MSSL MAURITIUS HOLDINGS LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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COMPANY INFORMATION

		Date of appointment	Date of resignation
DIRECTORS	Vivek Chaand Sehgal	20 August 2001	-
	Bimal Dhar	20 August 2001	-
	Venkatesen Saminada Chetty	23 October 2007	-
	Rishal Tanee	1 October 2016	-
	Laksh Vaaman Sehgal (alternate to Vivek Chaand Sehgal)	28 June 2019	-

ADMINISTRATOR AND SECRETARY
OCORIAN Corporate Services Mauritius Limited
6th Floor, Tower A
1, CyberCity, Ebène
MAURITIUS

REGISTERED OFFICE
C/o OCORIAN Corporate Services Mauritius Limited
6th Floor, Tower A
1, CyberCity, Ebène
MAURITIUS

AUDITOR
Ernst & Young
6th Floor, IconEbene
Rue de L'institut
Ebene, Mauritius

BANKERS
SBI (Mauritius) Ltd.
7th Floor, SBI Tower Mindspace
45, Cybercity, Ebene
Mauritius

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the MSSL MAURITIUS HOLDINGS LTD (the "Company") for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

The principal activity of the Company is to hold investments.

REVIEW OF BUSINESS

The Company's profit for the year is **EUR 3,695,478** (2022 EUR 7,456,005).

The directors do not recommend the payment of any dividend for the year under review.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance, and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2001 applicable to a company holding a Category 1 Global Business Licence, as described in note 2 to the financial statements. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

The auditor, Ernst & Young, has indicated its willingness to continue in office and will be automatically re-appointed at the Annual Meeting.

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By Order of the Board

Rishikesh BATOOSAM
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

Ocorian Corporate Services (Mauritius) Limited
SECRETARY

Dated 22 September 2023

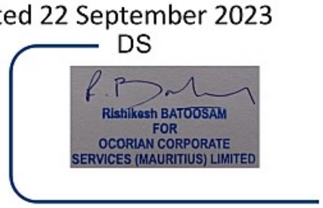
SECRETARY'S CERTIFICATE

TO THE MEMBER OF MSSL MAURITIUS HOLDINGS LTD

SECRETARY'S CERTIFICATE UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT

In accordance with section 166 (d) of the Companies Act, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001 for the Audited Financial Statements for the year ended 31 March 2023.

Dated 22 September 2023



Ocorian Corporate Services (Mauritius) Limited
Secretary

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Ebene, Mauritius

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MSSL MAURITIUS HOLDINGS LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of MSSL Mauritius Holdings Ltd (the "Company") set out on pages 8 to 31 which comprise of the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements of the Company are prepared in all material respects, in accordance with the basis of accounting described in note 2 to the financial statements and the requirements of the Companies Act 2001 applicable to a company holding a Global Business Licence.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code) and other independence requirements applicable to performing audits of financial statements of the Company and in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Company and in Mauritius. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "MSSL Mauritius Holdings Ltd Financial Statements for the year ended 31 March 2023", which includes the Company Information, the Directors' Report and the Secretary's Report as required by the Companies Act 2001.

The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2001 applicable to a company holding a Global Business Licence, as described in note 2 to the financial statements and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MSSL MAURITIUS HOLDINGS LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the Financial Statements (Continued)

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MSSL MAURITIUS HOLDINGS LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor, tax advisors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

ERNST & YOUNG
Ebène, Mauritius

ANDRE LAI WAN LOONG, F.C.A.
Licensed by FRC

Date: 22 September 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	31-Mar-23	31-Mar-22
	EUR	EUR
Revenue		
Miscellaneous income	-	771
Reversal of impairment loss on loan to subsidiaries	328,886	-
	328,886	771
Expenses		
General and administrative expenses (Note 5)	(56,964)	(58,305)
	(56,964)	(58,305)
Operating profit	271,922	(57,534)
Finance income (Note 6)	11,793,041	20,341,742
Finance costs (Note 6)	(8,253,823)	(12,623,522)
Finance income, net	3,539,218	7,718,220
Profit before income tax	3,811,140	7,660,686
Income tax expense (Note 8)	(115,662)	(204,681)
Profit for the year	3,695,478	7,456,005
Other comprehensive income	-	-
Total comprehensive income for the year	3,695,478	7,456,005

The notes on pages 12 to 28 are an integral part of these financial statements.

STATEMENT OF FINANICAL POSITION

	31-Mar-23	31-Mar-22
	EUR	EUR
ASSETS		
Non-current assets		
Investment in joint venture (Note 7)	**16,426,385**	16,426,385
Investments in subsidiaries (Note 9)	**8,779,969**	8,779,969
Other receivables (Note 10)	**143,097,038**	390,314,475
	168,303,392	415,520,829
Current assets		
Other receivables (Note 10)	**265,023,958**	19,739,771
Cash and cash equivalents (Note 11)	**9,879,596**	2,585,838
Income tax assets (Note 8)	**7,947**	-
	274,911,501	22,325,609
Total assets	**443,214,893**	437,846,438
EQUITY		
Capital and reserves attributable to the equity holder		
Share capital (Note 12)	**37,820,080**	37,820,080
Compulsorily convertible Preference Shares (Note 13)	**100,000,000**	100,000,000
Retained earnings	**48,173,382**	44,477,904
Total equity	**185,993,462**	182,297,984
Non-current liabilities		
Borrowings (Note 14)	**-**	252,129,400
	-	252,129,400
Current liabilities		
Borrowings (Note 14)	**253,960,000**	-
Other payables (Note 15)	**3,261,431**	3,214,373
Income tax payable (Note 8)	**-**	204,681
	257,221,431	3,419,054
Total Equity and Liabilities	**443,214,893**	437,846,438

**Authorised for issue by the Board of directors on 22 September 2023
and signed on its behalf by**

} Rishal Tane

DocuSigned by:

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}

} **DIRECTORS**

}

} Venkatesen Chetty

The notes on pages 12 to 28 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Share capital	Compulsorily convertible Preference Shares	Retained earnings	Total Equity
	EUR	EUR	EUR	EUR
Balance as at 01 April 2021	37,820,080	100,000,000	37,021,899	174,841,979
Profit/total comprehensive income for the year	-	-	7,456,005	7,456,005
Balance as at 31 March 2022	**37,820,080**	**100,000,000**	**44,477,904**	**182,297,984**
Profit/total comprehensive income for the year	-	-	**3,695,478**	**3,695,478**
Balance as at 31 March 2023	**37,820,080**	**100,000,000**	**48,173,382**	**185,993,462**

The notes on pages 12 to 28 are an integral part of these financial statements.

STATEMENT OF CASH FLOW

	31-Mar-23	31-Mar-22
	EUR	EUR
Cash flow from operating activities		
Profit before taxation	**3,811,140**	7,660,686
Adjustments for:		
Interest income (Note 6)	**(10,277,043)**	(13,908,628)
Interest expense (Note 6)	**6,003,381**	6,791,377
Sundries written back	**-**	(771)
Reversal of impairment loss on loan to subsidiaries	**(328,886)**	-
Unrealised foreign exchange (gain)/loss (Note 6)	**734,444**	(307,619)
Cash flow before changes in working capital	**(56,964)**	235,045
Decrease in trade & other receivables and prepayments	**528**	6
Decrease in trade and other payables	**19,579**	(19,112)
Tax paid (Note 8)	**(328,290)**	-
Net cash (used in)/generated from operating activities	**(365,147)**	215,939
Cash flow from investing activities		
Interest received from others	**1,171**	420
Net cash from investing activities	**1,171**	420
Cash flow from financing activities		
Loan received back from group companies	**61,473,757**	104,187,631
Interest received from related party	**20,055,553**	6,739,194
Loans to joint venture	**-**	(12,100,000)
Loans to other group company	**(67,858,000)**	(67,500,000)
Loan repaid to parent	**-**	(25,500,000)
Interest paid to parent	**(6,198,456)**	(7,643,099)
Reversal of impairment loss on loan to subsidiaries	**328,886**	-
Net cash flow generated from/ (used in) financing activities	**7,801,740**	(1,816,274)
Net increase/(decrease) in cash and cash equivalents	**7,437,763**	(1,599,915)
Cash and cash equivalents at beginning of year	**2,585,838**	4,039,016
Effect of exchange difference on balance with Banks in foreign currency	**(144,005)**	146,737
Cash and cash equivalents at end of year	**9,879,596**	2,585,838

The notes on pages 12 to 28 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENT

1 INCORPORATION AND ACTIVITIES

Incorporation

MSSL MAURITIUS HOLDINGS LTD (the 'Company') is a private company with limited liability incorporated on 10 July 2001 and domiciled in Mauritius. The registered address of the Company is c/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1, CyberCity, Ebène, Mauritius. The Company holds a Category 1 Global Business Licence under the Financial Services Act 2007 and is regulated by Financial Services Commission.

Activities

The principal activity of the Company is to hold investments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards as modified by the exemption from consolidation in the Companies Act 2001 for companies holding a Category 1 Global Business License ("IFRS as modified by the Companies Act 2001"). These financial statements have been prepared under the historical cost convention. All values are rounded to the nearest Euro, except when otherwise indicated.

The preparation of the financial statements in conformity with IFRS as modified by the Companies Act 2001 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

2.2 Consolidated financial statements

The Company holds investments in joint ventures and subsidiaries as disclosed in Notes 7 and 9 to the financial statements. The investments in joint ventures and subsidiaries are accounted for at cost (net of impairment) and the Company has not consolidated the results of subsidiaries and joint ventures. The Company has taken advantage of the exemption provided by the Companies Act 2001 allowing a wholly owned or virtually owned parent company holding a Category 1 Global Business License not to present consolidated financial statement.

2.3 Investment in Subsidiaries & Joint Ventures

Subsidiaries are those entities in which the entity has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in subsidiaries & joint ventures in these financial statements are initially recognised at cost (which includes transaction costs).

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Investment in Subsidiaries & Joint Ventures (Continued)

Where an indication of impairments exists, the recoverable amount of the investment is assessed. Where the recoverable amount of an investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognized as an expense in the income Details of the Company's subsidiaries are given in Note 7 & 9

2.4 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of receivable from related party that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash at bank and other receivables, which are classified as financial assets at amortised cost.

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets 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.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial assets (Continued)

Financial assets at amortised cost (debt instruments) (Continued)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Derecognition

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

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

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

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

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all trade receivables with third parties. ECLs are based on the difference between the contractual cash flows due and all the cash flows that the Company expects to receive.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company applies a simplified approach in calculating ECLs for all its receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on ECLs at each reporting period date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Financial liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include other payables and borrowings.

Subsequent measurement

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit or loss.

Derecognition

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

Offsetting of financial instruments

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

Foreign currency translation

- Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash at bank.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Share capital

The Company has two classes of shares, being ordinary shares and redeemable preference shares. Par value of each class of share outstanding is EUR 1 and both are classified as equity. No redeemable preference shares have been issued to date.

2.8 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.9 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period in the countries where the Company's subsidiaries and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

2.10 Income recognition

Interest income is recognised using the effective interest method.

Dividend income is recognised when the shareholder's right to receive payment is established.

Dividend and interest income are shown gross of withholding taxes.

2.11 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

2.12 New and amended standards and interpretations

There has been amendments and interpretations that have become effective for the current year. The accounting policies adopted are consistent with those of the previous financial year except for the new and amended IFRS and IFRIC interpretations adopted in the year commencing on or after 01 April 2022. The Company has adopted, where applicable, the following new interpretations or amendments during the year and none of them had any significant impact on the financial statements of the Company:

Amendments	Effective for accounting period beginning on or after
Amendments to IFRS 3 – Reference to the Conceptual Framework	01 January 2022
Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use	01 January 2022
Amendments to IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract	01 January 2022
AIP IFRS 1 First -time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	01 January 2022
AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	01 January 2022
AIP IAS 41 Agriculture – Taxation in the fair value measurements	01 January 2022
IFRS 16 – Treatment about lease incentives	01 January 2022

New or revised standards and interpretations issued but not effective

The new and amended standards and interpretations that are issued, but not yet effective up to the date of issuance of the Company's financial statements that are applicable to the Company are disclosed below. The Company intends to adopt these new amended standards and interpretations, if applicable, when they become effective. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amendments	Effective for accounting period beginning on or after
IFRS 17 – Insurance Contracts	01 January 2023
Amendments to IAS 8 – Definition of Accounting Estimates	01 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies	01 January 2023
Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01 January 2023
Amendments to IFRS 16 – Lease liability in a Sale and Leaseback	01 January 2024
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	01 January 2024
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Postponed indefinitely

The amendments are not expected to have any material impact on the Company's financial statements.

The principal accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1 Impairment of investments

The Company tests annually whether investments in joint ventures and subsidiaries have suffered any impairment. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. The Company follows the guidance of IAS 36 to determine when investment in joint ventures and subsidiaries are impaired. IAS 36 requires impairment of an asset when its carrying amount exceeds its recoverable amount. In making this judgement, the Company evaluates and determines the recoverable amount of the interests in joint ventures and subsidiaries in accordance with IAS 36. In determining value in use, the Company estimates future cash flows from the asset on the basis of continuing use of the asset and its ultimate disposal by the joint ventures and subsidiaries.

3.2 Going concern

The company's management has made an assessment on the company's going concern and it is satisfied that the company has resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the company's ability as a going concern.

3.3 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The significant transactions

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

of the Company are in Euros. Hence, the Board of directors considers the Euro ("EUR") as their functional currency. The financial statements are presented in EUR.

3.4 Determination of significant increase in credit risk and Impairment of other receivables (ECL)

Credit risk arises from cash and cash equivalents and other receivables only. For banks and financial institutions, the Company maintain banking relationships with only creditworthy banks which it reviews on an on-going basis. The credit risk on the bank balance has no material impact on financial statement. Other receivables represent balances recoverable from group companies. Management has reviewed the financial position of the related parties and concluded based on positive cash flow and financial position that no ECL is required.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.
The Company has below financial assets & financial liabilities: -

Financial assets	**31-Mar-23**	31-Mar-22
	EUR	EUR
Other receivables (Note 10)	**408,120,996**	410,053,719
Cash and cash equivalents (Note 11)	**9,879,596**	2,585,838
	418,000,592	412,639,557

	31-Mar-23	31-Mar-22
	EUR	EUR
Financial liabilities		
Borrowings (Note 14)	**253,960,000**	252,129,400
Other payables (Note 15)	**3,261,431**	3,214,373
	257,221,431	255,343,773

Other receivables exclude prepayments amounting to Nil (2022: EUR 528).

4 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks; market risk (including foreign exchange and interest rate risks), credit risk and liquidity risk. The Company's overall risk management program focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Board of Directors.

(i) Market risk

Foreign exchange risk

The reporting currency of the Company is Euro and the Company has given loans denominated in ZAR and USD and has taken a loan denominated in USD for which it is exposed to foreign exchange risk.

Currency risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign companies. As a result, it is subject to foreign currency exchange risk arising from exchange rate movements.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

There were no hedging transactions in place as at 31 March 2023.

Currency	Financial assets		Financial liabilities	
	2023	2022	2023	2022
	EUR	EUR	EUR	EUR
EUR	306,700,739	302,843,730	151,666,667	151,666,667
USD	108,009,503	105,880,848	105,554,764	103,677,106
ZAR	3,290,350	3,914,979	-	-
	418,000,592	**412,639,557**	**257,221,431**	**255,343,773**

Financial assets exclude prepayments amounting to Nil (2022: EUR 528)

As at 31 March 2023, if the ZAR had strengthened / weakened by 15% against EUR with all other variables held constant, pre-tax profit for the year would have been higher/lower by **EUR 400,012** (2022 – EUR 471,412) and if the USD had strengthened / weakened by 5% against EUR with all other variables held constant, pre-tax profit for the year would have been lower/higher by **EUR 30,020** (2022 - EUR 28,661).

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's exposure to interest rate risk is limited to its bank balance, loan given and loan received. Interest thereon is based on market interest rates.

As at 31 March 2023, if the interest rates on ZAR denominated advances had been higher/lower by 100 basis points with all other variables held constant, pre-tax profit and equity for the year would have been higher/lower by **EUR 25,635** (2022 - EUR 68,330), if the interest rates on USD denominated loans had been higher/lower by 100 basis points with all other variables held constant, pre-tax profit and equity for the year would be lower/higher by **EUR 49,759** (2022 - EUR 47,231) and if the interest rates on EUR denominated advances had been higher/lower by 100 basis points with all other variables held constant, pre-tax profit and equity for the year would be higher/ lower by **EUR 509,615** (2022- EUR 1,313,451).

(ii) Credit risk

Credit risk arises from cash and cash equivalents and other receivables only. For banks and financial institutions, the Company maintain banking relationships with only creditworthy banks which it reviews on an on-going basis.

The credit risk on the bank balance is not considered material. Other receivables represents balances recoverable from group companies, accordingly no credit risk arises on these balance.

The risk of financial loss due to counterparty`s failure to honour its obligations arise principally in relation to transactions where the Company provides funding to its subsidiaries.

The maximum exposure to credit risk regarding financial assets is the carrying amount as disclosed in the statement of financial position.

(iii) Liquidity risk

The Company is in a net current assets position as of 31 March 2023 and faces no liquidity risk.

(iv) Fair values

The fair value of the Company's financial assets and liabilities at 31 March 2023 approximated their net book amounts as reflected in the financial statements.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(v) Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. Hence, the Company may adjust any return capital to shareholders or issue new shares. Total capital is the equity as shown in the statement of financial position.

5. GENERAL AND ADMINISTRATIVE EXPENSES

	31-Mar-23	31-Mar 22
	EUR	EUR
Legal & professional fees	**40,874**	48,096
Audit fee	**6,032**	5,693
Rent expense	**2,103**	2,187
Miscellaneous expense	**7,955**	2,329
	56,964	58,305

6. FINANCE INCOME/EXPENSE

	31-Mar-23	31-Mar 22
	EUR	EUR
Finance income:		
Exchange gain on bank balance	-	146,737
Bank interest	**1,171**	420
Exchange gain on Interest income	**-**	168,212
Exchange gain on Loan balance to related parties	**1,515,998**	6,118,165
Interest on loan to related party (Note 16)	**10,275,872**	13,908,208
	11,793,041	20,341,742
Finance expense:		
Exchange loss on loan from related party	**(1,830,600)**	(5,774,300)
Interest on loan from related party (Note 16)	**(6,003,381)**	(6,791,377)
Exchange loss on Interest expense from related parties	**(222,534)**	(57,845)
Exchange loss on bank balance	**(144,025)**	-
Exchange loss on Interest income	**(53,283)**	-
	(8,253,823)	(12,623,522)

7. INVESTMENTS IN JOINT VENTURES

	Equity 31-Mar-23	Equity 31-Mar-22
	EUR	EUR
At beginning of year		
Gross Investment at Cost	**16,426,385**	16,426,385
Less: Impairment Provision	**-**	-
Balance as at year end	**16,426,385**	16,426,385

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

7 INVESTMENTS IN JOINT VENTURES (CONTINUED)

The investments in joint ventures consist of:

Name of the entity	Country of incorporation	Holding %	Investment value as on 31.03.2023 (at cost)	Investment value as on 31.03.2022 (at cost)
Samvardhana Motherson Global Holdings Ltd.	Cyprus	51%	**16,426,380**	16,426,380
Vacuform 2000 (Pty) Ltd	South Africa	51%	**5**	5
			16,426,385	16,426,385

(i) Samvardhana Motherson Global Holdings Limited (SMGHL)

The Company holds 51% (2022: 51%) in Samvardhana Motherson Global Holdings Limited (SMGHL) incorporated in Cyprus, a joint venture between the Company and Samvardhana Motherson Holding (M) Private Limited. The Company had invested EUR 14,605,380 in the joint venture and held 1,020,000 ordinary shares of EUR 1 each at a premium of EUR 13.319 each. The Company received 1,197 ordinary shares of EUR 1 each at a premium of EUR 1,499 each upon conversion of loan of EUR 1,795,500 into equity by the joint venture company during financial year 2015-16. During the year ended 31 March 2018, the Company invested Euro 25,500 in Samvardhana Motherson Global Holdings Limited (SMGHL) by way of 17 equity shares of Euro 1 each at a premium of EUR 1,499 per share. As at 31 March 2023 the Company held 1,021,214 (2022: 1,021,214) ordinary shares of Euro 1 and 5,100 (2022: 5,100) preference shares of Euro 1 each. The Company has invested a total of Euro 16,426,380 (2022: Euro 16,426,380).

Summarised financial information is as follows:

Particulars	Samvardhana Motherson Global Holdings Limited (SMGHL)	
	31-Mar-2023	31-Mar-2022
	EUR	EUR
Current assets	**258,891,122**	607,209
Non-current assets	**898,950,759**	1,234,959,798
Current liabilities	**257,584,444**	16,003
Non-current liabilities	**9,506,362**	344,895,808
Revenue	**7,158,518**	14,330,245
Profit from operations	**95,879**	452,646
Other comprehensive income	**-**	-

Particulars	Samvardhana Motherson Global Holdings Limited (SMGHL)	
	31-Mar-2023	31-Mar-2022
	EUR	EUR
Cash and cash equivalents	**1,006,085**	600,868
Current financial liabilities (excluding other payables and provisions)	**257,559,249**	-
Non-current financial liabilities (excluding other payables and provisions)	**9,506,362**	344,895,808
Interest income	**7,157,998**	14,330,245
Interest expense	**6,950,324**	13,756,420
Income tax expenses	**15,335**	59,545

(ii) Vacuform 2000 (Pty) Ltd

The Company holds 51% (2022: 51%) in Vacuform 2000 (Pty) Ltd, incorporated in Republic of South Africa.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

7 INVESTMENTS IN JOINT VENTURES (CONTINUED)

The Company is engaged in the business of manufacturing vacuum-forming and blow moulding components majorly for the automotive industry and has its manufacturing location at Rosslyn, Pretoria, Republic of South Africa.

The Company has invested ZAR 51 equivalent to Euro 5 in the joint venture and holds 51 shares of ZAR 1 each.

The directors have reviewed the carrying amounts of the above investments and the financial position of the investee companies at 31 March 2023 and are of the opinion that no impairment is required, except for Global Environment Management (FZC) which has already been fully impaired in previous years.

8. TAXATION

Taxation

Under the current laws, the Company is subject to tax in Mauritius on its taxable profits at a rate of 15%. Foreign tax credit applies on any foreign source income that has been subject to any foreign tax. Mauritius does not have any capital gains tax and furthermore, any trading profits on the sale of securities are generally exempt from tax.

Regulatory

The Financial Services Commission ("FSC") issued a Global Business Licence ("GBL") to the Company on 30 September 2020. Further to the changes made by the Finance (Miscellaneous Provisions) Act 2018 ("FMPA 2018") to the Financial Services Act ("FSA"), the FSC is no longer empowered to issue any GBL1 as from 1 January 2019.

As from 1 July 2021, the Company was no longer allowed to compute its foreign tax according to a presumed amount of 80% of the Mauritian tax of the relevant foreign sourced income. Furthermore, transactions with GBL corporations and non-residents will not necessarily be considered to be foreign sourced income. Effective as from 1 January 2019, the Company may apply an exemption on its foreign dividend income, interest income and profits from foreign permanent establishments: the exemption is computed at 80% of the relevant foreign sourced income and is subject to certain prescribed conditions. The exemption is not mandatory so that the Company may apply the credit system if it so wishes.

The foregoing is based on current interpretation and practice and is subject to any future changes in Mauritian laws:

	31-Mar-23	31-Mar-22
Income tax liability/(asset) :	**EUR**	EUR
At beginning of year	**204,681**	-
Charge for the year	**115,662**	204,681
Amount paid during the year	**(328,290)**	-
At end of year	**(7,947)**	204,681

Reconciliation between the actual tax and the applicable income tax is as follows:

	31-Mar-23	31-Mar-22
	EUR	EUR
Profit before income tax	**3,811,140**	7,660,686
Tax calculated at 15%	**571,671**	1,149,103
Expenses not deductible for tax purposes	**1,053,968**	1,701,346

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

8. TAXATION (CONTINUED)

Income not subject to tax	**(1,509,977)**	(2,645,768)
Total income tax charge	**115,662**	204,681

9. INVESTMENTS IN SUBSIDIARIES

Company	**31-Mar-23**	31-Mar-22
Unquoted, at cost:	**EUR**	EUR
Balance as at year end	**8,779,969**	8,779,969

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Face value	Number of shares	Equity interest	Cost EUR 2023	Cost EUR 2022
MSSL Global RSA Module Engineering Limited	Republic of South Africa	1 ZAR	60,000,000	100%	6,822,336	6,822,336
MSSL Australia Pty Ltd	Australia	1 AUD	2,800,000	80%	1,957,633	1,957,633
(Preference Shares: 8,000 Equity Shares: 2,792,000)						
Global Environment Management (FZC)	UAE	1 AED	75,100	100%	-	-
Global Environment Management (FZC)	UAE	1 AUD	6,041,542	100%	-	-
					8,779,969	**8,779,969**

(i) MSSL Global RSA Module Engineering Limited (Formerly Golden Dividend 629 Limited): Its principal activity is the manufacturing of automobile components.

(ii) MSSL Australia Pty Ltd – The Company is a holding company and act as a corporate office providing support to the Australian group entities.

In 2017, the Company purchased the 2,792,000 Equity shares of AUD 1 and 8,000 Preference shares of AUD 1 for a consideration of EUR 1,957,633.

(iii) Global Environment Management (FZC)-

The Company holds 100% (2022: 100%) of shares denominated in AED and 100% (2022: 100%) of shares denominated in AUD equivalent to amounts of AED 75,100 and AUD 6,041,542 (aggregating to EUR 1,968,731) in Global Environment Management (FZC).

Global Environment Management (FZC) is engaged in the trading of Aerobin home composting and onsite household and garden waste containment systems. The Company, pursuant to the HOA has been assigned the Intellectual property i.e. the patents, trademark registrations and applications, designs and design applications and patents and patent applications relating to the above products by EC.

Further, Global Environment Management (FZC) owns 100% shares in Global Environment Management Australia Pty Ltd, registered as a proprietary company limited by shares under the Corporations Act, 2001 in

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

9 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Victoria, Australia on January 16, 2007. The Company is engaged in the marketing of Aerobin home composting and on site household and garden waste containment systems.

The investment held in Global Environment Management (FZC) has been fully impaired. Also, the Company has given advance against equity amounting Euro 1,431,166 to Global Environment Management (FZC), which was also impaired in company's books in previous periods.

The directors have reviewed the carrying amounts of the above investments and the financial position of the subsidiaries at 31 March 2023 and are of the opinion that the investments in subsidiaries should not be impaired.

10. OTHER RECEIVABLES

	31-Mar-23	31-Mar-22
	EUR	EUR
Loan to related parties (Note 16)	**398,402,048**	390,314,475
Interest from related parties (Note 16)	**9,718,605**	19,738,901
Security deposit	**343**	343
Prepaid expenses	**-**	527
	408,120,996	410,054,246
Non-current portion	**143,097,038**	390,314,475
Current portion	**265,023,958**	19,739,771
	408,120,996	410,054,246

I. The Company has given loans totalling ZAR 26,900,000 (equivalent to EUR 1,345,000) ((2022: ZAR 26,900,000 (equivalent to EUR 1,665,110)) to Vacuform 2000 Pty Limited, at an interest rate of Prime Lending Rate. Total interest income of ZAR 2,563,533 (equivalent to EUR 140,036) ((2022: ZAR 1,949,129 (equivalent to EUR 113,658)) was booked during the year on the said loan.
Interest receivable at year end was ZAR 26,434,902 (equivalent to EUR 1,321,745) ((2022: ZAR 23,871,370 (equivalent to EUR 1,477,638)). The loan is receivables on or before 31 March 2024.

II. The Company has received back total loans amounting EUR 61,473,757 and interest amounting EUR 13,310,919 from Samvardhana Motherson Global Holdings Limited during the year. Outstanding balance as on 31.03.2023 is EUR 7,462,243 (2022: EUR 68,900,000) at an interest rate of 6 month EURIBOR plus 250 basis points (EUR 3,800,000) and fixed rate of 4.78% per annum (EUR 3,626,243). Total interest income of EUR 399,204 (2022: EUR 7,421,284) booked during the year on the said loan. Interest receivable at year end was EUR 1,600,725) (2022: EUR 14,512,440).

III. The Company has given loan of EUR 150,000,000 (2022: EUR 150,000,000) to Samvardhana Motherson Global Holdings Limited., at an interest rate of 2.19% p.a. Total interest income of EUR 3,330,625 (2022: EUR 3,330,625) booked during the year on the said loan. The Company has received back total interest amounting EUR 3,330,625 during the year. Interest receivable at year end was EUR 1,870,625 ((2022: EUR 1,870,625). The loan including all accrued interest is repayable on 07 September 2023.

IV. The Company has given loan of USD 113,000,000 (equivalent to EUR 103,960,000) (2022: USD 113,000,000 (equivalent to EUR 102,129,400)) to Samvardhana Motherson Global Holdings Limited, at an interest rate of 2.92% p.a. Total interest income of USD 3,345,428 (equivalent to EUR 3,203,039) (2022: USD 3,345,428 (equivalent to EUR 2,918,999)) booked during the year on the said loan. Interest

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

10 OTHER RECEIVABLES (CONTINUED)

receivable at year end was USD 1,878,939 (equivalent to EUR 1,728,624) ((2022: USD 1,878,939 (equivalent to EUR 1,698,185)). The loan including all accrued interest is repayable on 07 September 2023.

V. The Company has given loans totalling USD 340,000 (equivalent to EUR 312,800) ((2022: USD 340,000 (equivalent to EUR 307,292)) to Samvardhana Motherson Global Holdings Limited, at an interest rate of 6 month LIBOR plus 250 basis points. Total interest income of USD 18,378 (equivalent to EUR 17,457) ((2022: 9,240 (equivalent to EUR 8,060)) was booked during the year on the said loan. Interest receivable at year end was USD 128,677 (equivalent to EUR 118,383) ((2022: USD 110,299 (equivalent to EUR 99,688).

VI. The Company has given loan of EUR 67,500,000 (2022: EUR 67,500,000) to MSSL Mideast (FZE) at an interest rate of 2.38% p.a. Total interest income of EUR 1,628,813 booked during the year on the said loan. The loan was given in trances started from March 2020 at the rate of 4.78%. The rate of interest on this loan was amended to 2.38%. the impact of this interest rate changes was considered in FY 2021-22. Interest receivable at year end was EUR 1,521,804.

VII. During the year the Company has granted loan of Euro 67,858,000 to SAMIL Mauritius at an interest rate of 2.38% for the period of 3 years. Interest receivable at year end was EUR 1,556,700.

Expected Credit Loss assessment done by the company and as per management, no provision is required to be made for ECL.

11. CASH AND CASH EQUIVALENTS

	31-Mar-23	31-Mar-22
	EUR	EUR
Balances with bank	**9,879,596**	2,585,838

12. SHARE CAPITAL (Par Value of Euro 1 Each)

	31-Mar-23		31-Mar-22	
	Ordinary Share Capital		Ordinary Share Capital	
Issued and fully paid	**Number**	**EUR**	Number	EUR
At end of the year	**37,820,080**	**37,820,080**	37,820,080	37,820,080

13. Compulsorily Convertible Preference Shares

	31-Mar-23		31-Mar-22	
	Compulsorily convertible preference shares		Compulsorily convertible preference shares	
	Number	**EUR**	Number	EUR
Opening balance	**100**	**100,000,000**	100	100,000,000
At end of the year	**100**	**100,000,000**	100	100,000,000

During the financial year 2020-21, the Company received Euro 100,000,000 from its parent company Motherson Sumi Systems Limited as subscription to Compulsorily Convertible Preference Shares. Security

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

13 Compulsorily Convertible Preference Shares (CONTINUED)

subscription agreement was executed between the companies on 7 October 2020. According to the agreement the company issued to the subscriber 100 compulsorily convertible preference shares having face value of Euro 1,000,000 each. These preference shares will be converted into Equity shares at the end of 4 years and 9 months from the date of allotment of preference shares applying discount of 10% of fair value of equity shares on the date of conversion or such discount that ensures benefit of holding similar instruments with similar terms.

14. BORROWINGS

During the financial year 2022-23, the Company has below borrowings from its parent company Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited):-

I. The Company has outstanding loan of Euro 150,000,000 (2022: 150,000,000) from its parent company Motherson Sumi Systems Limited, at an interest rate of 2% p.a. Total interest expense of Euro 3,041,667 (2022: 3,041,667) was booked during the year on the said loan. The loan is repayable by September 2023.

II. The Company has outstanding of USD 113,000,000 (equivalent to Euro 103,960,000) (2022: USD 113,000,000 (equivalent to EUR 102,129,400) from its parent company Motherson Sumi Systems Limited, at an interest rate of 2.70% p.a. Total interest expense of USD 3,093,375 (equivalent Euro 2,961,714) (2022: USD 3,093,375 (equivalent to EUR 2,699,075)) was booked during the year on the said loan. The loan is repayable by September 2023.

Particulars	31-Mar-22	Addition	Exchange Difference	Repayment	31-Mar-23
Principal	252,129,400	-	1,830,600	-	253,960,000
Interest	3,198,607	6,003,381	222,534	6,198,456	3,226,066
Total	**255,328,007**	**6,003,381**	**2,053,134**	**6,198,456**	**257,186,066**

15. OTHER PAYABLES

	31-Mar-23	31-Mar-22
	EUR	EUR
Accruals	**35,206**	15,498
TDS payable	**159**	268
Interest on loan from related parties (Note 16)	**3,226,066**	3,198,607
	3,261,431	3,214,373

16. RELATED PARTY TRANSACTIONS & BALANCES

The Company is wholly owned by Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited), a company incorporated in India. During the year ended 31 March 2023, the Company transacted with related entities. The nature, volume of transactions and balances with the related parties are as follows:

	Parent	**Joint Venture**	**Subsidiaries**	**Other related parties**
March 2023	**EUR**	**EUR**	**EUR**	**EUR**
Interest income (Note 6)	-	7,090,360	-	3,185,512
Loan receivable (Note 10)	-	263,044,048	-	135,358,000
Interest income receivable (Note 10)	-	6,640,101	-	3,078,504

Interest received	-	20,055,553	-	-
Loan given during the year	-	-	-	67,858,000
Loan received back	-	61,473,757	328,886	-
Compulsorily convertible Preference Shares	-	-	-	-
Loan repaid during the year	-	-	-	-
Interest paid during the year	6,198,456	-	-	-
Interest expenses	6,003,381	-	-	-
Loan payable	253,960,000	-	-	-
Interest payable	3,226,066	-	-	-

March 2022	**Parent**	**Joint Venture**	**Subsidiaries**	**Other related parties**
	EUR	**EUR**	**EUR**	**EUR**
Interest income (Note 6)	-	13,792,625	207,933	(92,350)
Loan receivable (Note 10)	-	323,001,808	-	67,312,667
Interest income receivable (Note 10)	-	19,658,576	-	80,325
Interest received	-	5,980,849	385,239	373,106
Loan given during the year	-	12,100,000	-	67,500,000
Loan received back	-	95,000,000	6,887,631	2,300,000
Compulsorily convertible Preference Shares	100,000,000	-	-	-
Loan repaid during the year	25,500,000	-	-	-
Interest paid during the year	7,643,099	-	-	-
Interest expenses	6,791,377	-	-	-
Loan payable	252,129,400	-	-	-
Interest payable	3,198,607	-	-	-

The total remuneration of the directors for the year ended 31 March 2023 was EUR 1,063 (2022 - EUR 1,981).

Ocorian Corporate Services (Mauritius) Ltd – Administrator

	31-Mar-23	31-Mar-22
	EUR	EUR
Opening balance	**9,500**	27,778
Charged for the year	**35,081**	37,227
Paid during the year	**(17,851)**	(55,505)
At end of the year	**26,730**	9,500

17. PARENT AND ULTIMATE CONTROLLING PARTY

The directors consider Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited), a company incorporated in India as the Company's parent and ultimate controlling party. Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited) is also listed on the BSE Limited and National Stock Exchange of India Limited.

18. SUBSEQUENT EVENTS

Samvardhana Motherson Global Holdings Limited (SMGHL), joint venture of the Company has repaid the loan amounting to EUR 150,000,000 and USD 113,000,000 including all accrued interest on 07 September 2023.

Subsequently, the borrowing from Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited) amounting to EUR 150,000,000 and USD 113,000,000 including all accrued interest has been repaid on 11 September 2023.