motherson

Samvardhana Motherson Automotive Systems Group BV

Annual Report

2022-2023

(April 1, 2022, to March 31, 2023)

motherson

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Directors’ Report

DIRECTORS' REPORT

To the Members,

Your Directors have the pleasure of presenting the annual report together with the audited accounts of the Group for the financial year ended March 31, 2023.

A.1. BUSINESS BACKGROUND

Samvardhana Motherson Automotive Systems Group BV together with its subsidiaries (hereinafter referred to as "SMRP BV Group" or "the Group") is a part of the Motherson Group, a diversified global manufacturing specialist and one of the world's largest and fastest-growing automotive suppliers for OEMs. SMRP BV is held 100% by Samvardhana Motherson International Limited or hereinafter SAMIL (formerly Motherson Sumi Systems Limited or MSSL) through its intermediate entities.

SMRP BV is a leading Tier 1 supplier of automotive components to original equipment manufacturers (OEMs) globally, primarily for use in the production of light vehicles. The Group supplies to almost all major OEMs globally who collectively represent over 90% of global automotive production. The product portfolio includes rear-view vision systems and interior and exterior modules (including door panels, instrument panels and bumpers).

SMRP BV is a private company with limited liability, incorporated under the laws of the Netherlands on October 07, 2011 (Commercial Register No. 53709713). Its registered office and principal place of business is situated at Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands.

SMRP BV business consists of Samvardhana Motherson Reflectec Group referred to as Vision Systems division and Samvardhana Motherson Peguform Group referred to as Modules & Polymer Products division.

Vision Systems division (formerly referred as SMR Group) is one of the largest producers of rear-view vision systems for the automotive industry and supplies interior mirrors, exterior mirrors and camera-based detection systems to almost all major car makers globally. The Group is among the global market leaders in the production of exterior mirrors for passenger cars, commercial vehicles and heavy trucks.

Rear-view mirrors play an important role in automotive safety and design and are becoming increasingly sophisticated. Our mirrors are engineered to optimize aerodynamics and integrate technologically advanced features that enhance safety, comfort and aesthetics. The Group develops solutions for all categories of automotive mirror applications: from basic manually adjusted exterior and interior mirrors to electric control and high-value rear-view vision systems with multiple integrated features and high-performance camera-based rear-view camera monitoring systems. The division also specialises in critical components to build sub-assemblies integrated into vision systems, such as light units, electric drive units, camera modules, electronic modules and reflector glass modules.

With 36 facilities[1] in 18 countries, the division combines expertise, a drive for innovation and the extensive manufacturing capacities of Motherson to design and produce innovative products that meet customer demands of the future.

In June 2022, the Group acquired 100% stake in MSSL Manufacturing Hungary Kft., an entity which prior to its acquisition was indirectly held by Group's ultimate parent company Samvardhana Motherson International Limited ('SAMIL'). The entity is engaged in moulding of plastic parts and components for automotive industry and its acquisition will provide operating synergies for the division.

Modules & Polymer Products division (formerly referred as SMP Group) is a leading specialist for automotive exterior and interior modules in the automotive industry. The division supplies polymer-based interior and exterior products parts to customers across the globe. It is one of the largest suppliers of modules such as door panels, instrument panels and bumpers to the European automotive industry as well as supplies other plastic components and systems, such as centre consoles, decorative interior trims and plastic body parts. It is a full system solutions provider, working on concept development and design, product development and simulation, to testing and fully integrated mass production. The Group focuses on the premium segment and its key focus areas include lightweight constructions, renewable raw materials, occupant protection and pedestrian protection. With a broad portfolio of patented technologies and industry-first innovations in this division, the Group is one of the most preferred suppliers for carmakers worldwide.

SMP Group also includes Samvardhana Motherson Reydel Companies (SMRC) which was acquired in August 2018 and Samvardhana Motherson Innovative Autosystems (SMIA) acquired in January 2015 by SMRP BV Group.

SMRC manufactures interior components and modules for global automotive customers and further strengthens the SMRP BV's offerings in the automotive interiors space along with existing SMP group. SMRC is a leading global developer and supplier of interior components to the global automotive manufacturers. SMRC's interiors product portfolio includes instrument panels, door panels, console modules, decorative parts and cockpit modules.

SMIA is a specialist supplier of extruded and injection-moulded components, mainly to the automotive industry. The company has leading know-how with regards to a combination of process technologies, such as painting and stretch-bending. SMIA has particular expertise in the use of co-extrusion and multi-component injection moulding processes which enables the company to offer its customers a large variety of specialised solutions for complex illuminated/non-illuminated interior and exterior parts.

[1] Facilities include all operational units (manufacturing plants, module centres, assembly centres, units for service businesses), tech centres and representative offices.

Modules & Polymer Products division with 70 facilities[2] in 22 countries, our footprint places us within reach of customers on five continents, positioning us as a local, full-system solutions provider across varied product ranges.

A.2. MANAGEMENT TEAM & EMPLOYEES

SMRP BV Group benefits from a strong professional management team, with average automotive industry experience among senior managers of over 25 years. In addition, the group has experienced and stable senior managers at the regional levels with significant experience and understanding of their respective markets and regions. As on March 31, 2023, SMRP BV Group had a total of employees 32,160 (March 31, 2022: 30,756).

A.3. EMPLOYEE INVOLVEMENT

SMRP BV is not just about products, processes, technology and intellectual property: it is about people. The most valuable asset of SMRP BV is its employees. Their involvement, sense of ownership, belongingness, passion to improve and excel every day are some of SMRP BV's core differentiations.

The Group considers its employees a valuable asset and thus encourages employee involvement at all levels to achieve greater efficiency in business operations. For this purpose, the management meets at regular intervals with representatives of various sections of employees at which relevant information and developments are discussed. It is also Group's policy to ensure that any local legislative requirements for employee representation or participation are fully adhered to.

The information about the Group is provided through internal newsletters, intranet portal and notices. At each entity level, regular meetings are held with the employees to discuss progress of business operations, business plans and the issues being faced by them. Leadership assessment programs as well as succession planning is also practiced identify & developing potential leaders. An induction plan is in place for all new joiners of the Group.

As a global organization SMRP BV has employees from diverse geographical background, who speak different languages, come from different cultures but belong to one family. There are limitless possibilities and types of events that SMRPBV holds throughout the year. One of the global annual events which has a long history within the Group is the Global Quality Circle Convention.

The quality circle movement was started in Motherson around 1983. The goal of quality circle is to involve all employees in continual improvement in every process. SMRP BV Group continuously participates in these quality circle conventions, which helps to empower its employees through involvement in these quality circles. These Quality Circles bring different teams from various continents to learn from each other, witness best practices and make new friends.

[2] Facilities include all operational units (manufacturing plants, module centres, assembly centres, units for service businesses), tech centres and representative offices.

Differently abled employees

The Group follows a policy of equality at work which is an integral part of its Code of Conduct. All the employees are given equal treatment without any discrimination. If a person becomes disabled while employed by the Group, every endeavour is made to protect that person's position. Differently abled persons have the same opportunities for training and career development as other employees with similar skills and abilities.

Health & Safety

Employee health and safety is of great importance to us. We take a decentralized and localized approach for implementing and managing our health and safety processes. These health and safety processes are implemented locally by plant management, and the results are reviewed by the local health and safety officer and local health and safety committee on a periodic basis.

A.4. CORPORATE GOVERNANCE

The Company has in place a two-tiered board structure consisting of separate management and supervisory boards.

Management Board

The management board of the Company (Board) consists of four managing directors and is responsible for managing the business & its related risks in accordance with applicable laws, constitutional documents and resolutions of the shareholders. The principal functions of the management board are to carry out the day-to-day business of the Company and to legally represent the Company in its dealings with third parties, while maintaining high standards of corporate governance and corporate responsibility.

Supervisory Board

The supervisory board of the Company consists of five supervisory directors. The duties of the supervisory board are to supervise the Board's policy and course of action and to supervise the general conduct of the affairs of the company and any business it may be affiliated with. The supervisory board assists the Board in an advisory capacity. The supervisory directors have to carry out their duties in the interest of the company and any business it may be affiliated with. The supervisory board is furthermore charged with all the duties entrusted to it by Dutch law and by the constitutional documents of the Company.

A.5 Current Challenges: Geo-Political situation in Europe

The geo-political situation resulting from resulting from Russia's invasion of Ukraine in February 2022 has continued to exert significant pressure particularly on energy and commodity prices. Furthermore, various sanctions imposed by EU, USA, and other organizations have restricted economic transactions with Russia, affecting the Group's limited operations in the country.

Outside Russia, there were some indirect impacts on European operations due to supply chain disruptions resulting from the conflict in the region.

Impairment tests were conducted on our assets in Russia especially property, plant, and equipment as of March 31, 2023. While the Group continues to explore alternate business opportunities going forward, as matter of conservatism, an impairment of k€4,160 was recognised in the financial statements. The situation however is dynamic, and the management will keep on monitoring its impact on the Group and will take necessary measures in the best interests of its stakeholders.

A.6. FINANCIAL RESULTS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("IFRS EU"). These financial statements of the Company have been prepared for the financial year beginning April 01, 2022, and ending on March 31, 2023. The summarised consolidated financial results for the year and quarter ended March 31, 2023, are as follows:

Divisional* in € Mns	Modules & Polymer Products			Vision Systems		
	Three Months Ended			Three Months Ended		
	March 31, 2022	December 31, 2022	March 31, 2023	March 31, 2022	December 31, 2022	March 31, 2023
Revenues	967	1,172	1,236	417	526	511
EBITDA	46	66	81	40	55	69
% to Revenues	**4.8%**	**5.6%**	**6.6%**	**9.6%**	**10.5%**	**13.5%**

Divisional* in € Mns	Modules & Polymer		Vision Systems	
	Year Ended		Year Ended	
	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023
Revenues	3,684	4,529	1,521	1,937
EBITDA	231	261	148	203
% to Revenues	**6.3%**	**5.8%**	**9.7%**	**10.5%**

** Divisional numbers reported are gross numbers including 100% of unconsolidated joint ventures*

Following is a reconciliation of divisional results to consolidated results:

Business Divisions in € Mns	Revenues			EBITDA		
	Q4 FY22	Q3 FY23	Q4 FY23	Q4 FY22	Q3 FY23	Q4 FY23
Modules & Polymer	967	1,172	1,236	46	66	81
Vision Systems	417	526	511	40	55	69
Others / Unallocated	2	2	2	(3)	(4)	(5)
Less: Eliminations/Intersegment Sales	(4)	(4)	(3)	-	-	-
Total	1,382	1,696	1,747	83	116	145
Less: JVs consolidated as per equity method[1]	(53)	(76)	(59)	(9)	(8)	(7)
Consolidated	1,328	1,620	1,688	74	108	138

Business Divisions in € Mns	Revenues		EBITDA	
	YE FY22	YE FY23	YE FY22	YE FY23
Modules & Polymer	3,684	4,529	231	261
Vision Systems	1,521	1,937	148	203
Others / Unallocated	5	10	(11)	(15)
Less: Eliminations/Intersegment Sales	(13)	(19)	-	-
Total	5,197	6,457	368	450
Less: JVs consolidated as per equity method[1]	(204)	(255)	(28)	(30)
Consolidated	4,993	6,202	340	420

1. Data for Joint ventures consolidated as per equity method is net of intercompany transactions.

The Group recorded revenues of €1,688 million for the quarter ended March 31, 2023, representing a growth of 27% compared to the revenues of €1,328 million for the corresponding previous quarter ended March 31, 2022. Revenues for Modules & Polymer Products for the quarter ended March 31, 2023, amounted to €1,236 million, reflecting a 28% increase compared to €967 million for the corresponding previous quarter ended March 31, 2022. Vision Systems revenues reached €511 million; a 22% increase compared to the revenue of €417 million for the quarter ended March 31, 2022. In comparison to the quarter ended December 31, 2022, the consolidated revenues for the Group grew by 4%, rising from €1,620 million to €1,688 million.

On a full year basis, consolidated revenues grew by 24% from €4,993 million for the year ended March 31, 2022, to €6,202 million for the year ended March 31, 2023. Both the divisions recorded an increase in revenues on a yearly basis. Modules & Polymer Products revenue grew by 23% while Vision Systems revenue grew by 27%.

During the quarter ended March 31, 2023, our profitability improved as a result of our continued efforts to drive cost-saving initiatives across our businesses. Additionally, we were able to improve operating leverage by sharing inflationary cost structures with customers. EBITDA for the quarter ended March 31, 2023, was at €138 million, representing 8.2% of the revenues compared to €74 million or 5.6% of the revenues for the same quarter of the previous year. For Modules and Polymer Products, EBITDA improved to 6.6% as compared to 4.8% for the quarter ended March 31, 2022. Similarly, for Vision Systems, EBITDA increased to 13.5% compared to 9.6% for the quarter ended March 31, 2022.

On a sequential quarter basis as well, profitability improved from €108 million or 6.7% for the quarter ended December 31, 2022, to €138 million or 8.2% for the quarter ended March 31, 2023. Modules and Polymer Products EBITDA was at 6.6% of revenues for the quarter ended March 31, 2023, compared to 5.6% for the quarter ended December 31, 2022. Similarly, Vision Systems EBITDA margin grew to 13.5% for the quarter ended March 31, 2023, compared to 10.5% for the quarter ended December 31, 2022.

EBITDA for the quarter ended March 31, 2023, includes €10 million write back of provision related to a litigation recorded in earlier periods in Vision Systems division, which was reversed during the quarter due to favorable judgement received and hence no longer required. Consolidated EBITDA for the quarter was 7.6% excluding this writeback and for Vision Systems was 11.5%.

However, our overall performance for the year remained suppressed due to various factors. Historically higher energy prices, especially in Europe, along with upward pressure on resin prices, inflationary pressures on personnel costs, and other key inputs had an adverse impact on our results.

On a full year basis, consolidated EBITDA for the year ended March 31, 2023, amounted to €420 million or 6.8% of revenues, compared to €340 million or 6.8% for the year ended March 31, 2022. Modules and Polymer Products division's EBITDA increased to €261 million compared to €231 million for the year ended March 31, 2022. However, as a % to revenue EBITDA was lower for the full year at 5.8% compared to 6.3% for the year ended March 31, 2022, due to the factors mentioned above. EBITDA for Vision Systems division increased to €203 million as compared to

€148 million for the year ended March 31, 2022. Vision Systems Division experienced a growth in EBITDA margins, from 9.7% for the year ended March 31, 2022, to EBITDA margins of 10.5% for the year ended March 31, 2023. Consolidated EBITDA for the year ended March 31, 2023, was 6.6% excluding this write back and for Vision Systems was 10.0%.

A.7. CAPITAL EXPENDITURE

SMRP BV Group's growth strategy includes expanding operations in line with customers' growth and sales order book. The Group is one of the few suppliers in its product segment with a global engineering & manufacturing footprint and this strong geographical diversification enables the Group to capitalise on global growth opportunities while mitigating the impact of any regional demand fluctuations. The Group continuously assess the need for expanding capacities to cater to new platforms with existing/new customers.

Significant capital expenditures have been incurred for expanding our footprint and enhancing our existing capacities in the prior years. The Group is diligently monitoring its capital expenditure and adopts a disciplined approach to capital spending. For the year ended March 31, 2023, SMRP BV group incurred capital expenditure of €201 million. A large part of this expenditure is towards supporting new programs in line with customer requirements as well as expenditure towards productivity enhancement. All divisions of SMRP BV are highly vertically integrated, which helps it to achieve economies of scale, maintaining quality control and reduce dependence on external suppliers. In this direction we keep on investing in various opportunities to enhance vertical integration like the recent leather competence centre in Serbia.

A.8. STRATEGY

The Group is fully integrated with the vision of the entire Motherson group, which is to be a globally preferred solutions provider to the OEMs in the automotive industry. We aim to achieve this by pursuing our strategic actions that we have established based on the philosophy of Motherson, which includes focusing on consistent outstanding performance, strengthening customer relationships built on trust, pursuing greater client engagement, increasing the content per vehicle that we supply and developing long-term sustainable value creation.

A.9. RESEARCH AND DEVELOPMENT

SMRP BV Group continues to demonstrate its unwavering commitment to maintaining technological leadership and driving the development of innovative, high-quality products and processes. This commitment enables us to meet the growing demands of OEM customers in terms of product functionality and feature content, while also upholding increasingly stringent environmental goals and regulatory requirements.

To support our commitment, we consistently invest in new technologies and engineering efforts, particularly those related to our vertical integration initiatives. As part of these efforts, we have successfully developed in-house actuation for various applications of exterior mirrors and camera monitoring systems. This allows us to have greater control over the design and functionality of these critical components, ensuring the highest standards of performance and quality.

We recently launched our first camera monitoring system. Building upon this success, we are currently making further investments to expand our offerings and launch camera monitoring systems for passenger vehicles. This strategic move will enable us to provide advanced safety and monitoring solutions to a wider range of customers.

Our commitment to technological leadership is exemplified by our utilization of environmentally sustainable and lightweight materials in our products. Additionally, we employ state-of-the-art technologies in our manufacturing processes, ensuring optimal performance and efficiency. By fostering interconnected design and research centers across our global network, we promote the sharing of innovations and technological advancements, leveraging best practices to deliver value-added solutions on a global scale in a cost-efficient manner.

During the fiscal year ended March 31, 2023, the Group incurred expenditures of € 149 million (March 31, 2022: €145 million), towards its research and development activities which are expensed in the income statement.

SMRP BV Group's global research and development capabilities have been instrumental in developing a diversified and comprehensive product portfolio. Our range of offerings includes rear view mirrors, door panels, instrument panels, bumpers, and other interior and exterior components. Through our commitment to vertical integration and significant in-house sourcing capabilities, we are able to offer a full range of system solutions, continuously increasing the feature content per vehicle across the model ranges of our OEM customers.

Looking ahead, our research and development strategy will remain closely aligned with the needs of our customers, focusing on major industry trends such as connectivity, electrification, autonomous driving, and shared mobility. Moreover, we place a strong emphasis on sustainability. To this end, we have identified four key areas that will drive our future efforts:

- Sustainability: We are committed to utilizing environmentally friendly recycled and recyclable materials, implementing lightweighting techniques, improving product efficiency, reducing material utilization and energy consumption, and working towards increased economic circularity.
- Functionality and Performance: Our goal is to optimize usability and enhance value-added content customization through modularity. We integrate technology into surfaces, such as vehicle occupant interfaces and comfort features in the interior, as well as assistance systems in the exterior.
- Design and Aesthetics: We strive to improve the aesthetic features and styling versatility of mobility interiors and exteriors by introducing new surface finishes, decorative trim features, and different materials with integrated lighting effects.
- Driver Assistance and Monitoring: We focus on developing intelligent systems and seamlessly integrating sensor technologies to provide enhanced driver assistance, including camera monitoring and mirror replacement systems. Additionally, we incorporate sensors and smart features for vehicle occupant monitoring systems.

Our proven track record and reputation for technological leadership have positioned SMRP BV Group as a preferred partner for collaborative development with leading OEMs. We will continue to pursue collaboration opportunities with our existing customers, offering them a comprehensive suite of development capabilities. Together, we will jointly create innovative solutions that cater to their specific needs. Through our commitment to technological leadership and the design and production of innovative products, we aim to further strengthen our position as the partner of choice, delivering solutions that meet the ever-evolving consumer demands.

To enhance our capabilities in understanding future consumer and customer needs, as well as associated technological trends, we established Motherson Innovations (MI) as a networking partner and collaborator within the group. MI works closely with our group companies, connecting with external technology partners and innovative start-ups through our open innovation ecosystem. This collaborative approach enables us to gain valuable insights, anticipate future requirements, and deliver new solutions that bring increased value to our OEM customers.

A.10. DEVELOPMENT & OUTLOOK

Automotive industry landscape

The global automotive industry designs, develops, manufactures, sells and services light vehicles and heavy commercial vehicles. The light vehicle segment consists of passenger cars, vans and light trucks weighing less than six tons, while the heavy vehicle segment is generally defined as the market for vehicles weighing in excess of six tons.

The automotive production value chain comprises OEMs, such as the Volkswagen group, Daimler, Ford, Stellantis, Hyundai-Kia, Toyota, General Motors, BMW and Renault-Nissan, and the automotive components, systems and modules suppliers. The automotive supplier industry is further segmented into three tiers. Tier 1 suppliers sell their products directly to OEMs. Typically, these products are larger modules or systems which integrate multiple components, sometimes sourced from Tier 2 automotive suppliers. Tier 2 suppliers sell individual components, sub-assemblies or sub systems to Tier 1 suppliers, which in turn typically integrate individual parts or materials produced by and purchased from Tier 3 suppliers.

SMRP BV Group's revenues are primarily derived from sales of automotive components to global OEM customers operating in the light vehicle industry and, as a result, SMRP BV Group operations are affected by general trends in the automotive industry and global light vehicle production volume and the content per vehicle for the components and systems produced by such suppliers. Suppliers typically have contracts that cover the full life of a vehicle platform or model range, which usually have an average life of five to seven years. Certain components, such as bumpers and exterior lighting, may be updated part-way through the vehicle model lifecycle in what is referred to as a "mid-cycle refresh" action.

Factors that can influence automotive production include global and regional economic conditions, changing demographics (e.g., population growth, aging and urbanization), evolving consumer preferences and mobility needs, regulatory and legislative changes and sociological trends, global pandemics and natural disasters.

Globalization and standardization.

OEMs are continually seeking ways to reduce costs in current production and new model development, maximising the economies of scale while being able to provide a wider range of product offerings in the market to meet consumer trends and changing preferences. This increases the dependency on the supply chain and in particular tier 1 global supplier partners that can provide the development capability, product offering and manufacturing footprint to meet their needs. SMRP BV Group with a global footprint, broad product offering, extensive and long-standing customer relationships and the requisite development and manufacturing expertise is well-positioned to benefit from this.

Geographic footprint of production.

Optimising the efficiency of the supply chain is an essential part of the providing the required product offering at the right level of quality and cost, hence tier 1 suppliers are required to provide a global footprint of manufacturing and value chain to serve the needs of the OEMs. This factor together with the increasing need to be flexible in supporting the developing consumer choices requires close cooperation and interdependency between tier 1 suppliers and the OEMs. The SMRP BV Group is well positioned to realize growth opportunities in both mature and developing markets due to its global presence, strong and long-lasting relationships.

Consolidation of supplier base

In order to take advantage of the operational economies of scale, OEMs seek to consolidate their supplier base with a focus on large, full service capable and financially strong global suppliers that can produce consistent and high-quality products across multiple production regions. The OEMs use a number of factors to determine their preferred suppliers including, among other things, competitiveness, quality of product and services provided, operational footprint and capacity, in-house research & development and technological capabilities, overall track record and quality of relationship with the OEM, financial stability and an increasingly important emphasis on sustainability.

Major Industry Trends

Intelligent connectivity and digitization, both inside and outside the vehicle, will play an ever more important role in the future. Connectivity is the name given to communication between one vehicle and another (V2V), between a vehicle and the infrastructure (V2X), and the vehicle occupant’s access to the outside world.

Electrification of mobility is a fast-developing trend driven by a number of factors including climate change and drive for improved environmental impact, regulatory objectives with an acceleration in the governmental commitments towards carbon neutrality and changing consumer attitudes. While predominantly having a transformational effect on vehicle power train systems and the associated supply chain, other technologies and value content are being brought to market in association with electric mobility, such as driver/vehicle user interface solutions, light weighting and improved aero dynamics.

Shared or new Mobility is an increasing trend towards alternative mobility solutions required as a result of changing demographics, consumer attitudes towards vehicle ownership and urbanisation. The effects of the Coronavirus pandemic have seen a notable shift in consumer attitudes away from shared mobility with a renewed preference towards private mobility solutions.

Autonomous driving refers to the capability of a vehicle to drive itself at various levels of independence from the vehicle occupants to a destination in real world traffic, using on-board sensors, and software intelligence, combined with navigation systems and V2X connectivity so that it can recognize its surroundings. The speed of development for this trend and the higher the level of autonomy that is possible is strongly dependent on conditions in the different environments in which it could be applied and its safety in operation.

Sustainability is of increasing importance to the mobility industries and therefore vehicle manufacturers are considering this as a much more central part of their strategic direction not only in connection with the move towards electrified mobility, but also in respect of environmental footprint, and the path toward increasing economic circularity. How the entire supply chain and in particular the tier 1 supplier partners are engaged with this is therefore increasingly relevant.

SMRP BV Group believe that automotive suppliers with strong OEM relationships have the potential to play a significant role in these new trends and the associated technologies. It could present new business models and generates opportunities for further growth potential within the automotive industry.

A.11. RISK MANAGEMENT

During the year, the Group, its business and products were exposed to various risks. In its capacity as an internationally Tier 1 supplier for the automobile industry the Group is exposed to various risks with each of its business segments and products. The risks and uncertainties described below are not the exhaustive list of risk the Group may face. Additional risks and uncertainties of which the Group may not be aware or that we currently believe are immaterial may also adversely affect our business, prospects, financial condition and results of operations. If any of the possible events described below were to occur, our business, prospects, financial condition and results of operations may be affected.

The identified risks are divided into four categories:

1. Strategic Risks
2. Operational Risks
3. Financial Risks
4. Compliance Risks

A.11.1 STRATEGIC RISKS

The Group may get affected by economic trends and adverse developments in the global economy and in countries where we operate. Our business is affected by general economic conditions, in particular levels of industrial and manufacturing output in the industries and markets that we serve and is susceptible to downturns in economies around the world, including major economic centres such as the European Union and the United States, as well as emerging markets such as India, China, Mexico and Brazil. General economic conditions and macroeconomic trends and potential trade disputes can affect overall demand for our products and the markets in which we operate.

The Group's revenue is derived from OEMs who could be significantly impacted by adverse economic developments globally. During periods of slow economic activity, consumers may forego or delay vehicle purchases, or purchase lower-priced models with fewer premium features, resulting in reduced demand by our OEM customers for our products. If the economic environment in any of the markets from which we derive substantial revenue declines, unfavourable economic conditions may impact a significant number of our customers and, consequently, the demand for our product lines, and our business, financial condition and results of operations could be materially adversely affected.

SMRP BV is continuously diversifying its geographical footprint to diversify its operations to mitigate the impact of any such economic downturn in any specific geography.

Market Risks

Cyclicality and reduced demand in the automotive industry in which the Group operates could affect our business. Substantially, all of our business is directly related to vehicle sales and production of our customers, who consist primarily of large automotive OEMs, and demand for our products is largely dependent on the industrial output of the automotive industry. The Group's operations and performance are directly related to levels of global vehicle production, particularly the light vehicle market, and are therefore affected by factors that generally affect the automotive industry. Furthermore, in some geographies automotive production and demand are subject to seasonal cyclicality, which may influence the demand for our products. For example, European OEMs generally scale back or halt vehicle production during summer holidays and Christmas holidays in Europe and the Americas can impact demand during December. The automotive industry is sensitive to factors such as consumer demand, consumer confidence, sociological trends, disposable income levels, employment levels, fuel prices, regulatory changes and general economic conditions. Any significant reduction in vehicle sales and production by our customers may have a material adverse effect on our business, financial condition and results of operations.

Customer portfolio of SMRP BV has significantly diversified with execution of new orders and our current order book is also well diversified which is reducing our dependence on single OEM.

Competition Risks

SMRP BV Group face global competition in its business. Competition is based on many factors, including product quality and reliability, breadth of product range, product design and innovation, manufacturing capabilities, distribution channels, scope and quality and reliability of service, price, customer loyalty and brand recognition. The Group also encounter competition from similar and alternative products, many of which are produced and marketed by major multinational or national companies, which may have an adverse effect on our business, financial condition and results of operations.

Additionally, as we further expand our presence in emerging markets, we face competitive price pressures from low-cost producers in jurisdictions such as China, and we expect such price pressures to increase as our customers continue to expand their manufacturing footprints in these markets, thereby providing opportunities for local manufacturers to compete.

SMRP BV Group's ability to support OEMs in every phase of the product development process differentiates us from many of our competitors and, given the substantial investment and time that would be required to replicate our global operations, strengthens our status as a preferred partner to the leading OEMs in the automotive industry. This combined with our close proximity to our customers, our technological leadership and our demonstrated reliability, have enabled us to maintain a strong track record of repeat orders and provide us the competitive edge.

Geo-political situation in Europe

The geo-political situation in Europe caused by Russia's invasion of Ukraine has far reaching economic effects, mainly on commodity markets, economic trades and financial transactions. Russia is a major supplier of oil and gas, while Ukraine is a major supplier of wheat and corn. Companies in Russia and Ukraine supply specialized inputs, and shortfalls in some of those inputs are having impacts on manufacturing productions in European market. Although SMRP BV's direct operations in Russia are very limited and there are no operations in Ukraine, the longevity of the conflict could have an adverse impact on global business activity and thereby on the performance of the Group.

A.11.2 OPERATIONAL RISKS

Procurement Risks

The Group depends on its suppliers for the supply of raw materials and components that are critical to our manufacturing processes. SMRP BV Group sources its raw materials from a diversified group of global, national and local suppliers, but is still subject to supplier concentration with respect to certain of its key inputs. Certain products use components that are only available from a limited number of suppliers. Furthermore, some of the Group's suppliers are directed by our customers, and it is likely that we will continue to source components from such suppliers. In some cases, we purchase parts for specific feature content sub-assemblies or modules from OEM-directed sources.

Prices of certain raw materials and pre-constructed components we rely on, such as resins (ABS and polypropylene) and metal parts (mainly aluminium and zinc), are linked to commodity markets and thus subject to fluctuation. Certain of our customer contracts, which typically factor in supply cost at the time at which the contract is entered into and subsequently when it is extended or renewed, allow for the pass-through of materials cost increases. For instance, certain of our supplier sources are directed by our OEM customers. In cases where a supplier is directed by the OEM, our contracts typically include provisions allowing for the pass-through of raw materials price increases to the customer.

Large portion of our components are OEM nominated which insulates any price risk. Moreover, our contracts sometimes include a mechanism whereby we can pass through increases in the costs of raw materials to our OEM customers, helping to reduce the effect on our margins relating to volatility in the prices of our raw materials.

Increasing energy costs
Recent increase in prices of oil, natural gas had an adverse impact on energy costs for the Group. The inflationary pressure on prices was further heightened by geo-political crisis in Europe arising out of Russia's invasion of Ukraine. Russia is a major supplier of oil and gas to European countries and internationally. The Group is actively working on to reduce the impact of cost increases by undertaking various measures including but not limited to entering into long term energy contracts where possible as well as engaging with its OEM customers to devise a pass-through mechanism.

Personnel Risks

Dependence on skilled and qualified personnel

The Group depends on its senior management, executive officers, key employees and skilled personnel, and if the Group is unable to recruit and retain skilled management personnel, its business and ability to operate or grow the business may be adversely affected. The Group can be affected by the loss of any of these executive officers and other key employees. The market for such qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. In some of our markets, the specialized skills we require are difficult and time-consuming to acquire and, as a result, are in short supply. Its success depends to a large extent upon the continued services of its senior management, executive officers, key employees and other skilled personnel.

SMRPBV continuously work on structured succession planning giving opportunities to employees to take leadership positions which ensure the seamless continuation of management of our business.

Increasing labor cost
The Group operates in countries such as India, China, Brazil, Hungary and Mexico, the increasing labour cost in these countries may impact our profit margins and compromise our price competitiveness. In the recent periods, most part of Europe have seen historically high inflation leading to upward pressure on labour costs in those geographies as well.

The Group undertakes various incentive programs to improve the productivity of its employees, as well as low-cost automation initiatives designed to reduce labour costs. However, if these measures are insufficient to offset increases in overhead costs, or if Group would be unable to effectively manage these increases in the future, our business, financial condition and results of operations may be adversely affected.

Intellectual Property Infringement Risks

The success of SMRPBV's newly designed products and other innovations depends in part on its ability to obtain, protect and leverage intellectual property rights to their designs. We believe we have significant level of protected proprietary technology which gives us competitive advantage in marketing our products and services. SMRPBV therefore try to obtain and protect certain intellectual property rights to their newly designed products and other innovations. While it is also SMRPBV's policy to enter into confidentiality agreements with its key employees to protect intellectual property, however there may be a possibility that these confidentiality agreements may be breached. We cannot be certain that the measures that we employ will result in the protection of our intellectual property rights or will result in the prevention of unauthorized use of our proprietary technology. We also rely upon unpatented proprietary know-how and continuing technological innovations and other trade secrets to develop and maintain our competitive position. In addition, there can be no assurance that other companies will not obtain knowledge of these trade secrets through independent development or other legal means of access. Any failure to protect our proprietary rights relating to our designs, processes, components, technology, trade secrets or proprietary know-how could have a material adverse effect on our business, financial condition and results of operations. Also, the competitors of the Group may initiate suit against the Group alleging their IPR infringements.

Stabilization of New Manufacturing Facilities

We have invested in new manufacturing facilities to enable us to expand our global footprint further in line with our customers' expansion.

The establishment period for new manufacturing facilities typically ranges between 12 and 24 months. Once the construction of a manufacturing facility is completed, the output of that facility generally increases over time, with the aim of keeping pace with customer's production ramp-up schedules. The increase in output to keep pace with customers schedule involves significant ramp-up costs and its success depends to a large extent on availability of skilled personnel as well as know-how of the concerned market, especially while expanding in new geographies.

A.11.3. FINANCIAL RISKS

Financial risks

The Group is exposed to various financial risks due to its activities as an international production company. These financial risks include the credit risk which is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Group and arises principally from the Group's receivables from customers and deposits with banking institutions.

Due to ongoing monitoring of the compliance with agreed terms of payment for all customers, risks of bad debt losses are minimised. Monitoring of credit ratings of suppliers/non-OEM customer takes place from time to time.

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

In addition, and as mentioned above, the geo-political situation in Europe caused by Russia's invasion of Ukraine has impacted global business activity in terms of supply chain disruptions, inflationary pressure on commodity prices, oil, gas amongst others. The situation is dynamic, and its longevity and future course might adversely impact business globally, the management is keeping a close watch over the same and will perform necessary actions as are best in the interest of its stakeholders.

Forex risk

The majority of our costs and incomes are denominated in local currencies, providing a "natural hedge" against currency exchange fluctuations, and some of our contracts with OEMs allow for price adjustments in the event of unfavourable currency exchange rate developments. Nevertheless, our global footprint exposes us to certain currency exchange risks, arising primarily from the import of raw materials for certain of our operations and our non-euro-denominated borrowings. SMRP BV group do selective hedging to hedge these currency risks.

Financial instrument risk

The Group makes use of financial instruments like forward contracts and fixed to fixed cross currency swap contracts for economic hedging purposes only, in order to protect against exchange rate movements. The forward contracts are used to hedge highly probable forecast transactions expected to occur over short to medium term period based on underlying business exposures. The Group also makes use of fixed-to-fixed cross currency interest rate swaps in order to protect against exchange movement on its USD denominated senior secured notes.

By entering into aforesaid financial instruments, the Group is exposed to potential credit risk of the counter party however the group's treasury maintains a close watch on credit standing of the counter parties and transactions are only entered into with banks and financial institutions of good credit standing and independently rated in order to eliminate or keep the potential credit risk to the minimum.

Interest rate risk

In the recent periods, global benchmark interest rates have been increasing as a result of policy response from various authorities to counter inflationary pressures. The Group borrows money from banks and other financial institutions in the form of long dated notes, revolving credit facilities amongst others, it is therefore exposed to changes to interest rates. The Group has a large portion of its borrowings in the form of fixed long-term borrowings which insulates the Group's profitability from market changes.

A.11.4. COMPLIANCE RISKS

Legal Risk

Significant changes in laws & regulations

The legal, regulatory and industry-standard environment in our principal markets is complex and dynamic, and future changes to the laws, regulations and market practice with regard to emissions and safety, could have an adverse effect on the products we produce and on our profitability. The regulatory environment across all countries in the World is changing rapidly and frequent regulatory changes by the Government of any Country in which Group operates, may impact the profitability or growth perspectives.

Additionally, we could be adversely affected by changes in tax or other laws that impose additional costs on automobile manufacturers or consumers, or more stringent fuel economy and emissions requirements on manufacturers of sport-utility vehicles, light trucks and other vehicles from which we derive some of our sales.

Changes in legislation or policies related to tax applicable to us could adversely affect the results of operations.

The Group is subject to complex tax laws in each of the jurisdictions in which it operates. Changes in tax laws could adversely affect the tax position, including effective tax rate or tax payments. In addition, European tax laws and regulations are extremely complex and are subject to varying interpretations. Particularly in emerging markets such as China and Brazil, tax laws may be interpreted inconsistently. The application and interpretation of laws by governmental authorities may therefore be uncertain and difficult to predict.

Most territories in which we operate also have transfer pricing regulations that require transactions involving associated companies to be affected at arm's length terms. Furthermore, the focus of OECD and the G20 countries on implementation of Base erosion and profit shifting (BEPS) measures also continues with many countries making changes through national legislations and multilateral instruments.

It is our policy, therefore, that any pricing of arrangements between related parties, such as the intra-group provision of services, is carried out on an arm's length basis and in accordance with all applicable regulations.

There is increased focus on transfer pricing aspects of financial transactions, including treasury activities, credit ratings, intra-group loans, cash pools, guarantees, captive insurance and will have major tax and business implications for companies with respect to their financing and treasury activities. The EU concluded Anti-Tax Avoidance Directive (ATAD I & II "ATAD") forming part of a larger anti-tax avoidance package adopted by the European Union (EU) in response to the OECDs Base Erosion and Profit Shifting (BEPS) action plan.

The OECD/G20 Base Erosion and Profit Shifting (BEPS) Project aims to create a single set of consensus-based international tax rules to address BEPS, and hence to protect tax bases while offering increased certainty and predictability to taxpayers.

The new rules and regulations may have potential impact on the Group. The Group relies on generally available interpretations of tax laws and regulations in the jurisdictions in which it operates. We cannot be certain that the relevant tax authorities are in agreement with our interpretation of these laws. If our tax positions are challenged by relevant tax authorities, this may have an adverse effect on our business, financial condition and results of operations.

Legal or regulatory claims or investigations against us could have a material adverse effect on our financial position.

From time to time, the Group may become involved in legal or regulatory proceedings, claims or investigations, including by governmental bodies, anti-trust regulatory authorities, customers, suppliers, former employees, class action plaintiffs and others. On an on-going basis, we attempt to assess the likelihood of any adverse judgments or outcomes to these proceedings or claims, although it is difficult to predict final outcomes with any degree of certainty.

Risk Appetite Assessment

The Group operates in markets with growth potential which are subject to volatility and competition. We will pursue our growth targets with clear focus on Return On Capital Employed (ROCE) and de-risking policy. SMRP BV risk appetite varies depending upon type of risk.

RISK CATEGORY	RISK APPETITE
Strategic Risks	Moderate
Operational Risks	Moderate
Financial Risks	Low
Compliance Risk	Low

Risk Management System

The global presence and decentralised management structure with the main activities in the plants make an organised risk management system necessary. The Group has formed the collective risk management system through regulations, instructions, implementation rules and, in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring which is used to define, record and minimise operating, financial and strategic risks.

The Group manages its risk by operating its business under well placed two-tiered board structure, consisting of separate management and supervisory boards. There are well structured senior management committees comprised of members of the Board as well as senior management personnel from each of SMR, SMP and Motherson. The various risk policies and control mechanism are implemented through this two-tiered Board structure. The successful management of opportunities and risks is part of operating a business and is the primary task of all management personnel. During the regular management meetings at all management levels, opportunities, risks and optimisation measures are subjected to systematic treatment. Rapid, open and unhindered communication between all levels of management on the risks and imminent exceptional situations ensure that potential risks can be identified at an early stage and their effects can be limited. Risk awareness and the integration of risk management into management personnel's on-going duties at an organisational level enable the Group to identify risks immediately and to eliminate them or to minimise their effects on the net asset, financial and income position.

The above risk management system provides the control measures to reduce/eliminate the risks. An overview of the main risks and the risk control (framework) can be found in paragraph A.6.6.3 of the Notes to the consolidated financial statements.

A.12. CODE OF CONDUCT

Subject to the requirements under local laws of the jurisdiction in which the Group operates, Motherson maintains a uniform code of conduct, and which binds all officers, directors and employees.

The Group is committed to conduct its business under this code of conduct which states highest standards of business ethics. This code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct and to help foster a culture of honesty and accountability. The matters covered in this Code are of the utmost importance to the Group, our shareholders and our business partners. Further, these are essential so that we can conduct our business in accordance with our stated values.

Our Group is committed to conduct its business affairs in accordance with the economic development, objectives of the Government and foreign policies of our country and in the countries in which we operate.

A.13. FINANCIAL OUTLOOK & GOING CONCERN

These financial statements are prepared under the assumption that the Group is a going concern. The directors of the Group believe that, on the basis of the future business plans & cash flows and the ability to raise funds as required, they have a reasonable expectation that the Group will continue as a going concern.

SMRP BV has strong mid-term revenue and cash flow visibility on the back of robust Order Book of € 19.7 billion as of March 31, 2023. We also had €17.2 billion representing remaining lifetime value of orders that are currently under production at our facilities. As of March 31, 2023, SMRP BV had total booked business of €36.9 billion. This Order Book reflects Group's focus on growth across diversified geographies and customers. SMRP BV has incurred significant amount of capex for capacity expansion and modernization leading to Global footprint expansion and nearshoring to support its strong order book.

SMRP BV Group's liquidity requirements arise principally from operating activities, capital expenditure for new facilities, maintenance & expansion capital expenditure, short term investments in engineering projects for customer new product launches, repayment of borrowings and debt service obligations. Principal source of funding includes cash from operations, committed credit lines, short-term loans and overdraft facilities at some of the operating entities.

As of March 31, 2023, SMRP BV Group had available liquidity of €789 million (subject to restrictions under net leverage ratio) under committed revolver credit facilities, other working capital facilities and cash & cash equivalent. Cash generated from operating subsidiaries is utilised to finance growth within the operations of such subsidiary or is transferred to holding companies through the payment of dividends or inter-company loans. In most cases there are no significant obstacles or barriers for such transfer of funds, but these are always subject to local regulations at respective country.

As of March 31, 2023, SMRP BV Group had net leverage ratio of 0.54x as per the definitions under its finance documents which excludes shareholder loans from the calculation of debt. This clearly depicts that Group has significant headroom available for generating additional liquidity through borrowings for any growth opportunities and business contingencies. The Group has been able to secure renewal of its revolving credit facility agreement in the month of May 2023 for next 3 years and also upscaled the facility size from €350 million to €375 million.

A.14. CREDIT RATING

The Group is rated by two major rating agencies. These agencies carry out independent credit review of the Group on a periodic basis. The current rating status of the Group as on date of report is as follows:

Agency	Issuer Rating	Issue Rating	Outlook
S&P	BB	BB	Stable
Fitch Ratings	BB	BB+	Stable

A.15. SUSTAINABILITY

SMRP BV understands its responsibilities under the entire scope of Sustainability which is summarised under the three dimensions of Environment, Social and Governance (ESG). There is a full recognition of the corporate responsibility to carry out its operations whilst minimising the impact on the environment and climate change, ensuring the health, safety and wellbeing of its employees and apply high standards of business ethics for such topics as human rights, diversity and inclusion, providing equal opportunities. It aims to comply with all applicable legislation and regulatory reporting requirements and is continually working on decreasing emissions towards the Motherson groups ambition for operational net carbon zero in 2040.while increasing economic circularity. SMRP BV seeks to operate with transparency and accountability and is committed to upholding the principles of the UN global compact as part of the wider Motherson group.

Global citizenship activities are an intrinsic part of Sustainability and are coordinated on a regional basis across the globe. We have undertaken several programs targeted to the communities in which we operate, including aiding underprivileged children and promoting the equal opportunities. This is done with in association with several non-governmental organizations and institutions.

Environment Responsibility

SMRP BV has taken various initiatives to protect the environment and encourage the development of environmental-friendly technologies across the Group. SMRP BV is committed to eliminating waste wherever possible and the continual development of technologies and the adoption of best practice to save energy, water and other resources, together with reuse and recycling strategies. SMRP B.V. complies with laws, regulations and advocates progressive environmental policies as part of its corporate responsibility. It also aims to comply with all applicable environmental legislations to prevent pollution and minimize environmental damage occurring as a result of its activities. SMRP BV has not been party to any material environmental claims in the past.

SMRP BV has constantly been emphasizing the need for energy efficiency and conservation in every possible area and also taking steps to maximise the use of renewable energy while minimizing its dependence on natural resources.

A.16. DIRECTORS' RESPONSIBILITY

The directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

In preparing these financial statements the directors should:

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

The directors confirm they have complied with all the above requirements in preparing the financial statements.

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On January 01, 2022 an act on gender diversity in boards of Dutch companies entered into force. The rules apply to new appointments of board members only. There is no obligation to make changes to existing board positions. The new law aims to make the male-female ratio more balanced than the existing composition. Dutch 'large' companies must also develop a plan on how to reach their gender diversity targets. Due to historical appointments, as at the date of publishing this report, the management board comprises of 4 male board members. The company strives to achieve gender diversity when appointing new board members.

The Company has well balanced composition of Management & Supervisory board in terms of age, experience, educational and professional background.

The brief resume of our directors outlining their nature of expertise in functional areas, educational and professional background is as follows:

Mr. Laksh Vaaman Sehgal is a managing director and Chief Executive Officer of the Company and has been a director since June 2014 and is responsible for strategic planning and decision making for the Group. Prior to his appointment as chief executive officer, he served as the chief executive officer of SMR following its acquisition in 2009 until 2013. He is also a director of SAMIL and holds director positions in various Motherson companies. In his capacity as Chief Executive Officer of the Company, he is actively involved in the Group's investment decisions and its strategic decision-making process and helps to define and manage the Group's overall control policies. Mr. Vaaman Sehgal holds a Bachelor of Business Administration from Boston University and a Masters in Finance from Columbia University.

Mr. Andreas Heuser is a managing director of the Company and Head of Chairman's Office Europe of Motherson and has been a director of the Company since October 2011. He joined Motherson in 2005, as the Head of its European corporate office, Mr. Heuser also currently serves as a director in multiple Motherson companies.

Mr. Jacob Meint Buit is an independent local resident managing director of the Company and has been a director since the Company's incorporation in 2011. After studying economics and tax law in Amsterdam, Mr. Buit joined the tax law firm of Loyens & Loeff in 1974, where his practice focused on international corporate matters. Mr. Buit practiced at Loyens & Loeff for a total of 28 years, including 18 years as a partner and an additional 2 years as counsel, until leaving the firm in 2001. Mr. Buit is a member of various non-profit, supervisory and corporate boards.

Mr. Randolph M. Th. de Cuba is an independent local resident managing director of the Company and has been a director since June 2015. After studying law and economics in Rotterdam Mr. de Cuba joined PwC in 1980 as a tax professional, where his practice focused on international corporate tax matters. Mr. de Cuba's tenure at PwC was 32 years, including 26 years as a partner. Mr. de Cuba is an independent consultant and holds directorships on various corporate boards.

Mr. Vivek Chaand Sehgal is a supervisory director of the Company and has been a supervisory director since June 2014. Mr. Sehgal established Motherson in 1975 and Motherson Sehgal Cables in 1977. In 1983, he entered into a technical collaboration with Tokai Electric Co. (now Sumitomo Wiring Systems Limited ("SWS")) and in 1986 entered into a joint venture with SWS to form MSSL (now SAMIL). He is a director and chairman of Motherson Group and holds directorships in multiple Motherson companies.

Mr. Bimal Dhar is a supervisory director of the Company and has been a supervisory director since June 2014. He has over 40 years of experience in the automotive industry, serving in a variety of engineering and management roles. Mr. Dhar also holds directorships in multiple Motherson companies.

Mr. G. N. Gauba is a supervisory director of the Company and has been a supervisory director since June 2014. Mr. Gauba joined MSSL in 1997 and has accumulated over 38 years of experience in finance, accounting and taxation working at various companies in India. He also holds directorships in various Motherson companies. Mr. Gauba is an Associate Member of the Institute of Cost and Works Accountants of India and an Associate Member of the Institute of Company Secretaries of India. Mr. Gauba holds a Bachelor of Commerce (Honours) and a Master of Commerce from the University of Delhi.

Mr. Kunal Malani is a supervisory director of the Company and head of the Strategic Team of Motherson and has been a supervisory director since October 2014. He also currently serves as Chief Financial Officer of SAMIL. Mr. Malani has 15 years of experience in banking and consulting roles, including positions with Merrill Lynch and India Infoline prior to joining Motherson in 2013. Mr. Malani received a Bachelor's of Commerce with honors from Calcutta University and completed a postgraduate program in Management at the Indian School of Business. He is a member of the Institute of Chartered Accountants of India.

Mr. Robert Joseph Remenar is a supervisory director of the Company since March 2022. He is a Master of Business and Professional Accountancy with degrees from Walsh College and an undergraduate degree in Finance from Central Michigan University - magna cum laude. Mr. Remenar is known for optimizing organisations, bringing governance and creating value. He has extensive experience and relationships with automotive OEMs, suppliers, unions, capital markets, private equity and M&A. Mr. Remenar serves on the board of various companies and is an Independent Director on the Board of SAMIL.

A.17. ACKNOWLEDGEMENT

Your Board of Directors would like to place on record their sincere appreciation for the wholehearted support and contributions made by all the employees of the Company as well as customers, suppliers, bankers, auditors and other authorities.

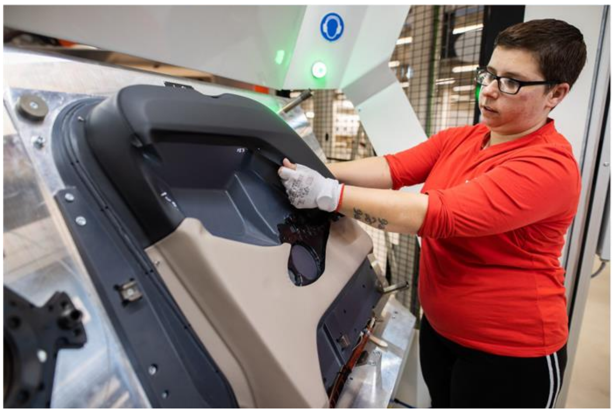
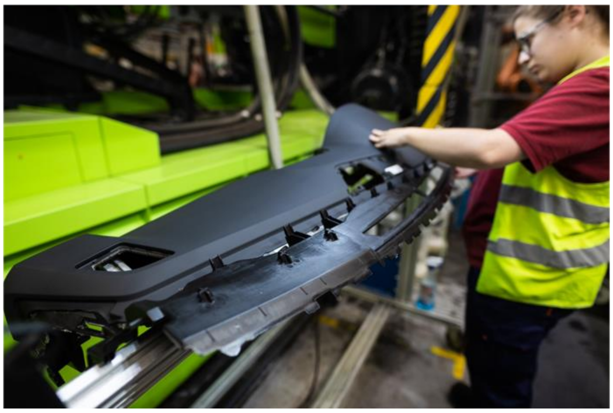
Approved by the Board of Directors and signed on behalf of the Board.

Date: May 23, 2023

Management Discussion and Analysis

BUSINESS OVERVIEW



Samvardhana Motherson Automotive Systems Group BV, along with its subsidiaries, referred to as "SMRP BV Group" or "the Group," is an integral part of the Motherson Group. The Motherson Group is a globally diversified manufacturing specialist and one of the largest and fastest-growing automotive suppliers for original equipment manufacturers (OEMs) worldwide.

SMRP BV Group, as a leading Tier 1 supplier, specializes in providing automotive components to OEMs for the production of light vehicles. Our extensive customer base comprises almost all major global OEMs, representing over 90% of the global automotive production. Within our product portfolio, we focus on rear-view vision systems, as well as interior and exterior modules such as door panels, instrument panels, and bumpers. We have achieved a prominent market position in these segments on a global scale, particularly in the premium segment. Noteworthy brands such as Audi, Daimler, VW, BMW, Renault/Nissan, Stellantis, Porsche, Ford, and Hyundai are among our valued customers.

Throughout the product lifecycle, we provide comprehensive support to our customers, covering various phases from conceptualization and design to prototyping, validation, production, assembly, and the delivery of fully engineered assembled products. As a full system solutions provider, we strive to meet the diverse needs of our customers.

SMRP BV Group has established its presence in key automotive production hubs worldwide, encompassing 29 countries. Our operations span across a robust network of 110 facilities, including strategically located manufacturing sites in close proximity to the manufacturing plants of our OEM customers. This strategic positioning enables us to enhance operational efficiency, ensure timely delivery, and foster stronger collaboration with our customers throughout the value chain. We continuously strive to optimize our footprint to effectively cater to the dynamic needs of the global automotive industry.

SMRP BV Group operate business through following main divisions:

Vision Systems:



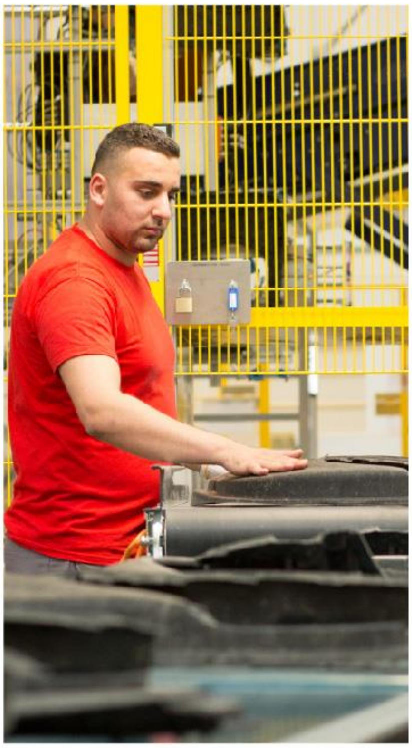
The Vision Systems division, formerly known as SMR, holds a prominent position as one of the largest manufacturers of rear-view vision systems in the automotive industry. Our division supplies a comprehensive range of products, including interior mirrors, exterior mirrors, and camera-based detection systems, to nearly all major global car manufacturers. We are recognized as a market leader in the production of exterior mirrors for passenger cars, commercial vehicles, and heavy trucks.

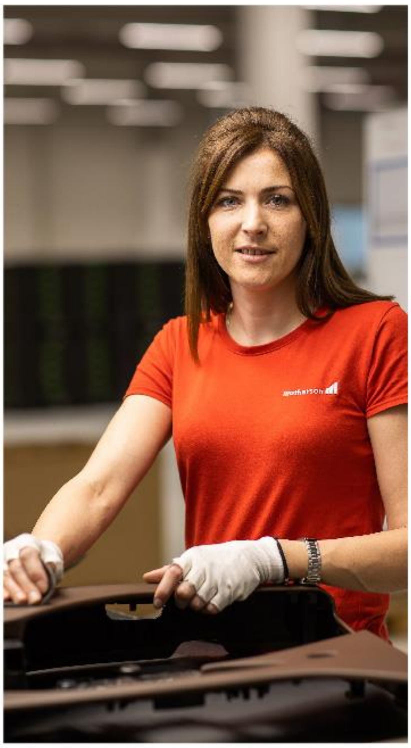
Our rear-view mirrors play a crucial role in enhancing automotive safety and design, with a focus on increasing sophistication. Through meticulous engineering, we optimize aerodynamics and integrate advanced features that enhance safety, comfort, and aesthetics. Our portfolio caters to all categories of automotive mirror applications, ranging from manually adjusted exterior and interior mirrors to electrically controlled systems and high-value rear-view vision systems with integrated features and high-performance camera-based rear-view camera monitoring systems. Additionally, our division specializes in manufacturing critical components for vision systems, including light units, electric drive units, camera modules, electronic modules, and reflector glass modules.

In June 2022, the Group successfully acquired 100% stake in MSSL Manufacturing Hungary Kft., a company indirectly held by our ultimate parent company, Samvardhana Motherson International Limited (SAMIL). MSSL Manufacturing Hungary Kft. is primarily engaged in the molding of plastic parts and components for the automotive industry. This strategic acquisition enables the Vision Systems division to leverage operational synergies and further strengthen our capabilities within the division.

The Vision Systems division, with its 36 facilities[3] spread across 18 countries, combines expertise, a passion for innovation, and the extensive manufacturing capabilities of Motherson to design and produce innovative products that meet the evolving demands of our customers.

Modules & Polymer Products:





The Modules & Polymer Products division, previously known as SMP, is a renowned specialist in the automotive industry, focusing on the production of exterior and interior modules. As a leading supplier, the division provides polymer-based interior and exterior products parts to global customers. It holds a prominent position in the European automotive industry, offering modules such as door panels, instrument panels, and bumpers. Additionally, it supplies a wide range of plastic components and systems, including centre consoles, decorative interior trims, and plastic body parts. The division offers comprehensive system solutions, encompassing concept development, design, product development, simulation, testing, and fully integrated mass production.

[3] Facilities include all operational units (manufacturing plants, module centres, assembly centres, units for service businesses), tech centres and representative offices.

With a particular emphasis on the premium segment, the division has a key focus on lightweight constructions, the use of renewable raw materials, and the enhancement of occupant and pedestrian protection. It boasts an extensive portfolio of patented technologies and industry-first innovations, establishing itself as a preferred supplier for carmakers worldwide.

Furthermore, the division specializes in the manufacturing of extruded and injection-moulded components, primarily serving the automotive industry. It possesses advanced expertise in various process technologies, such as painting and stretch-bending. Notably, the division excels in co-extrusion and multi-component injection moulding processes, enabling the delivery of specialized solutions for complex illuminated and non-illuminated interior and exterior parts.

With a strong global presence, the division operates 70 facilities[4] across 22 countries. This extensive footprint places the division within close proximity to customers on five continents, positioning it as a local and comprehensive system solutions provider across a diverse range of product offerings.

Business combinations in progress

1. Acquisition of Ichikoh Industries mirror business
   On September 26, 2022, the Group entered into an agreement with Ichikoh Industries, a subsidiary of Valeo SE, in Japan to acquire a 100% stake in its mirror business. The transaction is valued at JPY 5.2 billion, subject to customary closing adjustments for debt/debt-like items and working capital.
   This agreement includes the mirror business of Ichikoh Industries, which encompasses the development and manufacturing of automotive mirrors and associated products in Japan and China, primarily serving Japanese OEMs. The proposed deal is expected to be finalized by Q2 FY23-24, subject to the completion of all condition's precedent.

2. Acquisition of SAS
   On February 19, 2023, the Group entered into an agreement to acquire 100% stake in SAS Autosystemtechnik GmbH (Germany) ("SAS") from Faurecia, a company of the FORVIA Group; enterprise value €540 million. SAS is a leading global provider of assembly and logistics services for the automotive industry. The transaction remains subject to information or consultation with employee representatives. Completion of the envisaged transaction will be subject to customary regulatory approvals and would be expected by Q2 FY23-24.

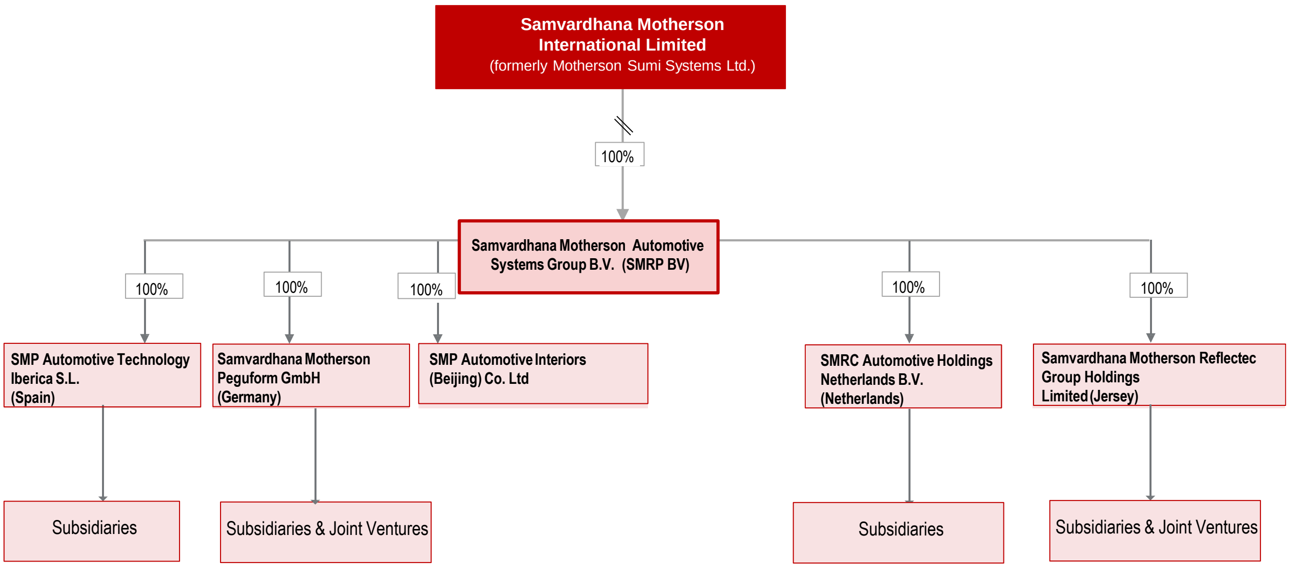
3. Assets purchase of Bolta US Ltd.
   The Group through its subsidiary SMP Automotive Systems Alabama Inc., USA ("SMP Alabama") had submitted a bid for purchase of assets of Bolta US Ltd., USA ("Seller") pursuant to filing of voluntary petition for relief under the US Bankruptcy Code. The United States Bankruptcy Court via its order dated March 24, 2023, pronounced selection of bid submitted by SMP Alabama and to serve it as the Stalking Horse under US Bankruptcy Code. The United States Bankruptcy Court via an order dated April 07, 2023, authorized the sale of substantially all the assets of the Seller free and clear of lien, to SMP Alabama. This transaction was completed on April 17, 2023,

[4] Facilities include all operational units (manufacturing plants, module centres, assembly centres, units for service businesses), tech centres and representative offices.

at a value of USD 16 million. The seller is engaged in the business of manufacturing chrome plated exterior and interior polymer components.

GROUP STRUCTURE

The following diagram represents the Corporate Structure of SMRP BV Group along with details of its principal shareholders:



Corporate Structure as of March 31, 2023, and is not a legal structure.

CORPORATE INFORMATION

MANAGEMENT BOARD:

The Management Board of the company is responsible for managing day to day business and to legally represent the company in its dealing with third parties while maintaining high standards of corporate governance and corporate responsibility. Management Board consists of following members:

1.	Laksh Vaaman Sehgal	Managing Director (Chairman and Chief Executive Officer)
2.	Andreas Heuser	Managing Director
3.	Jacob Meint Buit	Resident Managing Director
4.	Randolph de Cuba	Resident Managing Director

SUPERVISORY BOARD:

The Supervisory Board of the company is responsible for supervising the management board's policy and course of action and to supervise the general conduct of the affairs of the company and any business it may be affiliated with. The supervisory board assists the management board in an advisory capacity and have to carry out their duties in the interest of the company. Supervisory Board consists of following members:

1.	Vivek Chaand Sehgal	Director and Chairman, Motherson Group
2.	Bimal Dhar	Director
3.	G.N. Gauba	Director
4.	Kunal Malani	Director
5.	Robert Joseph Remenar	Director

The above composition of Management & Supervisory Board is as on date.

REGISTERED OFFICE:

The registered office of the company is under:
Hoogoorddreef 15, 1101 BA Amsterdam
The Netherlands

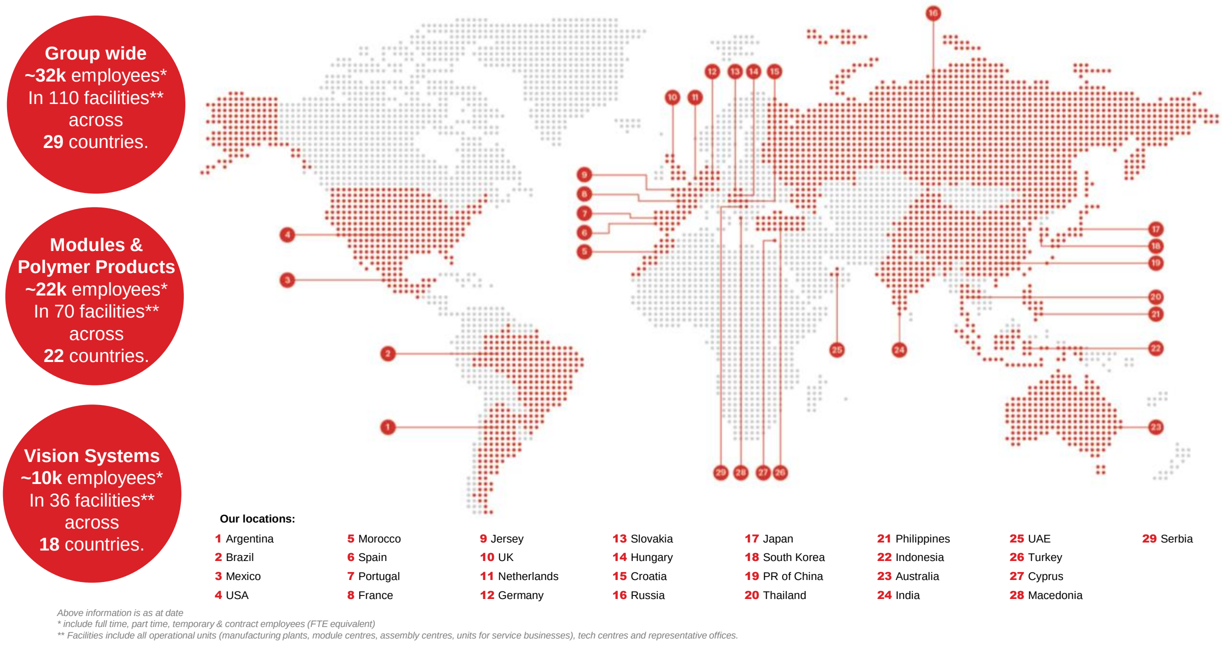
GEOGRAPHICAL FOOTPRINT

SMRP BV Group has adopted a strategic approach to supply its customers based on their geographic locations. This strategy entails establishing manufacturing facilities in close proximity to the plants of original equipment manufacturer (OEM) customers. By doing so, the Group aims to enhance operational efficiency and optimize the flow of the supply chain. This proximity enables timely delivery of products and cost-effectiveness in the overall manufacturing process.

The Group's core product segments operate on a just-in-time production model, coupled with supply-in-line-sequence practices. This means that products are produced and supplied directly to customers' production lines with minimal lead times. This approach helps streamline operations, reduce inventory holding costs, and ensure the delivery of parts precisely when they are needed.

Furthermore, the increasing demand for vehicle personalization, particularly in the premium segment, has introduced complexities in interior and exterior modules. These modules often offer a wide range of customization options, with potentially hundreds of permutations and combinations. By efficiently managing inventory and delivering parts in the required quantities, the Group ensures the robust utilization of lean logistics. This approach minimizes waste, optimizes resource utilization, and enhances overall operational efficiency.

Following chart provides an overview of SMRP BV Group's global footprint:



Facilities include all operational units (manufacturing plants, module centres, assembly centres, units for service businesses), tech centres and representative offices.

Above information is as of March 31, 2023

FINANCIAL PERFORMANCE FOR THE PERIOD ENDED MARCH 31, 2023

Samvardhana Motherson Automotive Systems Group BV's Board has approved its consolidated financial statements for the fiscal year ended March 31, 2023. The Consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code, as far as applicable.

SUMMARY FINANCIALS

The company's financial results (expressed in € millions) for the fiscal year and quarter ended March 31, 2023, are summarized as follows:

Summmarised Income Statement	Three Months Ended March 31, 2022	Three Months Ended December 31, 2022	Three Months Ended March 31, 2023	Year Ended March 31, 2022	Year Ended March 31, 2023
Revenues	1,328	1,620	1,688	4,993	6,202
Other operating income	17	11	19	60	49
Cost of materials	(791)	(961)	(984)	(2,925)	(3,691)
Personnel expenses	(319)	(346)	(353)	(1,213)	(1,361)
Other operating expenses	(161)	(215)	(231)	(574)	(778)
EBITDA	**74**	**108**	**138**	**340**	**420**
Depreciation and amortization	(56)	(61)	(61)	(230)	(242)
Finance costs (net)	(8)	(14)	(15)	(38)	(50)
Net exchange gain/(losses) on foreign currency borrowings and related items	(0)	4	0	(5)	(5)
Share of net profit of associates and joint ventures accounted for under the equity method	2	4	2	9	10
Earnings before taxes (EBT)	**12**	**41**	**64**	**76**	**134**
Income tax (expense)/ credit	(19)	(15)	(18)	(34)	(41)
Profit /(Loss) for the period	**(8)**	**26**	**46**	**42**	**93**
Profit / (Loss) is attributable to:					
Equity holders of the group	(9)	19	42	24	68
Non-controlling interests	2	7	4	18	25
Profit /(Loss) for the period	**(8)**	**26**	**46**	**42**	**93**

DIVISIONAL RESULTS

Pursuant to reorganisation at the level of our ultimate parent entity SAMIL, the management's focus is now on tracking and reporting performance on the business division level instead of individual entities. As a result of the same, SMRP BV Group has started reporting its results on divisional basis whereby it has identified two major business divisions – Modules & Polymer Products (formerly referred as SMP) and Vision Systems (formerly referred as SMR) – which will be reported separately, and other divisions will be reported together.

Following is a summary of divisional profitability for the quarter and nine month ended March 31, 2023:

Divisional* in € Mns	Modules & Polymer Products			Vision Systems		
	Three Months Ended			Three Months Ended		
	March 31, 2022	December 31, 2022	March 31, 2023	March 31, 2022	December 31, 2022	March 31, 2023
Revenues	967	1,172	1,236	417	526	511
EBITDA	46	66	81	40	55	69
% to Revenues	**4.8%**	**5.6%**	**6.6%**	**9.6%**	**10.5%**	**13.5%**

Divisional* in € Mns	Modules & Polymer		Vision Systems	
	Year Ended		Year Ended	
	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023
Revenues	3,684	4,529	1,521	1,937
EBITDA	231	261	148	203
% to Revenues	**6.3%**	**5.8%**	**9.7%**	**10.5%**

** Divisional numbers reported are gross numbers including 100% of unconsolidated joint ventures*

Following is a reconciliation of divisional results to consolidated results:

Business Divisions in € Mns	Revenues			EBITDA		
	Q4 FY22	Q3 FY23	Q4 FY23	Q4 FY22	Q3 FY23	Q4 FY23
Modules & Polymer	967	1,172	1,236	46	66	81
Vision Systems	417	526	511	40	55	69
Others / Unallocated	2	2	2	(3)	(4)	(5)
Less: Eliminations/Intersegment Sales	(4)	(4)	(3)	-	-	-
Total	**1,382**	**1,696**	**1,747**	**83**	**116**	**145**
Less: JVs consolidated as per equity method[1]	(53)	(76)	(59)	(9)	(8)	(7)
Consolidated	**1,328**	**1,620**	**1,688**	**74**	**108**	**138**

Business Divisions in € Mns	Revenues		EBITDA	
	YE FY22	YE FY23	YE FY22	YE FY23
Modules & Polymer	3,684	4,529	231	261
Vision Systems	1,521	1,937	148	203
Others / Unallocated	5	10	(11)	(15)
Less: Eliminations/Intersegment Sales	(13)	(19)	-	-
Total	**5,197**	**6,457**	**368**	**450**
Less: JVs consolidated as per equity method[1]	(204)	(255)	(28)	(30)
Consolidated	**4,993**	**6,202**	**340**	**420**

2. Data for Joint ventures consolidated as per equity method is net of intercompany transactions.

COMPONENTS OF REVENUE & EXPENSES

REVENUE

The Group recorded revenues of €1,688 million for the quarter ended March 31, 2023, representing a growth of 27% compared to the revenues of €1,328 million for the corresponding previous quarter ended March 31, 2022. Revenues for Modules & Polymer Products for the quarter ended March 31, 2023, amounted to €1,236 million, reflecting a 28% increase compared to €967 million for the corresponding previous quarter ended March 31, 2022. Vision Systems revenues reached €511 million; a 22% increase compared to the revenue of €417 million for the quarter ended March 31, 2022. In comparison to the quarter ended December 31, 2022, the consolidated revenues for the Group grew by 4%, rising from €1,620 million to €1,688 million.

On a full year basis, consolidated revenues grew by 24% from €4,993 million for the year ended March 31, 2022, to €6,202 million for the year ended March 31, 2023. Both the divisions recorded an increase in revenues on a yearly basis. Modules & Polymer Products revenue grew by 23% while Vision Systems revenue grew by 27%.

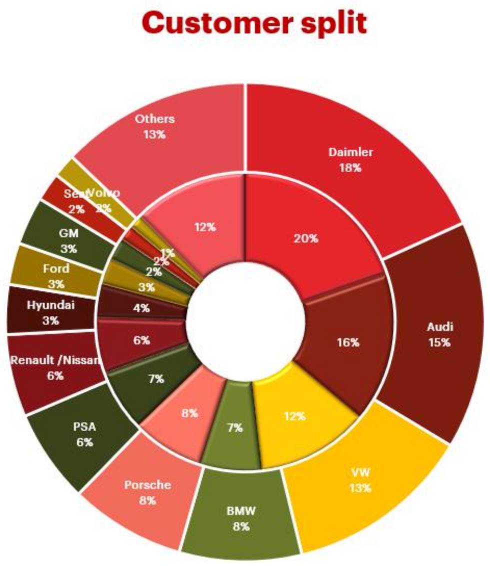
Geographical Spread of Revenues

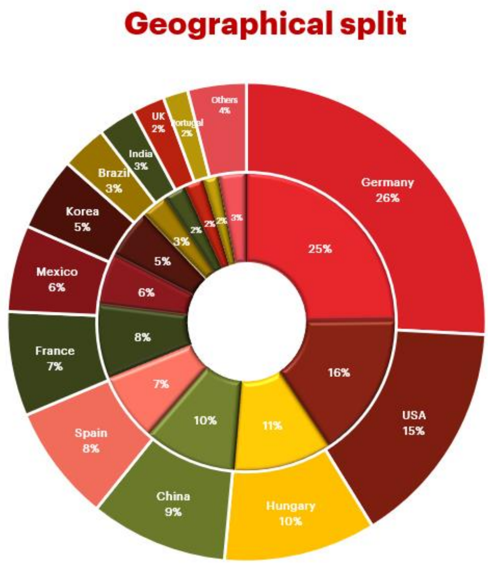
SMRP BV Group has a globally diversified geographical footprint. Germany has is the largest share of the Group's revenue pie contributing 26% for the year ended March 31, 2023, followed by USA 15%, Hungary 10%, China 9%, Spain 8%, France 7%. We achieved robust revenue growth across various geographies during the year.

Diversified Customer Portfolio

SMRP BV Group is a trusted partner and strategic Tier I supplier to leading global OEMs and has well-established strategic relationships with several OEMs across the globe. The ability to support OEMs in every phase of the product development process differentiates the company from many competitors. Given the substantial investment and time required to replicate the company's global footprint, it strengthens the status of SMRP BV Group as a preferred partner to most of the leading OEMs in the automotive industry. The company is able to engage with customers during the early stages of collaborative development projects, which regularly enables the company to introduce its products into the vehicle's design phase. This collaboration, when combined with proximity to customers, technological leadership, demonstrated reliability, and financial stability, results in maintaining a strong track record of a confirmed order book.

The following chart shows the change in revenue spread by customers for fiscal year ended March 31, 2023, as compared to year ended March 31, 2022:

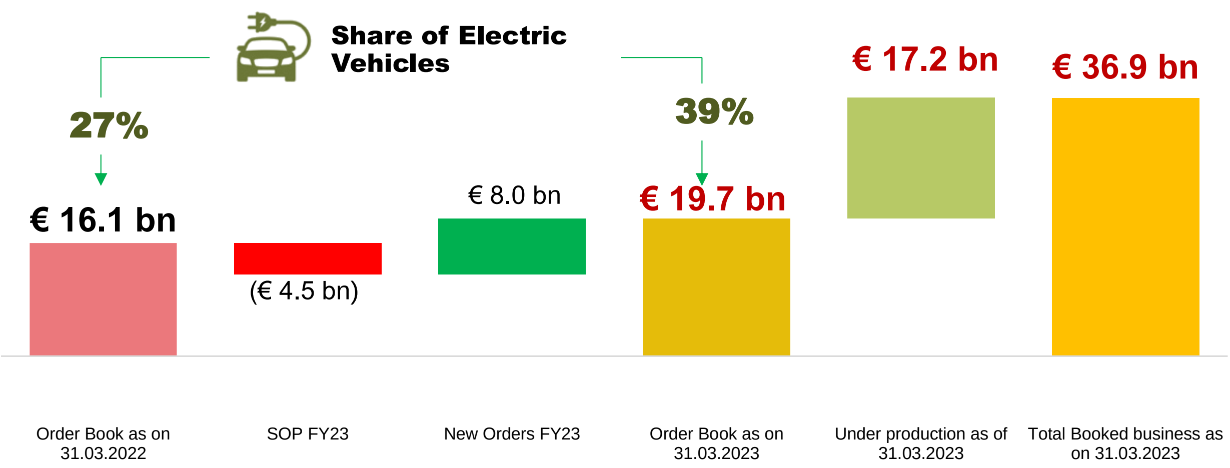




Inner circle – FY21-22 & Outer circle - FY22-23

ORDER BOOK

SMRP BV benefit from mid-term revenue visibility, with an estimated Order Book of € 19.7 billion as of March 31, 2023. Order book represents the gross sales that we expect to record over the lifetime of the orders under contracts for vehicle programs that we have been awarded by OEMs, but which are not yet in production and is comprised of both incremental and repeat business. The Order book is based on the nominated volumes which gets crystallised during the development phase.



During the year ended March 31, 2023, new orders worth €8.0 billion of lifetime sales were received. Orders worth € 4.5 billion of lifetime sales were put into commercial production and therefore taken out from Order book. We also had €17.2 billion representing remaining lifetime value of orders that are currently under production at our facilities. As of March 31, 2023, SMRP BV had total booked business of €36.9 billion. SMRP BV Group work closely with the OEMs on their EV strategy, 39% of our orderbook as of March 31, 2023, reflected dedicated EV models which is a significant increase from 27% as of March 31, 2022.

EBITDA

During the quarter ended March 31, 2023, our profitability improved as a result of our continued efforts to drive cost-saving initiatives across our businesses. Additionally, we were able to improve operating leverage by sharing inflationary cost structures with customers. EBITDA for the quarter ended March 31, 2023, was at €138 million, representing 8.2% of the revenues compared to €74 million or 5.6% of the revenues for the same quarter of the previous year. For Modules and Polymer Products, EBITDA improved to 6.6% as compared to 4.8% for the quarter ended March 31, 2022. Similarly, for Vision Systems, EBITDA increased to 13.5% compared to 9.6% for the quarter ended March 31, 2022.

On a sequential quarter basis as well, profitability improved from €108 million or 6.7% for the quarter ended December 31, 2022, to €138 million or 8.2% for the quarter ended March 31, 2023. Modules and Polymer Products EBITDA was at 6.6% of revenues for the quarter ended March 31, 2023, compared to 5.6% for the quarter ended December 31, 2022. Similarly, Vision Systems EBITDA margin grew to 13.5% for the quarter ended March 31, 2023, compared to 10.5% for the quarter ended December 31, 2022.

EBITDA for the quarter ended March 31, 2023, includes €10 million write back of provision related to a litigation recorded in earlier periods in Vision Systems division, which was reversed during the quarter due to favorable judgement received and hence no longer required. Consolidated EBITDA for the quarter was 7.6% excluding this writeback and for Vision Systems was 11.5%.

However, our overall performance for the year remained suppressed due to various factors. Historically higher energy prices, especially in Europe, along with upward pressure on resin prices, inflationary pressures on personnel costs, and other key inputs had an adverse impact on our results.

On a full year basis, consolidated EBITDA for the year ended March 31, 2023, amounted to €420 million or 6.8% of revenues, compared to €340 million or 6.8% for the year ended March 31, 2022. Modules and Polymer Products division's EBITDA increased to €261 million compared to €231 million for the year ended March 31, 2022. However, as a % to revenue EBITDA was lower for the full year at 5.8% compared to 6.3% for the year ended March 31, 2022, due to the factors mentioned above. EBITDA for Vision Systems division increased to €203 million as compared to €148 million for the year ended March 31, 2022. Vision Systems Division experienced a growth in EBITDA margins, from 9.7% for the year ended March 31, 2022, to EBITDA margins of 10.5% for the year ended March 31, 2023. Consolidated EBITDA for the year ended March 31, 2023, was 6.6% excluding this write back and for Vision Systems was 10.0%.

COST OF MATERIALS (including inventory changes)

The cost of materials comprises various components, including purchases of raw materials, goods, and tools for resale, prompt payment discounts, purchase returns, volume discounts, changes to inventories, consumption of other supplies, and the purchase of pre-constructed components. These costs are primarily variable and dependent on the product mix sold during the period.

For the quarter ended March 31, 2023, the cost of materials amounted to €984 million, compared to €791 million for the corresponding previous quarter ended March 31, 2022, in absolute terms. As a percentage of revenue, the cost of materials accounted for 58.3% for the quarter ended March 31, 2023, slightly lower than the 59.6% recorded for the quarter ended March 31, 2022. Compared to the quarter ended December 31, 2022, the cost of materials decreased from 59.4% to 58.3% as a percentage of revenues.

In comparison to the year ended March 31, 2022, the cost of materials increased to €3,691 million from €2,925 million. As a percentage of revenues, it stood higher at 59.5% for the year ended March 31, 2023, compared to 58.6% for the year ended March 31, 2022, due to overall material price increase.

To continually optimize material costs, the company regularly undertakes initiatives such as value addition and value engineering (VA-VE). Additionally, horizontal and vertical integration strategies are pursued to provide enhanced solutions to our customers.

PERSONNEL COSTS

Personnel expenses encompass various elements such as wages, salaries, paid labor rendered by third parties, employer's social security contributions, and other welfare expenses. These expenses are influenced by the scale of our operations, our geographical footprint, and the specific requirements of our customers.

For the quarter ended March 31, 2023, personnel expenses as a % revenue was 20.9% which is an improvement from 24% for the quarter ended March 31, 2022. In absolute terms, personnel costs increased to €353 million as compared to €319 million for the corresponding previous quarter ended March 31, 2022, due to overall increase in operations.

On a sequential quarter basis, personnel expenses decreased slightly to 20.9% of revenues compared to 21.4% of revenues for the quarter ended December 31, 2022. Despite facing inflationary pressure and upward revisions in personnel costs during the quarter ended March 31, 2022, stable demand enabled us to exercise better cost control within the Group.

Compared to the year ended March 31, 2022, personnel costs as a percentage of revenue decreased from 24.3% to 22.0%, primarily attributable to higher revenues and effective cost management. However, in absolute terms, the costs increased from €1,213 million for the year ended March 31, 2022, to €1,361 million for the year ended March 31, 2023.

OTHER OPERATING EXPENSES

Other operating expenses primarily consist of general administrative expenses, energy costs, repair and maintenance costs, rental and lease costs, freight and forwarding costs, auditors' remuneration, net foreign exchange losses, and legal and professional fees.

For the quarter ended March 31, 2023, other operating expenses amounted to €231 million, accounting for 13.7% of revenues. This represents an increase compared to €161 million, which accounted for 12.1% of revenues for the corresponding previous quarter ended March 31, 2022. In comparison to the quarter ended December 31, 2022, other operating expenses increased from €215 million, or 13.3% of revenues, to €231 million, or 13.7% of revenues.

On an annual basis, operating expenses were higher at €778 million, or 12.6%, compared to €574 million for the year ended March 31, 2022, representing 11.5% of revenues.

Amongst other reasons, the increase in operating expenses can be primarily attributed to the significant rise in energy prices across Europe and other regions. On an annual basis, energy costs accounted for 3.3% of revenues, higher than the 2.4% recorded for the year ended March 31, 2022.

OTHER OPERATING INCOME

Other operating income primarily consists of rental income, and subsidies or grants.

For the quarter ended March 31, 2023, other operating income amounted to €19 million, which is slightly higher than the €17 million income recorded for the quarter ended March 31, 2022, as well as higher than the €11 million for the quarter ended December 31, 2022.

On an annual basis, other operating income for the year ended March 31, 2023, was €49 million, lower than €60 million for the year ended March 31, 2022. Other operating income for the year ended March 31, 2022, included €6 million grant received from government in one of the geographies.

DEPRECIATION & AMORTISATION

Depreciation and amortization refer to the amount recognized in the income statement reflecting the amortized value of tangible and intangible assets on a straight-line basis over their estimated useful life. It also includes depreciation on Right of Use Assets recognized under IFRS 16 for leasing contracts.

For the quarter ended March 31, 2023, depreciation and amortization amounted to €61 million, which is higher than the €56 million recorded for the quarter ended March 31, 2022, and consistent with the €61 million for the quarter ended December 31, 2022.

On an annual basis, depreciation and amortization for the year ended March 31, 2023, totaled €242 million, compared to €230 million for the fiscal year ended March 31, 2022.

During the period ended December 31, 2022, the Group recognized an impairment loss of k€4,160 with respect to its subsidiary SMRC Automotive Technology Ru LLC. This impairment was triggered by the ongoing geopolitical conflict in Russia and related sanctions, which led to limited, halted, or discontinued business activities by OEMs. While we continue to explore alternative business opportunities moving forward, the impairment was recognized in the financial statements as a matter of conservatism.

The Group also recognized impairment loss of k€1,983 in respect of its subsidiary SMP Automotive Interiors, (Beijing) Co. Ltd. during the year ended March 31, 2023.

FINANCE COSTS (Net)

Net finance costs primarily consist of interest expenses on borrowings, leases, and defined benefit obligations, offset by interest and similar income.

For the quarter ended March 31, 2023, net finance costs amounted to €15 million, which is higher than the €8 million recorded for the quarter ended March 31, 2022, and €14 million for the quarter ended December 31, 2022.

On an annual basis, net finance costs for the year ended March 31, 2023, totaled €50 million, compared to €38 million for the year ended March 31, 2022. This increase is largely attributable to the overall increase in benchmarks rates like Euribor and partly due to the increase in average borrowings during the year. Net debt as of March 31, 2023, was however lower than that as of March 31, 2022.

INCOME TAXES

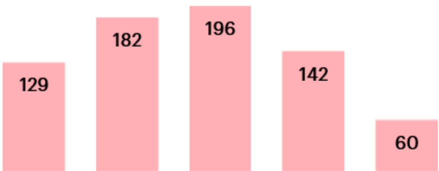
Income tax represents the total tax payable under the laws of each jurisdiction in which the business operates, including both current and deferred tax in accordance with accounting standards. Tax calculations are based on the applicable domestic tax rates in each respective country.

For the fiscal year-end, an income tax expense of €41 million was recognized, compared to an expense of €34 million for the year ended March 31, 2022. The effective tax rate for the year ended March 31, 2023, was 31%, lower than the 44% recorded for the corresponding year ended March 31, 2022. Effective tax rate was higher last year as in certain greenfield and other locations, deferred tax assets could not be recognized due to a conservative approach in accounting policies.

TRADE WORKING CAPITAL

As of March 31, 2023, the net trade working capital stood at €60 million, whereas as of March 31, 2022, it amounted to €129 million. Net trade working capital represents a period of 5 days as of March 31, 2023, compared to 6 days of working capital as of March 31, 2022.

€ Millions.



	31.03.2022	30.06.2022	30.09.2022	31.12.2022	31.03.2023
Trade liabilities	(990)	(1,037)	(1,090)	(1,079)	(1,218)
Receivables - Amortisation	236	231	227	219	218
Receivables - Unbilled Revenue	294	305	340	337	359
Receivables	251	295	321	286	351
Inventory	338	388	398	379	350

No of Days.

31.03.2022	30.06.2022	30.09.2022	31.12.2022	31.03.2023
(66)	(59)	(59)	(57)	(59)
16	13	13	13	12
18	17	18	17	17
18	16	16	15	16
20	21	21	20	19

Days on hand are calculated as below -

- *Working capital is calculated as average of beginning of the period and end of the period balances.*
- *Gross revenues for the period are annualised taking year to date revenue on a 360-day basis.*

Analysis on each of these elements are described below:

Receivables

Receivables represent the outstanding amounts to be received from customers for goods that have already been sold and delivered or for which the title of the property in goods has been transferred to the customers. Trade receivables are initially recognized at fair value and subsequently carried at amortized cost. They are presented net of impairments for potential delays or defaults that are likely in specific cases.

This category also includes amounts related to in-progress engineering inventory, which are recognized as unbilled receivables. The Company utilizes the "percentage of completion method" to determine the appropriate amount of revenue to recognize during a given period. Revenue is recognized using the zero-profit margin method until the contract is completed. The receivables associated with this revenue are recorded as unbilled receivables in the financial statements.

As of March 31, 2023, the Company had receivables totaling €351 million, as against €251 million as of March 31, 2022. These figures translate to an average day on hand of 16 days and 18 days, respectively.

The unbilled receivables related to in-progress engineering inventory amounted to €359 million as of March 31, 2023, and €294 million as of March 31, 2022. These represent an average day on hand of 17 days and 18 days respectively.

In certain cases, engineering receivables are paid by our OEMs through piece price amortization over the program's lifespan. As of March 31, 2023, the Company had amortization receivables of €218 million, while the figure as of March 31, 2022, was €236 million. This corresponds to an average days on hand of 12 days and 16 days, respectively.

Inventories

Inventories represent the value of raw materials, work-in-progress, and finished goods held by the company as part of its normal course of business. The inventories are recorded at the lower of cost or net realizable value as of the reporting date. They are presented as a net of impairments resulting from reduced market visibility or obsolescence.

As of March 31, 2023, the company held inventories amounting to €350 million, while the corresponding figure as of March 31, 2022, was €338 million. These inventories represent an average days on hand of 19 days as of March 31, 2023, and 20 days as of March 31, 2022. The slight increase in absolute inventories is primarily due to the implementation of higher safety stock levels to ensure sufficient supply for customers and to overcome challenges in the supply chain.

Payables

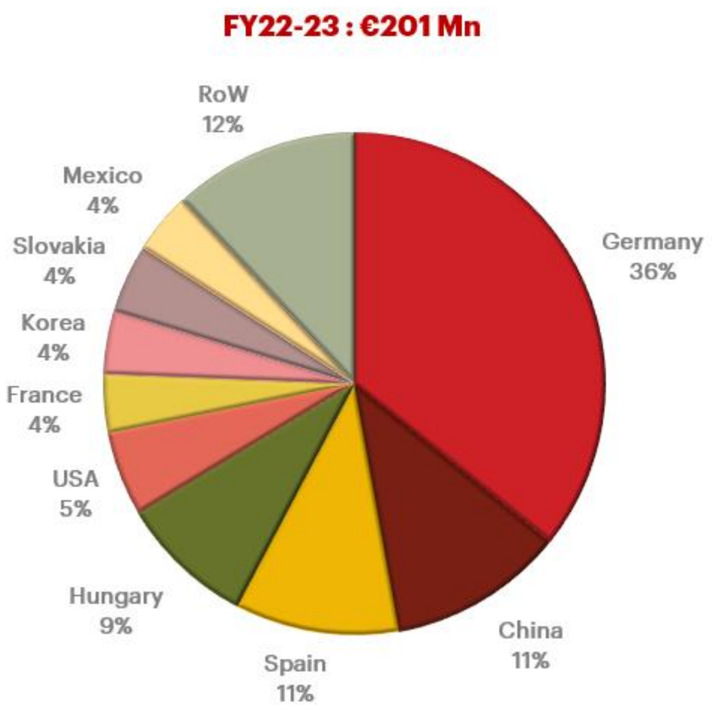
Payables consist of trade payables and payables for capital goods. Trade payables represent the company's obligations to pay for goods or services acquired from suppliers in the ordinary course of business. Payables for capital goods represent current obligations to pay for machinery and other capital expenditures, as well as payments for work done by third parties in relation to assets under construction. Payables are recorded at their fair value. The reported payables also include accruals for which supplier invoices have not yet been received, and they are presented net of advances paid to suppliers for which the performance obligation has not yet been fulfilled.

As of March 31, 2023, the company's net payables amounted to €1,218 million, while the corresponding figure as of March 31, 2022, was €990 million. These payables represent an average days on hand of 59 days as of March 31, 2023, and 66 days as of March 31, 2022.

CAPITAL EXPENDITURE

For the year ended March 31, 2023, SMRP BV group incurred capital expenditure of €201 million. From a cash flow perspective, capital expenditure of €176 million was paid due to outstanding invoices for capital goods and services. A large part of this expenditure is towards supporting new programs in line with customer requirements as well as expenditure towards productivity enhancement. All divisions of SMRP BV are highly vertically integrated, which helps it to achieve economies of scale, maintaining quality control and not be dependent on external suppliers. In this direction we keep on investing in various opportunities to enhance vertical integration like the recent leather competence centre in Serbia.

A regional break-down of capital expenditure is as below:



CASH FLOW

The following summarises cash flow information for the year ended March 31, 2023:

Statement of Cash Flows (€ millions)	Year ended Mar 31, 2022	Year ended Mar 31, 2023
Cash flow from operating activities before changes in working capital and income tax	343	403
Changes in working capital	(102)	76
Income tax paid	(49)	(54)
Cash flow from operating activities	**193**	**425**
Purchase of property, plant and equipment (including Pre-Payments)	(181)	(176)
Payment for acquistion of subsidiaries (net of cash acquired)	(14)	(0)
Purchase of non-controlling interests	-	(18)
Others	12	11
Cash flow from investing activities	**(183)**	**(184)**
Net proceeds / (repayment) of borrowings	(65)	(154)
Lease payments	(35)	(37)
Interest Paid	(33)	(74)
Others	(20)	(3)
Cash flow from financing activities	**(153)**	**(267)**
Net increase in cash and cash equivalents	**(143)**	**(26)**
Cash and cash equivalents at the beginning of the year	506	373
Variation in cash and cash equivalents from translation in foreign currencies	10	(4)
Cash and cash equivalents at the end of the year	**373**	**343**

Operating Activities

Cash generated from operations before changes in working capital and income tax for the period ended March 31, 2023, amounted to €403 million. There was the release of working capital, contributing €76 million to the overall cash generation. Additionally, income tax payments totaling €54 million were made during the period. As a result, the net cash from operating activities for the period ended March 31, 2023, amounted to €425 million.

Investing Activities

Net cash flow utilised in investing activities during the period ended March 31, 2023, was €183 million. This was primarily contributed by amount paid for purchase of property, plant & equipment (including advances) for €176 million. Payment of €18.4 million was made towards purchase of non-controlling interest in SMR Jersey.

Financing Activities

Net cash flow utilized in financing activities for the period ended March 31, 2023, amounted to €267 million. This utilization primarily resulted from the payment of interest and other costs totaling €74 million on borrowings, as well as the net repayment of borrowings amounting to €154 million. The higher interest payment during the period was attributable to the settlement of accumulated interest of €25 million on shareholder loan of €150 million, which was repaid in April 2022. Furthermore, lease payments of €37 million were made for the period ended March 31, 2023, primarily related to leases accounted for under IFRS 16.

DEBT & CASH

€ Millions	March 31, 2022	June 30, 2022	Sep 30, 2022	Dec 31, 2022	March 31, 2023
Gross Debt	952	941	994	909	803
Cash and cash equivalents	373	325	359	338	343
Net Debt	579	616	634	572	460

** Gross and net debt does not include IFRS 16 lease liabilities*

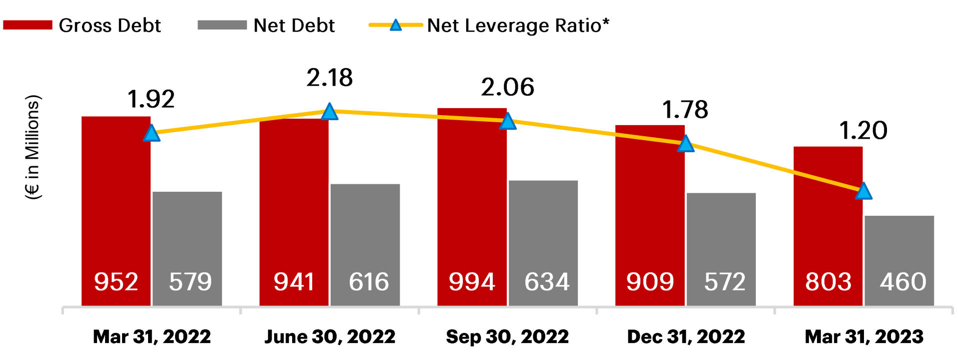
Gross Debt

The Gross Debt as of March 31, 2023, decreased to €803 million compared to €922 million as of March 31, 2022. In April 2022, the Group made a repayment of the remaining outstanding shareholder loan of €55 million, including accrued interest.

Cash & Net Debt

As of March 31, 2023, the cash and cash equivalents amounted to €343 million, slightly lower compared to €579 million as of March 31, 2022. The net debt as of March 31, 2023, decreased to €460 million compared to €579 million as of March 31, 2022.

The net leverage ratio, based on the reported debt as of March 31, 2023, was 1.20x.



** Net leverage ratio calculated on reported debt and excluding IFRS 16 adjustments on debt and EBITDA*

The Group is required to ensure compliance with net leverage ratio under revolving credit facility and term loan agreements entered into by SMRP BV. Net leverage calculated in accordance with these agreements exclude subordinated shareholder loan from net debt and was 0.54x as of March 31, 2023.

LIQUIDITY ANALYSIS

SMRP BV Group's liquidity requirements primarily stem from various activities, including operating activities, capital expenditure for new facilities, maintenance and expansion capital expenditure, short-term investments in engineering projects for customer new product launches, as well as the repayment of borrowings and debt service obligations. To fulfill these requirements, the principal sources of funding consist of cash generated from operations, committed credit lines, short-term loans, and overdraft facilities available at certain operating entities.

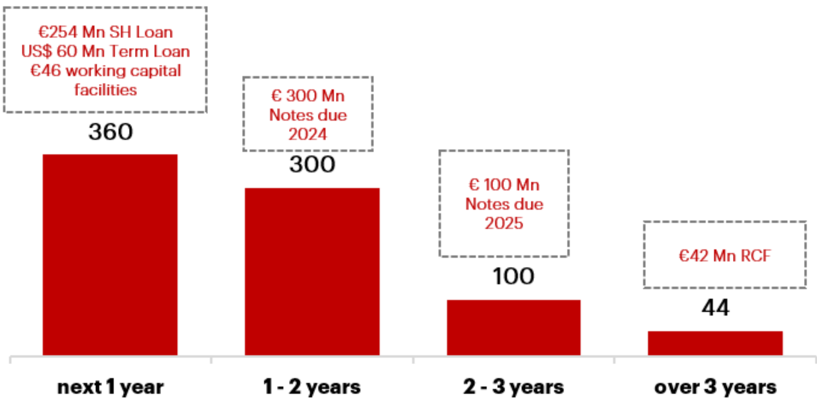
Cash generated by operating subsidiaries is either utilized to support growth within the respective subsidiary's operations or transferred to holding companies through dividend payments or inter-company loans. While there are typically no significant obstacles or barriers to such fund transfers, it should be noted that these transfers are subject to the local regulations and jurisdiction of the respective countries involved. During the month of May 2023, the Group has been able to renew its committed revolving credit facility agreement for 3 years and also upscaled the facility size to €375 million.

As of March 31, 2023, SMRP BV Group had sufficient liquidity under committed revolver credit facilities and other working capital facilities as follows:

€ in Millions	Sanctioned Limit	Utilised as at March 31, 2023	Liquidity Available*
RCF (including ancillary facilities)**	375	42	333
Other working capital facilities	160	46	114
Total facilities	**535**	**89**	**446**
Cash and Cash Equivalents			343
Total Liquidity Available			**789**

* Available liquidity subject to headroom under leverage ratios

SMRP BV Group's debt maturity profile as of March 31, 2023, is as below:



Audited Consolidated Financial Statements

Consolidated Statement of Financial Position

Consolidated Income Statement

Consolidated Statement of Comprehensive Income

Consolidated Cash Flow Statement

Consolidated Statement of Changes in Equity

Notes to the Consolidated Financial Statements

A.1 Consolidated Statement of Financial Position

	Note	March 31, 2023	March 31, 2022
ASSETS			
Property, plant and equipment	**A.6.3.2**	1,430,402	1,434,829
Right of use assets	**A.6.3.3**	107,790	93,116
Intangible assets	**A.6.3.4**	46,350	50,411
Investment properties	**A.6.3.5**	4,247	6,703
Investments accounted for using the equity method	**A.6.3.6**	45,979	43,850
Trade receivables	**A.6.3.7**	148,795	173,086
Other receivables and assets	**A.6.3.7**	128,052	133,831
Investments in other entities		14,360	14,357
Other financial instruments	**A.6.3.8**	295	2,856
Deferred tax assets	**A.6.5**	118,749	107,834
Total non-current assets		**2,045,019**	**2,060,873**
Inventories	**A.6.3.9**	349,509	339,052
Trade receivables	**A.6.3.7**	488,375	386,608
Other receivables and assets	**A.6.3.7**	497,697	421,322
Current tax assets		13,930	13,056
Other financial instruments	**A.6.3.8**	12,197	4,857
Cash and cash equivalents	**A.6.3.10**	343,105	372,581
Total current assets		**1,704,813**	**1,537,476**
Total assets		**3,749,832**	**3,598,349**
EQUITY AND LIABILITIES			
Shareholder's equity	**A.5**	770,668	705,193
Non-controlling interests	**A.5**	154,678	145,780
Total equity		**925,346**	**850,973**
Borrowings	**A.6.3.11**	400,721	786,540
Lease Liabilities	**A.6.3.12**	77,275	67,630
Employee benefit obligations	**A.6.3.13**	18,886	25,869
Provisions	**A.6.3.14**	8,393	15,634
Other financial instruments	**A.6.3.8**	165	2,950
Other liabilities	**A.6.3.15**	82,574	111,819
Deferred tax liabilities	**A.6.5**	23,590	27,977
Total non-current liabilities		**611,604**	**1,038,419**
Trade payables		1,217,943	996,035
Provisions	**A.6.3.14**	47,283	51,977
Borrowings	**A.6.3.11**	401,976	164,809
Lease Liabilities	**A.6.3.12**	25,385	25,707
Liabilities to related parties		31,922	26,049
Other financial instruments	**A.6.3.8**	120	815
Current tax liabilities		42,408	36,962
Other liabilities	**A.6.3.15**	445,845	406,603
Total current liabilities		**2,212,882**	**1,708,957**
Total liabilities		**2,824,486**	**2,747,376**
Total equity and liabilities		**3,749,832**	**3,598,349**

The notes on pages 60 to 149 are an integral part of these consolidated financial statements.

A.2 Consolidated Income Statement

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue	**A.6.4.1**	6,202,235	4,993,256
Changes in inventories	**A.6.4.2**	16,369	9,389
Other operating income	**A.6.4.3**	49,173	59,850
Cost of materials		(3,707,661)	(2,934,863)
Personnel expenses	**A.6.4.4**	(1,361,389)	(1,213,093)
Depreciation and amortization	**A.6.4.5**	(241,866)	(230,222)
Other operating expenses	**A.6.4.6**	(778,396)	(574,377)
Result from operating activities		**178,465**	**109,940**
Finance income	**A.6.4.7**	5,809	5,938
Finance costs	**A.6.4.7**	(55,342)	(43,962)
Net exchange gain/(losses) on foreign currency borrowings and related items		(5,009)	(5,190)
Earnings before taxes and share of net profit of associates and joint ventures		**123,923**	**66,726**
Share of net profit of associates and joint ventures accounted for under the equity method	**A.6.4.8**	10,012	9,212
Earnings before taxes (EBT)		**133,935**	**75,938**
Income tax (expense) / credit	**A.6.5**	(41,303)	(33,571)
Profit for the year		**92,632**	**42,367**
Profit is attributable to:			
Equity holders of the group		68,134	24,269
Non-controlling interests		24,498	18,098
Total		**92,632**	**42,367**

The notes on pages 60 to 149 are an integral part of these consolidated financial statements.

A.3 Consolidated Statement of Comprehensive Income

	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year	**92,632**	**42,367**
Other comprehensive income:	**(16,617)**	**35,310**
Items that will not be reclassified to income statement		
Remeasurements of post-employment benefit obligations	5,066	4,209
Income tax relating to these items	(866)	(950)
Changes in the fair value of equity investments at fair value through other comprehensive income	(1,209)	1,006
Items that may be subsequently classified to income		
Net gain / (loss) on cash flow hedges	3,245	(773)
Exchange differences on translation of foreign operations	(20,616)	31,818
Income tax relating to these items	(2,237)	-
Total comprehensive income for the year	**76,015**	**77,677**
Total comprehensive income is attributable to:		
Equity holders of the group	56,446	55,473
Non-controlling interests	19,569	22,204
Total	**76,015**	**77,677**

The notes on pages 60 to 149 are an integral part of these consolidated financial statements.

A.4 Consolidated Cash Flow Statement

	Note	Year ended March 31, 2023	Year ended March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Earnings before taxes	**A.2**	**133,935**	**75,938**
Adjustments for:			
Depreciation and amortization	**A.6.4.5**	241,866	230,222
(Gain) / loss from the sale of property, plant and equipment and investment property		(309)	2,720
Finance costs – net		49,533	38,024
Share of profits of JV and associates accounted for using equity method	**A.6.4.8**	(10,012)	(9,212)
Reversal / addition of bad debt allowances, provisions and other items		(10,361)	(2,345)
Unrealized foreign exchange (gain)/loss		(454)	6,791
Loss / (gain) on hyperinflation adjustment		(1,416)	1,274
Cash flows from operations before working capital changes		**402,782**	**343,412**
Working capital changes			
(Increase) / decrease in inventories		(15,662)	(51,783)
(Increase) / decrease in trade receivables		(87,920)	23,159
(Increase) / decrease in other receivables		(77,711)	(57,117)
Increase / (decrease) in trade payables		216,134	(17,506)
Increase / (decrease) in provisions		(142)	(2,917)
Increase / (decrease) in other liabilities		41,741	4,383
Cash flows from operating activities before income taxes		**479,222**	**241,631**
Income taxes paid		(54,292)	(48,644)
Cash flows from operating activities (A)		**424,930**	**192,987**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment (including advances)		(173,214)	(176,025)
Payments for intangible assets		(5,783)	(8,519)
Proceeds from sale of property, plant and equipment		2,906	3,858
Dividends received from joint ventures		5,373	6,426
Payment for acquisition of subsidiaries, net of cash acquired		(378)	(14,036)
Investment in equity instruments		-	(409)
Interest received		5,758	5,943
Acquisition of non-controlling interests	**A.6.3.17**	(18,400)	-
Cash flows from investing activities (B)		**(183,738)**	**(182,762)**

	Note	Year ended March 31, 2023	Year ended March 31, 2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to non-controlling interest in subsidiaries		(3,000)	(19,605)
Proceeds from long term borrowings	**A.6.3.11**	(2,721)	541
Repayment of long term borrowings	**A.6.3.11**	(81,318)	(170,124)
Proceeds / (Repayment) of short term borrowings (net)	**A.6.3.11**	(69,425)	104,304
Lease liabilities payments		(36,758)	(34,988)
Interest paid		(73,835)	(32,988)
Cash flows from financing activities (C)		**(267,057)**	**(152,860)**
Net increase (decrease) in cash and cash equivalents (A+B+C)		**(25,865)**	**(142,635)**
Cash and cash equivalents at beginning of the financial year		372,581	505,565
Effects of exchange rate changes on cash and cash equivalents		(3,611)	9,651
Cash and cash equivalents at the end of year	**A.6.3.10**	**343,105**	**372,581**

The notes on pages 60 to 149 are an integral part of these consolidated financial statements.

A.5 Consolidated Statement of Changes in Equity

	Attributable to owners of the parent								Non-controlling interest	Total equity
	Subscribed capital	Share premium	Currency translation reserve	Retained earnings	Hyperinflation Reserve	Other reserves	Merger reserve	Total		
As at April 01, 2021	**66**	**900,910**	**(25,198)**	**500,560**	**8,497**	**(11,105)**	**(723,470)**	**650,260**	**140,650**	**790,910**
Total comprehensive income										
Profit for the year	-	-	-	25,362	-	-	(1,094)	24,268	18,098	42,366
Other comprehensive income										
Items that may be subsequently classified to income statement										
Net Gain / (loss) on cash flow hedges (refer A.6.3.16)	-	-	-	-	-	(772)	-	(772)	(1)	(773)
Exchange differences on translation of foreign operations	-	-	27,978	-	-	-	-	27,978	3,840	31,818
Items that will not be reclassified to income statement										
Remeasurements of post-employment benefit obligations	-	-	-	3,879		-	-	3,879	330	4,209
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	990	-	990	16	1,006
Income tax relating to these items	-	-	-	(873)	-	-	-	(873)	(77)	(950)
Total other comprehensive income	**-**	**-**	**27,978**	**3,006**	**-**	**218**	**-**	**31,202**	**4,108**	**35,310**
Total comprehensive income	**-**	**-**	**27,978**	**28,368**	**-**	**218**	**(1,094)**	**55,470**	**22,206**	**77,676**
Costs of hedging transferred to the carrying value of non-financial items during the year (refer A.6.3.16)	-	-	-	-	-	198	-	198	-	198
Transactions with owners										
Acquired in business combination	-	-	-	-	-	-	-	-	4,591	4,591
Recognition of put-call option liability (refer A.6.3.1)	-	-	-	(4,922)	-	-	-	(4,922)	(1,900)	(6,822)
Addition during the year	-	-	(221)	(414)	4,822	-	-	4,187	(162)	4,025
Dividend distribution to non-controlling interests	-	-	-	-	-	-	-	-	(19,605)	(19,605)
Total transactions with owners	**-**	**-**	**(221)**	**(5,336)**	**4,822**	**-**	**-**	**(735)**	**(17,076)**	**(17,811)**
As at March 31, 2022	**66**	**900,910**	**2,559**	**523,592**	**13,319**	**(10,689)**	**(724,564)**	**705,193**	**145,780**	**850,973**

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	Attributable to owners of the parent								Non-controlling interest	Total equity
	Subscribed capital	Share premium	Currency translation reserve	Retained earnings	Hyperinflation Reserve	Other reserves	Merger reserve	Total		
As at April 01, 2022	**66**	**900,910**	**2,559**	**523,592**	**13,319**	**(10,689)**	**(724,564)**	**705,193**	**145,780**	**850,973**
Total comprehensive income										
Profit for the year	-	-	-	68,134	-	-	-	68,134	24,498	92,632
Other comprehensive income										
Items that may be subsequently classified to income statement										
Net Gain / (loss) on cash flow hedges (refer A.6.3.16)	-	-	-	-	-	3,290	-	3,290	(45)	3,245
Exchange differences on translation of foreign operations	-	-	(15,825)	-	-	-	-	(15,825)	(4,791)	(20,616)
Income tax relating to these items	-	-	-	(1,936)	-	(301)	-	(2,237)	-	(2,237)
Items that will not be reclassified to income statement										
Remeasurements of post-employment benefit obligations	-	-	-	5,191	-	-	-	5,191	(125)	5,066
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	(1,207)	-	(1,207)	(2)	(1,209)
Income tax relating to these items	-	-	-	(900)	-	-	-	(900)	34	(866)
Total other comprehensive income	**-**	**-**	**(15,825)**	**2,355**	**-**	**1,782**	**-**	**(11,688)**	**(4,929)**	**(16,617)**
Total comprehensive income	**-**	**-**	**(15,825)**	**70,489**	**-**	**1,782**	**-**	**56,446**	**19,569**	**76,015**
Costs of hedging transferred to the carrying value of non-financial items during the year (refer A.6.3.16)	-	-	-	-	-	-	-	-	-	-
Transactions with owners										
Recognition of put-call option liability (refer A.6.3.1)	-	-	-	768	-	-	-	768	(1,287)	(519)
Addition during the year	-	-	-	(735)	20,092	-	-	19,357	920	20,277
Purchase of non-controlling interest (refer note A.6.17)	-	-	-	(11,096)	-	-	-	(11,096)	(7,304)	(18,400)
Dividend distribution to non-controlling interests	-	-	-	-	-	-	-	-	(3,000)	(3,000)
Total transactions with owners	**-**	**-**	**-**	**(11,063)**	**20,092**	**-**	**-**	**9,029**	**(10,671)**	**(1,642)**
As at March 31, 2023	**66**	**900,910**	**(13,266)**	**583,018**	**33,411**	**(8,907)**	**(724,564)**	**770,668**	**154,678**	**925,346**

For description on various components of the equity, please refer to note A.6.3.16.
The notes on pages 60 to 149 are an integral part of these consolidated financial statements.

A.6. Notes to the Consolidated Financial Statements

A.6.1 General information and description of the business

These consolidated financial statements comprise of Samvardhana Motherson Automotive Systems Group BV (SMRP BV) and its subsidiaries (hereinafter referred to as “SMRP BV Group” or “the Group”) for the year ended March 31, 2023. A list of subsidiaries consolidated is provided in Note A.6.2.3.

Samvardhana Motherson Automotive Systems Group BV (hereafter referred as "Company" or "SMRP BV") is a private company with limited liability, incorporated under the laws of the Netherlands on 7 October 2011, having its corporate seat at Amsterdam (KvK number 53709713), with office at Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands.

These consolidated financial statements have been authorised for issuance by SMRP BV’s management and supervisory board on May 23, 2023. The shareholders have the power to amend and reissue the financial statements.

Pursuant to reorganisation at the level of our ultimate parent entity Samvardhana Motherson International Limited (‘SAMIL’), the management’s focus is now on tracking and reporting performance on the business division level instead of individual entities. As a result of the same, SMRP BV Group has started reporting its results on divisional basis whereby it has identified two major business divisions – Modules & Polymer Products (formerly referred as SMP) and Vision Systems (formerly referred as SMR) – which will be reported separately, and other divisions will be reported together.

Vision Systems (formerly referred as SMR)

On March 6, 2009 Samvardhana Motherson Reflectec Group Holdings Limited acquired the Visiocorp Group.

Vision Systems division is one of the largest producers of rear-view vision systems for the automotive industry and supplies interior mirrors, exterior mirrors and camera-based detection systems to almost all major car makers globally. The company is among the global market leaders in the production of exterior mirrors for passenger cars, commercial vehicles and heavy trucks.

Rear-view mirrors play an important role in automotive safety and design and are becoming increasingly sophisticated. Our mirrors are engineered to optimize aerodynamics and integrate technologically advanced features that enhance safety, comfort and aesthetics. The division develops solutions for all categories of automotive mirror applications: from basic manually adjusted exterior and interior mirrors to electric control and high-value rear-view vision systems with multiple integrated features and high-performance camera-based rear-view camera monitoring systems. The division also specialises in critical components to build sub-assemblies integrated into vision systems, such as light units, electric drive units, camera modules, electronic modules and reflector glass modules.

In June 2022, the Group acquired 100% stake in MSSL Manufacturing Hungary Kft., an entity which prior to its acquisition was indirectly held by Group’s ultimate parent company SAMIL. The entity is engaged in moulding of plastic parts and components for automotive industry and its acquisition will provide operating synergies for the division.

With 36 facilities in 18 countries, the division combines expertise, a drive for innovation and the extensive manufacturing capacities of Motherson to design and produce innovative products that meet customer demands of the future. Facilities include all operational units (manufacturing plants, module centres, assembly centres, units for service businesses), tech centres and representative offices.

Modules & Polymer Products (formerly referred as SMP)

SMRP BV acquired the Peguform Group on November 23, 2011 which was subsequently renamed as Samvardhana Motherson Peguform ("SMP").

Modules & Polymer Products division is a leading specialist for automotive exterior and interior modules in the automotive industry. The division supplies polymer-based interior and exterior products parts to customers across the globe. It is one of the largest suppliers of modules such as door panels, instrument panels and bumpers to the European automotive industry as well as supplies other plastic components and systems, such as centre consoles, decorative interior trims and plastic body parts. It is a full system solutions provider, working on concept development and design, product development and simulation, to testing and fully integrated mass production. The division focuses on the premium segment and its key focus areas include lightweight constructions, renewable raw materials, occupant protection and pedestrian protection. With a broad portfolio of patented technologies and industry-first innovations in this division, the Group is one of the most preferred suppliers for carmakers worldwide.

The division is also a specialist supplier of extruded and injection-moulded components, mainly to the automotive industry. The division has leading know-how with regards to a combination of process technologies, such as painting and stretch-bending. It has particular expertise in the use of co-extrusion and multi-component injection moulding processes which enables the company to offer its customers a large variety of specialised solutions for complex illuminated/non-illuminated interior and exterior parts.

With 70 facilities in 22 countries, our footprint places us within reach of customers on five continents, positioning us as a local, full-system solutions provider across varied product ranges.

A.6.2 Summary of Significant Accounting Policies

A.6.2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared for the financial year beginning April 01, 2022 and ended on March 31, 2023.

The Consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code, as far as applicable.

The financial statements have been prepared on a going concern basis and in accordance with the accrual basis of accounting. The consolidated financial statements have been prepared under the historical cost convention except for certain financial assets and financial liabilities (including derivative instruments) at fair value (refer Note A.6.2.9). The financial statements have been adjusted for the effects of inflation where entities operate in hyperinflationary economies (refer Note A.6.2.3).

The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (€000), except when otherwise indicated.

Previous year figures have been regrouped or reclassified at some places to ensure consistency with current year classifications as well as to give effect to acquisition of MSSL Manufacturing Hungary Kft. for business combination under common control, majorly in property, plant and equipment and borrowings, impact on other line items is not material (refer note A.6.3.16 for more details).

Uncertainties arising out of Geo-Political situation in Ukraine

The invasion of Ukraine by Russia in February 2022 resulted in significant pressure particularly on energy and commodity prices. Various sanctions imposed by EU, USA and others restrict economic transactions with Russia. As a result of these restrictions and sanctions, our operations although very limited in Russia, were also impacted as the OEMs decided to suspend their production in Russia. There were some indirect impacts on European operations due to supply chain disruptions resulting from the conflict in the region. While the Group continues to explore alternate business opportunities going forward, as matter of conservatism, an impairment of k€4,161 was recognised in the financial statements (refer note A.6.3.2 for more details).

A.6.2.2 Currency translation

A.6.2.2.1 Transactions in foreign currencies

All transactions are recorded in the functional currency of the principal operating environment in which each Group company operates. The Consolidated financial statements are presented in ‘euro’, which is also the parent company’s functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the rate prevailing on this date. Differences from foreign currency transactions and foreign currency monetary assets and liabilities are reported in the income statement as finance income or finance cost if they relate to borrowings, interest thereon and cash, differences from other foreign currency transactions are reported as either other income or other expenses as the case may be. Non-monetary assets and liabilities that are measured at historical cost in foreign currencies at the reporting date are translated into the functional currency at the rate prevailing on the day of the transaction. Non-monetary assets and liabilities that are measured at fair value in foreign currencies at the reporting date are translated into the functional currency at the rate prevailing on the date on which the fair value was determined.

A.6.2.2.2 Annual financial statements of foreign operations

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

The exchange rates of major currencies of non-Euro zone countries used for the consolidated financial statements are listed below (expressed in foreign currency units per Euro):

		Closing rates		Average rates	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Brazilian Real	BRL	5.49	5.24	5.36	5.47
Mexican Peso	MXN	19.52	21.96	20.44	22.61
Chinese Yuan	CNY	7.44	7.01	7.13	6.99
US Dollar	USD	1.08	1.11	1.04	1.10
Great British Pound	GBP	0.88	0.84	0.86	0.84
Korean Won	KRW	1415.69	1,343.48	1360.99	1,343.91
Indian Rupee	INR	89.06	83.86	83.68	83.92
Thai Bhat	THB	37.03	36.82	36.66	36.61
Hungarian Forint	HUF	379.73	366.87	396.39	375.66
Japanese Yen	JPY	143.93	134.62	140.90	130.73
Australian Dollar	AUD	1.62	1.48	1.52	1.49
Turkish Lira	TRY	20.77	16.23	18.51	16.07

In case of companies acquired during the year, average foreign exchange rates from the date of acquisition till financial year end are considered for translation.

A.6.2.3 Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group except in the case of common control combinations. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like item of assets, liabilities, equity, income expense and cashflows. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Business combinations policy explains how to account for any related goodwill.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the group's accounting policies.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Joint ventures

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.

The group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Interest in associates

Associates are all entities over which the group has significant influence but not control or joint control, generally accompanying a shareholding of 20% to 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Investments in associate are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor’s share of profit or loss of the investee after the date of acquisition. The Group’s investment in associates includes goodwill identified on acquisition.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Equity Method

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

When the Group's share of losses in the associate/joint venture equals or exceeds its interest in the associate/joint venture, including any other long-term receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate/joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate/joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate/joint ventures and it carrying value and recognizes the amount of impairment adjacent to share of profit/(loss) of an associate/joint ventures in the income statement.

Accounting policies of the associates/joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates/joint ventures are recognized in the income statement.

Elimination of business transactions in the course of consolidation

The group combines the financial statements of the parent and its subsidiaries line by line adding together like item of assets, liabilities, equity, income and expense. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business combinations
The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred in a business combination is measured at fair value and comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in income statement as a gain on bargain purchase. The Group reassesses, before recognising a gain on bargain purchase, whether it has correctly identified all of the assets acquired and all of the liabilities assumed and shall recognise any additional assets or liabilities that are identified in that review.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of acquisition. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the income statement in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in income statement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in income statement or other comprehensive income, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statement as gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than it carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combination under common control

A business combination is a 'common control combination' if:

- the combining entities are ultimately controlled by the same party (or parties) both before and after the combination and
- common control is not transitory.

For business combinations classified as common control combinations, the Group uses predecessor value method of accounting. A predecessor value method involves accounting for the assets and liabilities of the acquired business using existing carrying values and comparative periods are restated as if the combination had taken place at the beginning of the earliest comparative period presented. Differences on consolidation between the purchase consideration and book value of the underlying net assets is included within equity as a merger reserve.

The consolidated financial statements of the Group include:

Entity name	Country	Shares held	Minority shares	Voting rights
Samvardhana Motherson Reflectec Group Holdings Limited {SMRGHL}	Jersey	100%*	-	100%*
Samvardhana Motherson Innovative Autosystems Holding Company B.V. (held by SMRGHL)	Netherlands	100%	-	100%
Samvardhana Motherson Innovative Autosystems de Mexico, S.A. de C.V. (held by SMRGHL)	Mexico	100%	-	100%
Samvardhana Motherson Global (FZE) (held by SMRGHL)	UAE	100%	-	100%
SMR Automotive Technology Holding Cyprus Limited (held by SMRGHL) {SMR Cyprus}	Cyprus	100%	-	100%
Motherson Innovations Company Limited (held by SMRGHL) {MI UK}	UK	100%	-	100%
SMR Automotive Holding Hong Kong Limited (held by SMRGHL) {SMR Hong Kong}	Hong Kong	100%	-	100%
SMR Automotive Mirror Parts and Holdings UK Limited (held by SMRGHL) {SMR Holding UK}	UK	100%	-	100%
SMR Automotive Mirror Technology Hungary Bt (held by SMR Cyprus) {SMR Hungary Bt}	Hungary	100%	-	100%
Motherson Business Service Hungary Kft. (held by SMR Hungary)	Hungary	100%	-	1000%
SMR Automotive Systems India Limited (held by SMR Cyprus)	India	51%	49%	51%
SMR Automotive System (Thailand) Limited (held by SMR Cyprus)	Thailand	100%	-	100%
SMR Automotive Mirror Technology Holding Hungary Kft (held by SMR Cyprus) {SMR Hungary Kft}	Hungary	100%	-	100%
SMR Automotive Brasil LTDA (held by SMR Hungary Kft)	Brazil	100%	-	100%
SMR Holding Australia Pty Limited (held by SMR Hungary Kft) {SMR Holding Australia}	Australia	100%	-	100%
SMR Automotives Systems Macedonia Dooel Skopje (held by SMR Hungary Kft)	Macedonia	100%	-	100%
SMR Automotive Operations Japan K.K. (held by SMR Hungary Kft)	Japan	100%	-	100%
SMR Automotive Australia Pty Limited (held by SMR Holding Australia) {SMR Australia}	Australia	100%	-	100%
SMR Patents S.A.R.L. (held by SMR Holding UK)	Luxemburg	100%	-	100%
SMR Automotive Technology Valencia SAU (held by SMR Holding UK)	Spain	100%	-	100%
SMR Automotive Mirrors UK Limited (held by SMR Holding UK)	UK	100%	-	100%
SMR Automotive Vision System Operations USA INC. (held by SMR Holding UK) {SMR USA}	USA	100%	-	100%
SMR Automotive Mirror Systems Holding Deutschland GmbH (held by SMR Holding UK) {SMR Holding Deutschland}	Germany	100%	-	100%
SMR Mirrors UK Limited (held by SMR USA) {SMR UK}	UK	100%	-	100%
SMR Automotive Mirror International USA Inc. (held by SMR UK) {SMR International USA}	USA	100%	-	100%
SMR Automotive Systems USA Inc. (held by SMR International USA)	USA	100%	-	100%
SMP Automotive Systems Alabama Inc. (held by SMR International USA)	USA	100%	-	100%
SMR Automotive Beijing Company Limited (held by SMR Hong Kong)	China	100%	-	100%
SMR Automotive Yancheng Company Limited (held by SMR Hong Kong)	China	100%	-	100%
SMR Automotive Modules Korea Limited (held by SMR Holding Deutschland) {SMR Korea}	South Korea	100%	-	100%
SMR Hyosang Automotive Limited (held by SMR Korea)	South Korea	100%	-	100%
SMR Automotive (Langfang) Co. Limited (held by SMR Holding Deutschland)	China	100%	-	100%
SMR Automotive Beteiligungen Deutschland GmbH (held by SMP GmbH)	Germany	100%	-	100%
SMR Automotive Mirrors Stuttgart GmbH (held by SMR Holding Deutschland) {SMR Stuttgart}	Germany	100%	-	100%
SMR Grundbesitz GmbH & Co KG (held by SMR Holding Deutschland)	Germany	93.07%	6.93%	93.07%
SMR Automotive Systems Spain S.A.U. (held by SMR Stuttgart)	Spain	100%	-	100%
SMR Automotive Vision Systems Mexico S.A. de C.V. (held by SMR Stuttgart)	Mexico	100%	-	100%
Motherson Innovations Deutschland GmbH (held by MI UK)	Germany	100%	-	100%
SMR Automotive Industries RUS Limited Liability Company (held by SMR Hungary Kft)	Russia	100%	-	100%
Motherson Innovations LLC (held by MI UK) [MI LLC] {Liquidated on June 09, 2022}	USA	100%	-	100%
Motherson Ossia Innovations LLC (held by MI LLC) {Liquidated on June 09, 2022}	USA	51%	49%	51%
SMR Plast Met Automotive Tec Turkey Plastik İmalat Anonim Şirketi (held by SMR Stuttgart) w.e.f. April 29 2021	Turkey	75%	25%	75%
SMR Plast Met Molds and Tools Turkey Kalıp İmalat Anonim Sirketi (held by SMR Stuttgart) w.e.f. April 29 2021	Turkey	75%	25%	75%
Samvardhana Motherson Corp Management Shanghai Co Ltd (held by SMR Stuttgart) {w.e.f. 13 August 2018}	China	100%	-	100%

Samvardhana Motherson Peguform GmbH (held by SMRPBV) {SMP GmbH}	Germany	100%	-	100%
SMP Automotive Technology Ibérica, S.L. (held by SMRPBV) {SMP Iberica}	Spain	100%	-	100%
SMP Automotive Interiors (Beijing) Co. Ltd (held by SMRPBV) {SMP Beijing}	China	100%	-	100%
SMP Automotive Exterior GmbH (held by SMP GmbH) {SMP AE}	Germany	100%	-	100%
SMP Deutschland GmbH (held by SMP GmbH) {SMP Deutschland}	Germany	94.80%	5.20%	94.80%
Samvardhana Motherson Innovative Autosystems B.V. & Co. KG (held by SMP GmbH)	Germany	100%	-	100%
SMP Logistik Service GmbH (held by SMP Deutschland)	Germany	100%	-	100%
SMP Automotive Solutions Slovakia s.r.o. (held by SMP Deutschland)	Slovakia	100%	-	100%
Changchun Peguform Automotive Plastics Technology Ltd. (held by SMP Deutschland) {CPAT}	China	50%	50%	50%+1**
Foshan Peguform Automotive Plastics Technology Co. Ltd. (held by CPAT)	China	100%	-	100%
Shenyang SMP Automotive Plastic Components Co. Ltd. (held by CPAT) { Liquidated on 20 March 2023}	China	100%	-	100%
Zhaoqing SMP Automotive Components Co. . (held by CPAT) {w.e.f. 25 November 2022}	China	100%		100%
Tianjin SMP Automotive Components Co. Ltd. (held by CPAT)	China	100%	-	100%
Samvardhana Motherson Peguform Automotive Technology Portugal, S.A. (held by SMP Iberica)	Portugal	100%	-	100%
SMP Automotive Technologies Teruel, S.L. (held by SMP Iberica) {SMP Teruel}	Spain	100%	-	100%
Samvardhana Motherson Peguform Barcelona, S.L.U. (held by SMP Iberica) {SMP Barcelona}	Spain	100%	-	100%
SMP Automotive Produtos Automotivos do Brasil Ltda (held by SMP Iberica)	Brazil	100%	-	100%-1***
SMP Automotive Systems México, S. A. de C. V. (held by SMP Iberica)	Mexico	100%	-	100%-1***
SM Real Estate GmbH (held by SMP AE)) {w.e.f. 28 February 2023}	Germany	94.80%	5.20%	94.80%
SMP Automotive Ex Real Estate B.V. & Co. KG (Held by SM REAL) {w.e.f. 28 February 2023}	Germany	89%	11%	89%
SMP D Real Estates B.V. & Co. KG. (Held by SMP Deutschland) {w.e.f. 28 February 2023}	Germany	89%	11%	89%
Celulosa Fabril (Cefa) S.A. (held by SMP Iberica) {CEFA}	Spain	50%	50%	50%
Modulos Ribera Alto S.LU. (held by CEFA) {MRA}	Spain	100%	-	100%
Motherson Innovations Lights GmbH & Co. KG (held by SMP GmbH) {MIL}	Germany	100%	-	100%
Motherson Innovations Lights Verwaltungs GmbH (held by MIL)	Germany	100%	-	100%
SMRC Automotive Holdings Netherlands B.V. (held by SMRP BV) [SAHN BV]	Netherlands	100%	-	100%
SMRC Automotive Holdings B.V. (held by SMRP BV) [SMRC BV] {merged into SAHN BV effective April 01, 2022}	Netherlands	100%	-	100%
SMRC Automotive Interiors Management B.V. (held by SMRP BV) [SAIM BV] {Liquidated on March 24, 2021}	Netherlands	100%	-	100%
SMRC Automotives Techno Minority Holdings B.V. (held by SAHN BV) [SMRC ATMH BV]	Netherlands	100%	-	100%
SMRC Automotive Modules France SAS (held by SAHN BV) [SMRC France]	France	100%	-	100%
SMR Automotive Systems France S. A. (held by SMRC AHN)	France	100%	-	100%
Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U. (held by SAHN BV) [SMRC Spain Holdings]	Spain	100%	-	100%
SMRC Automotive Interiors Spain S.L.U. (held by SMRC Spain Holdings) [SMRC Spain]	Spain	100%	-	100%
SMRC Smart Interior Systems Germany GmbH (held by SAHN BV) [SMRC Germany]	Germany	100%	-	100%
SMRC Automotive Solutions Slovakia s.r.o. (held by SAHN BV) [SMRC Slovakia]	Slovakia	100%	-	100%
SMRC Automotive Interior Modules Croatia d.o.o. (held by SAHN BV) [SMRC Croatia]	Croatia	100%	-	100%
SMRC Automotive Interiors Product Poland S.A. (held by SAHN BV) [SMRC Poland] {Liquidated on April 06, 2021}	Poland	100%	-	100%
SMRC Automotive Techonology RU LLC (held by SAHN BV) [SMRC Russia]	Russia	100%	-	100%
Samvardhana Motherson Reydel Autotecc Morocco SAS (held by SAHN BV) [SMRC Morocco]	Morocco	100%	-	100%
SMRC Fabricação e Comércio de Produtos Automotivos do Brasil Ltda. (held by SMRC SA BV) [SMRC Brazil]	Brazil	100%	-	100%
SMRC Automotive Tech Argentina S.A. (held by SMRC SA BV) [SMRC Argentina]	Argentina	100%	-	100%

SMRC Automotive Interiors Japan Ltd. (held by SAHN BV) [SMRC Japan]	Japan	100%	-	100%
SMRC Automotive Products India Ltd. (held by SAHN BV) [SMRC India]	India	100%	-	100%
PT SMRC Automotive Technology Indonesia (held by SAHN BV) [SMRC Indonesia]	Indonesia	70%	-	70%
Yujin-SMRC Automotive Techno Corp. (held by SAHN BV) [SMRC Korea]	S. Korea	50.9%	49.1%	50.9%
SMRC Automotive Smart Interior Tech Thailand Ltd. (held by SAHN BV) [SMRC Thailand]	Thailand	100%	-	100%
Shanghai SMRC Automotive Interiors Tech Consulting Co., Ltd (held by SAHN BV) [SMRC Shanghai]	China	100%	-	100%
SMRC Smart Automotive Interior Technologies USA, LLC (held by SAHN BV) [SMRC USA] {Liquidated on May 07, 2021}	USA	100%	-	100%
SMRC Automotive Holding South America B.V. (held by SAHN BV) [SMRC SA BV]	Netherlands	100%	-	100%
SMRC Automotive Modules South America Minority Holdings B.V. (held by SAHN BV) [SMRC SAM BV]	Netherlands	100%	-	100%
SMRC Automotive Technology Phil Inc. (held by SAHN BV) [SMRC Philippines]	Philippines	100%	-	100%
Re-Time Pty Limited (held by SMR Australia) {w.e.f. 08 August 2019}	Australia	71.4%	28.6%	71.4%
SMP Automotive Interior Modules d.o.o. Ćuprija (held by SAHN BV) [SMP Serbia]	Serbia	100%	-	1000%
Shenyang SMP Automotive Trim Co, Ltd. (held by CPAT) {incorporated on 04 September 2020.}	China	100%	-	100%
MSSL Manufacturing Hungary Kft. (held by SMR Hungary) {acquired June 17, 2022; merged into SMR Hungary effective October 01, 2022}	Hungary	100%	-	100%

* Shareholding and voting rights until March 01, 2023 was 98.45%
**SMP Deutschland GmbH has 50% of the voting rights plus one additional vote.
*** Represents one share held by Trustee
**** Shareholding % based on total shares issued excluding shares owned by company itself

Joint ventures and Associates are as below:

Entity Name	Nature	Country	Shares held
Eissmann SMP Automotive Interieur Slovensko s.r.o.	Joint Venture	Slovakia	49%
Ningbo SMR Huaxiang Automotive Mirrors Co. Limited	Joint Venture	China	50%
Chongqing SMR Huaxiang Automotive Products Limited	Joint Venture	China	50%
Tianjin SMR Huaxiang Automotive Parts Co., Ltd.	Joint Venture	China	50%
Nanchang JMCG Mekra Lang Vehicle Mirror Co., Ltd {w.e.f. 08 October 2021}	Joint Venture	China	50%

Capital shares mentioned represent shareholding by the immediate parent of the entity and does not represent effective shareholding by the Group.

Hyperinflation

The financial statements (including comparative amounts, if applicable) of the group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

As the presentation currency of the group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current year. Differences between these comparative amounts and current year hyperinflation adjusted equity balances are recognised in other comprehensive income.

IAS 29 requires the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy to be restated for changes in the general purchasing power of that currency.

With effect from July 1, 2018, the Argentina economy was considered to be hyperinflationary in accordance with the criteria in IAS 29 “Financial Reporting in Hyperinflationary Economies” (“IAS 29”).

With effect from April 01, 2022, Turkey is considered as Hyper inflationary economy for the purposed of IAS 29. For the calendar year 2022, the IMF WEO forecasts an annual rate of inflation of 52% (2023: 30%) and a 3-year cumulative rate of inflation of 138% (2023: 169%). The Turkish Statistical Institute reported a 3-year and 12-month cumulative rate of inflation of 109% and 61%, respectively, as of March 2022. The Group has applied the restatement of financial information of its entities in Turkey for the periods beginning April 01, 2022.

The results and financial position of the subsidiaries in Argentina and Turkey, whose functional currency is the currency of a hyperinflationary economy, are first restated in accordance with IAS 29 and are then translated into the presentation currency.

All balance sheet items of entities in Turkey and Argentina have been segregated into monetary and non-monetary items. Monetary items are units of currency held, and assets and liabilities to be received or paid, in fixed or determinable number of units of currency. These monetary items are not restated because they are already expressed in terms of the current monetary unit. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power, and an entity with an excess of monetary liabilities over monetary assets gains purchasing power, to the extent the assets and liabilities are not linked to a price level. The gain or loss on the net monetary position is included in profit or loss. The effect of inflation on the net monetary position of the Argentina and Turkey subsidiary for the year ended March 31, 2023 has been a gain of k€ 5,827 (March 31, 2022: gain of k€ 214 for Argentina).

Non-monetary assets and liabilities (items which are not already expressed in terms of the monetary unit) are restated by applying the relevant index. After the IAS 29 restatement of non-monetary assets, it is necessary to consider whether the restated amount of the asset might exceed its recoverable amount. Additionally, the application of IAS 29 results in the creation of temporary differences because while the book value of non-monetary assets is adjusted for inflation but not equivalent adjustment is made for tax purpose; the effect of such a temporary difference is a deferred tax liability.

A.6.2.4 Intangible assets

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Goodwill is measured as described in note A.6.2.3. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

Business, commercial rights and other rights

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Research and development costs

Research costs are expensed as incurred. Development expenditure on an individual project is capitalised if it meets the definition of an intangible asset as well as the requirements for recognition as laid down in IAS 38. Costs not eligible for capitalisation are expensed off in the income statement.

The intangible assets are amortised on a straight-line basis over their useful lives, beginning at the time the asset is first used and ending after a length of time usual for the asset in operation. The uniform useful lives applied within the Group are as follows:

Description	***Useful life (in years)***
Concessions, intellectual property, software and similar rights	1-3
Contracts with customers including engineering contract	3-11
Patents & Technologies	5-13

The useful life of customer contracts, engineering contracts as well as technology is the result of the analyses and average useful life of the contracts.

The amortisation methods, the usual useful lives and the residual values are reviewed annually.

A.6.2.5 Property, plant and equipment

A.6.2.5.1 Own assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. When a major replacement is made, its cost is recognised in the carrying amount of the plant and equipment if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in income statement as incurred.

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

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

A.6.2.5.2 Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Description	***Useful life (in years)***
Buildings	40 – 50
Machinery and other technical facilities	10 -15
Tooling	1-7
Other plant and office equipment	5 – 15

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. No depreciation is charged on land as well as assets under construction.

A.6.2.6 Leases

The group leases land, buildings, offices, vehicles, IT & other equipment. Contracts may contain both lease and non-lease components. The group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the group under residual value guarantees,
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Such costs are included in finance costs in the statement of profit and loss.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- adjusted for any remeasurement of lease liabilities

- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The right-of-use buildings held by the group are not revalued.

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment for those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of IT equipment and smaller items of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Description	***Useful life (in years)***
Buildings	40 – 50
Machinery and other technical facilities	10 -15
Vehicles	1-7
Other plant and office equipment	5 – 15

A.6.2.7 Investment Properties

Investment properties are stated at cost less accumulated depreciation and impairment. Transaction costs are included on initial measurement. The residual values, useful lives and methods of depreciation of Investment properties are reviewed at each financial year end and adjusted prospectively, if appropriate. The fair values of investment properties are disclosed in the notes. These are assessed using internationally accepted valuation methods. The fair values are calculated based on the income method and are supported by the results of the sales comparison method which compares a subject property's characteristics with those of comparable properties which have recently sold in similar transactions and uses multiples to calculate the fair value. Comparable characteristics that are used for the multiples are the construction level and the specific rent level. Depreciation is provided on investment property other than land, on a straight-line basis over the expected useful life which is 30 years.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition.

A.6.2.8 Impairment of non-financial assets

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

The group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the group'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 group 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.

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 group 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 or loss.

Goodwill is tested for impairment annually as at March 31 of every year and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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

A.6.2.9 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

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 Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group 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. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

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 Group'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 Group commits to purchase or sell the asset.

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group 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.

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 Group's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through OCI (debt instruments)
A financial asset is classified as at the FVTOCI if both of the following criteria are met:

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

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

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to irrevocably classify equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement. This category includes derivative instruments.

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

- The rights to receive cash flows from the asset have expired Or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough 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 Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group 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 Group has retained.

As at March 31, 2023, the Group had an amount of € 585 million (March 31, 2022: € 422 million) of receivables derecognised from its balance sheet as the Group had substantially transferred all risks and rewards of ownership of these receivables to various financial institutions.

Impairment
For trade receivables and contract assets, the Group applies a simplified approach in calculating Expected Credit Losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for any forward-looking factors specific to the debtors and the economic environment.

In accordance with IFRS 9, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance,
b. Financial assets that are debt instruments and are measured as at FVTOCI,
c. Lease receivables under IFRS 16,
d. Trade receivables or any contractual right to receive cash or another financial asset that result, from transactions that are within the scope of IFRS15,
e. Loan commitments which are not measured as at FVTPL,
f. Financial guarantee contracts which are not measured as at FVTPL.

The group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of IFRS 16.

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

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

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

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

For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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

Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

The Group has entered into arrangements with certain banks wherein those banks are appointed as paying agent with regard to payments due to participating suppliers in order to facilitate efficient payment processing and other flexibility to such suppliers, including to manage their cash flow by electing early payment for their invoices. Under the arrangement, if opted for by the supplier, the bank may pay amounts earlier than the due date in respect of invoices owed by the Group and receives settlement from the Group on due date of those invoices. The Group does not incur any additional interest towards the bank on the amounts due or paid to the suppliers. The Group discloses the amounts owed under such invoices within trade payables because the nature and function of the financial liability remain the same as those of other trade payables.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Gains or losses on liabilities held for trading are recognised in the income statement.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. 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 income statement. This category generally applies to interest-bearing loans and borrowings.

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 income statement.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

A.6.2.9.1 Derivative financial instruments
The Group enters into derivative financial instruments to manage its exposure of foreign exchange, viz. foreign exchange forward contracts and cross currency swaps.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges).
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.
The fair values of derivative financial instruments designated in hedge relationships are disclosed in note A.6.6.3. Movements in the hedging reserve in shareholders' equity are shown in A.6.3.16.
The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability if these are expected to be settled within 12 months of the reporting date, else these are classified as non-current.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the group generally designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).

- The gain or loss relating to the effective portion of the cross currency interest rate swaps hedging foreign currency borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that were reported in equity are immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

A.6.2.10 Inventories

Inventories are initially measured at cost, which comprises those costs directly attributable to the production process and an appropriate share of production overheads based on normal operating capacity. This includes write-downs related to production and a reasonable proportion of the administrative and social security costs. Financing costs are not included in the acquisition or production costs. Costs for raw materials and supplies are determined using the moving weighted average prices.

Inventories are carried at the lower of the cost or net realisable value at the reporting date. The net realisable value is the estimated selling price that could be achieved in the course of normal business less estimated costs of completion and estimated costs necessary to make the sale.

A.6.2.11 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

A. Revenue from sale of components

Revenue from sale of components is recognised at the point in time when control of the asset is transferred to the customer, which is generally on delivery of the component.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Variable consideration
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Contracts for the sale of components provide customers with a customary right of return in case of defects, quality issues etc. The rights of return give rise to variable consideration.

The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Warranty obligations
The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

B. Revenue from assembly of components
The Group has contracts with customers to assemble, on their behalf, customised components from various parts procured from suppliers identified by the customer. The Group is acting as an agent in these arrangements.

When another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the

Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

C. Revenue from development of tools

The Group develops customised tooling for its customers and recognises its revenue over time using an input method to measure progress towards complete satisfaction of the tool development.

The Group recognises revenue from development of tools over time if it can reasonably measure its progress towards complete satisfaction of the performance obligation.

In cases, where the Group cannot reasonably measure the outcome of a performance obligation, but the Group expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Group recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

D. Costs to obtain a contract

Such costs are recognised as an asset if there are future economic benefits associated with such costs. These are amortised systematically to match the benefits and such amortisation is netted off with revenue. Such assets are presented as Unamortised Expenditure in Note A.6.3.7 and classified as current and non-current based on the expected amortisation period. In cases where future economic benefits cannot be determined such costs are expensed off as incurred. Amounts unpaid towards such costs are recorded under other liabilities as "Amounts payable to obtain contracts" in Note A.6.3.15.

E. Judgments applied in determining amount and timing of revenue

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the timing of satisfaction of tooling development

The Group concluded that revenue for development of tooling is to be recognised over time because the Group's performance does not create asset with an alternative use to the Group since the tools are customised for each customer and the Group has an enforceable right to payment for performance completed to date.

The Group determined that the input method is the best method in measuring progress of the tooling development because there is a direct relationship between the Group's effort (i.e., costs incurred) and the transfer of tooling to the customer. The Group recognises revenue on the basis of the total costs incurred relative to the total expected costs to complete the tool.

Principal versus agent considerations

The Group enters into contracts with its customers to assemble, on their behalf, customised components using various parts procured from suppliers identified by the customer. Under these contracts, the Group provides assembly services (i.e., coordinating the procurement of various parts from the identified suppliers and combining or assembling them into components as desired by the customer). The Group determined that it does not control the goods before they are transferred to customers, and it does not have the ability to direct the use of the component or obtain benefits from the component. The following factors indicate that the Group does not control the goods before they are being transferred to customers. Therefore, the Group determined that it is an agent in these contracts.

- The Group is not primarily responsible for fulfilling the promise to provide the specified equipment.
- The Group does not have inventory risk before or after the specified component has been transferred to the customer as it purchases various parts on just-in-time basis and only upon contract of the customer.
- The Group has no discretion in establishing the price for the specified component. The Group's consideration in these contracts is only based on the difference between the maximum purchase price quoted by the customer and the cost of various parts purchased from the suppliers.
- In addition, the Group concluded that it transfers control over its services (i.e., assembling the component from various parts), at a point in time, upon receipt by the customer of the component, because this is when the customer benefits from the Group's agency service.

Consideration of significant financing component in a contract
The Group develops customised tooling and secondary equipment's for which the manufacturing lead time after signing the contract is usually more than one year. This type of contract includes two payment options for the customer, i.e., payment of the transaction price equal to the cash selling price upon delivery of the tooling, as adjusted by advance(s) received or payment of the transaction price as part of the component's selling price. The Group concluded that there is a significant financing component for those contracts where the customer elects to pay along with the component's selling price considering the length of time between the transfer of tooling and secondary equipment and the recovery of transaction price from the customer, as well as the prevailing interest rates in the market.

In determining the interest to be applied to the amount of consideration, the Group concluded that the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance) is appropriate because this is commensurate with the rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception.

A.6.2.12 Contract Balances

Trade Receivables
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year or within the normal operating cycle and therefore are all classified as current. Where the settlement is due after one year or after the normal operating cycle, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are disclosed in Note A.6.3.7.

For information about the impairment of trade receivables, refer Note A.6.2.9.

Contract Assets
A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required

before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables. The Group's contract assets are disclosed in Note A.6.3.7 as Unbilled Receivables.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. Contract Liabilities are disclosed in Note A.6.3.15 as Advances received from customers.

Impairment

An impairment is recognised to the extent that the carrying amount of a receivable or asset relating to contracts with customers:

(a) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which such asset relates; less
(b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

A.6.2.13 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term deposits with an original maturity three months or less. Because of the short term nature of Cash and cash equivalent, the Group recognises these at its contractual par-amount. Similar to trade receivables, the Cash and cash equivalent involves one single cash flow which is the repayment of the principal. Therefore, the cash flows resulting from the receivables meet the Solely Payments of Principal and Interest (SPPI) test of payments of principal and interest despite the interest component being zero. The Group holds these balances in order to collect contractual cash flows. Cash and cash equivalent is therefore classified as measured at amortised cost. Cash and cash equivalents are also subject to the general approach. However, due to the fact that Cash and cash equivalent is repayable on demand, 12-month and lifetime expected losses are the same. The expected credit losses are considered insignificant. Cash balances subject to cash pooling arrangements are presented gross in the consolidated statement of financial position unless the Group has a legally enforceable right to set off and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

A.6.2.14 Income taxes

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

Current taxes are those taxes foreseeably payable on a year's taxable income in accordance with the statutory tax rates or tax rates that had been substantially adopted as of the reporting date, as well as all adjustments to payable taxes in relation to previous reporting periods. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Where appropriate, the Group recognises a liability if it assesses that its tax positions may be challenged by the authorities and are more likely than not to result in an outflow of taxes, such liabilities are recorded as current tax liabilities in the financial position.

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 consolidated financial statements.

Deferred tax assets and liabilities are recognised for all temporary differences between the carrying amount as per IFRS and the relevant tax assessment basis.

Deferred tax liabilities are not recognised when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax liabilities are not recognised for temporary differences ("outside-basis differences") if the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax liabilities for dividends from subsidiaries will be recognised if the parent company determines that the profits of the respective subsidiary will be distributed in the foreseeable future. Deferred tax assets contain tax assets that are derived from the expected utilization of unused tax losses and unused tax credits, unless it is improbable that the future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred taxes are calculated on the basis of the tax rates that are expected to apply to the period when the asset is realized and the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period in the respective country.

The carrying amount of deferred 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Income taxes for the annual result reported in the income statement comprise current taxes and deferred taxes. Income taxes are recorded in the income statement unless they relate to items recognised directly in equity or in other comprehensive income. In this case, the income taxes incurred are also recognised directly in equity or in other comprehensive income.

A.6.2.15 Provisions

A.6.2.15.1 Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

In some countries, the group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

Pension obligations

Companies within the Group operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds. The Group has both defined benefit and defined contribution plans.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in finance costs in the income statement.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

When a settlement or a curtailment occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the income statement during the period in which the settlement or curtailment occurs.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

The value of a net pension benefit asset is restricted to the present value of any amount the Group expects to recover by way of refunds from the plan or reductions in the future contributions after considering any legal or contractual minimum funding requirements. The minimum funding requirements stipulate a minimum amount or level of contributions that must be made to a plan over a given period and may limit the ability of the entity to reduce future contributions and considered respectively in determining the economic benefit from the plan.

For defined contribution plans, the Group pays contributions to publicly or privately administered plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A.6.2.15.2 Warranties

A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns although it is expected that most of these costs will be paid out in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the warranty period for all products sold.

A.6.2.15.3 Provision for onerous contracts

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Group at the end of every reporting period conducts the onerous contract test per the provisions of IAS 37 by comparing the remaining costs to be incurred under the contract with the related revenue of the contract. Where the costs of a contract increase the related revenue of the contract, the Group makes a provision for the difference.

A.6.2.15.4 Other provisions

Provisions are recognised to accommodate the possibility that current legal or constructive obligations against third parties resulting from a past event exist, and that it is probable that an outflow of economic benefits will be required to settle the obligation, and that the amount of these obligations can be estimated reliably.

Long-term provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Short term provisions are carried at their redemption value and are not offset against receivables from reimbursements.

A.6.2.16 Grants from governments and public institutions

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Government grants in respect of capital expenditure are credited to the acquisition costs of the respective fixed asset and thus are released as income over the expected useful lives of the relevant assets. Government grants relating to costs / revenue nature are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate in which case they are netted off with the associated costs, in cases where grants cannot be associated with a particular item of cost, they are presented in the income statement as Other operating income.

Grants from public institutions are accounted for in a manner similar to the accounting for government grants, if the grants are comparable to government grants in their nature and the conditions related to these grants are satisfied.

A.6.2.17 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities based on the contractual maturity unless the group expects and has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

A.6.2.18 Recognition of income and expenses

Operating expenses are recognised when goods or services are used or when the expense is incurred.

Interest is recognised using the effective interest method as an expense or income for the period in which it occurs. Interest payments for lease liabilities are calculated by breaking down the lease payments into financing costs and redemption payments for the remainder of the liability and spreading the financing costs over the periods covered by the term of the leasing agreement. This allows a constant, periodic interest rate for the remainder of the liability to be calculated.

Rental income arising from investment properties given under operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss.

Rental income is recognised over the period for which the investment property is given on rent.

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

Royalty income is recognized in on an accrual basis in accordance with the substance of the relevant agreements.

A.6.2.19 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The management and supervisory board of The Group assesses financial performance and position of the Group and makes strategic decisions. The management and supervisory board which consists of chief executive officer, chief operating officer and head of strategy has been identified as chief operating decision maker. Refer note A.6.6.4 for more details.

A.6.2.20 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The group classifies all other liabilities as non-current.

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

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

A.6.2.21 Accounting estimates and evaluations

The Group makes estimates and assumptions concerning the future and makes significant judgements in the process of application of accounting policies. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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:

- Determination of the useful life of intangible assets and property, plant and equipment (see A.6.3.2 and A.6.3.4).
- Determination of fair value of derivatives and investment in equity instruments measured at fair value through other comprehensive income (see A.6.2.9).
- Impairment of assets recognised for customer and engineering agreements as well as technology and property, plant and equipment, particularly with regard to their underlying cash flow forecasts and discount rates (see A.6.3.2 and A.6.3.4).
- Estimation of fair values of assets and liabilities acquired in a business combination.
- Determination of the level of completion, the contract revenues and contract costs of engineering contracts. The Group uses the percentage-of-completion method in accounting for its fixed price contracts to deliver engineering services. Use of the percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed. (see A.6.3.15).
- Valuation of recoverable income tax assets especially with respect to deferred tax assets on tax loss carry forwards. The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. (see A.6.5).
- Recognition and presentation of provisions and liabilities for pensions and other post-employment benefits. The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. (see A.6.2.15.1).
- Recognition and presentation of provisions and liabilities and to the probability of expenses arising from warranty claims and claims from legal disputes. (see A.6.2.15).

These estimates and assumptions are based on the latest information available at the time that the consolidated financial statements were prepared. The assumptions and estimates are checked and updated regularly to accommodate any actual developments that may arise.

A.6.2.22 Changes in accounting policies and disclosures

New standards and amendments effective from April 1, 2022

Following amendments to the IFRS became applicable with effect from January 01, 2022 :

- The amendments to IFRS 3:
  - Update IFRS 3 to refer to the 2018 Conceptual Framework instead of the 1989 Framework;
  - Add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and
  - Add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.
- The amendments to IAS 16 prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.
- The amendments to IAS 37 specify 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 or an allocation of other costs that relate directly to fulfilling contracts
- Annual Improvements Cycle 2018-2020 : Amendments to IFRS 1 simplifying application first adoption of IFRS, amendments to IFRS 9 clarifying the 10 percent test for derecognition of liabilities, minor amendments to IFRS 16 and IFRS 41

The above amendments did not had any material impact on the consolidated financial statements for the Group.

Standards and amendments not yet effective

The new and amended standards and interpretations that are issued and endorsed by EU, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- **Amendments to IAS 8 :** The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

- **Amendments to IAS 1 and IFRS Practice Statement 2 :** The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

  The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

- **Amendments to IAS 12** : The amendment narrows the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The Group does not expect any material impact from the adoption of these amendments.

A.6.3 Disclosures regarding the Consolidated Statement of Financial Position

A.6.3.1 Business Combination

On January 18, 2021 the Group through its subsidiary SMR Automotive Mirrors Stuttgart GmbH signed share purchase agreement for acquisition of 75% stake in Plast Met Plastik Metal San. İmalatveTic.A.Ş.(PM-Bursa) and Plast Met Kalıp San.veTic.A.Ş.(PM-Istanbul) together known as Plast Met group (Turkey) and the transaction was completed on April 29, 2021.

This business combination was recognised in the consolidated financial statements for the year ended March 31, 2022.

The following table summarises the recognised amounts of identifiable assets and liabilities assumed at the date of acquisition.

Particulars	Amount (€000s)
Purchase Consideration	**20,103**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	2,139
Intangible Assets	7,947
Right of use assets	5,471
Cash and cash equivalents	6,067
Inventories	5,832
Trade receivables	3,745
Other receivables	441
Lease liabilities	(5,430)
Trade payables	(2,404)
Other liabilities	(3,582)
Deferred tax liabilities	(1,862)
Total identifiable net assets	**18,364**
- thereof attributable to non-controlling interests	(4,591)
Total identifiable net assets attributable to the Group	**13,773**
Excess of purchase consideration over identifiable net assets	6,330
Total	**20,103**

Other information –

(i) Revenue and profit contribution
The acquired business contributed revenues of k€ 22,613 and net loss of k€ 4,068 to the group for the period since acquisition to March 31, 2022.

(ii) The Group recognised goodwill of k€6,330 on account of excess of fair value over identifiable net assets assumed on acquisition.

(iii) The acquired assets and liabilities have been included in the financial statements at their respective fair values as of the date of acquisition based on preliminary purchase price allocation. The fair value of acquired property, plant and equipment and intangible assets would be updated during the measurement period as permitted under IFRS 3 Business combination.

(iv) Non-controlling interests at the acquisition date has been recognised at its proportionate share of the fair value acquired net identifiable assets.

(v) The share sale and purchase agreement provides for a put as well as call option for remaining 25% shares of the Plast Met entities which can be exercised by either parties after a period of 5 years from the date of closing of the transaction for a price to be determined based on fair value at that time. Due to the existence of options, the 25% interest is excluded from non-controlling interest and based on expected fair value at the end of 5 years, a financial liability of €7,656 (March 31, 2022 : k€6,968) has been recognised in the consolidated financial statements under Other Liabilities.

A.6.3.2 Property, plant and equipment

	Land and buildings	Machinery and other technical facilities	Tooling	Other plant and office equipment	Capital work-in progress (including capital advances)	Total
Cost						
At April 1, 2021	**683,220**	**1,390,756**	**55,872**	**186,170**	**86,155**	**2,402,173**
Additions	22,007	44,585	868	13,692	95,575	176,727
Acquisition through business combinations	-	1,885	-	254	-	2,139
Disposals	(1,086)	(11,863)	(1,454)	(4,742)	-	(19,145)
Hyperinflationary adjustment	2,421	3,217	-	215	375	6,228
Transfers	17,260	38,701	4,987	7,592	(68,936)	(396)
Foreign currency translation	15,091	38,381	(1,560)	5,663	1,731	59,306
At March 31, 2022	**738,913**	**1,505,662**	**58,713**	**208,844**	**114,900**	**2,627,032**
Depreciation and Impairment						
At April 1, 2021	**137,741**	**703,725**	**38,977**	**114,559**	**(335)**	**994,667**
Depreciation charge for the year	26,600	130,330	6,087	23,363	-	186,380
Reversal of Impairment	-	(1,898)	-	-	-	(1,898)
Disposals	(416)	(9,492)	(855)	(4,799)	-	(15,562)
Hyperinflationary adjustment	549	853	-	142	-	1,544
Transfers	(2,190)	(56)	1,318	978	335	385
Foreign currency translation	3,889	21,688	(2,077)	3,187	-	26,687
At March 31, 2022	**166,173**	**845,150**	**43,450**	**137,430**	**-**	**1,192,203**
Net book values at March 31, 2022	**572,740**	**660,512**	**15,263**	**71,414**	**114,900**	**1,434,829**
Cost						
At April 1, 2022	**738,913**	**1,505,662**	**58,713**	**208,844**	**114,900**	**2,627,032**
Additions	10,711	51,770	1,222	14,654	113,605	191,962
Disposals	(1,539)	(25,424)	(5,720)	(12,652)	-	(45,335)
Hyperinflationary adjustment	8,652	19,375	-	1,879	(31)	29,875
Transfers	37,807	38,219	4,724	19,480	(99,991)	239
Foreign currency translation	(9,664)	(21,532)	(3,953)	(2,827)	(2,409)	(40,385)
At March 31, 2023	**784,880**	**1,568,070**	**54,986**	**229,378**	**126,074**	**2,763,388**
Depreciation and Impairment						
At April 1, 2022	**166,173**	**845,150**	**43,450**	**137,430**	**-**	**1,192,203**
Depreciation charge for the year	26,643	133,711	6,100	23,950	-	190,404
Impairment (net of reversals)	1,181	4,124	-	283	-	5,588
Disposals	(1,127)	(24,969)	(5,542)	(12,557)	-	(44,195)
Hyperinflationary adjustment	1,864	12,439	-	1,618	-	15,921
Transfers	(22)	(5,732)	(303)	5,672	-	(385)
Foreign currency translation	(2,365)	(18,068)	(3,492)	(2,625)	-	(26,550)
At March 31, 2023	**192,347**	**946,655**	**40,213**	**153,771**	**-**	**1,332,986**
Net book values at March 31, 2023	**592,533**	**621,415**	**14,773**	**75,607**	**126,074**	**1,430,402**

As at March 31, 2023, property, plant and equipment with a net book value of k€ 467,453 (March 31, 2022: k€ 458,292) were subject to security for borrowings. (see note A.6.3.11). For details on outstanding commitments related to purchase of property, plant and equipment, kindly refer note A.6.6.2.

During the year ended March 31, 2023, the Group recognized impairment loss of k€3,908 for Property, plant and equipment and k€253 for Intangible assets with respect to its subsidiary SMRC Automotive Technology Ru LLC (forming part of Modules & Polymer Products Division). The impairment was triggered due to ongoing geopolitical conflict in Russia and related sanctions, as a consequence OEMs have limited, halted or fully exited their business activities. While the Group continues to explore alternate business opportunities going forward, as matter of conservatism, the impairment was recognised in the financial statements. The Group also recognised impairment loss of k€1,664 for Property, plant and equipment and k€319 for Intangible assets towards certain customer specific project related residual investment in respect of its subsidiary SMP Automotive Interiors (Beijing) Co. Ltd. (forming part of Modules & Polymer Products Division) caused due to end of life of project.

During the year ended March 31, 2023, impairment loss of k€485 (March 31, 2022 : k€1,898) was reversed in respect of SMP Automotive Produtos Automotivos do Brasil Ltda (forming part of Modules & Polymer Products Division). The reversal reflects the improvement in the financial performance for the company based on the forecasts prepared by the management.

Impairment losses and reversals are included under ‘Depreciation and amortisation’ in the Income Statement under Note A.6.4.5.

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A.6.3.3 Right of Use Assets

	Land and buildings	Machinery and other technical facilities	Vehicles	IT & Office equipment	Total
Cost					
At April 1, 2021	**112,875**	**14,727**	**11,813**	**13,526**	**152,941**
Additions	16,287	831	6,798	1,295	25,211
Acquisition through business combinations	4,372	832	267	-	5,471
Removal on account of lease termination and maturity	(6,659)	(2,550)	(3,432)	(2,026)	(14,667)
Transfer	38	1	(111)	-	(72)
Exchange differences	1,038	(546)	147	195	834
At March 31, 2022	**127,951**	**13,295**	**15,482**	**12,990**	**169,718**
Depreciation					
At 1 April 2021	**36,014**	**9,335**	**6,001**	**6,136**	**57,486**
Depreciation charge for the period	20,922	2,976	4,443	3,809	32,150
Removal on account of lease termination and maturity	(5,990)	(2,545)	(3,424)	(1,980)	(13,939)
Transfer	-	-	(15)	-	(15)
Foreign currency translation	994	(208)	85	49	920
At 31 March 2022	**51,940**	**9,558**	**7,090**	**8,014**	**76,602**
Net book values at March 31, 2022	**76,011**	**3,737**	**8,392**	**4,976**	**93,116**
Cost					
At April 1, 2022	**127,951**	**13,295**	**15,482**	**12,990**	**169,718**
Additions	37,792	994	5,760	1,653	46,199
Removal on account of lease termination and maturity	(19,470)	(613)	(4,729)	(3,237)	(28,049)
Transfer	(422)	81	(65)	(13)	(419)
Hyperinflationary adjustment	3,037	505	106	-	3,648
Exchange differences	(2,460)	(753)	(169)	53	(3,329)
At March 31, 2023	**146,428**	**13,509**	**16,385**	**11,446**	**187,768**
Depreciation					
At 1 April 2022	**51,940**	**9,558**	**7,090**	**8,014**	**76,602**
Depreciation charge for the period	19,556	2,182	4,912	2,952	29,602
Removal on account of lease termination and maturity	(17,646)	(458)	(4,500)	(3,199)	(25,803)
Transfer	(422)	(31)	(65)	(12)	(530)
Hyperinflationary adjustment	555	164	68	-	787
Foreign currency translation	64	(679)	(62)	(3)	(680)
At 31 March 2023	**54,047**	**10,736**	**7,443**	**7,752**	**79,978**
Net book values at March 31, 2023	**92,381**	**2,773**	**8,942**	**3,694**	**107,790**

A.6.3.4 Intangible assets

	Concessions, Intellectual Property, Software and Similar rights	Patents & Technology	Customer Contracts	Goodwill	Advance payment	Total
Cost						
At April 01, 2021	**61,481**	**27,490**	**28,608**	**3,204**	**11,244**	**132,027**
Additions	1,555	30	-	-	6,933	8,518
Acquisition through business combinations	49	-	7,898	6,330	-	14,277
Disposals	(940)	-	(8,981)	-	-	(9,921)
Hyperinflationary adjustment	48	-	-	-	-	48
Transfers	2,259	-	-	-	(1,846)	413
Foreign currency translation	1,393	-	(3,543)	(2,840)	110	(4,880)
At March 31, 2022	**65,845**	**27,520**	**23,982**	**6,694**	**16,441**	**140,482**
Amortisation						
At April 01, 2021	**41,026**	**26,457**	**19,491**	**-**	**-**	**86,974**
Amortisation charge	7,814	667	3,926	-	-	12,407
Disposals	(885)	-	(8,981)	-	-	(9,866)
Transfers	(1)	-	-	-	-	(1)
Hyperinflationary adjustment	16	-	-	-	-	16
Foreign currency translation	813	-	(272)	-	-	541
At March 31, 2022	**48,783**	**27,124**	**14,164**	**-**	**-**	**90,071**
Net book value March 31, 2022	**17,062**	**396**	**9,818**	**6,694**	**16,441**	**50,411**
Cost						
At April 01, 2022	**65,845**	**27,520**	**23,982**	**6,694**	**16,441**	**140,482**
Additions	4,590	-	-	-	1,541	6,131
Disposals	(770)	(30)	(1,858)	-	-	(2,658)
Hyperinflationary adjustment	782	-	5,037	3,779	-	9,598
Transfers	14,216	-	628	-	(14,909)	(65)
Foreign currency translation	(571)	-	(1,272)	(762)	(40)	(2,645)
At March 31, 2023	**84,092**	**27,490**	**26,517**	**9,711**	**3,033**	**150,843**
Amortisation						
At April 01, 2022	**48,783**	**27,124**	**14,164**	**-**	**-**	**90,071**
Amortisation charge	9,267	210	4,315	-	-	13,792
Disposals	(446)	-	(1,858)	-	-	(2,304)
Transfers	(628)	-	628	-	-	-
Impairment	572	-	592	-	-	1,164
Hyperinflationary adjustment	712	-	1,982	-	-	2,694
Foreign currency translation	(493)	-	(431)	-	-	(924)
At March 31, 2023	**57,767**	**27,344**	**19,392**	**-**	**-**	**104,493**
Net book value March 31, 2023	**26,325**	**156**	**7,125**	**9,711**	**3,033**	**46,350**

Research and development expenses amounting to k€148,591 (March 31, 2022: k€ 145,245) have been expensed off in the income statement. As at March 31, 2023, intangible assets with a net book value of k€ 2,539 (March 31, 2022: k€ 3,279) were subject to security for bank borrowings (refer note A.6.3.11).

The Group tests goodwill for impairment on an annual basis. The goodwill has been evaluated based on the cashflow forecasts of the related cash generating units (CGUs) and the recoverable amounts of these CGUs exceeded their carrying amounts. The estimated value in use of cash generating units (CGU) is based on the future cash flows using annual growth rate of 1% (March 31, 2022: 1%) for periods subsequent to the forecast period of 5 years and weighted average cost of capital of 13% (March 31, 2022: 13%) based on current market trends. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount. The discount rate was estimated based on past experience and company's average weighted average cost of capital. The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external factors.

The Group recognised impairment loss of k€592 towards customer contracts Celulosa Fabril (Cefa) S.A.at its subsidiary due to reassessment of residual useful life. For details on other Impairment losses please refer note A.6.3.2.

A.6.3.5 Investment properties

	March 31, 2023	March 31, 2022
Cost		
At beginning of the year	**11,286**	**14,678**
Additions	-	68
Disposals	(3,450)	(3,460)
At end of the year	**7,836**	**11,286**
Depreciation and Impairment		
At beginning of the year	**4,583**	**3,926**
Depreciation charge	1,316	1,183
Disposals	(2,310)	(526)
At end of the year	**3,589**	**4,583**
Net book value	**4,247**	**6,703**

The investment properties comprise a number of commercial properties that are leased to third parties. The leases contain an initial non-cancellable period of 5 years and subsequent renewals are negotiated with the lessee. No contingent rents are charged.

The fair value of investment properties as on March 31, 2023 was k€ 8,154 (2022: k€ 9,995) which was determined based on valuations performed by an accredited independent valuer and falls in the Level 3 of valuation hierarchy.

At the year end, the future minimum lease payments under non-cancellable lease receivable are as follows:

	March 31, 2023	March 31,2022
Not later than one year	180	199
Not later than two year	165	180
Not later than three year	165	180
Not later than four year	165	180
Not later than five year	-	180
More than five years	-	-
Total	**675**	**919**

During the year, following amounts were recognised in the income statement in respect of investment properties:

	March 31, 2023	March 31, 2022
Rental income from rented properties, all leased under operating leases	452	565
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period	(302)	(315)
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generated rental income during the period	(12)	(60)
Net rental income from rented properties	**138**	**190**

A.6.3.6 Investments accounted for using the equity method

	March 31, 2023	March 31, 2022
Joint ventures	45,979	43,850
Total	**45,979**	**43,850**

The Group’s interest in following entities is accounted for using the equity method in the consolidated financial statements. There is no quoted market price for these investments.

Name of the entity	March 31, 2023	March 31, 2022
Ningbo SMR Huaxiang Automotive Mirrors Co., Ltd (Ningbo) (including Chongqing SMR Huaxiang automotive Products Ltd { Chongqing} , Tianjin SMR Huaxiang Automotive Parts Co., Ltd. { Tianjin } Nanchang JMCG Mekra Lang Vehicle Mirror Co., Ltd { Nanchang })	45,979	43,850
Eissmann SMP Automotive Interieur Slovensko s.r.o. (Eissmann)	-	-
Total	**45,979**	**43,850**

On October 08, 2021, the Group through its joint venture Ningbo SMR Huaxiang Automotive Mirrors Ltd., announced acquisition of 60% stake in the Nanchang JMCG Mekra Lang Vehicle Mirror Co., Ltd. The deal was closed on November 19, 2021. JMCG (Jiangling Motors Corporation Group) will continue to retain its 40% stake in Nanchang JMCG Mekra Lang Vehicle Mirror Co., Ltd.

Summarised financial information of the joint ventures, based on their IFRS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	Amount
At March 31, 2021	**37,823**
Share of the profits	9,212
Exchange differences	3,241
Dividends received	(6,426)
At March 31, 2022	**43,850**
Share of the profits	10,012
Exchange differences	(2,509)
Dividends received	(5,374)
At March 31, 2023	**45,979**

motherson

Summarised financial information of joint ventures

	March 31, 2023		March 31, 2022	
	Ningbo*	Eissmann	Ningbo*	Eissmann
Percentage ownership interest	50%	49%	50%	49%
Balance Sheet				
Non-current assets	49,653	3,456	35,074	5,231
Cash and cash equivalents	17,084	972	36,185	11
Current assets	140,773	9,545	114,418	7,715
Gross assets	**207,510**	**13,973**	**185,677**	**12,957**
Current financial liabilities (excluding trade payable and other provisions)	16,714	2,633	4,435	3,517
Other Current liabilities	95,531	10,636	89,277	8,577
Other Non-current liabilities	3,309	96	4,268	145
Gross liabilities	**115,554**	**13,365**	**97,980**	**12,239**
Net assets	**91,958**	**608**	**87,697**	**718**
Reconciliation to carrying amounts:				
Opening net assets	**87,697**	**718**	**75,644**	**2,314**
Profit / (Loss) for the year	20,024	(110)	17,163	(1,596)
Other comprehensive income	-	-	-	-
Foreign currency translation	(5,016)	-	6,484	-
Dividends paid	(10,747)	-	(12,852)	-
Gain on Bargain purchase	-	-	1,261	-
Closing net assets	**91,958**	**608**	**87,700**	**718**
Group share in %	**50%**	**49%**	**50%**	**49%**
Group's share of net assets (in Euro 000s)	45,979	298	43,849	351
Impairment	-	(298)	-	(351)
Carrying amount	**45,979**	**-**	**43,850**	**-**
Summarised income statement				
Revenue	298,305	61,033	245,610	51,565
Interest income	1,061	-	741	-
Depreciation and amortisation	(6,791)	(1,841)	(6,581)	(1,968)
Interest expense	(247)	-	(87)	-
Income tax expense/ income	(1,265)	-	(1,956)	-
Other expenses	(271,039)	(59,302)	(219,044)	(51,192)
Profit / (Loss) for the year	**20,024**	**(110)**	**18,683**	**(1,595)**
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**20,024**	**(110)**	**18,683**	**(1,595)**

* Includes Chongqing, Tianjin and Nanchang

As at the year end, the Group had no contractual commitment to provide further capital in relation to its joint ventures and there are no restrictions on the ability of the joint ventures to transfer funds to the Group. Also, there are no contingent liabilities incurred relating to the Group’s interest in joint ventures.

A.6.3.7 Receivables and other assets

Non-current

Trade receivables	March 31, 2023	March 31, 2022
Trade receivables (i)	148,795	173,086
Total	**148,795**	**173,086**

Other receivables and assets	March 31, 2023	March 31, 2022
Unamortised expenditure (ii)	99,610	103,026
Others	28,442	30,805
Total	**128,052**	**133,831**

Current

Trade receivables	March 31, 2023	March 31, 2022
Trade receivables (iii)	488,375	386,608
Total	**488,375**	**386,608**

Other receivables and assets	March 31, 2023	March 31, 2022
Unbilled receivables (iv)	358,602	296,135
Other tax receivables	58,494	48,264
Advanced payments	22,334	18,982
Prepaid expenses	16,201	16,961
Deposits	5,386	2,296
Supplier bonus	5,070	2,886
Receivables from related parties	3,425	2,981
Unamortised expenditure (ii)	19,652	24,691
Other	8,533	8,126
Total	**497,697**	**421,322**

(i) The carrying amount of the non-current trade receivables is calculated using discount rates. These rates vary between geographies and are in the range of 0.00%-5.38% (March 31, 2022: 0.30%-4.5%) for our European operations that has the majority of these receivables.

(ii) The table below represents movement in unamortised expenditure (current and non-current) :

	March 31, 2023	March 31, 2022
Opening balance	127,717	130,682
Additions during the year	15,688	16,310
Amortised during the year	(22,029)	(22,156)
Reversals and adjustments	(697)	-
Foreign currency translation	(1,417)	2,881
Closing balance	**119,262**	**127,717**

(iii) Trade receivables as at March 31, 2023 were reported after deducting impairment losses amounting to k€ 6,432 (March 31, 2022: k€ 8,805). The impairments are reported in the income statement under the item "Other operating expenses".

(iv) The table below represents summary of contract assets and liabilities relating to contracts with customers :

	March 31, 2023	March 31, 2022
Receivables	637,170	559,694
Contract assets	358,602	296,135
Contract liabilities	18,190	20,248

Contract assets are initially recognised for revenue earned from development of tools and secondary equipment as receipt of consideration is conditional on successful completion and acceptance by the customer. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The expected credit loss on contract assets is considered very low and hence no provision for credit loss is recorded in respect of contract assets.

(v) The carrying values approximately correspond to the fair values.

A.6.3.8 Other financial instruments

	March 31, 2023		March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Non-current				
Forward contracts	295	165	-	2,950
Cross currency swaps	-	-	2,856	-
Total	**295**	**165**	**2,856**	**2,950**
Current				
Forward contracts	8,197	105	4,848	55
Cross currency swaps	4,000	15	9	760
Total	**12,197**	**120**	**4,857**	**815**

The maximum exposure to the credit risk is carrying value of instruments. Please refer note A.6.6.3 for details on forward contracts and cross currency swaps.

A.6.3.9 Inventories

Inventories comprise the following:

	March 31, 2023	March 31, 2022
Raw materials and manufacturing supplies	229,343	228,118
Work in progress	43,978	36,760
Finished goods and goods for trading	76,188	74,174
Total	**349,509**	**339,052**

During the year, inventories of k€ 3,621 (March 31, 2022: k€ 1,734) were written down. The amounts of the write-down are calculated based on an analysis of various factors. The most important factors included in this analysis are: aging of inventories, current market conditions, physical obsolescence and turnover of individual items. During the year, the Group recognised reversal of write-down amounting to k€ 1,098 (March 31, 2022: k€ 1,598) as the related goods were sold during the year at prices equal to or above the cost. The amount of such write-down and reversals of write-down are recognised as "Cost of materials" in the statement of profit and loss.

As at March 31, 2023, inventories amounting to k€ 122,431 (March 31, 2022: k€ 119,608) were pledged as security for various bank borrowings. (see note A.6.3.11).

A.6.3.10 Cash and cash equivalents

	March 31, 2023	March 31, 2022
Cash at bank	343,018	372,490
Cash on hand	87	91
Total	**343,105**	**372,581**

(i) During the year ended March 31, 2023 the Group implemented a multi-currency notional pooling cash management system with a wholly-owned subsidiary of an A-rated bank whereby cash balances of certain subsidiaries of the Group are held in the bank accounts maintained with the same bank. As at March 31, 2023, cash balance of k€66,619 was available under the pool and is included in the cash and cash equivalents. There was no overdraft balance as at March 31, 2023. There exists a legal right of set-off under the pooling agreement and an overdraft facility of €7 million. In accordance with accounting standards and various interpretations, the cash and overdraft pool balances are presented gross in the consolidated statement of financial position.

(ii) As of March 31, 2023, cash and cash equivalents of k€49,170 (March 31, 2022: k€ 107,313) are pledge as security in respect of borrowings, please refer note A.6.3.11 for further details. There are no contractual or other restrictions on the use of cash and cash equivalents.

A.6.3.11 Borrowings

	March 31, 2023	March 31, 2022
Non-current		
Notes	397,945	396,555
Bank loans	1,071	56,157
Loan from related parties	-	331,603
Other loans	1,705	2,225
Total	**400,721**	**786,540**
Current		
Bank loans	147,047	158,951
Loan from related parties	254,253	1,352
Other loans	676	4,506
Total	**401,976**	**164,809**

(i) Secured liabilities and assets pledged as security

a) Notes

The Notes are structured as senior secured obligations and rank ‘pari passu’ in right of payment with all the existing and future senior obligations of SMRP BV, including the obligations under the Revolving Credit Facility. The Notes are guaranteed on a senior secured basis by certain subsidiaries of SMRP BV (refer note B.6.3.3.3) and are secured by share pledge and security interests granted over certain property and assets of SMRP BV and certain of its subsidiaries.

As of March 31, 2023, the Company has issued below mentioned notes which were outstanding on the date referred –

Principal amount	Coupon rate (fixed)	Maturity
k€ 100,000	3.70%	18 June 2025
k€ 300,000	1.80%	06 July 2024

b) Bank Loans

Bank loans primarily represent term loan facility agreement at the level of parent company SMRP BV for kUS$ 60,000 for a period of 59 months maturing August 2023 and borrowings under Revolving Credit Facility (RCF) Agreement. The term loan is a senior secured obligation and rank ‘pari passu’ in right of payment with all the existing and future senior obligations of SMRP BV, including the obligations under RCF. As of March 31, 2023 the term loan facility was fully utilised amounting to k€55,289 (March 31, 2022: k€54,003) and utilisations under RCF were k€42,278 (March 31, 2022 : k€57,148).

Utilisations under other bank loan facilities were k€50,551 as at March 31, 2023 (March 31, 2022: k€103,957).

c) Loan from related parties

The Group had received unsecured loans from its shareholders amounting to k€ 150,000, carrying an interest rate of 5.13% p.a. and originally maturing in July 2026. During the month of March 2022, the Company made a principal repayment of k€95,000 towards this loan and remaining k€55,000 together with accrued interest of k€25,115 was repaid during April 2022.

During the month of September 2020, the Company received k€150,000 and kUS$113,000 subordinated unsecured loans from its shareholders carrying interest rate of 2.38% and 3.14% respectively and maturing in September 2023. These loans are outstanding in full as of March 31, 2023 at a value of k€254,253 (March 31, 2022 : k€276,603)

d) Secured borrowings

In addition to the notes k€397,945 (March 31, 2022: k€396,555), US$60 million term loan k€55,289 (March 31, 2022: k€54,003), revolving credit facility k€42,278 (March 31, 2022 : k€ 57,148), there are other secured loans of k€36,336 from banks and others (March 31, 2022 k€ 74,286). These borrowings are secured by pledge of various assets mainly comprising of inventories, trade receivables, cash and cash equivalents of certain subsidiaries. Total unsecured borrowings as of March 31, 2023 were k€ 270,850 (March 31, 2022 : k€ 404,396).

For contractual cash flows related to borrowings and other financial liabilities, see note A.6.6.3.

The Group has financial covenants requirements (see note A.6.6.3), which all have been met.

(ii) Fair value

Except for Notes, the fair values of other borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current borrowing rates or the borrowings are of a short-term nature. For Notes, fair values are as below –

	March 31, 2023		March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
EUR 100 Million	99,425	93,403	99,183	97,710
EUR 300 Million	298,520	287,559	297,372	286,994

Fair values of the notes represent traded value on Irish Stock Exchange where these notes are listed and they are classified as below. k€ 100,000 notes are held by a limited set of investors and are not very actively traded on the stock exchange, as a result the quoted prices may not reflect fair value under an active market and hence fall in Level 3 hierarchy.

As at March 31, 2023	Level 1	Level 2	Level 3
EUR 100 Million	-	-	93,403
EUR 300 Million	287,559	-	-

As at March 31, 2022	Level 1	Level 2	Level 3
EUR 100 Million	-	-	97,710
EUR 300 Million	286,994	-	-

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Cash and cash equivalents	A.6.3.10	343,105	372,581
Borrowings – contractual maturity within one year	A.6.3.11	401,976	164,809
Borrowings – contractual maturity after one year	A.6.3.11	400,721	786,540
Net Debt		**459,592**	**578,768**

	Cash and Cash equivalents	Borrowings	Net Debt
Net Debt as at March 31, 2021	**505,565**	**1,002,780**	**497,215**
Cash flows	(142,634)	(65,220)	77,414
Foreign exchange adjustments	9,650	12,275	2,625
Other non-cash movements	-	1,514	1,514
Net Debt as at March 31, 2022	**372,581**	**951,349**	**578,768**
Cash flows	(25,865)	(153,464)	(127,599)
Foreign exchange adjustments	(3,611)	3,266	6,877
Other non-cash movements	-	1,546	1,546
Net Debt as at March 31, 2023	**343,105**	**802,697**	**459,592**

Other non-cash movements for other borrowings represent amortisation of issue costs related to Notes issued by the company.

A.6.3.12 Lease Liabilities

	March 31, 2023	March 31, 2022
Non-current	77,275	67,630
Current	25,385	25,707
Total	**102,660**	**93,337**

Lease liabilities represent obligations recognised under leasing contracts accounted for as per IFRS 16. During the year ended March 31, 2023 k€29,484 (March 31, 2022 : k€29,029) were recognised as expense relating to short-term leases and leases of low-value assets (included in Other Operating expenses).

Total cash outflow for leases in the year ended March 31, 2023 was k€66,242 (March 31, 2022 : k€ 64,017)

A.6.3.13 Employee benefit obligations

Companies within the Group operate various pension schemes. The schemes are generally fully or partly funded through payments to insurance companies or trustee-administered funds. The Group has both defined benefit and defined contribution plans.

Changes in the present value of the defined benefit pension obligations are analysed as follows:

	March 31, 2023	March 31, 2022
As at beginning of the year	**50,582**	**52,523**
Current service cost	4,845	4,127
Interest expense	1,602	1,052
Benefits paid	(6,379)	(2,483)
Curtailment / settlement loss	12	463
Settlement benefit payment	-	(219)
Actuarial (gains) or losses	(4,951)	(4,560)
Foreign currency differences	(1,420)	(332)
As at end of the year	**44,291**	**50,571**

	March 31, 2023	March 31, 2022
Re-measurements:		
–Return on plan assets, excluding amounts included in interest expense	229	215
–(Gain)/loss from change in demographic assumptions	60	(237)
–(Gain)/loss from change in financial assumptions	(5,879)	(2,348)
–Experience (gains)/losses	866	(1,931)
Total	**(4,724)**	**(4,301)**

The amounts recognised in the income statement are analysed as follows:

	March 31, 2023	March 31, 2022
Recognised in the income statement		
Current service cost	4,845	4,127
Running Costs	-	18
The effect of any curtailment of settlement	68	463
Net benefit expense	**4,913**	**4,608**
Other finance costs / Income		
Interest income on scheme assets	(905)	(625)
Interest costs on scheme liabilities	1,602	1,058
Other finance costs (net)	**697**	**433**

The pension provisions correspond to each of the defined-benefit obligations at their present value. The expenses are reported under the item “Finance costs” (under “Interest expenses on defined benefit obligations”) and “Personnel expenses” (under “Pension costs from defined benefit plans”).

The amounts recognised in the Statement of Comprehensive Income are as follows:

	March 31, 2023	March 31, 2022
Actual return on plan assets	682	409
Expected return on plan assets	(901)	(624)
Actuarial gains and (losses) on plan assets	**(219)**	**(215)**
Actuarial gains and (losses) on defined benefit obligations	4,953	4,529
Total	**4,734**	**4,314**
Effects of the limitation of scheme assets	-	-
Actuarial gains and (losses) recognised in the consolidated Statement of Comprehensive Income	**4,734**	**4,314**

Scheme related assets and liabilities are as follows :

	March 31, 2023	March 31, 2022
Scheme assets at fair value		
Equities		
- Quoted	1,275	938
- Unquoted	9,248	8,874
Bonds and gilts and others		
- Quoted	13,100	13,174
- Unquoted	1,717	1,469
Fair value of scheme assets	**25,340**	**24,455**
Defined Benefit Obligation	**44,291**	**50,503**
Thereof funded	25,340	24,455
Thereof unfunded	18,951	26,048
Funding status - deficit / (surplus)	**18,951**	**26,048**
Current	65	179
Non-Current	18,886	25,869

Changes in the fair value of plan assets are analysed as follows:

	March 31, 2023	March 31, 2022
As at beginning of the year	**24,440**	**23,155**
Return on plan assets	905	625
Contributions made by the Group	4,723	2,840
Benefits paid	(3,468)	(1,588)
Running Cost	-	(18)
Actuarial gains / (losses) on plan assets	(223)	(221)
Foreign currency differences	(1,035)	(353)
As at end of the year	**25,342**	**24,440**

Pension provisions are calculated on the basis of assumptions. The most significant actuarial assumptions were as follows:

	March 31, 2023	March 31, 2022
Actuarial assumptions		
Rate of salary increases	2.0%-18.00%	1.3%-8.00%
Rate of increase in pension	2.3%	1.50% - 2.00%
Mortality Table*	-	-
Discount rate	1.4% - 22.00%	1.7% - 8.00%

*Due to the use of different tables at different locations, this information is not disclosed.

The amounts recorded in the balance sheet as a provision for pensions are as follows:

	March 31, 2023	March 31, 2022
As at beginning of the year	**25,869**	**29,552**
Expense recorded in the year	5,555	5,035
Benefits paid	(2,911)	(896)
Contributions made by the Group	(4,723)	(2,840)
Amount recognised in Statement of Comprehensive Income	(4,735)	(4,340)
Settlement	-	(219)
Foreign currency differences	(104)	(244)
As at end of the year	**18,951**	**26,048**

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

	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount rate	0.50%	0.50%	(2,473)	(2,442)	2,693	2,477
Salary growth rate	0.50%	0.50%	2,234	1,920	(2,088)	(1,805)
Pension growth rate	0.50%	0.50%	108	33	(103)	(16)
Life expectancy	1 year	1 year	(7)	(62)	(7)	(58)

Expected contributions for the next year to the post-employment benefit plans for the year ending March 31, 2024 are k€2,272 (March 31, 2022: k€ 1,929).

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

The method and type of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Defined contribution plans

The group also contributes towards defined contribution plans which receive fixed contributions from group companies and employees. The group's legal or constructive obligation for these plans is limited to the contributions. The expense recognised in the current period in relation to these contributions was k€ 32,364 (March 31, 2022: k€ 25,227). The expenses are included in income statement under Personnel expenses.

A.6.3.14 Provisions

	Warranties	Personnel related	Litigation and Claims	Onerous contracts and other contingencies	Total
At April 01, 2021	**23,130**	**14,975**	**15,634**	**17,319**	**71,058**
Arising during the year	5,120	6,591	1,309	3,066	16,086
Additions due to business combinations	-	-	48	-	48
Utilizations and reversals	(6,955)	(8,176)	(2,732)	(3,789)	(21,652)
Reversal of unused amounts	-	-	-	-	-
Unwinding of discount	-	-	-	(156)	(156)
Foreign currency translation	287	798	189	953	2,227
At March 31, 2022	**21,582**	**14,188**	**14,448**	**17,393**	**67,611**
Current	17,732	12,605	13,442	8,198	51,977
Non-current	3,850	1,583	1,006	9,195	15,634
At April 01, 2022	**21,582**	**14,188**	**14,448**	**17,393**	**67,611**
Arising during the year	6,108	3,734	2,202	8,250	20,294
Utilizations and reversals	(4,265)	(9,130)	(11,460)	(6,074)	(30,929)
Unwinding of discount	-	-	-	(156)	(156)
Foreign currency translation	(331)	(121)	(228)	(464)	(1,144)
At March 31, 2023	**23,094**	**8,671**	**4,962**	**18,949**	**55,676**
Current	19,941	7,549	3,943	15,850	47,283
Non-current	3,153	1,122	1,019	3,099	8,393

Warranties

A provision is recognised for expected warranty claims on products previously, based on past experience of the level of repairs and returns. It is expected that most of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the warranty period for all products sold.

Personnel related

Personnel related provisions mostly comprise of restructuring and other severance costs.

Litigation and claims

Provision for litigation and claims represents claims against the Group not acknowledged as debts that are expected to materialise in respect of matters in litigation / disputes etc.

Onerous contracts and other contingencies

Provision for onerous contracts represent management's best estimate of the amount by which the expected benefits from certain specific contracts are lower than the unavoidable cost of meeting its obligations under those contracts. Provision for contingencies represent site restoration expenses for removing the asset and/or restoring the site and other miscellaneous items.

A.6.3.15 Other liabilities

	March 31, 2023	March 31, 2022
Non-current		
Accrued expenses	24,217	28,731
Deferred income	14,849	15,578
Liabilities towards employees	11,049	13,168
Interest accrue but not due on loan from related parties (i)	-	25,021
Amounts payable to obtain customer contracts	10,553	14,462
Others (ii)	21,906	14,859
Total	**82,574**	**111,819**
Current		
Advance received from customers (iii)	18,190	20,248
Liabilities towards employees	115,440	113,598
Other tax liabilities (iv)	54,372	40,489
Social security	8,326	7,580
Deferred income	10,687	9,703
Accrued expenses	100,068	91,517
Interest accrued but not due on borrowings	7,709	7,343
Interest accrue but not due on loan from related parties	3,885	3,936
Amounts payable to obtain customer contracts	54,274	60,387
Others	72,894	51,802
Total	**445,845**	**406,603**

(i) As per the terms of the loans obtained from shareholders, interest is payable on maturity of loan and hence classified as non-current based on contractual conditions, however the entire loan has been repaid during the month of April 2022 along with accrued interest.

(ii) Includes k€7,656 (March 31, 2022 : k€6,968) for financial liability towards put-call option to acquire remaining 25% shares of the Plast Met entities.

(iii) Advance received from customers fall under the definition of contract liabilities as per IFRS15.

(iv) Other tax liabilities mainly represent liability for VAT and other similar taxes in the ordinary course of business.

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A.6.3.16 Shareholder's equity

Share Capital

The authorised share capital of the Company amounts to € 90,000, divided into 90,000 shares with a nominal value of € 1 each. The issued and paid in capital amounts to € 66,176, divided into 66,176 shares with a nominal value of € 1 each held by Samvardhana Motherson Global Holdings Limited (45,676 shares) and Samvardhana Motherson Polymers Limited (20,500 shares).

	Number of equity shares (in No.s)	Share Capital (in €)
As at April 01, 2021	**66,176**	**66,176**
Add: Issued during the year	-	-
As at March 31, 2022	**66,176**	**66,176**
Add: Issued during the year	-	-
As at March 31, 2023	**66,176**	**66,176**

Share premium

On June 13, 2014 the Group issued 45,676 shares of € 1 each to Samvardhana Motherson Group Holdings Limited, Cyprus in lieu of acquisition of 98.45% interest in Samvardhana Motherson Reflectec Group Holdings Limited, Jersey for a non-cash consideration of k€ 905,716 consisting of k€ 46 towards share capital and transfer of k€ 12,250 loan from MSSL Mideast (FZE), the remaining amount of k€ 893,420 was recognised as share premium. The Group also received share premium contributions amounting to k€7,490 in the earlier years from its shareholders.

Currency translation reserve

Currency translation reserve comprises of all foreign exchange differences arising on the translation of the results and financial position of subsidiaries whose functional currencies differ from the Group's reporting currency.

Retained earnings

Retained earnings comprises accumulated profits/ (losses) of the Group and also include actuarial gains / losses arising on post-employment defined benefit plans and related tax impacts and Hyperinflation Adjustment reserve.

Merger reserve

The merger reserve represents the differences on consolidation arising on the adoption of predecessor accounting with respect to following acquisitions.

- On June 13, 2014, SMRP BV acquired 98.45% shareholding of Samvardhana Motherson Reflectec Group Holdings Limited (SMR Group) from Samvardhana Motherson Group Holdings Limited (SMGHL), Cyprus in share exchange deal wherein SMGHL transferred its entire shareholding to SMRP BV in exchange of 45,676 shares of a nominal value of € 1 each issued by SMRP BV and consequently SMRP BV has become subsidiary of SMGHL. Shareholders of SMRP BV approved allotment of shares to SMGHL in their meeting dated June 13, 2014. Prior to June 13, 2014, SMRP BV and SMR Group were jointly controlled by Motherson Sumi Systems Limited (MSSL India) and Samvardhana Motherson International Limited (SAMIL India) and after this transaction SMRP BV Group comprising SMR Group continue to be jointly controlled by MSSL India and SAMIL India.

As this transaction is done under "common control" as defined by IFRS, the activities of SMR Group were included in the consolidated accounts for the year ended March 31, 2015 using the predecessor accounting method. This accounting treatment leads to differences on consolidation between consideration and book value of net assets as of the date of acquisition and this difference is included within equity as a merger reserve. During the year ended March 31, 2023, the Group purchased remaining 1.55% shareholding from an independent third party at k€18,400. After acquisition of aforesaid 1.55% stake, SMR Jersey has become 100% subsidiary of SMRP B.V. with effect from March 01, 2023.

- On May 24, 2022 SMRP BV through its subsidiary SMR Automotive Mirror Technology Hungary Bt. signed share purchase agreement for acquisition of 100% stake of MSSL Manufacturing Hungary Kft (MSSL Kft). The transaction was completed on June 17, 2022. Prior to its acquisition by SMRP BV, MSSL Kft was indirectly held by SMRP BV's ultimate parent company Samvardhana Motherson International Limited ('SAMIL'). The activities of MSSL Kft have therefore been consolidated as if it has always been part of SMRP BV Group as a business combination under common control. Net assets value as per books until the date of acquisition together with the difference between the purchase consideration and assumed net assets value on the date of acquisition has been included in merger reserve amounting to k€1,878.

Other reserves

The following table shows a breakdown 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Cash flow hedges	Financial assets at FVOCI	Total other reserves
As at April 01, 2021 (A)	**4,873**	**(15,978)**	**(11,105)**
Revaluation / changes in fair value	(2,000)	1,006	(994)
Reclassification to income statement	(1,838)	-	(1,838)
Net gain / (loss) on cash flow hedges	**1,035**	**(14,972)**	**(13,937)**
Deferred tax	-	-	-
Other comprehensive income for the year (B)	**1,035**	**(14,972)**	**(13,937)**
Costs of hedging transferred to the carrying value of non-financial items during the year (C)	3,263	-	3,263
Non-Controlling Interest (D)	(1)	16	15
As at March 31, 2022 (E=B+C-D)	**4,299**	**(14,988)**	**(10,689)**
As at April 01, 2022 (F)	**4,299**	**(14,988)**	**(10,689)**
Revaluation / changes in fair value	4,293	(1,207)	3,086
Reclassification to income statement	(5,510)	-	(5,510)
Net gain / (loss) on cash flow hedges	**3,082**	**(16,195)**	**(13,113)**
Deferred tax	(301)	-	(301)
Other comprehensive income for the year (G)	**2,781**	**(16,195)**	**(13,414)**
Costs of hedging transferred to the carrying value of non-financial items during the year (H)	4,461	-	4,461
Non-Controlling Interest (I)	(44)	(2)	(46)
As at March 31, 2023 (J=G+H-I)	**7,286**	**(16,193)**	**(8,907)**

Financial assets at FVOCI
Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Cash flow hedges
The Group uses two types of hedging instruments as part of its foreign currency risk associated with highly probable foreign currency forecast transaction and foreign currency borrowings. These include foreign currency forward contracts for highly probable forecast transactions and cross currency interest rate swap for borrowings. The hedging reserve is used to record gains or losses on such hedging instruments that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income. The Group designates both spot and forward component of foreign currency forward contract as hedge relationship. Amounts associated with foreign currency forward contracts are reclassified to income statement when the associated hedged transaction affects income statement or added to the initial cost of the related balance sheet item if it results in recognition of a non-financial item. The foreign exchange gain or loss on the portion of borrowings hedged by swaps is reclassified from cash flow hedge reserve to income statement under the line item “Net exchange gain / (loss) on foreign currency borrowings and related items”. Amounts reclassified from cash flow hedge reserve to income statement during the year relates to hedged items that has affected income statement.

A.6.3.17 Investment in subsidiaries

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held, except as disclosed. The parent company does not have any shareholdings in the preference shares, if any, of subsidiary undertakings included in the group.

The following subsidiaries of the Group have non-controlling interests:

Entity name	Country	Capital share [a]	Minority shares	Voting rights [a]
Samvardhana Motherson Reflectec Group Holdings Limited (Note 1)	Jersey	100%	-	100%
SMR Automotive Systems India Limited (held by SMR Cyprus) {SMR India}	India	51%	49%	51%
SMR Grundbesitz GmbH & Co KG (held by SMR Holding Deutschland)	Germany	93.07%	6.93%	93.07%
SMP Deutschland GmbH (held by SMP GmbH)	Germany	94.80%	5.20%	94.80%
Changchun Peguform Automotive Plastics Technology Ltd. (held by SMP Deutschland) {CPAT}	China	50%	50%	50%+1[b]
Foshan Peguform Automotive Plastics Technology Co. Ltd. (held by CPAT) {FPAT}	China	100%	-	100%
Shenyang SMP Automotive Plastic Components Co. Ltd. (held by CPAT) {w.e.f. 22 August 2017}	China	100%	-	100%
Tianjin SMP Automotive Components Co. Ltd. (held by CPAT) {w.e.f. 06 March 2018}	China	100%	-	100%
Shenyang SMP Automotive Trim Co, Ltd. (held by CPAT) { incorporated on 04 September 2020}	China	100%	-	100%
SM Real Estate GmbH (held by SMP AE)	Germany	94.80%	5.20%	94.80%
Celulosa Fabril (Cefa) S.A. (held by SMP Iberica){CEFA} [c]	Spain	50%	50%	50% [d]
Modulos Ribera Alto S.LU. (held by CEFA) {MRA}	Spain	100%	-	100%
Yujin-SMRC Automotive Modules Corp. (held by SMRC H BV) [SMRC Korea]	S. Korea	50.9%	49.1%	50.9%
Motherson Ossia Innovations LLC (held by MI LLC) {Liquidated on June 09, 2022}	USA	51%	49%	51% [d]
Re-Time Pty Limited (held by SMR Australia) {w.e.f. August 08, 2019}	Australia	71.4%	28.6%	71.4%
SMR Plast Met Automotive Tec Turkey Plastik İmalat Anonim Şirketi (held by SMR Stuttgart) {w.e.f. April 29, 2021} (Note 2)	Turkey	75%	25%	75%
SMR Plast Met Molds and Tools Turkey Kalıp İmalat Anonim Sirketi (held by SMR Stuttgart) {w.e.f. April 29, 2021} (Note 2)	Turkey	75%	25%	75%

[a] Capital shares mentioned above represent shareholding by the immediate parent of the entity and does not represent effective shareholding by the Group.
[b] SMP Deutschland GmbH has 50% of the voting rights plus one additional vote.
[c] Represents shareholder voting rights however majority control over the board of directors.

Notes:

1. The group acquired remaining 1.55% shares of Samvardhana Motherson Reflectec Group Holdings Limited ('SMR Jersey') from an independent third party at k€18,400. After acquisition of aforesaid 1.55% stake, SMR Jersey has become 100% subsidiary of SMRP B.V. with effect from March 01, 2023.
2. The share sale and purchase agreement provides for a put as well as call option for remaining 25% shares of the Plast Met entities which can be exercised by either parties after a period of 5 years from the date of closing of the transaction for a price to be determined based on fair value at that time. Due to the existence of options, the 25% interest is excluded from non-controlling interest and based on expected fair value at the end of 5 years, a financial liability of €7,656 (March 31, 2022 : k€6,968) has been recognised in the consolidated financial statements under Other Liabilities

Summarised financial information on subsidiaries with material non-controlling interests

The non-controlling interest in respect of SMR Automotive Systems India Limited (SMR India), Celulosa Fabril (Cefa) S.A., Modulos Ribera Alto S.LU.(MRA), Changchun Peguform Automotive Plastics Technology Ltd. (CPAT) , Foshan Peguform Automotive Plastics Technology Co. Ltd. (FPAT) and Yujin-SMRC Automotive Modules Corp (SMRC Korea) is only considered to be material. Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the group.

Summarised balance sheet and income statement

	March 31, 2023						March 31, 2022					
	CEFA	MRA	CPAT	FPAT	SMR India	SMRC Korea	CEFA	MRA	CPAT	FPAT	SMR India	SMRC Korea
Balance Sheet												
Non-current assets	16,517	28,059	79,733	20,528	29,327	14,429	11,476	33,964	74,051	15,549	28,147	20,168
Current assets	62,554	53,009	152,332	30,850	37,182	32,728	47,370	30,577	138,503	40,515	29,389	31,066
Gross assets	**79,071**	**81,068**	**232,065**	**51,378**	**66,509**	**47,157**	**58,846**	**64,541**	**212,554**	**56,064**	**57,536**	**51,234**
Current liabilities	47,491	21,644	97,501	26,650	23,379	20,408	24,716	17,072	95,222	33,103	18,668	23,456
Non-current liabilities	2,231	1,525	1,539	6,003	4,882	1,448	3,313	1,766	1,922	5,932	2,236	2,184
Gross liabilities	**49,722**	**23,169**	**99,040**	**32,653**	**28,261**	**21,856**	**28,029**	**18,838**	**97,144**	**39,035**	**20,904**	**25,640**
Net assets	**29,349**	**57,899**	**133,025**	**18,725**	**38,248**	**25,301**	**30,817**	**45,703**	**115,410**	**17,029**	**36,632**	**25,594**
Results												
Revenue	46,821	88,981	293,995	59,699	95,258	98,225	42,665	64,825	260,706	54,669	59,722	79,710
Expense	(42,288)	(76,785)	(270,510)	(56,904)	(91,127)	(92,927)	(38,963)	(60,060)	(237,856)	(51,420)	(56,775)	(77,459)
Profit for the period	**4,533**	**12,196**	**23,485**	**2,795**	**4,131**	**5,298**	**3,702**	**4,765**	**22,850**	**3,249**	**2,947**	**2,251**
Other Comprehensive Income	-	-	-	-	(10,980)	(1,042)	-	-	-	-	68	471
Total Comprehensive Income	**4,533**	**12,196**	**23,486**	**2,795**	**(6,849)**	**4,256**	**3,702**	**4,765**	**22,850**	**3,249**	**3,015**	**2,722**
Dividends paid to non-controlling interest	(3,000)	-	-	-	-	-	(3,500)	-	(16,086)	-	-	(1,336)
Profit for the year attributable to non-controlling interest	2,266	6,098	11,743	1,397	(3,356)	2,166	1,851	2,382	11,425	1,624	1,478	1,385
Accumulated non-controlling interest a)	28,171	15,005	66,996	5,584	20,515	14,052	23,778	15,005	58,264	4,737	18,409	12,567

[a] Includes the impact of purchase price allocation

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Summarised cash flows

	March 31, 2023						March 31, 2022					
	CEFA	MRA	CPAT	FPAT	SMR India	SMRC Korea	CEFA	MRA	CPAT	FPAT	SMR India	SMRC Korea
Cash flows from Operating Activities												
Cash generated from operations	(5,050)	6,349	16,636	250	8,484	9,743	8,917	7,407	16,030	7,203	2,919	4,182
Interest paid	163	280	644	5	348	(113)	142	227	1,148	(90)	91	(90)
Income tax paid	(103)	(2,942)	(1,699)	(271)	(1,738)	(915)	(3,001)	(2,258)	(5,864)	8	(745)	715
Net cash generated from operating activities	**(4,990)**	**3,687**	**15,581**	**(16)**	**7,094**	**8,715**	**6,058**	**5,376**	**11,314**	**7,121**	**2,265**	**4,807**
Net cash used in investing activities	(6,939)	(2,970)	(12,149)	(4,989)	(2,461)	(3,596)	(837)	(3,722)	(4,186)	(3,494)	(1,177)	(414)
Net cash used in financing activities	5,847	(717)	(378)	311	(163)	(2,069)	(3,046)	(1,654)	(32,467)	3	(306)	2,234
Net (decrease)/increase in cash and cash equivalents	**(6,082)**	**-**	**3,054**	**(4694)**	**4,470**	**3,050**	**2,175**	**-**	**(25,339)**	**3,630**	**782**	**6,627**
Cash, cash equivalents and bank overdrafts at beginning of year	17,605	-	18,298	5,115	4,090	13,298	15,430	-	42,044	1,102	3,316	6,851
Exchange gains/(losses) on cash and cash equivalents	-	-	(1,232)	(24)	(609)	(627)	-	-	1,595	446	(10)	(180)
Cash and cash equivalents at end of year	**11,523**	**-**	**20,120**	**397**	**7,951**	**15,721**	**17,605**	**-**	**18,300**	**5,178**	**4,088**	**13,298**

The information above is the amount before inter-company eliminations.

A.6.4 Disclosures regarding the Consolidated Income Statement
A.6.4.1 Revenue

Following is a breakdown of revenue from contract with customers:

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of components	5,720,872	4,509,545
Tool Development	450,208	453,169
Assembly of components, royalty and service income	31,155	30,542
Revenue from contract with customers	**6,202,235**	**4,993,256**

A. Disaggregated revenue information
Revenue from contract with customer is recognised as follows :

	Year ended March 31, 2023	Year ended March 31, 2022
At a point in time	5,752,027	4,540,087
Over a period of time	450,208	453,169
Total	**6,202,235**	**4,993,256**

The transaction price allocated to the remaining performance obligations related to tool development (unsatisfied or partially unsatisfied) are, as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
Within one year	395,191	377,709
More than one year	243,898	374,979
Total	**639,089**	**752,688**

Table below provides information on revenue recognised from :

	Year ended March 31, 2023	Year ended March 31, 2022
Amounts included in contract liabilities at the beginning of the year	20,354	53,213
Performance obligations partly satisfied in previous years	165,361	189,872

B. In respect of certain contracts, the Group perform assembly of highly customised components by procuring various parts from suppliers identified by the customers. The Group acts as an agent as per IFRS 15 under these contracts and as required under the standard, the Group recognises revenue only for the net amount it retains for the assembly services (included under line item “Assembly of components, royalty and service income”). Following table provides information on gross revenue representing revenue recognised without considering the effects of IFRS 15.

	Year ended March 31, 2023	Year ended March 31, 2022
Gross Revenue	**6,727,607**	**5,396,401**
Less : Adjustment under IFRS 15 (Principal vs Agent consideration)	(525,372)	(403,145)
Revenue from contract with customers	**6,202,235**	**4,993,256**

A.6.4.2 Changes in inventories

	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock of		
finished goods	(74,174)	(59,177)
work-in-progress	(36,760)	(34,739)
Acquired in business combination	-	(5,084)
Closing stock of		
finished goods	76,188	74,174
work-in-progress	43,978	36,760
Foreign exchange differences	7,137	(2,545)
Increase/(Decrease) in inventories	**16,369**	**9,389**

A.6.4.3 Other operating income

	Year ended March 31, 2023	Year ended March 31, 2022
Income recognized from grants subsidies received	3,886	12,402
Rental income	572	677
Provisions written back and reversal of bad debt allowance	11,614	3,663
Foreign exchange gain (net)	-	4,645
Gain from the sale of property, plant and equipment and Intangible assets	309	-
Other Income	32,792	38,463
Total	**49,173**	**59,850**

A.6.4.4 Personnel expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Wages and salaries	972,144	881,870
Subcontracted labour	219,649	182,443
Social security costs	164,762	144,638
Pensions costs from defined benefit plans	4,834	4,142
Total	**1,361,389**	**1,213,093**

A.6.4.5 Depreciation and amortization

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment	190,404	186,380
Impairment of property, plant and equipment and intangible assets (net of reversal) [refer note A.6.3.2 and A.6.3.4]	6,752	(1,898)
Depreciation on investment properties	1,316	1,183
Amortisation of intangible assets	13,792	12,407
Depreciation on right of use assets	29,602	32,150
Total	**241,866**	**230,222**

A.6.4.6 Other operating expenses

	Year ended March 31, 2023	Year ended March 31, 2022
General administration expenses	169,766	132,080
Energy	205,427	118,501
Repairs and maintenance	168,310	108,395
Rent and lease	29,484	28,203
Freight and forwarding	86,677	70,038
Bad debts and advances written off	1,253	1,318
Auditors remuneration	5,765	6,521
Foreign exchange loss (net)	636	54
Legal and professional expenses	111,078	109,267
Total	**778,396**	**574,377**

During the year ended March 31, 2023 and March 31, 2022, following amounts (excluding VAT and out of pocket expenses) were recorded in respect of fee paid to auditor for various services:

March 31, 2023	Ernst & Young Accountants LLP	Other EY Network	Total EY Network	Other audit firm	Total
Audit of the financial statements	150	2,800	**2,950**	356	**3,306**
Other audit and tax services	-	317	**317**	941	**1,259**
Other non-audit services	-	258	**258**	855	**1,113**
Total	**150**	**3,375**	**3,525**	**2,152**	**5,678**

March 31, 2022	Ernst & Young Accountants LLP	Other EY Network	Total EY Network	Other audit firm	Total
Audit of the financial statements	140	2,797	**2,937**	730	**3,667**
Other audit and tax services	-	632	**632**	792	**1,424**
Other non-audit services	-	823	**823**	549	**1,372**
Total	**140**	**4,252**	**4,392**	**2,071**	**6,463**

The fees listed above relate to the procedures applied to the Company and its consolidated group entities by accounting firms and external auditors forming part of Ernst & Young network; as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act (‘Wet toezicht accountantsorganisaties - Wta’) and audit firms other than those forming part of EY network.

A.6.4.7 Finance income and costs

	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income	5,809	5,938
Finance income	**5,809**	**5,938**
Interest on lease liabilities	4,667	4,301
Interest expense on borrowings	49,978	39,228
Interest expense on defined benefit obligations	697	433
Finance costs	**55,342**	**43,962**

A.6.4.8 Share of net profit of joint ventures accounted for using the equity method

	Year ended March 31, 2023	Year ended March 31, 2022
Joint ventures	10,012	9,212
Total	**10,012**	**9,212**

Section A.6.3.6 contains further details related to the participation in joint ventures.

A.6.5 Income taxes

Deferred income taxes are calculated using the balance-sheet based liability method. Deferred tax assets and liabilities are recognised for all temporary differences between the carrying amount of an asset or liability and the values used for taxation purposes. Deferred tax assets are also recognised for tax-loss carry forwards to the extent it is probable that future taxable profits will be available. For this reason, the recognition of all deferred tax assets based on tax losses is carried out with suitable consideration given to their realisation. Deferred taxes are determined on the basis of tax rates that have been enacted or substantially enacted by the end of the reporting period. The income tax credit/expense for the year comprises the following:

	Year ended March 31, 2023	Year ended March 31, 2022
Current tax on profits for the year	58,516	44,131
Adjustments for of prior periods	(780)	2,577
Current tax expense	**57,736**	**46,708**
Development and reversal of temporary differences	(11,838)	(11,682)
Prior year adjustments	(110)	270
Effect of reported tax losses	(4,017)	(2,740)
Others	(468)	1,015
Deferred tax credit	**(16,433)**	**(13,137)**
Income tax expense	**41,303**	**33,571**

There is no significant change in corporate tax rates, in jurisdictions where group operates, having material impact on current charge and future adjustment to the carrying amounts of assets and liabilities.

This statement enables the expected tax expense to be reconciled with the effective tax expense reported.

Reconciliation of the effective tax rate	Year ended March 31, 2023	Year ended March 31, 2022
Earnings before income tax	**133,935**	**75,938**
Tax at rate of 25.8% (March 31, 2022 : 25.2%)[a)]	34,555	19,136
Difference in overseas tax rates	(13,129)	(937)
Tax effect of losses on which deferred tax assets not recognised	13,265	9,514
Previously unrecognised tax losses used to reduce deferred tax expense	(3,999)	(2,234)
Previously unrecognised tax losses now recouped to reduce current tax expense	(1,665)	(4,765)
Adjustments for current and deferred tax of prior periods	(890)	2,847
Tax effect of amounts which are not deductible in calculating taxable income	2,038	(3,312)
Tax effect of temporary differences (previously) not recognised and write off	2,805	(917)
Withholding, local and additional income taxes	9,587	10,172
Effect of tax credits	(3,428)	(2,300)
Reversal of deferred tax assets for prior periods	-	6,820
Sundry items	2,164	(453)
Income tax expense	**41,303**	**33,571**

a) Tax rate is the general average corporate tax rate applicable in the Netherlands, the country of domicile of SMRP BV and does not consider the change in tax rate due to level of taxable income.

Tax is calculated at domestic tax rates applicable in the respective countries. There have been no significant changes in tax rates applicable to the Group's subsidiaries during the year. The weighted average applicable tax rate for the year ended March 31, 2023 has increased from last year on account of variation in profitability of the Group's subsidiaries in the respective countries.

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax assets:		
- Deferred tax assets to be recovered after 12 months	100,769	81,178
- Deferred tax assets to be recovered within 12 months	17,980	26,656
	118,749	**107,834**
Deferred tax liabilities:		
- Deferred tax liabilities to be settled after 12 months	20,999	24,348
- Deferred tax liabilities to be settled within 12 months	2,591	3,629
	23,590	**27,977**

Unrecognised temporary differences

Temporary difference relating to investments in subsidiaries for which deferred tax liabilities have not been recognised:

	Year ended March 31, 2023	Year ended March 31, 2022
Foreign currency translation	(18,066)	15,634
Undistributed earnings	271,001	282,826

Temporary differences of negative k€18,066 (March 31, 2022 : k€ 15,634) have arisen as a result of the translation of the financial statements of the group's subsidiaries having functional currency other than Euro. However, a deferred tax liability has not been recognised as the liability will only crystallise in the event of disposal of the subsidiary, and no such disposal is expected in the foreseeable future.

The Group has undistributed earnings of k€271,001 (March 31, 2022 k€ 282,826) which, if paid out as dividends, would be not be subject to tax in the hands of the recipient and hence no assessable temporary difference exists.

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. Among other matters, considering restriction on the extent of future profits that may be used to offset losses, the group did not recognise deferred income tax assets in respect of losses amounting to k€ 406,314 March 31, 2022: k€ 381,595). These losses include k€ 87,891 (March 31, 2022: k€ 90,812) in respect of periods prior to acquisition of concerned entities by the Group. These losses can be carried-forward as below –

Year of expiry	Amount	Year of expiry	Amount
next 1 year	1,847	next 9 years	1,703
next 2 years	2,450	next 10 years	-
next 3 years	2,678	next 11 years	-
next 4 years	15,330	next 12 years	-
next 5 years	23,183	next 13 years	-
next 6 years	1,935	next 14 years	-
next 7 years	3,114	next 15 or more years	-
next 8 years	1,897	No expiry	352,177

The movement in deferred income tax assets and liabilities during the year, is as follows:

	As at April 01, 2022	Charged/(credited) to the income statement	Charged/(credited) to other comprehensive income	Acquisition on business combination	Reclassifications*	Exchange differences	As at March 31, 2023
Deferred tax assets							
Provisions	17,318	(2,206)	-	-	933	(416)	15,629
Property, plant and equipment	(16,225)	10,425	-	-	(1,132)	(1,022)	(7,954)
Intangible assets	1,248	(153)	-	-	-	(40)	1,055
Receivable	(1,218)	2,270	-	-	32	(118)	966
Inventories	2,905	783	-	-	(2)	(246)	3,440
Right of Use (IFRS 16)	387	541	-	-	-	(71)	857
Tax Value of Reported Loss carryforwards	63,460	4,016	-	-	1,103	979	69,558
Government grants	138	(1,327)	-	-	-	32	(1,157)
Employee Benefits/ Pension	1,620	454	(601)	-	-	57	1,530
Others**	38,201	(1,802)	(304)	-	(2,049)	779	34,825
Total deferred tax assets	**107,834**	**13,001**	**(905)**	**-**	**(1,115)**	**(66)**	**118,749**
Deferred tax liabilities							
Provisions	432	-	-	-	-	-	432
Property, plant and equipment	25,534	(4,024)	-	-	(1,508)	436	20,438
Intangible assets	4,316	(1,010)	-	-	(1,457)	(9)	1,840
Receivable	1,367	(191)	-	-	-	(332)	844
Inventories	(1)	-	-	-	-	-	(1)
Tax Value of Reported Loss carryforwards	-	-	-	-	-	-	-
Right of Use (IFRS 16)	10	1	-	-	-	(6)	5
Government grants	(1)	-	-	-	-	(9)	(10)
Employee Benefits/ Pension	(2,877)	518	255	-	1,850	(2)	(256)
Others**	(803)	1,275	7	-	-	(181)	298
Total deferred tax liabilities	**27,977**	**(3,431)**	**262**	**-**	**(1,115)**	**(103)**	**23,590**

* Reclassifications generally represents netting off between deferred tax assets and liabilities in respective jurisdictions, transfers out of deferred tax pursuant to change in tax positions in filed tax returns.

**Others represent tax impact of temporary differences arising out of interest deductibility limitations, R&D credits, non-deductibility of expenses and other similar items

	As at April 01, 2021	Charged/(credited) to the income statement	Charged/(credited) to other comprehensive income	Acquisition on business combination	Reclassifications*	Exchange differences	As at March 31, 2022
Deferred tax assets							
Provisions	16,629	4	-	-	(103)	788	17,318
Property, plant and equipment	(14,726)	33	-	-	(393)	(1,139)	(16,225)
Intangible assets	504	766	-	-	(21)	(1)	1,248
Receivable	(5,833)	3,044	-	-	1,808	(237)	(1,218)
Inventories	77	636	-	-	2,074	118	2,905
Right of Use (IFRS 16)	37	287	-	-	-	63	387
Tax Value of Reported Loss carryforwards	59,981	2,721	-	-	(929)	1,687	63,460
Government grants	136	(5)	-	-	-	7	138
Employee Benefits/ Pension	1,572	796	(757)	-	-	9	1,620
Others**	35,181	3,650	-	77	(2,461)	1,754	38,201
Total deferred tax assets	**93,558**	**11,932**	**(757)**	**77**	**(25)**	**3,049**	**107,834**
Deferred tax liabilities							
Provisions	746	-	-	-	(314)	-	432
Property, plant and equipment	26,287	(2,115)	-	973	597	(208)	25,534
Intangible assets	3,926	(900)	-	1,580	(306)	16	4,316
Receivable	3,758	(365)	-	-	(2,026)	-	1,367
Inventories	-	(310)	-	309	-	-	(1)
Tax Value of Reported Loss carryforwards	(2,076)	31	-	-	2,045	-	-
Right of Use (IFRS 16)	36	(13)	-	-	(12)	(1)	10
Government grants	8	-	-	-	(9)	-	(1)
Employee Benefits/ Pension	(3,302)	116	-	-	315	(6)	(2,877)
Others**	(2,429)	2,351	-	51	(899)	123	(803)
Total deferred tax liabilities	**26,954**	**(1,205)**	**-**	**2,913**	**(609)**	**(76)**	**27,977**

* Reclassifications generally represents netting off between deferred tax assets and liabilities in respective jurisdictions, transfers out of deferred tax pursuant to change in tax positions in filed tax returns.

**Others represent tax impact of temporary differences arising out of interest deductibility limitations, R&D credits, non-deductibility of expenses and other similar items

A.6.6 Other disclosures

A.6.6.1 Financial instruments

The following table shows the carrying amounts of the Group's financial instruments

Financial instruments	March 31, 2023	March 31, 2022
FINANCIAL ASSETS		
Financial assets at amortised cost		
Trade receivables	637,170	559,694
Other receivables	384,046	315,555
Cash and cash equivalents	343,105	372,581
Financial assets at fair value through other comprehensive income		
Other investments	13,122	14,357
Financial assets at fair value through profit or loss		
Other investments	1,238	-
Derivative financial instruments		
Used for hedging	11,942	7,704
Held for trading at fair value through Profit and Loss	550	9
FINANCIAL LIABILITIES		
Liabilities at amortised cost		
Borrowings		
Notes	397,945	396,555
Liabilities to banks and others	150,499	221,839
Loan from related parties	254,253	332,955
Lease liabilities	102,660	93,337
Trade payables	1,217,943	996,035
Liabilities to related parties	31,922	26,049
Other liabilities	320,299	344,051
Derivative financial instruments		
Used for hedging	270	822
Held for trading at fair value through Profit and Loss	15	2,943

The fair values of non-current financial assets are not significantly different from their carrying amounts.

Due to the short-term nature of cash and cash equivalents and the short-term maturities of trade receivables and liabilities and other current receivables and liabilities, their fair values are equal to their carrying amounts.

A description of the Group's financial instrument risks, including risk management objectives and policies is given in note A.6.6.3.

A.6.6.1.1 Financial instruments

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Fair value measurements At March 31, 2023	Level 1	Level 2	Level 3	Fair Value March 31, 2023
FINANCIAL ASSETS				
Financial assets at fair value through other comprehensive income				
Other investments	9	13,108	5	13,122
Financial assets at fair value through profit or loss				
Other investments	-	1,238	-	1,238
Derivative financial instruments				
Used for hedging	-	11,942	-	11,942
Held for trading at fair value through Profit and Loss	-	550	-	550
FINANCIAL LIABILITIES				
Derivative financial instruments				
Used for hedging	-	270	-	270
Held for trading at fair value through Profit and Loss	-	15	-	15

Fair value measurements At March 31, 2022	Level 1	Level 2	Level 3	Fair Value March 31, 2022
FINANCIAL ASSETS				
Financial assets at fair value through other comprehensive income				
Other investments	1,232	13,120	5	14,357
Derivative financial instruments				
Used for hedging	-	7,704	-	7,704
Held for trading at fair value through Profit and Loss	-	9	-	9
FINANCIAL LIABILITIES				
Derivative financial instruments				
Used for hedging	-	822	-	822
Held for trading at fair value through Profit and Loss	-	2,943	-	2,943

Fair value hierarchy

(a) Financial instruments in Level 1

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

(b) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Entity's Level 2 instruments comprise of forward contracts relating to foreign currency and commodities, cross-currency interest rate swaps and equity instruments. The fair value of forward foreign contracts is determined using forward exchange rates at the balance sheet date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of equity instruments is calculated using recent trading activity for similar instrument.

(c) Financial instruments in Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Group's Level 3 instruments represent investment in unlisted equity instruments and are valued using discounted cash flow analysis.

A.6.6.1.2 Offsetting Financial Assets and Financial Liabilities:

The following table present the Group's financial assets and liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements:

Trade receivables	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the Balance sheet	Net amounts of financial assets presented in the balance sheet
March 31, 2023	693,346	(56,176)	637,170
March 31, 2022	617,566	(57,872)	559,694

Unbilled receivables*	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the Balance sheet	Net amounts of financial assets presented in the balance sheet
March 31, 2023	425,062	(66,460)	358,602
March 31, 2022	318,952	(22,817)	296,135

*grouped under other receivables

A.6.6.2 Contingent Liabilities

In the ordinary course of business activities, the Group may be contingently liable for litigation and claims with customers, suppliers, former employees and other parties. In addition, the Group may be, or could become, liable to incur environmental remediation costs to bring environmental contamination levels back within acceptable legal limits.

On an on-going basis, the Group assesses the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable costs and losses. A determination of the provision required, if any, for these contingencies is made after analysis of each individual issue. The required provision may change in the future due to new developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters.

The tax position taken by the Group with respect to certain transactions and calculations may be challenged by tax authorities for reasons including transfer pricing, the availability of deductions for interest expense and other deductible items, the treatment of acquisition, refinancing and reorganization transactions, intercompany funding arrangements, the application and effect of tax “holidays” and the calculation of deferred tax assets and liabilities. The Group does not expect any significant cash outflow in respect of these contingencies.

As at the year end, the Group has following contingent liabilities:

	As at March 31, 2023	As at March 31, 2022
Indirect tax matters	55	55
Direct tax matters	-	656
Others (refer note below)	31,542	29,601
Total	**31,597**	**30,312**

(b) The Group has acted as surety in respect of subsidy received by one of its subsidiary, which limits the total liability of the Group to 1.2x of the amount of subsidy granted. As per the conditions of subsidy received from the local government the subsidiary is required to incur certain level of capital expenditure along with maintaining the headcount at certain level for a period of 5 years ending on March 31, 2026.

As of March 31, 2023, both the conditions have been fulfilled however since the headcount level needs to be sustained until March 31, 2026, the Group may be contingently liable for k€ 29,365 (March 31, 2022: k€ 29,365) in the event of non-compliance of subsidy conditions by the subsidiary in the future.

(c) The Group has provided guarantee in respect of subsidy received by another subsidiary, which limits the total liability of the Group to the amount of subsidy granted. Amongst others, conditions of subsidy received from the local government requires the subsidiary to incur certain level of capital expenditure along with maintaining the headcount at certain level.

As of March 31, 2023, both the conditions have been fulfilled however since the headcount level needs to be sustained, the Group may be contingently liable for k€ 2,177 (March 31, 2022: k€ 236) in the event of non-compliance of subsidy conditions by the subsidiary in the future.

Capital expenditure commitments

The group has outstanding capital expenditure commitments which represents outstanding amount of contracts for capital expenditure against which work is yet to be executed by the contractor or supplies to be received. Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment (net of advances)	68,273	54,515

A.6.6.3 Risk management with respect to financial risks

The Group in its capacity as an internationally active supplier for the automobile industry is exposed to various risks with each of its business segments and products. The global presence and decentralised management structure with the main activities in the plants make an organised risk management system necessary. The regulations, instructions, implementation rules and, in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks.

The successful management of opportunities and risks is part of operating a business and is the primary task of all management personnel. During the regular management meetings at all management levels, opportunities, risks and optimisation measures are subjected to systematic treatment. Rapid, open and unhindered communication between all levels of management on the risks and imminent exceptional situations ensure that potential risks can be identified at an early stage and their effects can be limited. Risk awareness and the integration of risk management into management personnel's on-going duties at an organisational level enable the Group to identify risks immediately and to eliminate them or to minimise their effects on the net asset, financial and income position. A detailed examination has revealed that the risks detailed below are manageable for the SMRP Group.

The Group is exposed in particular to credit risks with regard to trade receivables, liquidity risks and market risks from changes in interest rates and exchange rates. The Group counters customer default risks by monitoring customers continuously and carrying out regular credit checks. Liquidity is secured by means of medium-term loans, pre-emptive liquidity planning and daily liquidity reporting. Interest and currency risks are monitored on a monthly basis centrally by the finance department and the Group's Board of Management.

The Group has developed guidelines on risk controlling and the use of financial instruments. These guidelines contain a clear allocation of duties. Risks are controlled and monitored by means of operational and financial measures. The risks listed below are not so material that they would result in extraordinary concentrations of risk.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group has guidelines for the management of credit risk from trade receivables. The Group's primary customers are major global automobile manufacturers (OEMs) with good credit ratings. Non-OEM clients are very limited and subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The maximum amount of the credit exposure is equal to the carrying amounts of these receivables. The Group does not hold collateral as security or uses credit enhancements due to leading market positions of its customers.

The Group has deposited liquid funds at various banking institutions. Primary banking institutions are major international banks. In long term credit ratings these banking institutions are considered to be investment grade.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	March 31, 2023	March 31, 2022
As at beginning of the year	**8,805**	**13,852**
Allowance for impairment recognised	914	1,474
Amounts written (off) /recovered	(599)	-
Unused amounts reversed	(2,601)	(6,444)
Exchange fluctuation	(87)	(77)
As at end of the year	**6,432**	**8,805**

Set out below is the information about the credit risk exposure on the Group's trade receivables and other receivables:

	Total	Current	Past due				
			< 30 days	30-90 days	90-180 days	180-360 days	>360 days
March 31, 2023							
Trade receivables	637,170	590,382	24,278	8,300	3,272	3,164	7,774
Other receivables	384,046	383,930	41	-	31	25	19
March 31, 2022							
Trade receivables	559,694	438,967	75,899	8,827	3,974	7,045	24,982
Other receivables	315,555	315,494	28	10	-	-	23

Liquidity risk

The liquidity risk encompasses any risk that the Group cannot fully meet its financial obligations. Liquidity is ensured by maintaining committed Revolving Credit Facility at the Group level, various bank credit facilities and by funding the short term requirements using the Group overlay notional cash pool. To manage the liquidity risk, cash flow forecasting is performed by the subsidiaries and submitted to the Group Treasury for review and planning. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements – for example, currency restrictions. Furthermore, in the case of an expected breach of covenants Group management evaluates early counteractions to prohibit negative impacts for the Group out of a breach of covenants. Please refer section on 'Capital Management' below.

The following table shows the remaining contractual maturities of financial liabilities of the Group presented on a gross and undiscounted basis and include estimated interest payments and exclude the impact of netting arrangements:

	March 31, 2023					
	Up to 3 months	3 months to 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Non-derivative financial liabilities						
Borrowings[1)]	57,409	349,763	309,466	105,591	572	822,801
Lease liabilities	8,206	19,346	24,357	33,367	25,139	110,415
Trade payables	1,098,116	115,154	2,334	2,339	-	1,217,943
Liabilities due to shareholders & related parties	30,340	1,582	-	-	-	31,922
Other financial liabilities	93,075	191,341	23,381	11,567	935	320,299
Total	**1,287,146**	**677,186**	**359,538**	**152,864**	**26,646**	**2,503,380**
Derivative financial liabilities						
Used for hedging[1)]	15	270	-	-	-	285
Held for trading at fair value through Profit and Loss[1)]	-	-	-	-	-	-
Total	**15**	**270**	**-**	**-**	**-**	**285**

[1)] Accrued interest as of March 31, 2023 is included in other financial liabilities

	March 31, 2022					
	upto 3 months	3 months to 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Non-derivative financial liabilities						
Borrowings[2)]	140,778	29,047	326,109	505,869	582	1,002,385
Lease liabilities	11,154	16,173	19,147	35,380	16,904	98,758
Trade payables	909,516	89,584	624	60	-	999,784
Liabilities due to shareholders & related parties	22,972	3,078	6	1,352	-	27,408
Other financial liabilities	97,999	149,184	59,281	30,263	6,968	343,695
Total	**1,182,419**	**287,066**	**405,167**	**572,924**	**24,454**	**2,472,030**
Derivative financial liabilities						
Used for hedging[2)]	-	(1,078)	(3,229)	-	-	(4,308)
Held for trading at fair value through Profit and Loss[2)]	2,888	55	-	-	-	2,943
Total	**2,888**	**(1,023)**	**(3,229)**	**-**	**-**	**(1,365)**

[2)] Accrued interest as of March 31, 2022 is included in other financial liabilities

Market risk

(i) Interest rate risk

The Group's exposure to changes in interest rates of borrowings is relatively low as a large part of borrowings comprises of Senior Secured Notes which have been issued on fixed coupon rates. With respect to other borrowings, variable rate borrowings do not represent a significant exposure considering the overall size of the borrowings.

(ii) Foreign exchange risk

Foreign exchange risk arises from monetary receivables and obligations expressed in a currency other than the functional currency of a Group company. Group companies are required to hedge their foreign exchange risk exposure using forward contracts transacted by the group treasury. The group's risk management policy is to hedge less than 100% of anticipated cash flows (mainly export sales, purchase of inventory and certain expenses) in foreign currency for the subsequent 12 months. The contracts are timed to mature when payments against the forecasted sales, purchase or expenses are to be received or made.

The Group is also exposed to foreign exchange risk arising from its kUS$ 60,000 borrowings under term loan and kUS$ 65,862 borrowings under working capital loan. The Group has undertaken cross currency interest rate swaps to hedge against the foreign exchange fluctuation arising out of these loans. The terms of the swap includes exchange of interest on the nominal EURO and USD amounts of the swap. The company receives interest under the swap in USD at rate similar to interest payable on term loan and pays interest under the swap based on Euribor + Margin.

The group's unhedged exposure to foreign currency risk (for major currencies) at the end of the reporting period was as follows:

(Amounts in foreign currency 000s)

March 31, 2023	USD	GBP	CNY	MXN	HUF
Receivables	26,350	1,760	1,282	2,340	1,877,715
Borrowings	113,000	-	-	-	-
Payables	34,604	1,864	27,009	132,157	2,321,913

March 31, 2022	USD	GBP	CNY	MXN	HUF
Receivables	20,252	3,966	1,302	5,447	1,056,418
Borrowings	113,000	-	-	-	-
Payables	38,353	933	28,109	122,929	501,792

As shown in the table above, the group is primarily exposed to changes in USD/EURO exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US-dollar denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges. The Group conducted sensitivity analyses at year-end to estimate the currency risk concerning movement in USD/EURO.

If the Euro were to appreciate by 10% against the US dollar, receivables would decrease by k€3,013 as on March 31, 2023 (March 31, 2022 : k€ 2,437), while liabilities would decrease by k€ 14,130 as on March 31, 2023 (March 31, 2022 : k€ 13,590). Net impact on equity will be a loss of k€11,117 as on March 31, 2023 (March 31, 2022 : loss k€ 11,154).

On the other hand, if the Euro were to depreciate by 10% against the US dollar, receivables would increase by k€3,682 as on March 31, 2023 (March 31, 2022 : k€ 2,978), while liabilities would increase by k€17,270 as on March 31, 2023 (March 31, 2023 : 16,610). Net impact on equity will be a gain of k€ 13,588 as on March 31, 2023 (March 31, 2022 : gain of 13,632).

Derivative contracts

The Group had adopted hedge accounting in respect of following derivative contracts.

March 31, 2023

Type of Hedge & Risks	Nominal Value (Bought)	Carrying amount of Hedge instrument		Maturity date	Hedge ratio	Weighted average strike price	Changes in fair value of hedging instrument	Change in the value of hedged item
		Assets	Liabilities					
Forward covers								
EUR:HUF	HUF 29,741,675	3,437	-	October 2023 - May 2024	1:1	424.88	3,437	858
EUR:CNY	CNY 20,580	-	74	August 2023 - September 2024	1:1	7.26	(74)	(74)
MXN:USD	USD 12,000	2,690	-	July 2023 - November 2023	1:1	0.04	2,690	2,690
THB:EUR	EUR 14,000	595	-	May 2023 - September 2024	1:1	0.03	595	-
USD:EUR	EUR 3,602	-	31	April 2023 - September 2023	1:1	0.91	(31)	-
USD:AUD	AUD 69,590	1,201	165	April 2023 - February 2025	1:1	1.51	1,036	-
INR:USD	INR 4,750,081	21	-	April 2023 - January 2024	1:1	0.01	20.97	-
CNY:KRW	CNY 222,000,000	550	-	April 2023 - March 2024	1:1	0.01	550.42	-
Total		**8,494**	**270**					
Other forward covers not under hedge accounting		-	-					
Total Forwards		**8,494**	**270**					
EUR:USD	USD 60,000,000	4,000	-	August 2023	1:1	1.17	1,143	(1,147)
Total		**4,000**	**-**					
Other swaps not under hedge accounting		-	15					
Total Swaps		**4,000**	**15**					

March 31, 2022

Type of Hedge & Risks	Nominal Value (Bought)	Carrying amount of Hedge instrument		Maturity date	Hedge ratio	Weighted average strike price	Changes in fair value of hedging instrument	Change in the value of hedged item
		Assets	Liabilities					
Forward covers								
EUR:HUF	HUF 50,823,976	1,723	66	April 2022 - March 2024	1:1	400.19	1,657	(1,657)
EUR:CNY	CNY 45,382	466	-	July 2022 - December 2022	1:1	7.79	466	(466)
USD:MXN	MXN 860,612	2,151	-	April 2022 - December 2023	1:1	22.65	(2,151)	2,151
MXN:USD	USD 5,000	(105)	-	December 2022	1:1	0.05	105	(105)
THB:EUR	EUR 19,800	396	-	April 2022 - January 2024	1:1	0.03	396	(396)
USD:EUR	EUR 383	(32)	-	October 2022	1:1	0.82	32	(32)
USD:AUD	MXN 5,693	249	-	September 2022 - December 2022	1:1	1.42	252	(252)
Total		**4,848**	**66**					
Other forward covers not under hedge accounting		-	55					
Total Forwards		**4,848**	**121**					
EUR:USD	USD 383	2,856	760	April 2022 - August 2023	1:1	1	1,934	(1,971)
Total		**2,856**	**760**					
Other swaps not under hedge accounting		9	2,888					
Total Swaps		**2,865**	**3,648**					

There was no hedge ineffectiveness recognised in the income statement during the current and previous year. The Group's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument.

The Group uses the hypothetical derivative method to assess effectiveness. In the case of fixed to fixed cross currency swaps, retrospective effectiveness testing is performed at each reporting date using change in fair value of cash flows method (hypothetical derivative method) at each reporting date during the period of hedging. The effectiveness is measured as the ratio of change in the fair value of the hedging instrument and the hypothetical derivative during the period.

Capital management

The group's objectives when managing capital are to safeguard their ability to continue as a going concern and also their ability to fund inorganic growth, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the group monitors Net Debt to EBITDA ratio: Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs).

The group's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

	March 31, 2023	March 31, 2022
Borrowings - non-current	400,721	786,540
Borrowings - current	401,976	164,809
Total borrowings	**802,697**	**951,349**
Lease liabilities	397	793
Unamortised issue costs	2,123	3,671
Gross Debt	**805,217**	**955,813**
Less: Cash and cash equivalents	343,105	372,581
Less : Adjustment for common control business combination[1)]	-	22,128
Net Debt	**462,112**	**561,104**
Net Debt excluding subordinated shareholders loan	**207,859**	**253,979**
Results from operating activities	178,465	109,940
Add back: Depreciation and amortisation	241,866	230,222
EBITDA for the year	**420,331**	**340,162**
Adjustments[2)]	(34,156)	(33,691)
Less : Adjustment for common control business combination[1)]	-	2,046
Adjusted consolidated EBITDA	**386,175**	**304,425**
Net Leverage Ratio (on reported debt)	**1.20**	**1.84**
Net Leverage Ratio[3)]	**0.54**	**0.83**
Finance cost	55,342	43,962
Adjustments[2)]	(5,359)	(4,734)
Less : Adjustment for common control business combination[1)]	-	417
Total Net Interests Costs	**49,984**	**38,811**
Interest cover ratio	**7.73**	**7.84**

[1)] Adjustments represent reversal of effects recorded pursuant to adoption of IFRS 16.
[2)] Net Leverage Ratio under RCF and Term Loan facilities agreement is calculated excluding subordinated shareholder loans.
[3)] Adjustments for acquisition of MSSL Manufacturing Hungary Kft. are excluded for calculation of net leverage and interest cover ratio for RCF and Term Loan facilities agreement.

The Group is not subject to any capital requirements on the basis of its Articles of Incorporation. Certain capital requirements were contractually imposed in loan agreements with the financial institutions. As per the terms of the Term Loan and Revolver Credit Facilities referred to in note A.6.3.11, the Group is required to maintain financial covenants of net leverage ratio not exceeding 3.50x and net interest cover ratio more than 3.0x calculated on the group's consolidated financial statements.

Upon the occurrence of any event of default under any of the Revolving Credit Facilities Agreements or the Term Loans, subject to applicable cure periods and other limitations on acceleration or enforcement, the relevant creditors/Trustee could elect to declare all amounts outstanding, together with accrued interest, immediately due and payable and cancel the availability of the facilities, as applicable.

As at March 31, 2023 the Group had net leverage ratio of 0.54x (March 31, 2022 : 0.83x) and net interest cover ratio of 7.71 (March 31, 2022 : 7.84) calculated in accordance with applicable definitions under RCF and Term Loan facilities agreement and therefore was in compliance with both these financial covenants. The Group continuously monitors these covenants and it is controlled by capital measures regarding both, shareholders equity as well as debt.

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A.6.6.4 Operating Segment Information

The Company is primarily in the business of manufacture and sale of components to automotive original equipment manufacturers. The CODM examines the group's performance from a product perspective and has identified two reportable segments of its business:

The Group is primarily in the business of manufacture and sale of components to automotive original equipment manufacturers. Consequent to the reorganisation at the level of Group's ultimate parent entity, effective April 01, 2022 segments are reported under following divisions. The CODM examines the Group's performance separately for these divisions.

Vision Systems

Vision Systems division is engaged in the manufacturing of rear-view vision systems for the automotive industry and supplies interior mirrors, exterior mirrors and camera-based detection systems to major car makers globally. It is the global market leaders in the production of exterior mirrors for passenger cars, commercial vehicles and heavy trucks.

Modules & Polymer Products

Modules & Polymer Products division is a leading specialist for automotive exterior and interior modules in the automotive industry. The division supplies polymer-based interior and exterior products parts to customers across the globe. It is one of the largest suppliers of modules such as door panels, instrument panels and bumpers to the European automotive industry as well as supplies other plastic components and systems, such as centre consoles, decorative interior trims and plastic body parts. It is a full system solutions provider, working on concept development and design, product development and simulation, to testing and fully integrated mass production. Its key focus areas include lightweight constructions, renewable raw materials, occupant protection and pedestrian protection.

Other segments

Represents activities carried out by Motherson Innovations (Group's R&D and new technologies development arm) and group's global procurement function, healthcare division and results of certain corporate & shareholder support functions not allocable to a particular segment on a reasonable basis. Results of such support functions are not included in the business review reports provided to the management.

Transfer prices for transactions between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	March 31, 2023						
	Modules & Polymer Products	Vision Systems	Others	Intersegment eliminations	Total	Entities accounted under equity method[1]	Consolidated
Revenues from contract with customers							
- from external customers	4,527,852	1,928,222	1,663	-	**6,457,737**	(255,502)	**6,202,235**
- Inter-segment	1,172	9,029	8,314	(18,515)	**-**	-	**-**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	261,301	203,569	(14,883)	-	**449,987**	(29,656)	**420,331**
Earnings before interest, tax and share of net profit/(loss) of associates and joint ventures	80,860	134,293	(15,654)	-	**199,499**	(21,034)	**178,465**
Share of net profit of associates and joint ventures							10,012
Interest Income							5,809
Interest expense							(55,342)
Net exchange gain/(losses) on foreign currency borrowings							(5,009)
Profit before tax							**133,935**
Segment Assets[2]	3,125,903	1,803,755	2,217,569	(3,153,905)	**3,993,322**	(243,490)	**3,749,832**
Segment Liabilities[3]	2,490,515	767,184	990,121	(1,317,483)	**2,930,337**	(105,851)	**2,824,486**
Other disclosures:							
Capital expenditure	156,109	55,427	107	-	**211,643**	(10,394)	**201,249**

1. Figures are net of intercompany transactions.
2. Assets under Others primarily represent intercompany loans and investment in subsidiaries.
3. Liabilities under Others primarily represent borrowings in the form of Notes, Term Loans, Revolving and other credit facilities utilised at the holding company level.

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	March 31, 2022						
	Modules & Polymer Products	Vision Systems	Others	Intersegment eliminations	Total	Entities accounted under equity method[1]	Consolidated
Revenues from contract with customers							
- from external customers	3,683,066	1,513,449	1,309	-	**5,197,824**	(204,568)	**4,993,256**
- Inter-segment	1,261	7,834	3,657	(12,752)	**-**	-	**-**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	231,300	147,547	(10,805)	-	**368,042**	(27,880)	**340,162**
Earnings before interest, tax and share of net profit/(loss) of associates and joint ventures	63,686	77,664	(11,425)	-	**129,925**	(19,985)	**109,940**
Share of net profit of associates and joint ventures							9,212
Interest Income							5,938
Interest expense							(43,962)
Net exchange gain/(losses) on foreign currency borrowings							(5,190)
Profit before tax							**75,938**
Segment Assets[2]	2,906,668	1,676,517	2,141,869	(2,922,281)	**3,802,773**	(204,424)	**3,598,349**
Segment Liabilities[3]	2,295,041	745,856	950,208	(1,130,073)	**2,861,032**	(113,656)	**2,747,376**
Other disclosures:							
Capital expenditure	189,654	197	137	-	**189,988**	(5,172)	**184,816**

1. Figures are net of intercompany transactions.
2. Assets under Others primarily represent intercompany loans and investment in subsidiaries.
3. Liabilities under Others primarily represent borrowings in the form of Notes, Term Loans, Revolving and other credit facilities utilised at the holding company level.

Non-current assets by region (excluding deferred taxes, investments and financial instrument)

	March 31, 2023						
	Modules & Polymer Products	Vision Systems	Others / Unallocated	Intersegment eliminations	Total	Entities accounted under equity method	Total
Asia Pacific	158,755	164,268	1,255	-	**324,278**	(49,510)	**274,768**
Europe	1,008,076	168,484	436	-	**1,176,996**	(3,456)	**1,173,540**
The Americas	340,676	76,652	-	-	**417,328**	-	**417,328**
Total	**1,507,507**	**409,404**	**1,691**	**-**	**1,918,602**	**(52,966)**	**1,865,636**

	March 31, 2022						
	Modules & Polymer Products	Vision Systems	Others / Unallocated	Intersegment eliminations	Total	Entities accounted under equity method	Total
Asia Pacific	167,692	166,335	1,080	-	**335,107**	(43,629)	**291,478**
Europe	999,615	162,453	686	-	**1,162,754**	(5,231)	**1,157,523**
The Americas	358,758	84,217	-	-	**442,975**	-	**442,975**
Total	**1,526,065**	**413,005**	**1,766**	**-**	**1,940,836**	**(48,860)**	**1,891,976**

Revenue from external customers contributing more than 10% of segment revenue

	March 31, 2023						
	Modules & Polymer Products	Vision Systems	Others / Unallocated	Intersegment eliminations	Total	Entities accounted under equity method	Total
Audi	921,099	33,387	-	-	**954,486**	-	**954,486**
Volkswagen	656,315	208,837	-	-	**865,152**	(86,983)	**778,169**
Daimler	993,604	178,892	-	-	**1,172,496**	(45,203)	**1,127,293**
Porsche	423,014	59,417	-	-	**482,431**	-	**482,431**
Ford	12,262	161,887	-	-	**174,149**	-	**174,149**
Hyundai	9,572	198,636	-	-	**208,208**	-	**208,208**
Total	**3,015,866**	**841,056**	**-**	**-**	**3,856,922**	**(132,186)**	**3,724,736**

	March 31, 2022						
	Modules & Polymer Products	Vision Systems	Others / Unallocated	Intersegment eliminations	Total	Entities accounted under equity method	Total
Audi	792,030	25,082	-	-	**817,112**	-	**817,112**
Volkswagen	516,554	157,202	-	-	**673,756**	(67,632)	**606,124**
Daimler	864,008	155,345	-	-	**1,019,353**	(37,979)	**981,374**
Porsche	352,063	41,498	-	-	**393,561**	-	**393,561**
Ford	12,284	129,965	-	-	**142,249**	-	**142,249**
Hyundai	3,953	178,912	-	-	**182,865**	-	**182,865**
Total	**2,540,892**	**688,004**	**-**	**-**	**3,228,896**	**(105,611)**	**3,123,285**

*The Group has no revenue from external customers in the Netherlands, the country of its domicile.
** As at March 31, 2023 assets amounting to k€ 673 (March 31, 2022: k€ 1,574) relate to the Netherlands, the country of domicile.

A.6.6.5 Related parties

(a) Parent entities

The Group is controlled by following entities :

Name	Type	Place of incorporation	Ownership Interest
Samvardhana Motherson Global Holdings Limited ("SMGHL")	Immediate parent entity	Cyprus	69%
Samvardhana Motherson International Limited ("SAMIL")	Ultimate parent entity	India	100%

During the year ended March 31, 2022, SMRP BV's ultimate parent entity Motherson Sumi Systems Limited ("MSSL") carried out a scheme of reorganisation which amongst other things included the merger of Samvardhana Motherson International Limited ("SAMIL") into MSSL. The scheme became effective during January 2022 post receipt of necessary regulatory approvals. As a result of this MSSL's indirect holdings in SMRP BV increased from 51% to 100%. The transactions of SMRP BV Group with SAMIL and its subsidiaries until the date of merger are reported under "Other related parties". During the month of May 2022, MSSL's name was changed to Samvardhana Motherson International Limited ("SAMIL").

Samvardhana Motherson Polymers Limited ("SMPL"), India holds 31% of the voting shares in the Company.

SMGHL and SMPL are both indirectly held by SAMIL (which prepares financial statements available for public use) and therefore considered as Ultimate parent entity.

The direct and indirect subsidiaries of SAMIL except for the companies forming part of SMRP BV Group are considered as related parties.

(b) Subsidiaries

Interest in subsidiaries is set out in note A.6.2.3

(c) Key Management Personnel

Members of the management and supervisory board are considered to be Key Management Personnel as they are charged with the responsibility for planning, directing and controlling the activities of the Group.

During the year, below remuneration was paid to the Key Management Personnel:

	March 31, 2023	March 31, 2022
Short term employee benefits	4,209	4,447
Post-employment benefits	-	49
Directors sitting fees	168	201
Total compensation	**4,377**	**4,697**

Terms and conditions

Transactions relating to sales and purchase of goods with related parties during the year are based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.

There is no significant allowance for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties. Outstanding balances are unsecured and are repayable in cash.

Details of related party transactions

	Year ended March 31, 2023						
	Ultimate Parent	Immediate Parent	Entities with significant influence	Fellow Subsidiaries	Joint ventures and associates	Other related parties	Total
Sales	6,787	-	-	8,770	34,604	2	**50,163**
Purchases	40,087	-	-	55,301	59,617	3,185	**158,190**
Interest and similar income	-	-	-	134	-	-	**134**
Miscellaneous expenses	4,173	-	-	51,887	181	4,971	**61,212**
Loans given	-	-	-	3,425	-	-	**3,425**
Loans taken	-	-	-	2,981	-	-	**2,981**
Repayment of loans taken	-	55,000	-	25,766	-	-	**80,766**
Interests and similar expenses	-	7,172	-	141	-	241	**7,554**
Purchase of shares	-	-	-	378	-	-	**378**
Miscellaneous income	1,601	-	-	3,821	446	-	**5,868**

Details of related party balances

	As at March 31, 2023						
	Ultimate Parent	Immediate Parent	Entities with significant influence	Fellow Subsidiaries	Joint ventures and associates	Other related parties	Total
Trade receivables	2,174	-	-	11,246	4,650	16	**18,086**
Other receivables	239	-	-	126	-	439	**804**
Loans Receivable	-	-	-	3,425	-	-	**3,425**
Trade and other payables	12,015	-	-	15,297	6,417	1,007	**34,736**
Other liabilities	-	3,897	-	49	-	-	**3,946**
Loans payable	-	254,253	-	-	-	-	**254,253**

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Details of related party transactions

	Year ended March 31, 2022						
	Ultimate Parent	Immediate Parent	Entities with significant influence	Fellow Subsidiaries	Joint ventures and associates	Other related parties	Total
Sales	3,932	-	-	2,588	30,825	61	**37,406**
Purchases	26,412	-	28	41,410	50,807	2,162	**120,819**
Interest and similar income	-	-	-	5	-	-	**5**
Miscellaneous expenses	1,167	-	883	19,666	-	23,211	**44,927**
Loans given	-	-	-	2,981	-	-	**2,981**
Loans taken	-	-	-	1,426	-	-	**1,426**
Repayment of loans taken	-	95,000	-	149	-	-	**95,149**
Interests and similar expenses	-	14,289	-	31	-	-	**14,320**
Purchase of assets	-	-	-	-	-	141	**141**
Miscellaneous income	1,751	-	-	4,048	95	232	**6,126**

Details of related party balances

	As at March 31, 2022						
	Ultimate Parent	Immediate Parent	Entities with significant influence	Fellow Subsidiaries	Joint ventures and associates	Other related parties	Total
Trade receivables	1,443	-	-	3,450	5,459	-	**10,352**
Other receivables	-	-	-	7	-	-	**7**
Loans Receivable	-	-	-	2,981	-	-	**2,981**
Trade and other payables	5,692	-	-	14,998	3,814	481	**24,985**
Other liabilities	45	28,871	-	357	-	-	**29,273**
Loans payable	-	307,124	-	25,831	-	-	**332,955**

A.6.8 Subsequent events

One of the Group's subsidiary SMP Automotive Systems Alabama Inc., USA ("SMP Alabama") had submitted a bid for purchase of assets of Bolta US Ltd., USA ("Seller") pursuant to filing of voluntary petition for relief under the US Bankruptcy Code. The United States Bankruptcy Court via its order dated March 24, 2023, pronounced selection of bid submitted by SMP Alabama and to serve it as the Stalking Horse under US Bankruptcy Code. The United States Bankruptcy Court via an order dated April 07, 2023 authorized the sale of substantially all the assets of the Seller free and clear of lien, to SMP Alabama. This transaction was completed on April 17, 2023 at a value of USD 16.002 million. The seller is engaged in the business of manufacturing chrome plated exterior and interior polymer components.

During the year, the Group entered into agreements to acquire 100% stake in SAS Autosystemtechnik GmbH (Germany) ("SAS") from Faurecia and an agreement with Ichikoh Industries, a subsidiary of Valeo SE, in Japan to acquire a 100% stake in its mirror business. These transactions are expected to close in the first half of the financial year ending March 31, 2024.

There are no other subsequent events.

Signing of the financial statements

Mr. Andreas Heuser
(Managing Director)

Mr. Jacob Meint Buit
(Managing Director)

Mr. Laksh Vaaman Sehgal
(Managing Director)

Mr. Randolph Marie Thaddeus De Cuba
(Managing Director)

Mr. Bimal Dhar
(Member of Supervisory Board)

Mr. G.N. Gauba
(Member of Supervisory Board)

Ms. Robert Joseph Remenar
(Member of Supervisory Board)

Mr. Kunal Malani
(Member of Supervisory Board)

Mr. Vivek Chaand Sehgal
(Member of Supervisory Board)

Audited Standalone Financial Statements

B.1 Statement of Financial Position

	Note	March 31, 2023	March 31, 2022
ASSETS			
Property, plant and equipment	**B.6.3.1**	355	355
Right of use assets	**B.6.3.2**	10	34
Investments in subsidiaries	**B.6.3.3**	1,330,698	1,312,298
Loans to related parties	**B.6.3.4**	338,150	716,637
Other financial instruments	**B.6.3.5**	-	2,857
Other receivables and other assets	**B.6.3.6**	-	211
Deferred tax Assets		930	1,188
Total non-current assets		**1,670,143**	**2,033,580**
Loans to related parties	**B.6.3.4**	465,028	50,977
Receivables from related parties		347	50
Other financial instruments	**B.6.3.5**	4,000	--
Other receivables and other assets	**B.6.3.6**	9,009	26,085
Cash and cash equivalents	**B.6.3.7**	999	9,269
Total current assets		**479,383**	**86,381**
Total assets		**2,149,526**	**2,119,961**
EQUITY AND LIABILITIES			
Subscribed capital	**B.6.3.8**	66	66
Share premium	**B.6.3.8**	900,910	900,910
Cash flow hedge reserve	**B.6.3.8**	44	(251)
Retained earnings	**B.5**	314,482	278,280
Total equity		**1,215,502**	**1,179,005**
Borrowings	**B.6.3.9**	397,945	757,682
Lease liabilities		-	10
Other liabilities	**B.6.3.10**	-	25,021
Total non-current liabilities		**397,945**	**782,713**
Borrowings	**B.6.3.9**	519,023	143,523
Lease liabilities		10	25
Other financial instruments	**B.6.3.5**	-	760
Current tax liabilities		1,014	1,197
Other liabilities	**B.6.3.10**	16,032	12,738
Total current liabilities		**536,079**	**158,244**
Total liabilities		**934,024**	**940,957**
Total equity and liabilities		**2,149,526**	**2,119,961**

The notes on pages 156 to 181 are an integral part of these financial statements.

B.2 Income Statement

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Service income	**B.6.4.1**	804	955
Dividend income	**B.6.4.2**	33,693	9,571
Personnel expenses	**B.6.4.3**	(2,569)	(2,085)
Depreciation on right of use assets		(24)	(24)
Other operating expenses	**B.6.4.4**	(6,239)	(2,723)
Earnings before interest and taxes		**25,665**	**5,694**
Finance income	**B.6.4.5**	28,775	34,220
Finance costs	**B.6.4.5**	(24,161)	(27,059)
Net exchange gain/(losses) on foreign currency borrowings and related items		9,537	16,177
Earnings before taxes (EBT)		**39,816**	**29,032**
Income taxes	**B.6.4.6**	(3,614)	(2,377)
Profit / (loss) for the year		**36,202**	**26,655**

The notes on pages 156 to 181 are an integral part of these financial statements.

B.3 Statement of Comprehensive Income

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year	**B.2**	**36,202**	**26,655**
Other comprehensive income / (loss)		**295**	**(384)**
Items that may be subsequently classified to Profit & Loss			
Cash flow hedges	**B.6.3.8**	295	(384)
Total comprehensive income for the year		**36,497**	**26,271**

The notes on pages 156 to 181 are an integral part of these financial statements.

B.4 Cash Flow Statement

	Note	Year ended March 31, 2023	Year ended March 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES			
Earnings before taxes	**B.2**	**39,816**	**29,032**
Depreciation on right of use assets		24	24
Finance costs – net	**B.6.4.5**	(4,614)	(7,161)
Dividend from subsidiaries	**B.6.4.2**	(33,693)	(9,571)
Foreign currency translation loss /(gain)		(9,484)	(17,851)
Net earnings before changes in working capital		**(7,951)**	**(5,527)**
Change in working capital			
Decrease /(increase) in receivables from related parties		(297)	248
Decrease /(increase) in other receivables and assets		3	(50)
Increase/(decrease) in other liabilities		2,588	(741)
Cash flow from operating activities before income tax		**(5,657)**	**(6,070)**
Income tax paid		(3,539)	(957)
Cash flow from operating activities (A)		**(9,196)**	**(7,027)**
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in subsidiaries	**B.6.3.3**	(18,400)	(25,200)
Dividend from subsidiaries	**B.6.4.2**	33,693	9,571
Loans given to subsidiaries		(284,353)	(257,490)
Loan received back from subsidiaries		258,150	229,501
Interest received		47,506	19,697
Cash flow from investing activities (B)		**36,596**	**(23,921)**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term borrowings	**B.6.3.9**	(55,000)	(101,525)
Proceeds from / (repayments of) borrowings (net)	**B.6.3.9**	65,543	27,473
Lease payment		(25)	(25)
Interest paid		(46,313)	(16,765)
Cash flow from financing activities (C)		**(35,795)**	**(90,842)**
Changes in cash and cash equivalents (A+B+C)		**(8,395)**	**(121,790)**
Cash and cash equivalents at beginning of the year		9,269	130,630
Variation in cash and cash equivalents from translation in foreign currencies		125	429
Cash and cash equivalents at end of year	**B.6.3.7**	**999**	**9,269**

The notes on pages 156 to 181 are an integral part of these financial statements.

B.5 Statement of Changes in Equity

	Share capital	Share premium	Cash flow hedge reserve	Retained earnings	Total
As at April 01, 2021	**66**	**900,910**	**133**	**251,625**	**1,152,734**
Comprehensive income					
Profit for the year	-	-	-	26,655	26,655
Items that may be subsequently classified to Profit & Loss					
Net loss on cash flow hedges (B.6.3.8)	-	-	(384)	-	(384)
Total comprehensive income	**-**	**-**	**(384)**	**26,655**	**26,271**
As at March 31, 2022	**66**	**900,910**	**(251)**	**278,280**	**1,179,005**
Comprehensive income					
Profit for the year	-	-	-	36,202	36,202
Items that may be subsequently classified to Profit & Loss					
Net gain on cash flow hedges (B.6.3.8)	-	-	295	-	295
Total comprehensive income	**-**	**-**	**295**	**36,202**	**36,497**
As at March 31, 2023	**66**	**900,910**	**44**	**314,482**	**1,215,502**

The notes on pages 156 to 181 are an integral part of these financial statements.

B.6 Notes to the Financial Statements

B.6.1 General information and description of the business

Samvardhana Motherson Automotive Systems Group BV, Amsterdam (hereafter referred as "Company" or "SMRP BV") is a private company with limited liability, incorporated under the laws of the Netherlands on 7 October 2011, having its corporate seat at Amsterdam (KvK number 53709713), with office at Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands.

The principal business activities of the Company are holding, financing and management activities.

B.6.2 Summary of Significant Accounting Policies

B.6.2.1 Basis of preparation

The financial statements of the Company comprise the period April 01, 2022 to March 31, 2023.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union, and comply with the financial reporting requirements in section 9 of Book 2 of the Netherlands Civil Code, as far as applicable. These correspond to the IFRS issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and endorsed by the European Union.

The financial statements have been prepared on a going concern basis and in accordance with the accrual basis of accounting. The financial statements have been prepared under the historical cost convention except for financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

In case no other policies are mentioned, refer to the accounting policies as described in the accounting policies in the consolidated financial statements of this Annual Report. For an appropriate interpretation, the parent financial statements of the Company should be read in conjunction with the consolidated financial statements.

These financial statements have been approved for issue by SMRP BV’s management and supervisory board on May 23, 2023.

B.6.2.2 Functional and presentation currency

The financial statements are presented in Euro (€), which is the Company's functional currency, as it is the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest thousand (€000), except when otherwise indicated.

B.6.2.3 Transactions in foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the rate prevailing on this date. Differences from foreign currency transactions are reported in the income statement. Non-monetary assets and liabilities that are measured at historical cost in foreign currencies at the reporting date are translated into the functional currency at the rate prevailing on the day of the transaction. Non-monetary assets and liabilities that are measured at fair value in foreign currencies at the reporting date are translated into the functional currency at the rate prevailing on the date on which the fair value was determined.

B.6.2.4 Investments in subsidiaries

Subsidiaries are entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In line with IAS 27, the investments in subsidiaries have been valued at cost. Dividend will be recognised in the income statement when received or when the Company is legally entitled to the dividend.

In general, the Company yearly performs reviews at the reporting date to determine whether there were indications that financial fixed assets or their cash-generating units have to be impaired. The amount of impairment is the difference between the asset´s carrying amount and the recoverable amount. The recoverable amount of a fixed asset or a cash-generating unit is the higher of fair value less costs to dispose and the value in use. Calculation of recoverable amount is based on estimated future cash flows, discounted at an appropriate interest rate. Impairments, if any, are reported in the income statement.

B.6.2.5 Recognition of income and expenses

Service Income is income generated from services provided to associated companies based on agreed scope of services.

Operating expenses are recognised when goods or services are used or when the expense is incurred.

Interest expense is recognised using the effective interest method as an expense or income for the period in which it occurs. This allows a constant, periodic interest rate for the remainder of the liability to be calculated.

Dividend income is recognised when the right to receive payment is established and disclosed separately in the income statement.

Interest income is recognised on a pro-rata basis for the period funds were given to the subsidiaries using effective interest method as per the rate of interest mentioned in the loan agreements. Interest income is included in the finance income and costs in the income statement.

B.6.2.6 Accounting estimates and evaluations

The Company makes estimates and assumptions concerning the future. The resulting accounting and liabilities within the next financial year are addressed below:

- Impairment of financial assets:

The Company uses its judgement to perform the impairment testing on the bases of estimated discounted future cash flows. Details on the impairment testing can be found in note B.6.3.3.

The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets.

B.6.2.7 Changes in accounting policies and disclosures

New standards and amendments effective from April 1, 2022

Following amendments to the IFRS became applicable with effect from January 01, 2022 :

- The amendments to IFRS 3:
  - Update IFRS 3 to refer to the 2018 Conceptual Framework instead of the 1989 Framework;
  - Add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and
  - Add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

- The amendments to IAS 16 prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.
- The amendments to IAS 37 specify 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 or an allocation of other costs that relate directly to fulfilling contracts
- Annual Improvements Cycle 2018-2020 : Amendments to IFRS 1 simplifying application first adoption of IFRS, amendments to IFRS 9 clarifying the 10 percent test for derecognition of liabilities, minor amendments to IFRS 16 and IFRS 41

The above amendments did not had any material impact on the financial statements for the company.

Standards and amendments not yet effective
The new and amended standards and interpretations that are issued and endorsed by EU, but not yet effective, up to the date of issuance of the Company’s financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- **Amendments to IAS 8 :** The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

  Amendments to IAS 1 and IFRS Practice Statement 2 : The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

  The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

  Amendments to IAS 12 : The amendment narrows the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The Company does not expect any material impact from the adoption of these amendments.

Disclosures regarding the Statement of Financial Position

B.6.3.1 Property, plant and equipment

	Land	Total
Cost		
At April 01, 2021	**355**	**355**
Additions	-	-
At March 31, 2022	**355**	**355**
Additions	-	-
At March 31, 2023	**355**	**355**

B.6.3.2 Right of use Assets

	Vehicle	Total
Cost		
At April 01, 2021	**74**	**74**
Additions	-	-
At March 31, 2022	**74**	**74**
Depreciation		
At April 01, 2021	**16**	**16**
Depreciation charge for the period	24	24
At March 31, 2022	**40**	**40**
Net book value as at March 31 2022	**34**	**34**
Cost		
At April 01, 2022	**74**	**74**
Additions	-	**-**
At March 31, 2023	**74**	**74**
Depreciation		
At April 01, 2022	**40**	**40**
Depreciation charge for the period	24	24
At March 31, 2023	**64**	**64**
Net book value as at March 31 2023	**10**	**10**

B.6.3.3 Investment in subsidiaries

In line with IAS 27, the investments have been valued at cost in the Company's separate financial statements. A summary of movement in the investments is presented below:

	Amount
At March 31, 2021	**1,287,098**
Investments during the year	25,200
At March 31, 2022	**1,312,298**
Investments during the year	18,400
At March 31, 2023	**1,330,698**

During the year ended March 31, 2023, the company acquired additional 1.55% shares of Samvardhana Motherson Reflectec Group Holdings Limited ('SMR Jersey') from an independent third party at k€ 18,400. After acquisition of aforesaid 1.55% stake, SMR Jersey has become 100% subsidiary of of the company.

B.6.3.3.1 Details of investments

The carrying value of investments in subsidiaries and the percentage of shareholding are as below:

Name of the entity	Share	March 31, 2023	March 31, 2022
Samvardhana Motherson Reflectec Company Holdings Limited*	100%	924,116	905,716
Samvardhana Motherson Peguform GmbH	100%	23,804	23,804
SMP Automotive Interiors (Beijing) Co. Ltd	100%	6,000	6,000
SMP Automotive Technology Ibérica, S.L.	100%	203,760	203,760
SMP Automotive Systems México, S. A. de C. V.	00.00%	0	0
SMRC Automotive Holdings B.V.	100%	173,018	173,018
Total		**1,330,698**	**1,312,298**

** As on March 31, 2022 % of share was 98.45%.*

B.6.3.3.2 Impairment of investments

At the end of each reporting period, the Company performs a review of its investments to determine whether there were indications that any of these investments may have been impaired. The amount of impairment is the difference between the investments carrying amount and the recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and the value in use. Calculation of recoverable amount is based on estimated future cash flows, discounted at the effective interest rate at the reporting date. As at the end of March 31, 2023, there were no indications of decline in the recoverable value and hence no impairment loss needs to be recognised in the financial statements.

B.6.3.3.3 Investments pledged as security

Shares in Samvardhana Motherson Reflectec Company Holdings Limited, Samvardhana Motherson Peguform GmbH, SMP Automotive Technology Ibérica, S.L. and SMRC Automotive Holdings B.V. have been pledged as security for borrowings, refer Note B.6.3.9 for details.

B.6.3.4 Loans to related parties

	March 31, 2023	March 31, 2022
Non-current		
Loans to related parties	338,150	716,637
Current		
Loans to related parties	465,028	50,977

The loans are given to subsidiaries and carry varying rates of interest ranging between 1.80%-5.83% (March 31, 2022 : 1.80%-5.75%) determined on the basis of credit risk of the relevant subsidiary, loan currency and costs of borrowings to the Company. The loans are classified as current or non-current based on the maturity date defined in the respective loan agreements. The Company's receivables are from its subsidiaries (refer note B.6.5.4.1) for which credit risk (refer note B.6.5.3) is perceived as insignificant. The maximum exposure to the credit risk is the carrying value of the loans.

B.6.3.5 Other financial instruments

	March 31, 2023		March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Non-current				
Cross currency swaps	-	-	2,857	-
Current				
Cross currency swaps	4,000	-	-	760

As at March 31, 2023, the Company is exposed to foreign exchange fluctuation risk arising from its kUS$ 60,000 term loan, and kUS$ 113,000 suboridinated shareholder loan. The Company has undertaken cross currency interest rate swaps to fully hedge against the foreign exchange fluctuation with respect to term loans.

The maximum exposure to the credit risk is the carrying value of instruments.

Please refer note B.6.5.3 for more details.

B.6.3.6 Other receivables and other assets

	March 31, 2023	March 31, 2022
Non-current		
Unamortised borrowing costs	-	208
Deposits	-	3
Total	**-**	**211**
Current		
Interest receivable from subsidiaries	8,795	25,461
Unamortised borrowing costs	200	606
Prepaid expenses	14	18
Total	**9,009**	**26,085**

The carrying values approximately correspond to the fair values.

B.6.3.7 Cash and cash equivalents

	March 31, 2023	March 31, 2022
Cash at bank	999	9,269
Total	**999**	**9,269**

There are no contractual or other restrictions on the use of cash and cash equivalents.

Cash and cash equivalents are pledged as security in respect of borrowings, refer Note B.6.3.9 for details.

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B.6.3.8 Equity

Share capital

The authorised share capital of the Company amounts to € 90,000, divided into 90,000 shares with a nominal value of € 1 each. The issued and paid in capital amounts to € 66,176, divided into 66,176 shares with a nominal value of € 1 each held by Samvardhana Motherson Global Holdings Limited (45,676 shares) and Samvardhana Motherson Polymers Limited (20,500 shares).

Movement during the period can be summarised as follows:

	Number of equity shares (in No.s)	Share Capital (in €'000)
As at March 31, 2021	**66,176**	**66**
Add: Issued during the year	-	-
As at March 31, 2022	**66,176**	**66**
Add: Issued during the year	-	-
As at March 31, 2023	**66,176**	**66**

Share premium

On June 13, 2014, the Company issued 45,676 shares of € 1 each to Samvardhana Motherson Company Holdings Limited, Cyprus in lieu of acquisition of 98.45% interest in Samvardhana Motherson Reflectec Company Holdings Limited, Jersey for a non-cash consideration of k€ 905,716 consisting of € 45,676 towards share capital and transfer of k€ 12,250 loan from MSSL Mideast (FZE), the remaining amount of k€ 893,420 was recognised as share premium. As a result of this transaction, SMRP BV became subsidiary of SMGHL and SMR became subsidiary of SMRP BV.

The Company also received share premium contributions amounting to k€7,490 in the previous years from its other shareholder Samvardhana Motherson Polymers Limited.

Cash flow hedge reserve

The Company uses cross currency interest rate swaps ('swaps') as hedging instruments for its foreign currency risk associated with foreign currency borrowings. The hedging reserve is used to record gains or losses on such hedging instruments that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income. The foreign exchange gain or loss on the portion of borrowings hedged by swaps is reclassified from cash flow hedge reserve to profit or loss and recognised within 'finance cost'. No approporiations can be made out of cash flow hedge reserve. Below is the movement in cash flow hedge reserve for the year.

Opening Balance as at April 01, 2021	**133**
Add: change in fair value of hedging instrument recognised in OCI for the year (effective portion)	2,681
Less: reclassification to Net exchange gain/(losses) on foreign currency borrowings and related items	(3,065)
Closing balance as at March 31, 2022	**(251)**
Add: change in fair value of hedging instrument recognised in OCI for the year (effective portion)	1,903
Less: reclassification to Net exchange gain/(losses) on foreign currency borrowings and related items	(1,608)
Closing balance as at March 31, 2023	**44**

Retained earnings

The retained earnings represent accumulated gains which have been transferred to the reserves and have not been appropriated or distributed as dividend to shareholders. The profits for the current year have been transferred to retained earnings.

B.6.3.8.1 Differences between the Company equity and the Company's consolidated equity

The difference between the Company's standalone equity and the Company's consolidated equity is explained by the fact that the Company's investments in subsidiaries are eliminated against their net asset value in the consolidated financial statements; however these are accounted for at historical costs in the Company financial statements. Further differences can be explained by the results on intercompany transactions.

The difference between the Company and Company's consolidated equity and result for the year can be shown as follows:

	March 31, 2023	March 31, 2022
Equity in accordance to the Company financial statements	**1,215,502**	**1,179,005**
Less: not realised cumulative intercompany results	(1,026,791)	(987,467)
Add: net asset values of consolidated subsidiary companies	581,957	513,655
Shareholders equity in accordance to the consolidated financial statements	**770,668**	**705,193**
Equity attributable to non-controlling interest	154,678	145,780
Total equity in accordance to the consolidated financial statements	**925,346**	**850,973**

B.6.3.8.2 Difference in results

	Year ended March 31, 2023	Year ended March 31, 2022
Result for the year in accordance to the company financial statements	**36,202**	**26,655**
Elimination of intra-group profits and gains	(6,550)	(18,330)
Elimination of intra-group dividends	(33,693)	(9,571)
Pro-rata results of subsidiaries	72,175	25,515
Result for the year in accordance to the consolidated financial statements	**68,134**	**24,269**
Net profit attributable to non-controlling interest	24,498	18,098
Total Profit for the year	**92,632**	**42,367**

B.6.3.9 Borrowings

	March 31, 2023	March 31, 2022
Non-current		
Notes (at amortised cost)	397,945	396,555
Term loan from banks	-	54,003
Loan from related parties	-	307,124
Non-current borrowings	**397,945**	**757,682**
Current		
Term loan from banks	55,289	-
Bank loans	-	59,523
Loan from related parties	463,734	84,000
Current borrowings	**519,023**	**143,523**

(i) Secured liabilities and assets pledged as security:

a) Notes

The Notes are structured as senior secured obligations and rank 'pari passu' in right of payment with all the existing and future senior obligations of SMRP BV, including the obligations under the Revolving Credit Facility. The Notes are guaranteed on a senior secured basis by certain subsidiaries of SMRP BV (refer note B.6.3.3) and are secured by share pledge and security interests granted over certain property and assets of SMRP BV and certain of its subsidiaries.

As of March 31, 2023, the Company has issued below mentioned notes which were outstanding on the date referred –

Principal amount	Coupon rate (fixed)	Maturity
EUR 100 Million	3.70%	18 June 2025
EUR 300 Million	1.80%	06 July 2024

b) Term loan

During the year ended March 31 2019, the Company entered into a term loan facility agreement for kUS$ 60,000 for a period of 59 months maturing August 2023. The term loan is senior secured obligation and rank 'pari passu' in right of payment with all the existing and future senior obligations of SMRP BV, including the obligations under the Revolving Credit Facility and the Notes and carry the same security structure as existing Notes and Revolving Credit Facility. The loan is divided into two equally sized Facilities A and B of kUS$ 30,000 each. Interest rate under Facility A is fixed at 4.19% for the first 36 months and at Libor+1.1% thereafter. Interest rate under Facility B is Libor+1.1% for the entire term.

c) Bank loans

There are no amounts outstanding under bank borrowings as at March 31, 2023. Amount outstanding as at the end of March 31, 2022 represent US$ k65,862 drawdown out of the short term unsecured working capital loan facility which was fully repaid during the current year.

d) Loans from related parties

Loans from related parties represent k€150,000 (March 31, 2022 : k€150,000) and kUS$113,000 / k€104,253 (March 31, 2022 : k€102,124) subordinated unsecured loans received from the Company's shareholder during September 2020. These loans carry interest rate of 2.38% and 3.14% respectively and maturing in September 2023.

Loans from related parties also include short term unsecured loans obtained by the Company from its subsidiaries. As of March 31, 2023 there was an outstanding amount of k€ 209,480 (March 31, 2022 : k€ 84,000) in respect of such loans. The interest rate on these loans varies between 1.93% - 4.03% (March 31, 2022 : 1.02% - 1.80%).

Loans from related parties as at March 31, 2022 included k€55,000 subordinated unsecured loan from the Company's shareholder (original amount k€150,000 and due July 2026) which was repaid during the month of April 2022.

(ii) Fair value

The Company's notes are listed on Irish Stock Exchange and their fair values are as below -

	March 31, 2023		March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
EUR 100 Million	99,425	93,403	99,183	97,710
EUR 300 Million	298,520	287,559	297,372	286,994

Fair values of the notes represent traded value on Irish Stock Exchange where these notes are listed and they are classified as below –

As at March 31, 2023	Level 1	Level 2	Level 3
EUR 100 Million	-	-	93,403
EUR 300 Million	287,559	-	-

As at March 31, 2022	Level 1	Level 2	Level 3
EUR 100 Million	-	-	97,710
EUR 300 Million	286,994	-	-

EUR 100 Million notes are held by a limited set of investors and are not very actively traded on the stock exchange, as a result the fair value of these notes is based on computed prices and hence fall in Level 3 hierarchy.

Fair value of other loans is considered to be same as carrying value.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	March 31, 2023	March 31, 2022
Borrowings – repayable within one year	519,023	143,523
Borrowings – repayable after one year	397,945	757,682
Less : Cash and cash equivalents	999	9,269
Net Debt	**915,969**	**891,936**

	Cash and Cash equivalents	Notes	Other Borrowings	Loans from related parties	Total
Net debt as at April 01, 2021	**130,630**	**401,468**	**50,780**	**512,880**	**834,498**
Cash flows	(121,790)	(6,525)	60,000	(127,527)	47,738
Foreign exchange adjustments	429	247	2,587	5,771	8,176
Other non-cash movements	-	1,365	159	-	1,524
Net debt as at March 31, 2022	**9,269**	**396,555**	**113,526**	**391,124**	**891,936**
Cash flows	(8,395)	-	(59,937)	70,480	18,938
Foreign exchange adjustments	125	-	1,545	2,130	3,550
Other non-cash movements	-	1,390	155	-	1,545
Net debt as at March 31, 2023	**999**	**397,945**	**55,289**	**463,734**	**915,969**

Other non-cash movements for represent amortisation of issue costs related to Notes and term loan issued by the Company.

B.6.3.10 Other liabilities

	March 31, 2023	March 31, 2022
Non-current		
Interest on loans from related parties	-	25,021
Total	**-**	**25,021**
Current		
Interest and commitment fee on borrowings	6,922	6,890
Interest on loans from related parties	4,731	4,059
Accrued expenses	3,692	614
Vat payable	90	63
Other payables	597	1,112
Total	**16,032**	**12,738**

B.6.4 Disclosures regarding the Income Statement

B.6.4.1 Service income

	Year ended March 31, 2023	Year ended March 31, 2022
Management services	804	955
Total	**804**	**955**

B.6.4.2 Dividend income

	Year ended March 31, 2023	Year ended March 31, 2022
SMP Automotive Interiors (Beijing) Co. Ltd	11,293	9,571
SMP Automotive Technology Iberica S.L.	22,400	-
Total	**33,693**	**9,571**

B.6.4.3 Personnel expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	2,524	2,024
Social security costs	42	40
Other expenses	3	21
Total	**2,569**	**2,085**

As at March 31, 2023 the Company has 4 individuals in its employment of which 2 employees are based out of the Netherlands (March 31, 2022 : 4 employees of which 3 employees are based out of the Netherlands).

B.6.4.4 Other operating expenses

	Year ended March 31, 2023	Year ended March 31, 2022
General administration expenses	678	1,209
Lease expense	64	72
Auditors remuneration	355	301
Legal and professional expenses	5,142	1,141
Total	**6,239**	**2,723**

During the year ended March 31, 2023, following amounts were recorded in respect of fee (without VAT) paid to auditor for various services

	Ernst & Young Accountants LLP	Other EY Network	Total EY Network
Audit of the financial statements	150	118	268
Tax services	-	-	-
Other non-audit services[1)]	-	-	-
Total	**150**	**118**	**268**

[1)] Included in legal and professional expenses

During the year ended March 31, 2022, following amounts were recorded in respect of fee (without VAT) paid to auditor for various services

	Ernst & Young Accountants LLP	Other EY Network	Total EY Network
Audit of the financial statements	140	117	257
Tax services[1)]	-	-	-
Other non-audit services[1)]	-	-	-
Total	**140**	**117**	**257**

[1)] Included in legal and professional expenses

The fees listed above relate to the procedures applied to the Company by accounting firms and external auditors forming part of Ernst & Young network; as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act ('Wet toezicht accountantsorganisaties - Wta'). For details on remuneration related to the consolidated company, please refer note A.6.4.6 of the consolidated financial statements.

B.6.4.5 Finance income and costs

	Year ended March 31, 2023	Year ended March 31, 2022
Finance income		
Interest income	28,775	34,220
Total	**28,775**	**34,220**
Finance cost		
Interest on lease liabilities	0	1
Interest expense on borrowings	21,997	24,976
Amortisation of borrowing costs	2,164	2,082
Total	**24,161**	**27,059**

B.6.4.6 Income taxes

Deferred income taxes are calculated using the balance-sheet based liability method. Deferred tax assets and liabilities are recognised for all temporary differences between the carrying amount of an asset or liability and the values used for taxation purposes. However, no deferred tax assets are recognised on current year and carry-forward tax losses if it is not certain when such assets will be reversed against taxable income.

The income tax expense comprises the following:

	Year ended March 31, 2023	Year ended March 31, 2022
Current tax expense	2,227	1,197
Withholding tax on dividends	1,129	957
Deferred tax expense / (income)	258	223
Total	**3,614**	**2,377**

The general tax rate for the Company is 25.8% as per the corporate tax laws prevailing in the Netherlands. A reconciliation of tax expense and accounting profit is presented below :

	Year ended March 31, 2023	Year ended March 31, 2022
Earnings before tax	**39,816**	**29,032**
Tax at rate of 25.8%[a)]	10,272	7,316
Impact of tax rate change	34	(58)
Tax impact of dividends (exempt from tax)	(8,693)	(2,414)
Tax effect of amounts which are not deductible in calculating taxable income	2	2
Withholding tax on dividends	1,128	957
Utilisation of carry forward losses	(258)	(4,297)
Sundry items	1,129	871
Tax expense	**3,614**	**2,377**

a) Tax rate is the general corporate tax rate applicable in the Netherlands, the country of domicile of SMRP BV.

B.6.5 Other disclosures

B.6.5.1 Financial instruments

The following table shows the carrying amounts of the Company's financial instruments :

Financial instruments	March 31, 2023	March 31, 2022
FINANCIAL ASSETS		
Financial assets at amortised cost		
Loans to related parties	803,178	767,614
Receivables from related parties	347	50
Other receivables	8,795	25,464
Cash and cash equivalents	999	9,269
Derivative financial instruments		
Used for hedging	4,000	2,857
FINANCIAL LIABILITIES		
Liabilities at amortised cost		
Borrowings		
Notes	397,945	396,555
Term loans	-	54,003
Bank loans	55,289	59,523
Other loans	463,734	391,124
Lease Liabilities	10	35
Other liabilities	15,941	37,759
Derivative financial instruments		
Used for hedging	-	760

The fair values of non-current financial assets are not significantly different from their carrying amounts.

Due to the short-term nature of cash and cash equivalents and the short-term maturities of receivables from related parties, trade payables, other receivables and liabilities, their fair values are equal to their carrying amounts.

A description of the Company's financial instrument risks, including risk management objectives and policies is given in note B.6.5.3.

B.6.5.2 Contingent Liabilities

The Company has issued senior secured notes and entered into term loan and revolving credit facilities agreements. As per the terms of the agreements, the Company is the initial guarantor to these borrowings and has provided security of its bank accounts along with assets of certain of its subsidiaries for these borrowings. Refer Note B.6.3.9 for details on the arrangement.

The Company has further given corporate guarantees to various financial institutions in respect of working capital facilities and/or letters of credit extended by those financial institutions to the Company's subsidiaries. As at March 31, 2023 total amount of such corporate guarantees outstanding was k€78,613 (March 31, 2021 : k€ 88,639) representing the utilised limits of those facilities.

The Company has acted as surety in respect of subsidy received by one of its subsidiary, which limits the total liability of the Company to 1.2x of the amount of subsidy granted. As per the conditions of subsidy received from the local government the subsidiary is required to incur certain level of capital expenditure along with maintaining the headcount at certain level for a period of 5 years ending on March 31, 2026.

As of March 31, 2023, both the conditions have been fulfilled however since the headcount level needs to be sustained until March 31, 2026, the Company may be contingently liable for k€ 29,365 (March 31, 2022: k€ 29,365) in the event of non-compliance of subsidy conditions by the subsidiary in the future. For such financial guarantees issued by the Company, there is no default expected and therefore the financial guarantees are not recognised in the financial statements.

The company has provided guarantee in respect of subsidy received by another subsidiary, which limits the total liability of the company to the amount of subsidy granted. Amongst others, conditions of subsidy received from the local government requires the subsidiary to incur certain level of capital expenditure along with maintaining the headcount at certain level.

As of March 31, 2023, company the conditions have been fulfilled however since the headcount level needs to be sustained, the company may be contingently liable for k€ 2,177 (March 31, 2022: k€ 236) in the event of non-compliance of subsidy conditions by the subsidiary in the future.

B.6.5.3 Risk management with respect to financial risks

The Company's primary financial assets and liabilities include loans given to its subsidiaries and borrowings from third parties and related party. The Company's financial assets like receivables, cash and cash equivalents arise directly out of these primary financial assets and liabilities.

These financial instruments are potentially exposed to foreign currency risk, credit risk and liquidity risk. Information on how these risks arise is set out below, as are the objectives, policies and processes agreed by the board for their management and the methods used to measure each risk.

The objective of the Company's treasury is to manage the financial risk, secure cost-effective funding for the Company and its subsidiaries operations and to minimise the adverse effects of fluctuations in the financial markets on the value of the Company's financial assets and liabilities, on reported profitability and on the cash flows of the Company. The treasury team is accountable to the board.

The Company gives due consideration to its risk mitigation process and ensures that appropriate measures are taken to avoid, reduce and transfer or intentionally accept risk. During the period the Company did not enter into any complex financial instruments nor had established any hedge relationship.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Credit risk arises from cash and cash equivalents, trade and other receivables, loan to subsidiaries, financial instruments entered into by the Company. For banks and financial institutions, the Company maintain relationships with only creditworthy banks which it reviews on an on-going basis. Consequently, the credit risk related to bank balances and financial instruments is not considered material. Loans given to subsidiaries, trade and other receivables represent balances with subsidiaries and other related parties, accordingly credit risk is perceived as insignificant.

The following table shows the ageing of trade and other receivables:

	Total	Not overdue	Over due				
			< 30 days	30-90 days	90-180 days	180-360 days	>360 days
March 31, 2023							
Receivables from related parties	347	228	46	59	14	-	-
Cash and cash equivalents	999	999	-	-	-	-	-
Interest receivable	8,795	6,725	-	2,070	-	-	-
March 31, 2022							
Receivables from related parties	50	50	-	-	-	-	-
Cash and cash equivalents	9,269	9,269	-	-	-	-	-
Interest receivable	25,461	8,608	-	4,645	1,875	10,333	-
Deposits	3	3	-	-	-	-	-

Liquidity risk
Liquidity risk is the risk that the Company may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The treasury is responsible for liquidity, funding as well as settlement management. In addition, liquidity and funding risks, related processes are overseen by management regularly. Financial liabilities for which the corresponding counterparty can demand repayment at any time are assigned to the earliest possible time period.

The following table shows the remaining contractual maturities of financial liabilities of the Company presented on a gross and undiscounted basis and include estimated interest payments and exclude the impact of netting arrangements:

Financial Liabilities	March 31, 2023			
	Less Than 1 Year	1 to 5 years	More than 5 years	Total
Non-derivative financial liabilities				
Borrowings	527,204	412,800	-	**940,004**
Lease Liabilities	10	-	-	**10**
Other liabilities[1)]	15,941	-	-	**15,941**
Total	**543,155**	**412,800**	**-**	**955,955**
Derivative financial liabilities	-	-	-	**-**
Used for hedging	-	-	-	**-**

[1)] Accrued interest outstanding as of March 31, 2023 is included in other financial liabilities.

Financial Liabilities	March 31, 2022			
	Less Than 1 Year	1 to 5 years	More than 5 years	Total
Non-derivative financial liabilities				
Borrowings	151,323	802,833	-	**954,156**
Lease Liabilities	25	10	-	**35**
Other liabilities[2)]	12,738	25,021	-	**37,759**
Total	**164,086**	**827,864**	**-**	**991,950**
Derivative financial liabilities	-	-	-	**-**
Used for hedging	(1,078)	(3,291)	-	**(4,370)**

[2)] Accrued interest outstanding as of March 31, 2022 is included in other financial liabilities.

Market risk

Interest rate risk

The Company's exposure to changes in interest rates of borrowings is relatively low as a large part of borrowings comprises of Senior Secured Notes which have been issued on fixed coupon rates. With respect to other borrowings, variable rate borrowings do not represent a significant exposure considering the overall size of the borrowings.

Foreign currency risk

The Company is also exposed to market risk with respect to changes in foreign exchange rates. These changes may affect the operating result and financial position.

Foreign exchange risk arises from loans given to few subsidiaries in USD and the related interest receivable.

The company is also exposed to foreign exchange risk arising from its kUS$ 60,000 borrowings under term loan. The Company has undertaken cross currency interest rate swaps to hedge against the foreign exchange fluctuation arising out of term loan. The terms of the swap includes exchange of interest on the nominal EURO and USD amounts of the swap. The company receives interest under the swap in USD at rate similar to interest payable on term loan and pays interest under the swap based on Euribor + Margin.

As at March 31, 2023

Nominal value of hedging instrument	Carrying amount of Hedge instrument		Maturity date	Hedge ratio	Weighted average strike price	Changes in fair value of hedging instrument	Change in the value of hedged item
Cross currency swaps							
	Assets	**Liabilities**					
US$ k60,000	4,000	-	29-Aug-23	1:1	1.17	1,143	(1,147)
Total	**4,000**	**-**					

As at March 31, 2022

Nominal value of hedging instrument	Carrying amount of Hedge instrument		Maturity date	Hedge ratio	Weighted average strike price	Changes in fair value of hedging instrument	Change in the value of hedged item
Cross currency swaps							
	Assets	**Liabilities**					
US$ k65,862	-	760	07-Apr-22	1:1	1.10	(760)	760
US$ k60,000	2,857	-	29-Aug-23	1:1	1.17	2,693	(2,731)
Total	**2,857**	**760**					

During the year, hedge ineffectiveness gain of k€ Nil (March 31, 2022: loss k€ Nil) was recognised in the statement of profit or loss. The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. The Company uses the hypothetical derivative method to assess effectiveness.

Unhedged receivables and liabilities in foreign currencies as of the reporting date are listed in the following table:

In USD	March 31, 2023	March 31, 2022
Loans and other receivables	320,584	390,184
Borrowings	113,000	113,000
Other payables	18	17

The Company conducted sensitivity analyses at year-end to estimate the currency risk of these monetary financial instruments. If the Euro were to depreciate by 10% against the USD, receivables would increase by k€ 32,863 as on March 31, 2023 (2022: k€ 39,181) and if it were to appreciate by 10%, receivables would decrease by k€ 26,888 (2022: k€ 32,057). If the USD were to depreciate by 10% against the Euro, borrowings and payables would increase by k€ 9,479 as on March 31, 2023 (2022: k€ 9,285) and if it were to appreciate by 10%, borrowings and payables would decrease by k€11,586 (2022: k€ 11,349). Net impact on equity would be gain of k€17,409 (2022: k€ 22,772) and a loss of k€ 21,278 (2022: k€ 27,832) in the mentioned two conditions respectively.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors Net Debt to EBITDA ratio on a company level: Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs).

The Company is not subject to any capital requirements on the basis of its Articles of Incorporation. Certain capital requirements are contractually imposed in loan agreements with the financial institutions. As per the terms of the Term Loan and Revolver Credit Facilities referred to in note B.6.3.9, the Company is required to maintain financial covenants of net leverage ratio not exceeding 3.50x and net interest cover ratio more than 3.0x calculated on the Company's consolidated financial statements. For more details refer note A.6.6.3 of the Consolidated Financial Statements.

Upon the occurrence of any event of default under any of the Revolving Credit Facilities Agreements or the Term Loan, subject to applicable cure periods and other limitations on acceleration or enforcement, the relevant creditors/Trustee could elect to declare all amounts outstanding, together with accrued interest, immediately due and payable and cancel the availability of the facilities, as applicable.

As at March 31, 2023 both the covenants have been met.

B.6.5.4 Related parties

(a) Parent entities
The Company is controlled by following entities:

Name	Type	Place of incorporation	Ownership Interest
Samvardhana Motherson Global Holdings Limited ("SMGHL")	Immediate parent entity	Cyprus	69%
Samvardhana Motherson International Limited ("SAMIL")	Ultimate parent entity	India	100%

During the year ended March 31, 2022, SMRP BV's ultimate parent entity Motherson Sumi Systems Limited ("MSSL") carried out a scheme of reorganisation which amongst other things included the merger of Samvardhana Motherson International Limited ("SAMIL") into MSSL. The scheme became effective during January 2022 post receipt of necessary regulatory approvals. As a result of this MSSL's indirect holdings in SMRP BV increased from 51% to 100%. The transactions of SMRP BV Company with SAMIL and its subsidiaries until the date of merger are reported under "Other related parties". During the month of May 2022, MSSL's name was changed to Samvardhana Motherson International Limited ("SAMIL").

Samvardhana Motherson Polymers Limited ("SMPL"), India holds 31% of the voting shares in the Company.

SMGHL and SMPL are both indirectly held by SAMIL (which prepares financial statements available for public use) and therefore considered as Ultimate parent entity.

The direct and indirect subsidiaries of SAMIL except for the companies forming part of SMRP BV Company are considered as related parties.

(b) Subsidiaries
Interest in subsidiaries is set out in note A.6.2.3 of the consolidated financial statements.

(c) Key Management Personnel
Members of the management and supervisory board are considered to be Key Management Personnel as they are charged with the responsibility for planning, directing and controlling the activities of the Company.

Few of the KMP's receives sitting fee from the Company but no other remuneration as they are either the shareholders of substantial shareholders of the Company or these have operational role in other company companies and draw their remuneration from those companies and for which no recharge is made as their services to SMRP BV is considered incidental to their wider role.

There are no different roles and responsibilities for individual board member as all the directors are charged with managing the Company affairs, therefore a split of directors fee between executive and non-executive directors is not presented.

B.6.5.4.1 Details of related party transactions

	Year ended March 31, 2023					
	Fellow Subsidiaries	Key management personnel	Immediate Parent	Other related parties	Subsidiaries	Total
Services rendered	-	-	-	-	804	**804**
Interest on loans taken	-	-	-	-	28,448	**28,448**
Dividend received	-	-	-	-	33,693	**33,693**
Interest on loans given	-	-	7,172	-	2,657	**9,829**
General administration expenses	370	-	-	3	116	**489**
Directors fee	-	166	-	-	-	**166**
Loans given	-	-	-	-	284,353	**284,353**
Loans received back	-	-	-	-	258,150	**258,150**
Loans taken	-	-	-	-	201,680	**201,680**
Loans repaid	-	-	55,000	-	76,200	**131,200**

	Year ended March 31, 2022					
	Fellow Subsidiaries	Key management personnel	Immediate Parent	Other related parties	Subsidiaries	Total
Services rendered	-	-	-	-	955	**955**
Interest on loans taken	-	-	-	-	34,220	**34,220**
Dividend received	-	-	-	-	9,571	**9,571**
Services received	87	-	-	-	-	**87**
Interest on loans given	-	-	14,289	-	673	**14,962**
General administration expenses	440	-	-	16	676	**1,132**
Directors fee	-	149	-	-	-	**149**
Loans given	-	-	-	-	257,490	**257,490**
Loans received back	-	-	-	-	229,501	**229,501**
Loans taken	-	-	-	-	85,000	**85,000**
Loans repaid	-	-	95,000	-	117,529	**212,529**

B.6.5.4.2 Details of related party balances

	As at March 31, 2023					
	Fellow Subsidiaries	Key management personnel	Immediate Parent	Other related parties	Subsidiaries	Total
Receivables	-	-	-	-	347	**347**
Interest receivable	-	-	-	-	8,795	**8,795**
Loans receivable	-	-	-	-	803,178	**803,178**
Interest Payable	-	-	3,897	-	834	**4,731**
Other payables	72	-	-	3	189	**264**
Loans Payable	-	-	254,253	-	209,481	**463,734**

	As at March 31, 2022					
	Fellow Subsidiaries	Key management personnel	Immediate Parent	Other related parties	Subsidiaries	Total
Receivables	-	-	-	-	50	**50**
Interest receivable	-	-	-	-	25,461	**25,461**
Loans receivable	-	-	-	-	767,614	**767,614**
Interest Payable	-	-	28,871	-	209	**29,080**
Other payables	270	-	-	-	16	**286**
Loans Payable	-	-	307,124	-	84,000	**391,124**

B.6.6 Subsequent Events
Please refer note A.6.8 of the consolidated financial statements for subsequent event details.

Signing of the financial statements

Mr. Andreas Heuser
(Managing Director)

Mr. Jacob Meint Buit
(Managing Director)

Mr. Laksh Vaaman Sehgal
(Managing Director)

Mr. Randolph Marie Thaddeus De Cuba
(Managing Director)

Mr. Bimal Dhar
(Member of Supervisory Board)

Mr. G.N. Gauba
(Member of Supervisory Board)

Ms. Robert Joseph Remenar
(Member of Supervisory Board)

Mr. Kunal Malani
(Member of Supervisory Board)

Mr. Vivek Chaand Sehgal
(Member of Supervisory Board)

Abbreviations

Auditor's Report

ABBREVIATIONS

€	Euro (European currency)
k€	Thousands of Euros
$	US Dollar (US currency)
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
EU	European Union

Abbreviations used for companies

SMRP BV or SMRP BV Company	Samvardhana Motherson Automotive Systems Company B.V. & its subsidiaries
SMR or SMR Company	Samvardhana Motherson Reflectec Company Holdings Limited & its subsidiaries
SMP Company	Samvardhana Motherson Peguform GmbH & its subsidiaries, SMP Automotive Technology Ibérica S.L. & its subsidiaries and SMP Automotive Interiors (Beijing) Co. Ltd.
SMPL	Samvardhana Motherson Polymers Limited, India
SMGHL	Samvardhana Motherson Global Holdings Ltd, Cyprus
MSSL	Motherson Sumi Systems Limited, India
SAMIL India	Samvardhana Motherson International Limited, India
SMG	Samvardhana Motherson Company
SMRC	Samvardhana Motherson Reydel Companies

Independent auditor's report

To: the shareholders and supervisory board of Samvardhana Motherson Automotive Systems Group B.V.

Report on the audit of the financial statements for the year ended March 31, 2023 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended March 31, 2023 of Samvardhana Motherson Automotive Systems Group B.V. based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Samvardhana Motherson Automotive Systems Group B.V. as at March 31, 2023 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and company statement of financial position as at March 31, 2023
- The following statements for the year then ended: the consolidated and company income statement, the consolidated and company statements of comprehensive income, the cash flow statements and the statements of changes in equity
- The notes comprising a summary of the significant accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Samvardhana Motherson Automotive Systems Group B.V. (the Company) in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

Samvardhana Motherson Automotive Systems Group B.V. is among the world's leading tier one supplier of rear-view vision systems and interior and exterior modules (including door panels, instrument panels and bumpers) to automotive original equipment manufacturers. The group is structured in components and we tailored our group audit approach accordingly. We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€13 million (2021/2022: €11 million)
Benchmark applied	Approximately 0.5% of the revenues
Explanation	Last year we considered an earnings-based measure, particularly profit before taxes, as the appropriate basis for determining our materiality because the users of the financial statements of profit-oriented entities tend to focus on operational performance. Normalized earnings historically was a better operation performance indicator due to the volatility caused by side effects of COVID-19 and the geo-political situation, like disruption for automotive manufacturers for supply of semiconductor chips during the year. Although both events were short lived and the Group has made recoveries for both events, the Group was not able to return to its previous levels of profitability for the 2022/2023 financial year. Considering that revenues seems to be returning at a normal and stable level, after recovery from the semiconductor chips shortages gradually started to ease out and disruption caused by geo-political crisis also mitigated to a large extent. Also considering that the Group highlights performance in terms of revenues for showing growth and where investors also focus on volumes and order book of the Group, we changed our measurement basis from normalised profit before tax to revenues.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of €0.65 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Samvardhana Motherson Automotive Systems Group B.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Samvardhana Motherson Automotive Systems Group B.V. The company is organized along operating segments and has identified three reportable segments being SMP Group (including SMRC), SMR Group and others.

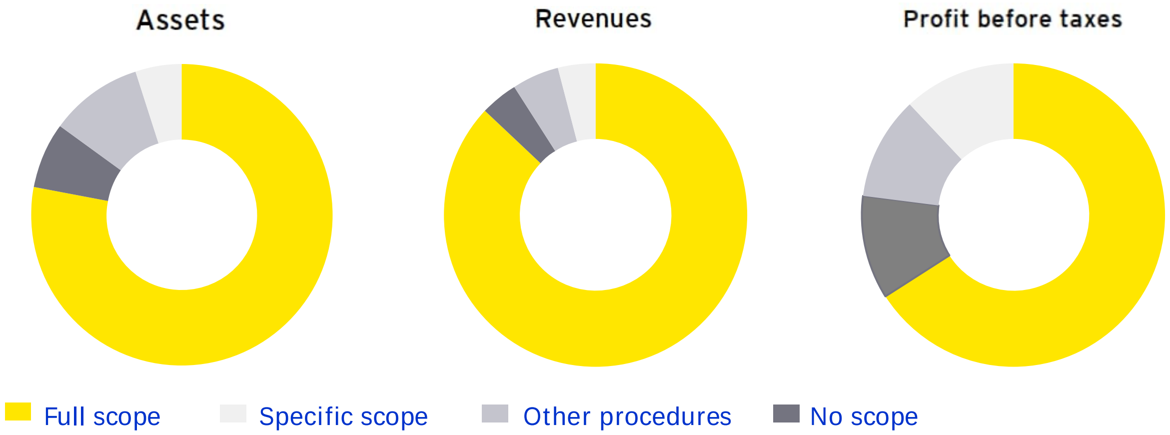
Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Our group audit mainly focused on significant group entities. We identified twenty-six group entities, which, in our view, required an audit of their complete financial information, either due to their overall size or their risk characteristics. Specific scope audit procedures on certain balances and transactions were performed on eight entities. Review procedures were performed on the remaining entities.

In establishing the overall approach to the audit, we determined the work to be performed by us, as group auditor, or by component auditors from Ernst & Young Global member firms and operating under our coordination and supervision. We have performed the following procedures:

- The group consolidation, financial statements and disclosures are audited by the group audit team.
- The key audit matter on (de-)recognition of trade receivables is audited by the respective component teams and is reviewed by the group audit team.
- The group audit team organized virtual meetings with EY India and held physical meetings in the Netherlands.
- The group audit team organized virtual meetings with the local management and the auditors of the following components: SMP Deutschland GmbH and SMP Automotive Systems USA Inc. For both entities we reviewed the audit files of the component auditor and determined the sufficiency and appropriateness of the work performed.
- The group audit team performed a site visit and had physical meetings with the local management and the auditors of the following components: SMP Hungary Bt and SMR Hungary Bt. For both entities we performed a file review of the audit files of the component auditor on site and determined the sufficiency and appropriateness of the work performed.
- The group audit team reviewed the sub consolidation procedures performed for SMP, SMR and SMRC.

In total these procedures represent 93% of the group's total assets, 96% of net revenues and 89% of profit before taxes.



By performing the procedures mentioned above at components of the group, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Teaming and use of specialists
We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a listed client in the automotive industry. We included specialists in the areas of IT audit, actuarial services, valuation and business modelling and income tax.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility
Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. 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.

Our audit response related to fraud risks
We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the Company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.
We refer to Section A.11 Risk management for management's fraud risk assessment in which the supervisory board reflects on this fraud risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration.
We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in Note A.6.2.21 to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties. We did not identify a risk of fraud in revenue recognition.

We considered available information and made enquiries of relevant executives, directors, legal, compliance, human resources and regional directors and the supervisory board.

The fraud risk we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations
We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of internal audit reports and performing substantive tests of details of classes of transactions, account balances or disclosures to the financial statements.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in Note A.6.2.1 Basis of preparation and A.6.6.3 Risk management with respect to financial risks to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism. We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

Based on our procedures performed, we did not identify material uncertainties about 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 a company to cease to continue as a going concern.

Our key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the supervisory board. The key audit matter is not a comprehensive reflection of all matters discussed and remains unchanged compared to previous year.

(De-) recognition of trade receivables Note A.6.2.9 and Note A.6.3.7 in the annual report	
Risk	The Group had factoring agreements in place for trade receivables for a total of €585 million (March 31, 2022: €422 million). These trade receivables were derecognized as a result of these agreements. The assessment of de-recognition of trade receivables under the factoring agreements is complex and requires judgment. The balances are material for the financial statements. We therefore consider this a key audit matter.
Our audit approach	We designed the following audit procedures to be responsive to this risk: • We obtained an understanding of the process related to (de-) recognition in the area of trade receivables • We evaluated the assessment made by management for each significant location and factoring arrangement • We tested the nature of the contracts if they qualify as recourse or non-recourse agreements and if they qualify for derecognition under IFRS 9 • For significant contracts, we tested a sample of contracts to determine that the accounting applied by management is appropriate and in line with IFRS 9 • We tested the supporting documents of the factoring fees in relation to trade receivables and the accounting treatment thereof • We considered the appropriateness of the company's disclosures in accordance with IFRS 7
Key observations	Based on the procedures performed we concur with the derecognition of trade receivables and we concur with the disclosures made on this area in the notes to the consolidated financial statements.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon. The other information also includes:

- The directors' report
- Management and discussion analysis (including operating and financial overview)
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the directors' report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the supervisory board as auditor of Samvardhana Motherson Automotive Systems Group B.V. on September 8, 2017, as of the audit for the year ended March 31, 2018 and have operated as statutory auditor ever since that date.

Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The “Information in support of our opinion” section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.
Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining 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
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

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

In this respect we also submit an additional report to the supervisory board in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.
The information included in this additional report is consistent with our audit opinion in this auditor’s report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, May 23, 2023

Ernst & Young Accountants LLP

Signed by S.C.G. (Sander) Mom

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