transferee Company shall recognize the issuance of shares to be issued on amalgamation at the face value according to Clause 14.1(a) and accordingly credit its Share Capital Account.
  - (d) The difference, if any arising of the net value of assets, liabilities and reserves as recorded in clauses 16.3 (a), 16.3 (b) and 16.3 (c) shall be accounted as per Indian Accounting Standard (IND AS) 103 - "Business Combinations" prescribed under Section 133 of the Act read with the relevant rules issued thereunder, relevant clarifications issued by the IND AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles. The difference as a result of the amalgamation shall be transferred to the 'Capital



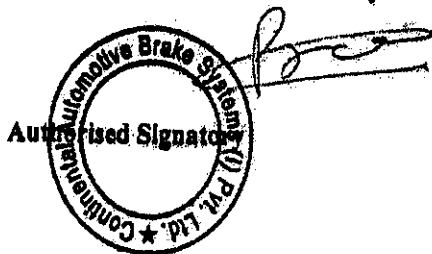


Automotive

Reserve' in the financial statements of the Transferee Company and shall be presented separately from other capital reserves with the disclosure of its nature and purpose in the notes.

- (e) No adjustment shall be made to reflect fair value or recognize any new assets or liabilities. The only adjustment shall be made are to harmonize accounting policies. In case of difference in accounting policy between the Transferor Company 1 and the Transferee Company, the accounting policy followed by the Transferee Company shall prevail and the difference till the Appointed Date shall be quantified and adjusted in the retained earnings to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. The difference, if any in the accounting policies between the Transferee Company and the Transferor Company 1 shall be ascertained and quantified and the adjustment to the retained earnings, as applicable, in accordance with the requirements of Ind AS 8 Accounting policies, changes in accounting estimates and errors.
- (f) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements.
- (g) The Scheme set out herein in its present form or with any modification(s) of amendment(s) approved, imposed, or directed by the Tribunals or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.
- (h) Without prejudice to the above provisions, upon the Scheme coming into effect and with effect from the Appointed Date, all inter-party transactions between the Transferor Company 1 and the Transferee Company shall be considered as intra-party transactions for all purposes. Consequently, upon the Scheme coming into effect and from the Appointed Date, to the extent there are inter-corporate loans, deposits, obligations, balances or other outstanding as between the Transferor Company 1 inter-se and/or the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding elimination effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.

Continental Automotive Brake System (I) Private Limited



Continental Automotive Brake Systems (I) Private Limited  
Factory & Regd. Office:  
Plot No. 179-180, Sector-5, IMT Manesar,  
Gurugram -122050, Haryana (India)

Ph: +91 124 38 33 742  
Fax: +91 124 38 33 888  
Corporate Identity No. U74900HR2008PTC037519  
www.continental-corporation.com



**REPORT ON DETERMINATION OF SHARE EXCHANGE RATIO**  
**FOR AMALGAMATION OF CONTINENTAL AUTOMOTIVE**  
**BRAKE SYSTEMS (I) PRIVATE LIMITED WITH CONTINENTAL**  
**AUTOMOTIVE COMPONENTS INDIA PRIVATE LIMITED**

**PREPARED BY:**

**Sushma Rajgaria**

**Registered Valuer (S&FA)**

**Reg. No. IBBI/RV/04/2020/13156**

**IIVRVO Membership Number IIV-RVF/OM/812/2020**

**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/04/2020/13156**

**Address A-008, Gopalan Jewels, Kanakapura Main**  
**road Konenakunte Cross, Bangalore 560 062**  
**Email: sushma@rajgaria.in**  
**Phone: +91 9880914817**

Date: 13/12/2022

To:

The Board of Directors,  
**Continental Automotive Components (India) Private Limited**  
 Plot No 53B, Bommasandra Industrial Area,  
 Attibele Hobli, Bangalore 560099

The Board of Directors,  
**Continental Automotive Brake Systems (I) Private Limited**  
 Plot No 179-180, Sector-5 IMT Manesar  
 Gurgaon - 122050

Dear Sirs,

**Sub: Report on determination of share exchange ratio (the "Report")**

We understand that the management of Continental Automotive Components (India) Private Limited ("Transferee Company") is contemplating the Amalgamation of Continental Automotive Brake Systems (I) Private Limited ("Transferor Company") with Continental Automotive Components (India) Private Limited ("Proposed Amalgamation") under a Scheme of Amalgamation under the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. As a consideration for this Proposed Amalgamation, equity shareholders of the Transferor Company would be issued Equity Shares of the Transferee Company in lieu of their shareholding in the Transferor Company.

The purpose and scope of the Report is to certify the share exchange ratio for the Proposed Amalgamation. This Report has been prepared based on the following information furnished to us:

- The draft scheme for the amalgamation of Transferor Company and Transferee Company.
- The capital structure of Transferor Company and Transferee Company as at 30<sup>th</sup> September 2022.
- Audited Financial statements of Transferor Company and Transferee Company as on 31<sup>st</sup> March 2022.
- Unaudited financial statements of Transferor Company and Transferee Company as at 30<sup>th</sup> September 2022.
- Necessary explanations and information, which we believe were relevant to the present exercise, from the representatives and Management of each of the Companies.

*Sushma Rajgaria*



**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/04/2020/13156**

**Address A-008, Gopalan Jewels, Kanakapura Main**  
**road Konenakunte Cross, Bangalore 560 062**  
**Email: sushma@rajgaria.in**  
**Phone: +91 9880914817**

# **I. Background**

Continental Automotive Brake Systems (I) Private Limited is intending to amalgamate with Continental Automotive Components (India) Private Limited. As consideration for the same, the Transferee Company would be issuing Equity Shares to the shareholders of Transferor Company.

- a) **Continental Automotive Brake Systems (I) Private Limited** was incorporated on January 3, 2008 as a private company limited by shares under the jurisdiction of the Registrar of Companies, Delhi vide Corporate Identification Number U74900HR2008PTC037519. The registered office of the Transferor Company is at Plot No 179-180, Sector-5 IMT Manesar Gurgaon - 122050.

**Continental Automotive Brake Systems (I) Private Limited** is primarily engaged in the business of manufacturing, selling and distributing hydraulic brake system and electronic brake systems in India and overseas market.

The share capital of the Transferor Company as on 30<sup>th</sup> September 2022 (as per the provisional financial statements) is as under:

Particulars	Amount in Rs
<b>Authorised Share Capital</b>	
66,22,50,000 Equity Shares of Rs.10/- each	6,62,25,00,000
<b>Issued, Subscribed and Paid-up Share Capital</b>	
63,21,18,770 Equity Shares of Rs.10/- each	6,32,11,87,700

Shareholders of the Transferor Company as on 30<sup>th</sup> September 2022 (as per the provisional financial statements) is as under: -

Sl. No.	Name of Shareholder	No. of shares held	Type of shares	Amount per share
1	Continental Automotive Holding Netherlands B.V	63,21,18,769	Equity	10
2	CAH Holding B.V, The Netherlands	1	Equity	10

- b) **Continental Automotive Components (India) Private Limited** was incorporated on June 15, 2007 as a private company limited by shares under the jurisdiction of the Registrar of Companies, Bangalore vide Corporate Identification Number U72900KA2007PTC043146. The registered office of the Transferee Company is at Plot No 53B, Bommasandra Industrial Area, Attibele Hobli, Bangalore 560099.

**Continental Automotive Components (India) Private Limited** is primarily engaged in the in the business of manufacturing and trading of instrumentation products, clusters, sensors, and other allied components for the automobile industry.

*Sushma Rajgaria*



**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/04/2020/13156**

**Address A-008, Gopalan Jewels, Kanakapura Main**  
**road Konanakunte Cross, Bangalore 560 062**  
**Email: sushma@rajgaria.in**  
**Phone: +91 9880914817**

The share capital of the Transferee Company as on 30<sup>th</sup> September 2022 (as per the provisional financial statements) is as under:

Particulars	Amount in Rs.
<b>Authorized Share Capital</b>	
2,00,00,00,000 Equity shares of Rs. 10 each	20,00,00,00,000
<b>Issued, subscribed and paid-up Share Capital</b>	
94,13,21,250 Equity shares of Re.10 each, fully paid up	9,41,32,12,500*
<b>Total</b>	<b>9,41,32,12,500</b>

\*Rs. 6,08,70,00,000/- for issue of Equity Shares had been received by the company as on 30<sup>th</sup> September 2022, 24,34,80,000 equity shares (in numbers) were allotted on 21<sup>st</sup> October 2022, (post 30<sup>th</sup> September 2022) and the same has been considered in the calculation for the purpose of arriving at the value per share .

In relation to the contemplated Amalgamation, the Transferee Company and Transferor Company has appointed Sushma Rajgaria, a registered valuer with reference to our engagement dated 16<sup>th</sup> November 2022, to provide a share exchange ratio report to indicate the number of shares to be issued by the Transferee Company to the shareholders of the Transferor Company.

*Sushma Rajgaria*



**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/04/2020/13156**

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## **II. Amalgamation Consideration**

The share swap ratio for the proposed Amalgamation of Transferor Company with Transferee Company is determined after taking into consideration the following methodologies:

### **A. Market approach**

The Market approach measures value based on what other purchasers in the market have paid for assets that can be considered reasonably similar to those being valued. The Comparable Company Multiple (CCM) Method is one of the key methods under the Market approach.

### **B. Income approach**

The income approach determines the value of a business based on its ability to generate desired economic benefit for the owners. The key objective of the income-based methods is to determine the business value as a function of the economic benefit. The Discounted Cash Flow method (DCF method) is a prominent method under the Income approach.

### **C. Asset approach**

The asset approach seeks to determine the business value based on the value of its assets. The Net Asset Value (NAV) method is a prominent method under the Asset Approach.

Since all the merging companies are held by common shareholders, we are of the opinion that only Net Asset Value method shall be the most appropriate method of valuation.

The Scheme of Amalgamation between Continental Automotive Brake Systems (I) Private Limited and Continental Automotive Components (India) Private Limited (the "Scheme") entails Amalgamation of Transferor Company with Transferee Company. Pursuant to the Amalgamation, the Transferee Company shall issue Equity Shares to the shareholders of the Transferor Company according to the Share Exchange Ratio given below:

Shareholders of Transferor Company	No. of equity shares held in Transferor Company	No. of equity shares of Transferee Company to be issued
Continental Automotive Holding Netherlands B.V	63,21,18,769	12,64,23,754
CAH Holding B.V, The Netherlands	1	1
<b>Total</b>	<b>63,21,18,770</b>	<b>12,64,23,755</b>

**Note:** The above table is based on the shareholding pattern of the Transferor Company as on the date of issuance of this Report. Accordingly, where there is a change in the shareholding pattern of the Transferor Company (pursuant to any sale, purchase, fresh issue, cancellation or buy-back of shares, etc.) after the date of this Report and before the date on which the Scheme becomes effective, the number of Equity Shares of Transferee Company to be issued to the each of the equity shareholders will also be subject to corresponding changes.

*Sushma Rajgaria*



**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/04/2020/13156**

Address A-008, Gopalan Jewels, Kanakapura Main  
 road Konenakunte Cross, Bangalore 560 062  
 Email: sushma@rajgaria.in  
 Phone: +91 9880914817

The above no. of shares is arrived as per the following Share Exchange Ratio:

"1 (one) Equity Shares of the Transferee Company of face value of Rs. 10/- each, for 5 (five) equity shares of the Transferor Company with face value of Rs. 10/- each fully paid up.

No fractional shares shall be issued by the Transferee Company and all fractions shall be rounded off to the next nearest whole number. Further, any shares held by the Transferee Company or any subsidiary or nominee of the Transferee Company in the Transferor Company, shall be cancelled."

### III. Conclusion

In view of the above and on the basis of information / representations made available to us, in our opinion, the Share Exchange Ratio mentioned in the Scheme is fair and equitable in the current context and not detrimental to the interests of any of the parties.

This Report is based on the information and documents as prevailing as on the date of this Report and we have no obligation to update this Report or our conclusion, for information that comes to our attention after the date of this Report.

Thanking you,

Yours faithfully,

*Sushma*



**Sushma Rajgaria**  
 Registered valuer – Securities or financial assets  
 Registration no.: IBBI/RV/04/2020/13156

Place: Bengaluru  
 Date: 13/12/2022

**REPORT ON DETERMINATION OF SHARE EXCHANGE RATIO  
FOR AMALGAMATION OF CONTINENTAL LIGHTING INDIA  
PRIVATE LIMITED WITH CONTINENTAL AUTOMOTIVE  
COMPONENTS (INDIA) PRIVATE LIMITED**

**PREPARED BY:**

**Sushma Rajgaria**

**Registered Valuer (S&FA)**

**Reg. No. IBBI/RV/04/2020/13156**

**IIVRVO Membership Number IIV-RVF/OM/812/2020**

**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/04/2020/13156**

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**road Konenakunte Cross, Bangalore 560 062**  
**Email: sushma@rajgaria.in**  
**Phone: +91 9880914817**

Date: 13/12/2022

To:

The Board of Directors,  
**Continental Automotive Components (India) Private Limited**  
 Plot No 53B, Bommasandra Industrial Area,  
 Attibele Hobli, Bangalore 560099

The Board of Directors,  
**Continental Lighting India Private Limited**  
 No. 53B, Bommasandra Industrial Area,  
 Phase I, Hosur Road, Bangalore – 560099

Dear Sirs,

**Sub: Report on determination of share exchange ratio (the "Report")**

We understand that the management of Continental Automotive Components (India) Private Limited ("Transferee Company") is contemplating the Amalgamation of Continental Lighting India Private Limited ("Transferor Company") with Continental Automotive Components (India) Private Limited ("Amalgamation") under a Scheme of Amalgamation under the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. As a consideration for this Amalgamation, equity shareholders of the Transferor Company would be issued Equity Shares of the Transferee Company in lieu of their shareholding in the Transferor Company.

The purpose and scope of the Report is to certify the share exchange ratio for the Amalgamation. This Report has been prepared based on the following information furnished to us:

- The draft scheme for the amalgamation of Transferor Company and Transferee Company.
- The capital structure of Transferor Company and Transferee Company as at 30<sup>th</sup> September 2022
- Audited Financial statements of Transferor Company and Transferee Company as on 31<sup>st</sup> March 2022.
- Unaudited financial statements of Transferor Company and Transferee Company as at 30<sup>th</sup> September 2022
- We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the representatives and Management of each of the Companies.

*Sushma Rajgaria*



**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/04/2020/13156**

Address A-008, Gopalan Jewels, Kanakapura Main  
 road Konenakunte Cross, Bangalore 560 062  
 Email: sushma@rajgaria.in  
 Phone: +91 9880914817

#### **I. Background**

Continental Lighting India Private Limited is intending to Amalgamate with Continental Automotive Components (India) Private Limited. As consideration for the same, the Transferee Company would be issuing Equity Shares to the shareholders of Transferor Company.

- a) **Continental Lighting India Private Limited** was incorporated on September 27, 2018 as a private company limited by shares under the jurisdiction of the Registrar of Companies, Bangalore vide Corporate Identification Number U31900KA2018FTC116935. The registered office of the Transferor Company is at No. 53B, Bommasandra Industrial Area, Phase I, Hosur Road, Bangalore - 560099.

**Continental Lighting India Private Limited** is primarily engaged in the business of providing research and development services to its group companies across the globe.

The share capital of the Transferor Company as on 30<sup>th</sup> September 2022 (as per the projected financial statements) is as under:

Particulars	Amount in Rs
<b>Authorised Share Capital</b>	
80,40,000 Equity Shares of Rs.10/- each	8,04,00,000
<b>Issued, Subscribed and Paid-up Share Capital</b>	
80,40,000 Equity Shares of Rs.10/- each	8,04,00,000

Shareholders of the Transferor Company as on 30<sup>th</sup> September 2022 (as per the projected financial statements) is as under: -

Sl. No.	Name of Shareholder	No. of shares held	Type of shares	Amount per share
1	Continental Automotive Holding Netherlands B.V	79,59,600	Equity	10
2	CAH Holding B.V, The Netherlands	80,400	Equity	10

- b) **Continental Automotive Components (India) Private Limited** was incorporated on June 15, 2007 as a private company limited by shares under the jurisdiction of the Registrar of Companies, Bangalore vide Corporate Identification Number U72900KA2007PTC043146. The registered office of the Transferee Company is at Plot No 53B, Bommasandra Industrial Area, Attibele Hobli, Bangalore 560099.

**Continental Automotive Components (India) Private Limited** is primarily engaged in the business of manufacturing and trading of instrumentation products, clusters, sensors, and other allied components for the automobile industry.

*Sushma Rajgaria*



**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/04/2020/13156**

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**Phone: +91 9880914817**

The share capital of the Transferee Company as on 30 September 2022 (as per the projected financial statements) is as under:

Particulars	Amount in Rs.
<b>Authorized Share Capital</b>	
2,00,00,00,000 Equity shares of Rs. 10 each	20,00,00,00,000
<b>Total</b>	
<b>Issued, subscribed and paid-up Share Capital</b>	
94,13,21,250 Equity shares of Re.10 each, fully paid up	9,41,32,12,500*
<b>Total</b>	<b>9,41,32,12,500</b>

\* Rs. 6,08,70,00,000/- for issue of Equity Shares had been received by the company as on 30<sup>th</sup> September 2022. 24,34,80,000 equity shares (in numbers) were allotted on 21<sup>st</sup> October 2022 (post 30<sup>th</sup> September 2022) and the same has been considered in the calculation for the purpose of arriving at the value per share.

In relation to the contemplated Amalgamation, the Transferee Company and Transferor Company has appointed Sushma Rajgaria, a registered valuer with reference to our engagement dated 16<sup>th</sup> November 2022, to provide a share exchange ratio report to indicate the number of shares to be issued by the Transferee Company to the shareholders of the Transferor Company.

*Sushma Rajgaria*



**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/04/2020/13156**

**Address A-008, Gopalan Jewels, Kanakapura Main**  
**road Konenakunte Cross, Bangalore 560 062**  
**Email: sushma@rajgaria.in**  
**Phone: +91 9880914817**

## **II. Amalgamation Consideration**

The share swap ratio for the Amalgamation of Transferor Company with Transferee Company is determined after taking into consideration the following methodologies:

### **A. Market approach**

The Market approach measures value based on what other purchasers in the market have paid for assets that can be considered reasonably similar to those being valued. The Comparable Company Multiple (CCM) Method is one of the key methods under the Market approach.

### **B. Income approach**

The income approach determines the value of a business based on its ability to generate desired economic benefit for the owners. The key objective of the income-based methods is to determine the business value as a function of the economic benefit. The Discounted Cash Flow method (DCF method) is a prominent method under the Income approach.

### **C. Asset approach**

The asset approach seeks to determine the business value based on the value of its assets. The Net Asset Value (NAV) method is a prominent method under the Asset Approach.

Since all the amalgamating companies are held by common shareholders, we are of the opinion that only Net Asset Value method shall be the most appropriate method of valuation.

The Scheme of Amalgamation between Continental Lighting Private Limited and Continental Automotive Components (India) Private Limited (the "Scheme") entails Amalgamation of Transferor Company with Transferee Company. Pursuant to the Amalgamation, the Transferee Company shall issue Equity Shares to the shareholders of the Transferor Company according to the Share Exchange Ratio given below:

Shareholders of Transferor Company	No. of equity shares held in Transferor Company	No. of equity shares of Transferee Company to be issued
Continental Automotive Holding Netherlands B.V	79,59,600	79,59,600
CAH Holding B.V, The Netherlands	80,400	80,400
<b>Total</b>	<b>80,40,000</b>	<b>80,40,000</b>

**Note:** The above table is based on the shareholding pattern of the Transferor Company as on the date of issuance of this Report. Accordingly, where there is a change in the shareholding pattern of the Transferor Company (pursuant to any sale, purchase, fresh issue, cancellation or buy-back of shares, etc.) after the date of this Report and before the date on which the Scheme becomes effective, the number of Equity Shares of Transferee Company to be issued to the each of the equity shareholders will also be subject to corresponding changes.

*Sushma Rajgaria*



**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/04/2020/13156**

Address A-008, Gopalan Jewels, Kanakapura Main  
 road Konenakunte Cross, Bangalore 560 062  
 Email: sushma@rajgaria.in  
 Phone: +91 9880914817

The above no. of shares is arrived as per the following Share Exchange Ratio:

"1 (one) Equity Shares of the Transferee Company of face value of Rs. 10/- each, for 1(one) equity share of the Transferor Company with face value of Rs. 10/- each fully paid up.

No fractional shares shall be issued by the Transferee Company and all fractions shall be rounded off to the next nearest whole number. Further, any shares held by the Transferee Company or any subsidiary or nominee of the Transferee Company in the Transferor Company, shall be cancelled."

### III. Conclusion

In view of the above and on the basis of information / representations made available to us, in our opinion, the Share Exchange Ratio mentioned in the Scheme is fair and equitable in the current context and not detrimental to the interests of any of the parties.

This Report is based on the information and documents as prevailing as on the date of this Report and we have no obligation to update this Report or our conclusion, for information that comes to our attention after the date of this Report.

Thanking you,

Yours faithfully,

*Sushma Rajgaria*



**Sushma Rajgaria**  
 Registered valuer – Securities or financial assets  
 Registration no.: IBBI/RV/04/2020/13156

Place: Bengaluru  
 Date: 13/12/2022

**STRICTLY PRIVATE AND CONFIDENTIAL**

**SHARE EXCHANGE RATIO**

**FOR**

**AMALGAMATION OF**

**CONTINENTAL AUTOMOTIVE BRAKE SYSTEMS (I) PRIVATE LIMITED**  
**("Transferor Company")**

**with**

**CONTINENTAL AUTOMOTIVE COMPONENTS (INDIA) PRIVATE LIMITED**  
**("Transferee Company")**

**and**

**their respective Shareholders**

**Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013**

**PREPARED BY:**

**Sushma Rajgaria**

**Registered Valuer (S&FA)**

**Reg. No. IBBI/RV/04/2020/13156**

**IIVRVO Membership Number IIV-RVF/OM/812/2020**

13<sup>th</sup> December 2022

To:

The Board of Directors,  
Continental Automotive Components (India) Private Limited  
Plot No 53B, Bommasandra Industrial Area,  
Attibele Hobli, Bangalore 560099

The Board of Directors,  
Continental Automotive Brake Systems (I) Private Limited  
Plot No 179-180, Sector-5 IMT Manesar  
Gurgaon - 122050

*Re: Fairness opinion for allotment of shares of Continental Automotive Components (India) Private Limited ("Transferee Company") to the shareholders of Continental Automotive Brake Systems (I) Private Limited ("Transferor Company") with respect to the amalgamation with Continental Automotive Components (India) Private Limited ("Amalgamation") through a Scheme of Amalgamation u/s 230-232 of the Companies Act, 2013 and other applicable provisions of the Act.*

Dear Sirs,

Continental Automotive Components (India) Private Limited and Continental Automotive Brake Systems (I) Private Limited ("Companies") have requested us to provide a Fairness Report for issuance of shares suggested by the Management of both the companies, in relation to the Amalgamation.

## 1. SCOPE AND PURPOSE OF THIS REPORT

I, Sushma Rajgaria, a registered valuer under the Companies Act, 2013, refer to our engagement letter dated 16<sup>th</sup> November 2022 wherein Companies have requested us to give a Fairness Report in connection with the Amalgamation of Continental Automotive Brake Systems (I) Private Limited with Continental Automotive Components (India) Private Limited, under the provisions of Sections 230 to 232 of the Companies Act 2013 (hereinafter referred to as "Act") and other applicable provisions of the Act.

We have been given to understand that subject to necessary approvals, Continental Automotive Brake Systems (I) Private Limited would be amalgamating with Continental Automotive Components (India) Private Limited, with effect from 1<sup>st</sup> April 2022, or such other date as may be approved by the Board of Directors of Continental Automotive Brake Systems (I) Private Limited and Continental Automotive Components (India) Private Limited or such other time and date as the Tribunal may fix or direct. Under the Scheme, the shareholders of Continental Automotive Brake Systems (I) Private Limited will be issued equity shares as consideration by Continental Automotive Components (India) Private Limited for the Amalgamation.

It has been proposed by the Management of Continental Automotive Components (India) Private Limited, that upon the amalgamation of Continental Automotive Brake Systems (I)



*Sushma Rajgaria*

Private Limited into Continental Automotive Components (India) Private Limited being effective, Continental Automotive Components (India) Private Limited will issue and allot in the ratio of 1 (one) equity share of Rs.10 each, fully paid up, in Continental Automotive Components (India) Private Limited for every 5 (five) equity shares of face value of Rs.10 each, fully paid up of Continental Automotive Brake Systems (I) Private Limited. In this connection, the Management of the Companies has engaged registered valuer to submit a report on the fairness of above issuance of shares for amalgamation of Continental Automotive Brake Systems (I) Private Limited into Continental Automotive Components (India) Private Limited.

Our scope of work includes commenting only on the fairness of the proposed allotment ratio suggested by the Management and not on the fairness or economic rationale of the amalgamation per se. This report has been issued only for the purpose of facilitating the Amalgamation and should not be used for any other purpose.

## 2. SOURCES OF INFORMATION

The sources of information, which have been furnished to us by the Companies, are given below:

- a) The draft scheme for the amalgamation of Transferor Company with Transferee Company.
- b) The capital structure of Transferor Company and Transferee Company as at 30<sup>th</sup> September 2022;
- c) Audited financial statements of Transferor Company and Transferee Company as at 31<sup>st</sup> March 2022;
- d) Unaudited financial statements of Transferor Company and Transferee Company as at 30<sup>th</sup> September 2022.
- e) We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the representatives and Management of each of the Companies.

It may be mentioned that the Management of the Companies have been provided an opportunity to review the draft report for the current engagement as part of our standard practice to make sure that factual inaccuracies are avoided in our report.

## 3. BACKGROUND OF THE COMPANIES

- a) Continental Automotive Brake Systems (I) Private Limited, was incorporated on the January 3, 2008 as a private company limited by shares under the jurisdiction of the Registrar of Companies, Delhi vide Corporate Identification Number U74900HR2008PTC037519. The registered office of the Transferor Company is at Plot No 179-180, Sector-5 IMT Manesar Gurgaon - 122050.

Continental Automotive Brake Systems (I) Private Limited is primarily engaged in the business of manufacturing, selling and distributing hydraulic brake system and electronic brake systems in India and overseas market.



*Sushma Rajgaria*

The share capital of the Transferor Company as on 30<sup>th</sup> September 2022 is as under:

Particulars	Amount in Rs
<b>Authorized Share Capital</b>	
66,22,50,000 Equity Shares of Rs.10/- each	6,62,25,00,000
<b>Issued, Subscribed and Paid-up Share</b>	
63,21,18,770 Equity Shares of Rs.10/- each	6,32,11,87,700

Shareholders of the Transferor Company as on 30<sup>th</sup> September 2022 is as under:-

Sl. No.	Name of Shareholder	No. of shares held	Type of shares	Amount per share
1	Continental Automotive Holding Netherlands B.V	63,21,18,769	Equity	10
2	CAH Holding B.V, The Netherlands	1	Equity	10

- b) Continental Automotive Components (India) Private Limited, was incorporated originally on the June 15, 2007 as a private company limited by shares under the jurisdiction of the Registrar of Companies, Bangalore vide Corporate Identification Number U72900KA2007PTC043146. The registered office of the Transferee Company is at Plot No 53B, Bommasandra Industrial Area, Attibele Hobli, Bangalore 560099.

Continental Automotive Components (India) Private Limited is primarily engaged in the in the business of manufacturing and trading of instrumentation products, clusters, sensors, and other allied components for the automobile industry.

The share capital of the Transferee Company as on 30<sup>th</sup> September 2022 is as under:

Particulars	Amount in Rs.
<b>Authorized Share Capital</b>	
2,00,00,00,000 Equity shares of Rs. 10 each	20,00,00,00,000
<b>Issued, subscribed and paid-up Share Capital</b>	
94,13,21,250 Equity shares of Re.10 each, fully paid up	9,41,32,12,500*
<b>Total</b>	<b>9,41,32,12,500</b>

\*Rs. 6,08,70,00,000/- for issue of Equity Shares had been received by the company as on 30<sup>th</sup> September 2022. 24,34,80,000 equity shares (in numbers) were allotted on 21<sup>st</sup> October 2022, (post 30<sup>th</sup> September 2022) and the same has been considered in the calculation for the purpose of arriving at the value per share.

Sushma Rajgopal



#### 4. INSPECTION AND / OR INVESTIGATION UNDERTAKEN

Website of ministry of corporate affairs (MCA) was inspected to carry out the inspections of various documents filed by the companies as considered necessary in connection with performance of duties.

#### 5. BASIS FOR AMALGAMATION

The Scheme envisages an amalgamation of Continental Automotive Brake Systems (I) Private Limited with Continental Automotive Components (India) Private Limited. It has been proposed by the Management of Continental Automotive Brake Systems (I) Private Limited and Continental Automotive Components (India) Private Limited that upon amalgamation being effective, Continental Automotive Components (India) Private Limited shall, without any further act or deed and without any further consideration (cash or non-cash), issue and allot in the ratio of 1 (one) equity share of Rs.10 each, fully paid up, in Continental Automotive Components (India) Private Limited, in respect of every 5 (five) equity shares of face value of Rs.10 each, fully paid up in Continental Automotive Brake Systems (I) Private Limited. The key factor to be considered as regards to the valuation in the present Amalgamation is that any proposed share exchange ratio for the amalgamation can be considered as fair and reasonable for the shareholders of the Companies, only if the proposed share exchange ratio to be adopted does not result in any adverse consequence to any of the shareholder of Continental Automotive Brake Systems (I) Private Limited.

No shareholder is, under the Scheme, required to dispose-off any part of his shareholding either to any other shareholder or in the market or otherwise. The proposed allotment ratio does not envisage the dilution of the effective holding of any shareholders because of the operation of the Scheme.

Thus, any exchange ratio is fair and reasonable from the point of view of ultimate equity shareholder's and other shareholder's economic interest for the Amalgamation.

#### 6. CONCLUSION

On basis of our review of the information/ representations made available to us and after consideration of all the relevant factors and circumstances, mentioned above, Transferee Company shall allot 1 (one) equity share of Rs.10 each, fully paid up of Transferee Company for every 5 (five) equity shares of face value of Rs.10 each, fully paid up, to the shareholders of Transferor Company. The same in our view would be fair and reasonable in the current context.

*Sushma Rajgaria*



## 7. SCOPE LIMITATIONS AND DISCLAIMERS

- While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the Continental Automotive Brake Systems (I) Private Limited and Continental Automotive Components (India) Private Limited existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of Continental Automotive Brake Systems (I) Private Limited and Continental Automotive Components (India) Private Limited. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- Continental Automotive Components (India) Private Limited and Continental Automotive Brake Systems (I) Private Limited shall obtain NOC on the Scheme of amalgamation from their minority shareholders respectively. If any of the NOC are not received, then our opinion and valuation will get impacted accordingly.
- The report of companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment.
- We owe responsibility to only to the authority/ management of Continental Automotive Brake Systems (I) Private Limited and Continental Automotive Components (India) Private Limited that has appointed me/us under the terms of the engagement letters. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the client or companies, their directors, employees, or agents.
- In the course of the report, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions and other information given by/on behalf of the Company.
- We are independent of the Continental Automotive Brake Systems (I) Private Limited and Continental Automotive Components (India) Private Limited and have no current or expected interest in the Company or its assets. The fee paid for our services in no way influenced the results of our analysis.
- Disclosure of Valuer Interest / Conflict, if any - Nil

Sushma Rajgaria



- Our report is meant for the purpose of providing Fairness Report and filing the same with regulatory authorities, including NCLT and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- We are fully aware that based on the opinion expressed in this report, we may be required to give testimony or attend court / judicial proceedings regarding the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws.
- **Restriction on use of the Report-** This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Management of Continental Automotive Brake Systems (I) Private Limited and Continental Automotive Components (India) Private Limited is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the Continental Automotive Brake Systems (I) Private Limited and Continental Automotive Components (India) Private Limited from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. I/we do not take any responsibility for the unauthorized use of this report.

*Sushma Rajgaria*  
Sushma Rajgaria

Registered Valuer

Securities or Financial Assets

Registration No. : IBBI/RV/04/2020/13156

Place: Bangalore



Date: 13<sup>th</sup> December 2022

*STRICTLY PRIVATE AND CONFIDENTIAL*

**SHARE EXCHANGE RATIO**

FOR

AMALGAMATION OF

**CONTINENTAL LIGHTING INDIA PRIVATE LIMITED**  
("Transferor Company")

with

**CONTINENTAL AUTOMOTIVE COMPONENTS (INDIA) PRIVATE LIMITED**  
("Transferee Company")

and

their respective Shareholders

Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

**PREPARED BY:**

Sushma Rajgaria

Registered Valuer (S&FA)

Reg. No. IBBI/RV/04/2020/13156

IIVRVO Membership Number IIV-RVF/OM/812/2020

13<sup>th</sup> December 2022

To:

The Board of Directors,  
Continental Automotive Components (India) Private Limited  
Plot No 53B, Bommasandra Industrial Area,  
Attibele Hobli, Bangalore 560099

The Board of Directors,  
Continental Lighting India Private Limited  
No. 53B, Bommasandra Industrial Area,  
Phase I, Hosur Road, Bangalore – 560099

*Re: Fairness opinion for allotment of shares of Continental Automotive Components (India) Private Limited ("Transferee Company") to the shareholders of Continental Lighting India Private Limited ("Transferor Company") with respect to the amalgamation with Continental Automotive Components (India) Private Limited ("Amalgamation") through a Scheme of Amalgamation u/s 230-232 of the Companies Act, 2013 and other applicable provisions of the Act.*

Dear Sirs,

Continental Automotive Components (India) Private Limited and Continental Lighting India Private Limited ("Companies") have requested us to provide a Fairness Report for issuance of shares suggested by the Management of both the companies, in relation to the Amalgamation.

## 1. SCOPE AND PURPOSE OF THIS REPORT

I, Sushma Rajgaria, a registered valuer under the Companies Act, 2013, refer to our engagement letter dated 16<sup>th</sup> November 2022 wherein Companies have requested us to give Fairness Report in connection with the Amalgamation of Continental Lighting India Private Limited with Continental Automotive Components (India) Private Limited, under the provisions of Sections 230 to 232 of the Companies Act 2013 (hereinafter referred to as "Act") and other applicable provisions of the Act.

We have been given to understand that subject to necessary approvals, Continental Lighting India Private Limited would be amalgamating with Continental Automotive Components (India) Private Limited, with effect from 1<sup>st</sup> April 2022 (hereinafter referred to as the "Appointed Date"), or such other date as may be approved by the Board of Directors of Continental Lighting India Private Limited and Continental Automotive Components (India) Private Limited or such other time and date as the Tribunal may fix or direct. Under the Scheme, the shareholders of Continental Lighting India Private Limited will be issued equity shares as consideration by Continental Automotive Components (India) Private Limited for the Amalgamation.

*Sushma Rajgaria*



It has been proposed by the Management of Continental Automotive Components (India) Private Limited, that upon the amalgamation of Continental Lighting India Private Limited into Continental Automotive Components (India) Private Limited being effective, Continental Automotive Components (India) Private Limited will issue and allot in the ratio of 1 (one) equity share of Rs.10 each, fully paid up, in Continental Automotive Components (India) Private Limited for every 1 (one) equity shares of face value of Rs.10 each, fully paid up of Continental Lighting India Private Limited. In this connection, the Management of the Companies has engaged registered valuer to submit a report on the fairness of above issuance of shares for amalgamation of Continental Lighting India Private Limited into Continental Automotive Components (India) Private Limited.

Our scope of work includes commenting only on the fairness of the proposed allotment ratio suggested by the Management and not on the fairness or economic rationale of the amalgamation per se. This report has been issued only for the purpose of facilitating the Amalgamation and should not be used for any other purpose.

## 2. SOURCES OF INFORMATION

The sources of information, which have been furnished to us by the Companies, are given below:

- a) The draft scheme for the amalgamation of Transferor Company with Transferee Company.
- b) The capital structure of Transferor Company and Transferee Company as at 30<sup>th</sup> September 2022;
- c) Audited financial statements of Transferor Company and Transferee Company as at 31<sup>st</sup> March 2022;
- d) Unaudited financial statements of Transferor Company and Transferee Company as at 30<sup>th</sup> September 2022.
- e) We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the representatives and Management of each of the Companies.

It may be mentioned that the Management of the Companies have been provided an opportunity to review the draft report for the current engagement as part of our standard practice to make sure that factual in accuracies are avoided in our report.

## 3. BACKGROUND OF THE COMPANIES

- a) Continental Lighting India Private Limited, was incorporated on the September 27, 2018 as a private company limited by shares under the jurisdiction of the Registrar of Companies, Delhi vide Corporate Identification Number U31900KA2018FTC116935. The registered office of the Transferor Company is at No. 53B, Bommasandra Industrial Area, Phase I, Hosur Road, Bangalore - 560099.

Continental Lighting India Private Limited is primarily engaged in the business of providing research and development services to its group companies across the globe.

*Sushma Rajgaria*



The share capital of the Transferor Company as on 30<sup>th</sup> September 2022 is as under:

Particulars	Amount in Rs
<b>Authorised Share Capital</b>	
80,40,000 Equity Shares of Rs.10/- each	8,04,00,000
<b>Issued, Subscribed and Paid-up Share</b>	
80,40,000 Equity Shares of Rs.10/- each	8,04,00,000

Shareholders of the Transferor Company as on 30<sup>th</sup> September 2022 is as under:-

Sl. No.	Name of Shareholder	No. of shares held	Type of shares	Amount per share
1	Continental Automotive Holding Netherlands B.V	79,59,600	Equity	10
2	CAH Holding B.V, The Netherlands	80,400	Equity	10

- b) **Continental Automotive Components (India) Private Limited**, was incorporated originally on the June 15, 2007 as a private company limited by shares under the jurisdiction of the Registrar of Companies, Bangalore vide Corporate Identification Number U72900KA2007PTC043146. The registered office of the Transferee Company is at Plot No 53B, Bommasandra Industrial Area, Attibele Hobli, Bangalore 560099.

**Continental Automotive Components (India) Private Limited** is primarily engaged in the business of manufacturing and trading of instrumentation products, clusters, sensors, and other allied components for the automobile industry.

The share capital of the Transferee Company as on 30<sup>th</sup> September 2022 is as under:

Particulars	Amount in Rs.
<b>Authorized Share Capital</b>	
2,00,00,00,000 Equity shares of Rs. 10 each	20,00,00,00,000
<b>Issued, subscribed and paid-up Share Capital</b>	
94,13,21,250 Equity shares of Re.10 each, fully paid up	9,41,32,12,500*
<b>Total</b>	<b>9,41,32,12,500</b>

\* Rs. 6,08,70,00,000/- for issue of Equity Shares had been received by the company as on 30<sup>th</sup> September 2022. 24,34,80,000 equity shares (in numbers) were allotted on 21<sup>st</sup> October 2022 (post 30<sup>th</sup> September 2022) and the same has been considered in the calculation for the purpose of arriving at the value per share.

*Sushma Rajgaria*



#### 4. INSPECTION AND/OR INVESTIGATION UNDERTAKEN

Website of ministry of corporate affairs (MCA) was inspected to carry out the inspections of various documents filed by the companies as considered necessary in connection with performance of duties.

#### 5. BASIS FOR AMALGAMATION

The Scheme envisages an amalgamation of Continental Lighting India Private Limited with Continental Automotive Components (India) Private Limited. It has been proposed by the Management of Continental Lighting India Private Limited and Continental Automotive Components (India) Private Limited that upon amalgamation being effective, Continental Automotive Components (India) Private Limited shall, without any further act or deed and without any further consideration (cash or non-cash), issue and allot in the ratio of 1 (one) equity share of Rs.10 each, fully paid up, in Continental Automotive Components (India) Private Limited, in respect of every 1 (one) equity shares of face value of Rs.10 each, fully paid up in Continental Lighting India Private Limited. The key factor to be considered as regards to the valuation in the present Amalgamation is that any proposed share exchange ratio for the amalgamation can be considered as fair and reasonable for the shareholders of the Companies, only if the proposed share exchange ratio to be adopted does not result in any adverse consequence to any of the shareholder of Continental Lighting India Private Limited.

No shareholder is, under the Scheme, required to dispose-off any part of his shareholding either to any other shareholder or in the market or otherwise. The proposed allotment ratio does not envisage the dilution of the effective holding of any shareholders because of the operation of the Scheme.

Thus, any exchange ratio is fair and reasonable from the point of view of ultimate equity shareholder's and other shareholder's economic interest for the Amalgamation.

#### 6. CONCLUSION

On basis of our review of the information/ representations made available to us and after consideration of all the relevant factors and circumstances, mentioned above, Transferee Company shall allot 1 (one) equity share of Rs.10 each, fully paid up of Transferee Company for every 1 (one) equity shares of face value of Rs.10 each, fully paid up, to the shareholders of Transferor Company. The same in our view would be fair and reasonable in the current context.

*Sushma Rajgaria*




## 7. SCOPE LIMITATIONS AND DISCLAIMERS

- While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the Continental Lighting India Private Limited and Continental Automotive Components (India) Private Limited existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of Continental Lighting India Private Limited and Continental Automotive Components (India) Private Limited. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- Continental Automotive Components (India) Private Limited and Continental Lighting India Private Limited shall obtain NOC on the Scheme of amalgamation from their minority shareholders respectively. If any of the NOC are not received, then our opinion and valuation will get impacted accordingly.
- The report of companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment.
- We owe responsibility to only to the authority/ management of Continental Lighting India Private Limited and Continental Automotive Components (India) Private Limited that has appointed me/us under the terms of the engagement letters. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the client or companies, their directors, employees, or agents.
- In the course of the report, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions and other information given by/on behalf of the Company.
- We are independent of the Continental Lighting India Private Limited and Continental Automotive Components (India) Private Limited and have no current or expected interest in the Company or its assets. The fee paid for our services in no way influenced the results of our analysis.
- Disclosure of Valuer Interest/ Conflict, if any - Nil

*Sushma Rajgaria*



- Our report is meant for the purpose of providing Fairness Report and filing the same with regulatory authorities, including NCLT and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- We are fully aware that based on the opinion expressed in this report, we may be required to give testimony or attend court / judicial proceedings regarding the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws.
- **Restriction on use of the Report-** This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Management of Continental Lighting India Private Limited and Continental Automotive Components (India) Private Limited is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the Continental Lighting India Private Limited and Continental Automotive Components (India) Private Limited from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. I/we do not take any responsibility for the unauthorized use of this report.

  
 Sushma Rajgaria  
 Registered Valuer  
 Securities or Financial Assets  
 Registration No. : IBBI/RV/04/2020/13156  
 Place: Bangalore

Date: 13<sup>th</sup> December 2022

# **Value of equity shares of Continental Automotive Brake Systems (I) Private Limited**

**Valuation Date: September 30, 2022**

**Sushma Rajgaria,  
Registered Valuer  
A 008 Gopalan Jewels Doddakallasandra Kanakapura Main  
Road Konenakunte Cross Bangalore Karnataka 560062**

**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/04/2020/13156**

Address A-008, Gopalan Jewels, Kanakapura Main  
 road Konenakunte Cross, Bangalore 560 062  
 Email: sushma@rajgaria.in  
 Phone: +91 9880914817

**Kind Attn:**  
**The Directors**  
**Continental Automotive Brake Systems (I) Private Limited**  
**Regd Office: Plot No 179-180, Sector-5 IMT Manesar Gurgaon - 122050**

*Date of Valuation - September 30, 2022*

**Value of equity shares of Continental Automotive Brake Systems (I) Private Limited.**

I, Sushma Rajgaria, a registered valuer have conducted valuation of equity shares of Continental Automotive Brake Systems (I) Private Limited ('the Company'). The valuation is conducted for the purpose of Amalgamation on the basis of Net Asset Value Method ('NAV').

The value of the equity shares of Continental Automotive Brake Systems (I) Private Limited is **Rs. 5.16** as per the said valuation methodology.

Please find enclosed a narrative report detailing our valuation analysis. The valuation date is September 30, 2022.

We understand that you agree with the contents of this report (especially fact based) and nothing has been concealed from us that could have had a bearing on the valuation. The valuation is conducted for the purpose of Amalgamation only. All information contained herein including the Unaudited financials with respect to the valuation subject is provided to us by you / your authorized personnel only.

The contents of our report have been reviewed by the management of Continental Automotive Brake Systems (I) Private Limited ('Management'). If you have any questions or require additional information, please do feel free to contact us.

Yours truly,

*Sushma Rajgaria*

Sushma Rajgaria

Registered valuer - Securities or financial assets

Registration no.: IBBI/RV/04/2020/13156

Place: Bengaluru

Date: 13/12/2022



Sushma Rajgaria  
Registered Valuer (S&FA)  
Reg. No. IBBI/RV/04/2020/13156

Address A-008, Gopalan Jewels, Kanakapura Main  
road Konenakunte Cross, Bangalore 560 062  
Email: sushma@rajgaria.in  
Phone: +91 9880914817

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Sushma Rajgaria  
Registered Valuer (S&FA)  
Reg. No. IBBI/RV/04/2020/13156

Address A-008, Gopalan Jewels, Kanakapura Main  
road Konenakunte Cross, Bangalore 560 062  
Email: sushma@rajgaria.in  
Phone: +91 9880914817

## Engagement Background

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Continental Automotive Brake Systems (I) Private Limited is a company incorporated under the Companies Act, 2013, having its registered office at Plot No 179-180, Sector-5 IMT Manesar Gurgaon - 122050. The Company is primarily engaged in the business of manufacturing, selling and distributing hydraulic brake system and electronic brake systems in India and overseas market.

The Management has requested us to undertake valuation of equity shares of the Company. The valuation is conducted for the purpose of Amalgamation on the basis of Net Asset Value Method.

The valuation date is September 30, 2022.



**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/04/2020/13156**

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**Phone: +91 9880914817**

## **Valuation Conclusion**

### **NAV Method**

Under NAV method, the value per equity share is determined based on the net assets of the company/division available to the equity shareholders. The same can be calculated either using the book values or market value of the assets and liabilities. Keeping in mind the nature of the business and the purpose of valuation, we have used the book value to determine the value per share under this method.

The mechanism involved to calculate the value per equity share under this method is enumerated below:

1. The net asset of the business is computed as on valuation date by deducting from the total assets the value of the total liabilities.
2. The net asset value is then divided by total number of equity shares to arrive at the value of per share

Since all the merging companies are held by common shareholders, we are of the opinion that only Net Asset Value method shall be the most appropriate method of valuation.

Value of equity shares of Continental Automotive Brake Systems (I) Private Limited has been worked out as on Valuation date is **Rs. 5.16**.

We have considered unaudited balance sheet of Continental Automotive Brake Systems (I) Private Limited as on September 30, 2022 as provided by the Management for the purpose of valuation.

*Sushma Rajgaria*



Sushma Rajgaria  
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## Balance Sheet Analysis of Continental Automotive Brake Systems (I) Private Limited

Management has provided us with the unaudited balance sheet of Continental Automotive Brake Systems (I) Private Limited as on September 30, 2022.

Balance Sheet of Continental Automotive Brake Systems (I) Private Limited as at September 30, 2022			
	Particulars	Amount (in INR)	Amount (in INR)
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>		
<b>(1)</b>	<b>Shareholders' Funds</b>		<b>3,26,38,96,176</b>
	(a) Share Capital	6,32,11,87,700	
	(b) Reserves and Surplus	-3,05,72,91,524	
<b>(2)</b>	<b>Non Current Liabilities</b>		<b>17,12,00,000</b>
	(a) Long-term borrowings	-	
	(b) Long-term provisions	17,12,00,000	
<b>(3)</b>	<b>Current Liabilities</b>		<b>2,81,25,01,918</b>
	(a) Short-term borrowings	-	
	(b) Trade payables	2,52,84,32,844	
	(c) Other current liabilities	22,46,50,000	
	(d) Short-term provisions	5,94,19,074	
	<b>Total (I1+I2+I3+I4)</b>		<b>6,24,75,98,094</b>
<b>II.</b>	<b>ASSETS</b>		
<b>(1)</b>	<b>Non-Current Assets</b>		
	(a) Fixed Assets	1,12,14,98,094	<b>1,12,14,98,094</b>
<b>(2)</b>	<b>Current Assets</b>		<b>5,12,61,00,000</b>
	(a) Current Investment	-	
	(b) Inventories	1,23,05,00,000	
	(c) Trade receivables	1,51,24,00,000	
	(d) Cash and Cash Equivalents	2,18,85,68,633	
	(e) Other financial assets	5,72,31,367	
	(f) Other Current Assets	13,74,00,000	
	<b>Total (II1+II2)</b>		<b>6,24,75,98,094</b>

We have adopted the unaudited balance sheet of Continental Automotive Brake Systems (I) Private Limited as on September 30, 2022 for valuation purpose.

**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/04/2020/13156**

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The valuation workings are as below:

<b>Computation of value of unquoted equity shares of Continental Automotive Brake Systems (I) Private Limited</b>		
<b>Net Asset Value as on September 30, 2022</b>		
<b>Particulars</b>	<b>Amount (INR)</b>	<b>Amount (INR)</b>
<b>Book Value of all assets in the balance-sheet</b>		<b>6,24,75,98,094</b>
Property, plant and equipment and Right to Use assets	1,02,49,07,453	
Intangible assets (including intangible assets under development and CWIP)	9,65,90,641	
Inventories	1,23,05,00,000	
Trade receivables	1,51,24,00,000	
Cash and cash equivalents	2,18,85,68,633	
Other Assets	19,46,31,367	
<b>Book value of liabilities in the Balance Sheet</b>		<b>2,98,37,01,918</b>
Long-term provisions	17,12,00,000	
Trade payables	2,52,84,32,844	
Other current liabilities	22,46,50,000	
Short-term provisions	5,94,19,074	
<b>Net Worth</b>		<b>3,26,38,96,176</b>

<b>Calculation of Value of Equity shares</b>	
<b>Particulars</b>	
Net Worth	Rs. 3,26,38,96,176
No. of shares	63,21,18,770
Value of equity share	Rs. 5.16/-



*Sushma Rajgaria*

Sushma Rajgaria  
Registered Valuer (S&FA)  
Reg. No. IBBI/RV/04/2020/13156

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## Limiting Conditions

- We have adopted the financial and other data and information as provided to us by the Management. We have relied on such information provided to us and have broadly reviewed the financial data for overall reasonableness and accuracy.
- Our valuation report cannot be used for any other purpose other than as already stated in the report.
- We have relied on information as provided to us by the Management. We assume no responsibility for the accuracy and completeness of information as provided to us and will not be held liable for it under any circumstances. We have not conducted an audit, or due diligence, or reviewed / validated financial data provided or any other information provided by the Management.
- Neither we nor any of our affiliates are responsible for updating this report because of events or transactions occurring subsequent to the date of this report.
- Our fees is not contingent to the outcome of value recommended in this report.

## Sources of Information

The following sources of information have been utilized in conducting the valuation as provided to us:

- Unaudited financials for the period ended September 30, 2022
- Audited financials for the year ended March 31, 2022
- Business and Corporate Profile
- Other background information provided through emails
- Discussions with the Management
- Details of all classes of shares in Continental Automotive Brake Systems (I) Private Limited as on latest date.

We have obtained a general representation confirming that they have provided us with all the relevant information, knowledge, supporting documents and confirmations completely and correctly and that no material information has been concealed or withheld or misrepresented to us.

Sushma Rajgaria



# **Value of equity shares of Continental Automotive Components (India) Private Limited**

**Valuation Date: September 30, 2022**

**Sushma Rajgaria,  
Registered Valuer  
A 008 Gopalan Jewels Doddakallasandra Kanakapura Main  
Road Konenakunte Cross Bangalore Karnataka 560062**

**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/04/2020/13156**

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 road Konenakunte Cross, Bangalore 560 062  
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 Phone: +91 9880914817

Kind Attn:  
 The Directors  
**Continental Automotive Components (India) Private Limited**  
 Regd Office: Plot No 53B, Bommasandra Industrial Area, Attibele Hobli, Bangalore 560099

*Date of Valuation – September 30, 2022*

**Value of equity shares of Continental Automotive Components (India) Private Limited.**

I, Sushma Rajgaria, a registered valuer have conducted valuation of equity shares of Continental Automotive Components (India) Private Limited ('the Company'). The valuation is conducted for the purpose of Amalgamation on the basis of Net Asset Value Method ("NAV").

The value of the equity shares of Continental Automotive Components (India) Private Limited is **Rs. 24.15** as per the said valuation methodology.

Please find enclosed a narrative report detailing our valuation analysis. The valuation date is September 30, 2022.

We understand that you agree with the contents of this report (especially fact based) and nothing has been concealed from us that could have had a bearing on the valuation. The valuation is conducted for the purpose of Amalgamation only. All information contained herein including the Unaudited financials with respect to the valuation subject is provided to us by you / your authorized personnel only.

The contents of our report have been reviewed by the management of Continental Automotive Components (India) Private Limited ('Management'). If you have any questions or require additional information, please do feel free to contact us.

Yours truly,

*Sushma Rajgaria*

Sushma Rajgaria

Registered valuer – Securities or financial assets

Registration no.: IBBI/RV/04/2020/13156

Place: Bengaluru

Date: 13/12/2022



Sushma Rajgaria  
Registered Valuer (S&FA)  
Reg. No. IBBI/RV/04/2020/13156

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Sushma Rajgaria  
Registered Valuer (S&FA)  
Reg. No. IBBI/RV/04/2020/13156

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Email: sushma@rajgaria.in  
Phone: +91 9880914817

## Engagement Background

Continental Automotive Components (India) Private Limited is a company incorporated under the Companies Act, 2013, having its registered office at Plot No 53B, Bommasandra Industrial Area, Attibele Hobli, Bangalore 560099. The Company is primarily engaged in the business of manufacturing and trading of instrumentation products, clusters, sensors, and other allied components for the automobile industry.

The Management has requested us to undertake valuation of equity shares of the Company. The valuation is conducted for the purpose of Amalgamation on the basis of Net Asset Value Method.

The valuation date is September 30, 2022.



**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/04/2020/13156**

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**Email: sushma@rajgaria.in**  
**Phone: +91 9880914817**

## **Valuation Conclusion**

### **NAV Method**

Under NAV method, the value per equity share is determined based on the net assets of the company/division available to the equity shareholders. The same can be calculated either using the book values or market value of the assets and liabilities. Keeping in mind the nature of the business and the purpose of valuation, we have used the book value to determine the value per share under this method.

The mechanism involved to calculate the value per equity share under this method is enumerated below:

1. The net asset of the business is computed as on valuation date by deducting from the total assets the value of the total liabilities.
2. The net asset value is then divided by total number of equity shares to arrive at the value of per share

Since all the merging companies are held by common shareholders, we are of the opinion that only Net Asset Value method shall be the most appropriate method of valuation.

Value of equity shares of Continental Automotive Components (India) Private Limited has been worked out as on Valuation date is **Rs. 24.15**.

We have considered unaudited balance sheet of Continental Automotive Components (India) Private Limited as on September 30, 2022 as provided by the Management for the purpose of valuation.



*Sushma Rajgaria*

Sushma Rajgaria  
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## Balance Sheet Analysis of Continental Automotive Components (India) Private Limited

Management has provided us with the unaudited balance sheet and the calculations of Slump Sale of a segment of Continental Automotive Components (India) Private Limited as on September 30, 2022.

Balance Sheet of Continental Automotive Components (India) Private Limited as at September 30, 2022			
	Particulars	Amount (in INR)	Amount (in INR)
I.	<b>EQUITY AND LIABILITIES</b>		
(1)	<b>Shareholders' Funds</b>		22,73,39,29,638
	(a) Share Capital	6,97,84,12,510	
	(b) Reserves and Surplus	9,66,85,17,128	
	(c) Share application money pending allotment	6,08,70,00,000	
(2)	<b>Non Current Liabilities</b>		4,07,56,45,486
	(a) Long-term borrowings	3,91,89,83,200	
	(b) Long-term provisions	15,66,62,286	
(3)	<b>Current Liabilities</b>		10,08,85,02,434
	(a) Short-term borrowings	-	
	(b) Trade payables	3,73,13,24,563	
	(c) Other current liabilities	5,59,95,40,053	
	(d) Short-term provisions	75,76,37,818	
	<b>Total (I1+I2+I3+I4)</b>		36,89,80,77,558
II.	<b>ASSETS</b>		
(1)	<b>Non-Current Assets</b>		18,11,68,00,958
	(a) Fixed Assets	17,03,85,30,561	
	(b) Other Non-Current Assets	1,07,82,70,397	
(2)	<b>Current Assets</b>		18,78,12,76,600
	(a) Current Investment	-	
	(b) Inventories	2,41,72,02,062	
	(c) Trade receivables	4,49,15,01,556	
	(d) Cash and Cash Equivalents	9,35,24,32,643	
	(e) Other financial assets	1,18,82,98,810	
	(f) Other Current Assets	1,33,18,41,529	
	<b>Total (II1+II2)</b>		36,89,80,77,558

We have adopted the unaudited balance sheet and the Slump sale of a segment of Continental Automotive Components (India) Private Limited as on September 30, 2022 for valuation purpose.



Sushma Rajgaria

Sushma Rajgaria  
Registered Valuer (S&FA)  
Reg. No. IBBI/RV/04/2020/13156

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The valuation workings are as below:

Computation of Value of unquoted equity shares of Continental Automotive Components (India) Private Limited		
Net Asset Value as on September 30, 2022		
Particulars	Amount (INR)	Amount (INR)
<b>Book Value of all assets in the balance-sheet</b>		<b>36,89,80,77,558</b>
Property, plant and equipment and Right to Use assets	4,99,77,11,608	
Intangible assets including intangible assets under development	12,04,08,18,953	
Other Non-Current Assets	1,07,82,70,397	
Inventories	2,41,72,02,062	
Trade receivables	4,49,15,01,556	
Cash and cash equivalents	9,35,24,32,643	
Other Current Assets	2,52,01,40,339	
<b>Book value of liabilities in the Balance Sheet</b>		<b>14,16,41,47,920</b>
Long-term provisions	15,66,62,286	
Long-term borrowings	3,91,89,83,200	
Trade payables	3,73,13,24,563	
Other current liabilities	5,59,95,40,053	
Short-term provisions	75,76,37,818	
<b>Net Worth</b>		<b>22,73,39,29,638</b>

Calculation of Value of Equity shares	
Particulars	
Net Worth	Rs. 22,73,39,29,638
No. of shares	9,41,32,12,500
Value of equity share	Rs. 24.15/-



Note: The Company has undertaken a transaction of Slump Sale dated 30<sup>th</sup> November 2022. The effect of the slump sale has been considered since the transaction is certain.

Sushma Rajgaria

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Registered Valuer (S&FA)  
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Phone: +91 9880914817

## Limiting Conditions

- We have adopted the financial and other data and information as provided to us by the Management. We have relied on such information provided to us and have broadly reviewed the financial data for overall reasonableness and accuracy.
- Our valuation report cannot be used for any other purpose other than as already stated in the report.
- We have relied on information as provided to us by the Management. We assume no responsibility for the accuracy and completeness of information as provided to us and will not be held liable for it under any circumstances. We have not conducted an audit, or due diligence, or reviewed / validated financial data provided or any other information provided by the Management.
- Neither we nor any of our affiliates are responsible for updating this report because of events or transactions occurring subsequent to the date of this report.
- Our fees is not contingent to the outcome of value recommended in this report.

## Sources of Information

The following sources of information have been utilized in conducting the valuation as provided to us:

- Unaudited financials for the period ended September 30, 2022
- Audited financials for the year ended March 31, 2022
- Business and Corporate Profile
- Other background information provided through emails
- Discussions with the Management
- Details of all classes of shares in Continental Automotive Components (India) Private Limited as on latest date.

We have obtained a general representation confirming that they have provided us with all the relevant information, knowledge, supporting documents and confirmations completely and correctly and that no material information has been concealed or withheld or misrepresented to us.



*Sushma Rajgaria*

# **Value of equity shares of Continental Lighting India Private Limited**

**Valuation Date: September 30, 2022**

**Sushma Rajgaria,  
Registered Valuer  
A 008 Gopalan Jewels Doddakallasandra Kanakapura Main  
Road Konenakunte Cross Bangalore Karnataka 560062**

**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
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**Email:sushma@rajgaria.in**  
**Phone: +91 9880914817**

**Kind Attn:**  
**The Directors**  
**Continental Lighting India Private Limited**  
**Regd Office: No. 53B, Bommasandra Industrial Area, Phase I, Hosur Road, Bangalore 560 099**

*Date of Valuation - September 30, 2022*

### **Value of equity shares of Continental Lighting India Private Limited.**

I, Sushma Rajgaria, a registered valuer have conducted valuation of equity shares of Continental Lighting India Private Limited ('Continental Lighting' or 'the Company'). The valuation is conducted for the purpose of Amalgamation on the basis of Net Asset Value Method ('NAV').

The Value of the equity shares of Continental Lighting India Private Limited is Rs. 24.05 as per the said valuation methodology.

Please find enclosed a narrative report detailing our valuation analysis. The valuation date is September 30, 2022.

We understand that you agree with the contents of this report (especially fact based) and nothing has been concealed from us that could have had a bearing on the valuation. The valuation is conducted for the purpose of Amalgamation only. All information contained herein including the Unaudited financials with respect to the valuation subject is provided to us by you / your authorized personnel only.

The contents of our report have been reviewed by the management of Continental Lighting ('Management'). If you have any questions or require additional information, please do feel free to contact us.

Yours truly,

*Sushma Rajgaria*

Sushma Rajgaria

Registered valuer – Securities or financial assets

Registration no.: IBBI/RV/04/2020/13156

Place: Bengaluru

Date: 13/12/2022



Sushma Rajgaria  
Registered Valuer (S&FA)  
Reg. No. IBBI/RV/04/2020/13156

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**Sushma Rajgaria**  
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## **Valuation Conclusion**

### **NAV Method**

Under NAV method, the value per equity share is determined based on the net assets of the company/division available to the equity shareholders. The same can be calculated either using the book values or market value of the assets and liabilities. Keeping in mind the nature of the business and the purpose of valuation, we have used the book value to determine the value per share under this method.

The mechanism involved to calculate the value per equity share under this method is enumerated below:

1. The net asset of the business is computed as on valuation date by deducting from the total assets the value of the total liabilities.
2. The net asset value is then divided by total number of equity shares to arrive at the value of per share

Since all the merging companies are held by common shareholders, we are of the opinion that only Net Asset Value method shall be the most appropriate method of valuation.

The Value of equity shares of Continental Lighting India Private Limited has been worked out as on Valuation date is **Rs. 24.05**.

We have considered unaudited balance sheet of Continental Lighting India Private Limited as on September 30, 2022 as provided by the Management for the purpose of valuation.

*Sushma Rajgaria*



Sushma Rajgaria  
Registered Valuer (S&FA)  
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### Balance Sheet Analysis of Continental Lighting India Private Limited

Management has provided us with the unaudited balance sheet of Continental Lighting India Private Limited as on September 30, 2022.

Balance Sheet of Continental Lighting India Private Limited as at September 30, 2022			
	Particulars	Amount (in INR)	Amount (in INR)
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>		
(1)	<b>Shareholders' Funds</b>		<b>19,33,84,161</b>
	(a) Share Capital	8,04,00,000	
	(b) Reserves and Surplus	11,29,84,161	
(2)	<b>Share Application Money Pending for Allotment</b>	-	-
(3)	<b>Non Current Liabilities</b>		<b>1,01,22,000</b>
	(a) Long-term borrowings	-	
	(b) Long-term provisions	1,01,22,000	
(4)	<b>Current Liabilities</b>		<b>5,99,16,000</b>
	(a) Short-term borrowings	-	
	(b) Trade payables	86,52,000	
	(c) Other current liabilities	4,46,10,000	
	(d) Short-term provisions	66,54,000	
	<b>Total (I1+I2+I3+I4)</b>		<b>26,34,22,161</b>
<b>II.</b>	<b>ASSETS</b>		
(1)	<b>Non-Current Assets</b>		
	(a) Fixed Assets	2,71,81,161	<b>3,79,71,161</b>
	(b) Deferred tax assets	1,07,90,000	
(2)	<b>Current Assets</b>		<b>22,54,51,000</b>
	(a) Current Investment	-	
	(b) Trade receivables	1,58,01,000	
	(c) Cash and Cash Equivalents	19,90,14,000	
	(d) Short Term Loans and Advances	1,06,36,000	
	<b>Total (II1+II2)</b>		<b>26,34,22,161</b>

We have adopted the unaudited balance sheet of Continental Lighting as on September 30, 2022 for valuation purpose.

Sushma Rajgaria  
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Phone: +91 9880914817

The valuation workings are as below:

Computation of Value of unquoted equity shares of Continental Lighting India Private Limited		
Net Asset Value as on September 30, 2022		
Particulars	Amount (INR)	Amount (INR)
<b>Book Value of all assets in the balance-sheet</b>		<b>26,34,22,161</b>
Property, plant and equipment	1,98,50,614	
Intangible assets	73,30,548	
Deferred tax assets	1,07,90,000	
Trade receivables	1,58,01,000	
Cash and cash equivalents	19,90,14,000	
Short-term loan and advances	1,06,36,000	
<b>Book value of liabilities in the Balance Sheet</b>		<b>7,00,38,000</b>
Long-term provisions	1,01,22,000	
Trade payables	86,52,000	
Other current liabilities	4,46,10,000	
Short-term provisions	66,54,000	
<b>Net Assets</b>		<b>19,33,84,161</b>

Calculation of Value of Equity shares	
Particulars	
Net Assets	Rs. 19,33,84,161
No. of shares	80,40,000
Value of equity share	Rs. 24.05/-



*Sushma Rajgaria*

**Sushma Rajgaria**  
**Registered Valuer (S&FA)**  
**Reg. No. IBBI/RV/04/2020/13156**

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**Phone: +91 9880914817**

## **Limiting Conditions**

- We have adopted the financial and other data and information as provided to us by the Management. We have relied on such information provided to us and have broadly reviewed the financial data for overall reasonableness and accuracy.
- Our valuation report cannot be used for any other purpose other than as already stated in the report.
- We have relied on information as provided to us by the Management. We assume no responsibility for the accuracy and completeness of information as provided to us and will not be held liable for it under any circumstances. We have not conducted an audit, or due diligence, or reviewed / validated financial data provided or any other information provided by the Management.
- Neither we nor any of our affiliates are responsible for updating this report because of events or transactions occurring subsequent to the date of this report.
- Our fees is not contingent to the outcome of value recommended in this report.

## **Sources of Information**

The following sources of information have been utilized in conducting the valuation as provided to us:

- Unaudited financials for the period ended September 30, 2022
- Audited financials for the year ended March 31, 2022
- Business and Corporate Profile
- Other background information provided through emails
- Discussions with the Management
- Details of all classes of shares in Continental Lighting as on latest date.

We have obtained a general representation confirming that they have provided us with all the relevant information, knowledge, supporting documents and confirmations completely and correctly and that no material information has been concealed or withheld or misrepresented to us.



*Sushma Rajgaria*