

**SAMVARDHANA MOTHERSON REYDEL AUTOTECC  
MOROCCO S.A.S. (ex REYDEL AUTOMOTIVE MOROCCO  
S.A.S.)**

**STATUTORY AUDIT REPORT ON THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31<sup>ST</sup>, 2018**

This is a free translation into English of the statutory audit report issued in French and it is provided solely for the convenience of English speaking users.



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R.C. Casa 46.813  
C.N.S.S. : 1.172.064  
TP : 35.62.00.05  
I.F. : 01.066.407  
ICE : 000084066000018

To the Partners of  
**SAMVARDHANA MOTHERSON REYDEL AUTOTECC MOROCCO S.A.S. (ex REYDEL  
AUTOMOTIVE MOROCCO S.A.S.)**  
Commandement Malaliyine Commune Sadena, Douar  
Dechriyine Lieu dit Kherbat Zekaria  
Tétouan

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## **STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AS AT DECEMBER 31<sup>ST</sup>, 2018**

In accordance with our assignment as statutory auditor by your General Shareholders' Meeting, we have audited the financial statements of SAMVARDHANA MOTHERSON REYDEL AUTOTECC MOROCCO S.A.S. (ex REYDEL AUTOMOTIVE MOROCCO S.A.S.) as at December 31<sup>st</sup>, 2018 including the balance sheet, the income statement, the statement of management income, the cash flow statement and the notes to the financial statements for the year then ended. These statements show a total equity of MAD 54.228.918,58 considering a net loss of MAD 8.151.494,50.

### **Management's Responsibility**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Moroccan GAAP. This responsibility includes the design, implementation and monitoring of an internal control relating to the preparation and presentation of financial statements that are free of material misstatements and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Moroccan Standards on auditing. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In 2018, the company has been subject to a tax control covering the periods from 2011 to 2017. As of today, the company has received a first and a second tax adjustments' notifications, which have been rejected in its two responses to the tax administration.

At this stage of the procedure, we are not in a position to assess the final outcome of this tax control nor its impact on the result and the equity of the company as at December 31<sup>st</sup>, 2018.

Except for the effects of the matter described in the paragraph above, we certify that the above-mentioned financial statements give a true and fair view, in all material respects, of the assets and liabilities and of the financial position of SAMVARDHANA MOTHERSON REYDEL AUTOTECC MOROCCO S.A.S. (ex REYDEL AUTOMOTIVE MOROCCO S.A.S.) as at December 31<sup>st</sup>, 2018 and of the results of its operations for the year then ended in accordance with accounting principles generally accepted in Morocco.

## **Other legal controls**

We have also performed the specific verifications as required by the law and made sure that the information given in the President's Management report to be presented to the Partners is consistent with the financial statements of the company.

Casablanca, May 24, 2019

## **Statutory auditor**

**ERNST & YOUNG**

**French original signed by  
Abdeslam Berrada Allam  
Partner**