

Financial statements 2018/2019

Samvardhana Moterson Innovative Autosystems Holding Company B.V.
Am Germanenring 3
63486 Bruchköbel
Germany

General

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General information

General

Samvardhana Motherson Innovative Autosystems Holding Company B.V. (the Company) is a private company with limited liability (a wholly-owned subsidiary of Samvardhana Motherson Reflectec group Holdings Limited, Jersey), incorporated under the laws of The Netherlands on 28 January 2015, having its corporate seat in Amsterdam, with offices at Am Germanenring 3, 63486 Bruchköbel, the Federal Republic of Germany.

Results

As presented in the profit and loss account, the net result for 2018/2019 amounts to a profit of EUR 5,000 (2017/2018: a profit of EUR 5,000).

Summary of activities

The principal activities of the Company are to act as a holding and finance company.

Furthermore, the Company also acts as the general partner of the German Group company Samvardhana Motherson Innovative Autosystems Holding Company B.V. & Co. KG.

On 14 February 2019 J.M. Buit resigned as director of the Company and on 3 May 2019 C.M. Jäger was assigned as director of the Company.

Financial statements 2019/2018

Balance sheet as at 31 March 2019

(Before appropriation of result)

	31 Mar 2019		31 Mar 2018	
	EUR	EUR	EUR	EUR
ASSETS				
Fixed assets				
Financial fixed assets	0		0	
		0		0
Current assets				
Receivables and prepayments	47,661		40,101	
Cash and cash equivalents	68,251		78,927	
		115,912		119,028
		115,912		119,028
LIABILITIES				
Equity				
Share capital	0		0	
Share premium	100,000		100,000	
Other reserves	(13,835)		(18,835)	
Result for the year	5,000		5,000	
		91,165		86,165
Current liabilities				
	24,747		32,864	
		24,747		32,864
		115,912		119,028

Profit and loss account for the year 2018/2019

	<u>2018/2019</u>		<u>2017/2018</u>	
	EUR	EUR	EUR	EUR
Management fee income		38,969		33,068
Total operating income / (expenses)		<u>38,969</u>		<u>33,068</u>
General expenses	33,969		28,068	
Total general expenses		<u>33,969</u>		<u>28,068</u>
Result before taxation		<u>5,000</u>		<u>5,000</u>
Taxation result		-		-
Result after taxation		<u>5,000</u>		<u>5,000</u>

General notes

1. General

General

Samvardhana Motherson Innovative Autosystems Holding Company B.V. (the Company) is a private company with limited liability (a wholly-owned subsidiary of Samvardhana Motherson Reflectec group Holdings Limited, Jersey), incorporated under the laws of The Netherlands on 28 January 2015, having its corporate seat in Amsterdam, with offices at Am Germanenring 3, 63486 Bruchköbel, the Federal Republic of Germany.

The Company is registered at the Chamber of Commerce under number 62518321.

Activities

The principal activities of the Company are to act as a holding and finance company.

Furthermore, the Company also acts as the general partner of the German Group company Samvardhana Motherson Innovative Autosystems Holding Company B.V. & Co. KG.

Group structure

The Company is part of the Samvardhana Motherson group (The head of this group is Samvardhana Motherson International Ltd. in Mumbai, India). The financial statements of the Company are included in the consolidated financial statements of Samvardhana Motherson International Ltd.

Consolidation exemption

Consolidated accounts are not presented as the Company has availed itself of the exemption provisions of Article 408 section 1, Title 9 Book 2 of the Dutch Civil Code. Accordingly, the consolidated annual report of Samvardhana Motherson International Ltd. for the year ending 31 March 2019 which include the financial statements of the Company and its subsidiaries, will be filed with the Chamber of Commerce.

Directors' report

The Company has taken advantage of Article 395a section 6, Title 9, Book 2 of the Dutch Civil Code and has not presented a directors' report.

Estimates

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure.

The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

Comparison with previous year

The principles of valuation and determination of the result remained unchanged in comparison to previous year.

Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the Company are considered to be a related party. In addition, statutory directors, other key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

2. General accounting principles

Accounting policies

The financial statements have been prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards applicable for small legal entities, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Based on Title 9, Book 2 of the Dutch Civil Code, the Company can be qualified as a so-called 'micro-sized company', but voluntarily discloses more information to meet the legal requirement to provide a true and fair view.

Valuation of assets and liabilities and determination of the result take place under the historical cost convention, unless presented otherwise.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account, if they have become known before preparation of the financial statements.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables and liabilities, and financial derivatives. Reference is made to the recognition per balance sheet item for the principles of primary financial instruments.

Foreign currency

Items included in the financial statements of the Company are valued with due regard for the currency in the economic environment in which the Company carries out most of its activities (the functional currency).

The financial statements are denominated in EUR, this is both the functional currency and presentation currency of the Company.

Group companies

Foreign group companies and associated companies outside the Netherlands qualify as carrying on business operations in a foreign country, with a functional currency different from that of the Company. For the translation of the financial statements of these business operations in a foreign country the balance sheet items are translated at the exchange rate as at balance sheet date and the profit and loss account items at the average rate. The translation differences that arise are directly deducted from or added to shareholders' equity.

3. Principles of valuation of assets and liabilities

FIXED ASSETS

Financial fixed assets

Participations

Participations (associates), over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of a participation based on the net asset value is negative, it will be stated at EUR 1. If and insofar the Company can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognized for this.

The amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the net result achieved by the participation is recognized in the profit and loss account.

In the light of the aforementioned application of Article 408 section 1, Title 9 Book 2 of the Dutch Civil code and in management's opinion disclosure of net asset value would not enhance the insight into the Company's financial position and results, the participations are valued at historical cost.

In the event of an impairment loss, valuation takes place at the realizable value (see also section "Impairment of non-current assets"); an impairment is recognized and charged to the profit and loss account.

Impairment of non-current assets

On each balance sheet date, the Company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realizable value of the asset is determined. If it is not possible to determine the realizable value of the individual asset, the realizable value of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realizable value; the realizable value is the higher of the fair value less cost to sell and the value in use. An impairment loss is directly recognized in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

If it is established that an impairment that was recognized in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

CURRENT ASSETS

Receivables

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Cash and cash equivalents

Cash and cash equivalents represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities.

Cash and cash equivalents are carried at nominal value.

LIABILITIES

Current liabilities

On initial recognition current liabilities are recognized at fair value. After initial recognition current liabilities are recognized at the amortized cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

4. Principles for the determination of the result

General

The result is the difference between the the income and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Costs

Costs are determined on a historical basis and allocated to the financial year to which they relate.

Financial income and expenses

Interest income and expenses are recognized on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. When accounting for interest expenses, the recognized transaction expenses for loans received are taken into consideration.

Income tax

Tax on the result is calculated based on the result before tax in the profit and loss account, taking into account the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets), exempt profit components and after the addition of non-deductible costs. Also changes are taken into account which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Notes to the balance sheet as at 31 March 2019

ASSETS

Non-current financial assets

As from January 2015 the Company acts as the general partner of the German Group company Samvardhana Moterson Innovative Autosystems Holding Company B.V. & Co. KG, where it has 100% of voting rights and 0% of interest.

Receivables and prepayments

	<u>31 Mar 2019</u>	<u>31 Mar 2018</u>
	EUR	EUR
Associate receivables	46,373	39,351
Prepaid expenses and other receivables	1,288	750
	<u>47,661</u>	<u>40,101</u>

Accounts receivable to an amount of EUR 47,661 have an expected remaining term to maturity of less than one year.

The fair value of the receivables approximates the carrying amount due to their short term character and the fact that provisions for bad debt are recognised, where necessary.

EQUITY AND LIABILITIES

Equity

Share capital

The issued and fully paid up share capital of the Company amounts to EUR 0.01, divided into 1 ordinary shares of EUR 0.01.

The Company's shares are pledged to secure liabilities arising out of senior secured notes and revolving credit facilities issued by Samvardhana Moterson Automotive Systems Group B.V.

Proposed appropriation of result for the financial year 2018/2019

The board of directors proposes that the result for the financial year 2018/2019 amounting to a profit of EUR 5,000 should be transferred to the other reserves.

Notes to the balance sheet as at 31 March 2019

<u>Current liabilities</u>	<u>31 Mar 2019</u>	<u>31 Mar 2018</u>
	EUR	EUR
Trade payables and creditors	1,143	-
Taxes payable	7,404	5,419
Other payables	16,200	27,445
	<u>24,747</u>	<u>32,864</u>

Accounts payable to an amount of EUR 24,747 have an expected remaining term to maturity of less than one year.

Contingent assets and liabilities

As of balance sheet date 31 March 2019, the Company, along with other Group companies, has given joint and several guarantees in respect of senior secured notes amounting to EUR 400,000,000 and USD 400,000,000, term loan of USD 75,000,000, as well as revolving credit facilities for a sanctioned limit of EUR 575,000,000 entered into by Samvardhana Motherson Automotive Systems Group B.V.

The Company has no other contingent assets and liabilities that are not already included in the annual report.

Notes to the profit and loss account for the year 2018/2019

	<u>2018/2019</u>	<u>2017/2018</u>
	EUR	EUR
Management fee income		
Management fees income	38,969	33,068
	<u>38,969</u>	<u>33,068</u>
General expenses		
Management fee	10,000	10,000
Domiciliation fees	1,074	1,000
Tax advisory fees	1,200	5,563
Bank charges	199	212
Legal and professional fees	21,466	11,070
Miscellaneous expenses	-	223
Chamber of Commerce fees	30	-
	<u>33,969</u>	<u>28,068</u>

Average number of employees

The Company had no employees during the year under review (2017/2018: none).


Events after balance sheet date

On 3 May 2019 C.M. Jäger was appointed as director of the Company.

No other major events have occurred after balance sheet date that could have a material effect on the annual accounts.

Bruchköbel, 22 July 2019


A. Heuser
Director A


C.M. Jäger
Director B