

**SAMVARDHANA MOTHERSON  
HOLDING (M) PRIVATE LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

**SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

---

<b>CONTENTS</b>	<b>PAGES</b>
CORPORATE DATA	1
DIRECTORS' REPORT	2 - 3
SECRETARY'S REPORT	4
INDEPENDENT AUDITOR'S REPORT	5 - 7
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF CHANGES IN EQUITY	10
STATEMENT OF CASH FLOWS	11
NOTES TO THE FINANCIAL STATEMENTS	12 - 34

<b>Directors</b>	:		<b>Date of appointment</b>
		Vivek Chaand Sehgal	24 February 2009
		Bimal Dhar	24 February 2009
		Rishal Tanee	01 October 2016
		Laksh Vaaman Sehgal	
		(Alternate to Vivek Chaand Sehgal)	28 June 2019
		Venkatesen Saminada Chetty	01 November 2020

**Administrator and Secretary** : Ocorian Corporate Services (Mauritius) Limited  
Level 6, Tower A,  
1 Exchange Square,  
Wall Street, Ebene  
Mauritius, 72201

**Registered office** : Ocorian Corporate Services (Mauritius) Limited  
Level 6, Tower A,  
1 Exchange Square,  
Wall Street, Ebene  
Mauritius, 72201

**Auditor** : Ernst & Young  
6th Floor, IconEbene  
Rue de L'institut  
Ebene  
Mauritius

**Banks** : HSBC Bank (Mauritius) Limited  
HSBC Centre, ICON Ebene  
Level 5, Office 1 (West Wing),  
Rue de L'institut, 72202, Ebene  
Mauritius

Afrasia Bank Limited  
3rd Floor, NeXTeracom  
Tower III  
Ebene  
Mauritius

The directors present their report and the financial statements of SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LTD (the "Company") for the year ended 31 March 2023.

**Principal activity**

The Company is registered in the Republic of Mauritius under the Companies Act 2001 and holds a Global Business Licence. Its primary object is to act as an investment company.

**Results and dividend**

The Company's profit for the year ended 31 March 2023 is **EUR 21,218,297** (2022: profit of EUR 7,828,626).

The directors do not recommend the payment of dividend for the year under review (2022: nil).

**Statement of directors' responsibilities in respect of the financial statements**

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001.

The directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

On 24 February 2022, the Russian Federation launched a full-scale invasion into Ukraine sovereign state. The potential impacts from the emerging Ukraine and Russian conflict remain uncertain, including but not limited to, on global economic conditions, assets valuations, interest rate expectations and exchange rates. Currently there is no direct impact on the Company as it does not have any transaction with both Ukraine and Russia.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

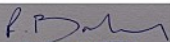


**Auditors**

Ernst & Young have indicated their willingness to continue in office and will be automatically re-appointed at the Annual Meeting.

**By order of the Board**

DS

  
Rishikesh BATOOSAM  
FOR  
OCORIAN CORPORATE  
SERVICES (MAURITIUS) LIMITED

**Ocorian Corporate Services (Mauritius) Limited**  
Corporate Secretary

**Date:** 22 September 2023..

**SECRETARY'S CERTIFICATE**


**TO THE MEMBER OF SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LIMITED**

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

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

Dated 22 September 2023

DS



Rishikesh BATOOSAM  
FOR  
OCORIAN CORPORATE  
SERVICES (MAURITIUS) LIMITED

**Ocorian Corporate Services (Mauritius) Limited**  
**Secretary**

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LIMITED

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### *Opinion*

We have audited the financial statements of Samvardhana Motherson Holding (M) Private Limited (the "Company") set out on pages 8 to 34 which comprise of the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

##### *Basis for Opinion*

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

##### *Other Information*

The directors are responsible for the other information. The other information comprises the information included in the document titled "Samvardhana Motherson Holding (M) Private Limited Financial Statements for the year ended 31 March 2023", which includes the Corporate data, the Directors' Report and the Secretary's Report as required by the Companies Act 2001.

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

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

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

##### *Responsibilities of the Directors for the Financial Statements*

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LIMITED

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

##### *Responsibilities of the Directors for the Financial Statements (Continued)*

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

##### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

*Use of our report*

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

*Companies Act 2001*

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

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

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



ERNST & YOUNG  
Ebène, Mauritius



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

Date: 22 September 2023

**SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

**8**

	Notes	2023 EUR	2022 EUR
<b>Income</b>			
Finance income	4	1,867,004	1,890,237
Exchange difference		6,675	44,814
		<u>1,873,679</u>	<u>1,935,051</u>
<b>Expenses</b>			
Directors' fees		2,838	2,068
Secretarial fees		1,680	1,680
Administration and accountancy fees		26,957	45,366
Rent		2,088	2,121
Legal and professional fees		-	6,547
Licence fees		1,960	2,012
Audit fees		12,650	11,168
Tax fees		925	875
Bank charges		1,080	2,060
Finance costs	5	1,635,972	627,002
Sundry expenses		3,650	3,766
Commission fees		14,384	250,000
Expected credit loss charge on loan receivable	13 (i)	2,010,274	1,926,136
Penalty fee		-	600
		<u>3,714,458</u>	<u>2,881,401</u>
Operating loss for the year		(1,840,779)	(946,350)
Share of profit of joint venture	7	23,061,255	8,828,600
<b>Profit for the year before income tax</b>		<b>21,220,476</b>	<b>7,882,250</b>
Income tax expenses	6	(2,179)	(53,624)
<b>Profit for the year after income tax</b>		<b>21,218,297</b>	<b>7,828,626</b>
<b>Other comprehensive income</b>			
Share of other reserve of joint venture	7	(4,873,194)	10,544,981
<b>Total comprehensive profit for the year</b>		<b>16,345,103</b>	<b>18,373,607</b>

The notes on pages 12 to 34 form part of these financial statements


# SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

9

	Notes	2023 EUR	2022 EUR
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in joint venture	7	257,583,672	236,341,932
Other receivables	8	-	234,884
<b>Total non-current assets</b>		<b>257,583,672</b>	<b>236,576,816</b>
<b>Current assets</b>			
Other receivables	8	293,560	5,467,102
Cash and cash equivalents		150,441	113,541
<b>Total current assets</b>		<b>444,001</b>	<b>5,580,643</b>
<b>Total assets</b>		<b>258,027,673</b>	<b>242,157,459</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Stated capital	9	4,943,769	4,943,769
Other reserves	10	45,517,666	39,887,478
Retained earnings		133,943,340	120,174,747
<b>Total capital and reserves</b>		<b>184,404,775</b>	<b>165,005,994</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	11	69,414,700	4,050,000
<b>Current liabilities</b>			
Other payables	12	48,264	289,837
Borrowings	11	4,156,722	72,783,364
Tax liability	6	3,212	28,264
<b>Total current liabilities</b>		<b>4,208,198</b>	<b>73,101,465</b>
<b>Total equity and liabilities</b>		<b>258,027,673</b>	<b>242,157,459</b>

Approved by the Board of Directors and authorised for issue on 22 September 2023

DocuSigned by:  
  
BDAED2EF1893436...

Director  
Rishal Tanee

  
Director  
Venkatesen Chetty

The notes on pages 12 to 34 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023

10

	Stated capital EUR	Other reserves EUR	Retained earnings EUR	Total EUR
Balance at 01 April 2021	4,943,769	30,359,150	111,540,159	146,843,078
Profit for the year	-	-	7,828,626	7,828,626
Other comprehensive income	-	9,528,328	1,016,653	10,544,981
Total comprehensive income	-	9,528,328	8,845,279	18,373,607
<i>Transactions with owners</i>				
Addition during the year	-	-	(210,691)	(210,691)
Total transaction with owners	-	-	(210,691)	(210,691)
<b>Balance at 31 March 2022</b>	<b>4,943,769</b>	<b>39,887,478</b>	<b>120,174,747</b>	<b>165,005,994</b>
Profit for the year	-	-	21,218,297	21,218,297
Other comprehensive loss	-	(5,669,673)	769,479	(4,873,194)
Total comprehensive (loss)/income	-	(5,669,673)	22,014,776	16,345,103
<i>Transactions with owners</i>				
Movement during the year *	-	11,299,861	(8,246,183)	3,053,678
	-	11,299,861	(8,246,183)	3,053,678
<b>Balance at 31 March 2023</b>	<b>4,943,769</b>	<b>45,517,666</b>	<b>133,943,340</b>	<b>184,404,775</b>

\* Other reserves include an amount of EUR 11,299,861 (2022: EUR 4,504,590) which relates to hyperinflation reserve. The Company's joint venture has subsidiaries in Argentina and Turkey. The Argentina and Turkey economy are considered to be hyperinflationary in accordance with the criteria in IAS 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29").



**SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2023**

**11**

	Notes	<b>2023 EUR</b>	<b>2022 EUR</b>
<b>Cash flows from operating activities</b>			
Profit before income tax		<b>21,220,476</b>	7,882,250
<i>Adjustments for:</i>			
Finance income	4	<b>(1,867,004)</b>	(1,890,237)
Finance costs	5	<b>1,635,972</b>	627,002
Exchange difference		<b>(4,763)</b>	(44,814)
Share of profit of joint venture	7	<b>(23,061,255)</b>	(8,828,600)
Expected credit loss charge on loan receivable	13	<b>2,010,274</b>	1,926,136
Working capital adjustments:			
Change in other receivables		<b>88,727</b>	(37,697)
Change in other payables		<b>(241,574)</b>	(59,203)
<b>Net cash used in operating activities</b>		<b>(219,147)</b>	(425,163)
Interest paid	14	<b>(55,913)</b>	(1,261,009)
Interest received		<b>1,272</b>	-
Tax paid		<b>(27,231)</b>	(25,360)
<b>Net cash used in operating activities</b>		<b>(303,563)</b>	(1,711,532)
<b>Cash flows from investing activities</b>			
Repayment of loan receivable	13	<b>5,329,966</b>	2,000,000
Loan advanced	13	<b>(150,000)</b>	(268,190)
<b>Net cash generated from investing activities</b>		<b>5,179,966</b>	1,731,810
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	14	<b>67,858,000</b>	-
Repayment of borrowings	14	<b>(72,700,000)</b>	-
<b>Net cash used in financing activities</b>		<b>(4,842,000)</b>	-
Movement in cash and cash equivalents		<b>34,403</b>	20,278
Cash and cash equivalents at the beginning of the year		<b>113,541</b>	85,038
Exchange difference		<b>2,497</b>	8,225
<b>Cash and cash equivalents at the end of the year</b>		<b>150,441</b>	113,541

The notes on pages 12 to 34 form part of these financial statements

**1. GENERAL INFORMATION**

The Company was incorporated as a private company limited by shares in the Republic of Mauritius on 04 December 2008. The principal activity of the Company is that of investment holding.

The Company has been granted a Global Business Licence by the Financial Services Commission and is governed by the Financial Services Act 2007. The Company operates in an international environment and conducts most of its transactions in foreign currencies. The Euro (Eur) is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company. So, the Company has retained Eur as its functional currency.

The registered office and place of business is situated at Ocorian Corporate Services (Mauritius) Limited, Level 6, Tower A, 1 Exchange Square, Wall Street, Ebene, Mauritius.

**2. BASIS OF PREPARATION**

*Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

*Basis of measurement*

The financial statements have been prepared on a historical cost basis.

*Functional and presentation currency*

The financial statements are presented in Euro (EUR) which is the Company's functional and presentation currency.

*Use of estimates and judgements*

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected.

The Company has made investment in EUR and expects to receive dividend and proceeds from disposal of investment in EUR. In addition, it obtains financing from its shareholder in EUR and all operating activities are conducted in EUR. Thus, EUR is the functional currency as it most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

**2. BASIS OF PREPARATION (CONTINUED)***Use of estimates and judgements (continued)*Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Note 15 under Credit risk section.

Impairment assessment

The directors have assessed the carrying value of the investment in the joint venture at 31 March 2023 as detailed in Note 7. The impairment assessment relies on forecasts and assumptions that are subject to a significant level of uncertainty.

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has access to resources to continue in business for the foreseeable future. The Company has a net current liability of **EUR 3,764,197** (2022: EUR 67,520,822). The Company has also received a letter of financial support from its holding company, Samvardhana Motherson International Limited, signed as of 10 May 2023 to provide support to the entity for a period of one year from the date of approval of the financial statements. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

*New and amended standards and interpretations*

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

<b>Amendments</b>	<b>Effective for accounting period beginning on or after</b>
Amendments to IFRS 3 – Reference to the Conceptual Framework	01 January 2022
Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use	01 January 2022
Amendments to IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract	01 January 2022
AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	01 January 2022

**2. BASIS OF PREPARATION (CONTINUED)***New and amended standards and interpretations (Continued)*

AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	01 January 2022
AIP IAS 41 Agriculture – Taxation in fair value measurements	01 January 2022
IFRS 16 – Treatment about lease incentives	01 January 2022

*New or revised standards and interpretations issued but not effective*

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

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

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

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

*Foreign currency translation*

Transactions in foreign currencies are translated to EUR at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to EUR at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to EUR at foreign exchange rates ruling at the dates the fair values were determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

**3. SIGNIFICANT ACCOUNTING POLICIES*****Taxation***

Income tax on the profit or loss for the year comprises of current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of prior year.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by end of reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from tax losses carried forward. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary can be utilised.

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.

***Financial instruments******(i) Financial assets******Initial recognition and measurement***

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

With the exception of receivable from related party that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

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

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

The Company's financial assets include cash at bank and other receivables (including loans to related parties).

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Financial instruments (Continued)**(i) Financial assets (Continued)**Subsequent measurement*

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

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

*Financial assets at amortised cost (debt instruments)*

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

*Derecognition*

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

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

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

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

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Financial instruments (Continued)**(i) Financial assets (Continued)**Impairment of financial assets*

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

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

*(ii) Financial liabilities**Initial recognition and measurement*

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

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

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

*Subsequent measurement*

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

*Loans and borrowings*

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

*Derecognition*

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



**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*****Financial instruments (Continued)******(ii) Financial liabilities (Continued)******Offsetting of financial instruments***

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

***Investment in joint venture***

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 the unanimous consent of the parties sharing control.

The Company has an interest of 49% in a jointly controlled entity, Samvardhana Motherson Global Holdings Limited, an unquoted company incorporated in Cyprus.

Investment in jointly venture is accounted for under the equity method, as allowed by International Financial Reporting Standard, IFRS 11 –Joint Arrangements and is initially recognised at cost.

The Company's share of the post-acquisition profits and losses of the joint venture is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in retained earnings and other reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment.

When the Company's share of losses in a joint venture equal or exceeds its interest in the joint venture, the Company does not recognise further losses, unless the Company has incurred obligations or made payments on behalf of the joint venture.

Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

***Cash and cash equivalents***

Cash and cash equivalents comprise current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

***Stated capital***

Ordinary and redeemable preference shares are classified as equity. Incremental costs directly attributable to the issue of these shares are recognised as a deduction from equity, net of any tax effects.



**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Provisions*

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

*Interest and dividend income*

Interest income is recognised in profit or loss on a time proportion basis that takes into account the effective yield on the asset.

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

*Expense recognition*

All expenses are accounted for in profit or loss on the accruals basis.

**4. FINANCE INCOME**

	<b>2023</b> <b>EUR</b>	2022 EUR
Interest on loan to related parties (Note 13)	<b>1,867,004</b> =====	1,890,237 =====

**5. FINANCE COST**

	<b>2023</b> <b>EUR</b>	2022 EUR
Loan interest	<b>1,635,972</b> =====	627,002 =====

**6. TAXATION****Taxation**

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

**Regulatory**

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

**6. TAXATION (CONTINUED)**

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

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

The income tax expense is made as follows:

	<b>2023</b>	2022
	<b>EUR</b>	EUR
Income tax charge	<b>4,156</b>	28,264
(Over)/under provision of last year	<b>(1,977)</b>	25,360
	-----	-----
	<b>2,179</b>	53,624
	=====	=====

**Tax reconciliation:**

A reconciliation of the income tax expense based on accounting profit and actual income tax expense is as follows:

	<b>2023</b>	2022
	<b>EUR</b>	EUR
Profit for the year	<b>21,227,989</b>	7,882,250
Less share of profit of joint venture	<b>(23,068,768)</b>	(8,828,600)
	-----	-----
	<b>(1,840,779)</b>	(946,350)
	=====	=====

	<b>2023</b>	2022
	<b>EUR</b>	EUR
Income tax at 15%	<b>(276,117)</b>	(141,952)
Income not subject to tax	<b>(225,042)</b>	(6,718)
Disallowed expenses	<b>505,315</b>	289,992
Foreign tax credit	-	(113,058)
(Over)/under provision of last year	<b>(1,977)</b>	25,360
	-----	-----
Income tax charge	<b>2,179</b>	53,624
	=====	=====

**6. TAXATION (CONTINUED)**

A reconciliation between the opening and closing tax liability is shown below:

	<b>2023</b>	2022
	<b>EUR</b>	EUR
At start of the year	<b>28,264</b>	-
Income tax charged during the year	<b>4,156</b>	28,264
(Over)/under provision of last year	<b>(1,977)</b>	25,360
Paid during the year	<b>(27,231)</b>	(25,360)
	-----	-----
At end of the year	<b>3,212</b>	28,264
	=====	=====

**7. INVESTMENT IN JOINT VENTURE**

	<b>2023</b>	2022
	<b>EUR</b>	EUR
<i>At cost:</i>		
At start and end of year	<b>15,781,620</b>	15,781,620
	-----	-----
<i>Results of joint venture:</i>		
Share of profit of joint venture recognised:		
– as a result of disposal and acquisition of entities under common control	<b>(66,177,385)</b>	(66,177,385)
– for the year	<b>23,061,255</b>	8,828,600
– for prior year	<b>250,657,372</b>	241,828,772
Share of other comprehensive income of joint venture:		
– as a result of disposal and acquisition of entities under common control	<b>32,893,147</b>	32,893,147
– for the year	<b>(4,873,194)</b>	10,544,981
– for prior year	<b>2,028,081</b>	(8,516,900)
Other movements:		
– for the year	<b>3,053,678</b>	(210,691)
– for prior year	<b>1,159,098</b>	1,369,788
	-----	-----
<b>Carrying amount at end of year</b>	<b>257,583,672</b>	236,341,932
	=====	=====

The investment consists of **981,166** (2022 – 981,166) ordinary shares and **4,900** (2022 – 4,900) preferences shares of Euro 1 each representing a holding of **49%** (2022 – 49%) in Samvardhana Motherson Global Holdings Limited, an unquoted company incorporated in Cyprus. Its principal activity is investment holding. As of 31 March 2023, the directors have assessed the recoverable amounts of the above investment and are of the opinion no impairment adjustments are to be provided.

**7. INVESTMENT IN JOINT VENTURE (CONTINUED)**

Summarised financial information for equity accounted investment is as follows:

	<b>2023</b> <b>EUR</b>	2022 EUR
Current assets	1,705,852,343	1,534,259,754
Non-current assets	2,045,020,456	2,376,922,495
Current liabilities	(2,212,615,185)	(1,706,151,003)
Non-current liabilities	(621,110,362)	(1,360,414,808)
Non-controlling interest	(391,466,808)	(362,285,965)
	-----	-----
Net assets	525,680,964	482,330,473
	=====	=====
Company shares of net assets – 49%	257,583,672	236,341,932
	=====	=====
	<b>2023</b> <b>EUR</b>	2022 EUR
Revenue	6,202,235,000	4,988,353,000
	-----	-----
Profit from continuing operations	92,668,334	43,972,191
Other comprehensive income	(16,617,000)	35,310,000
	-----	-----
	76,051,334	79,282,191
Non-controlling interest	(38,932,841)	(25,954,640)
	-----	-----
Equity	37,118,493	18,017,551
	=====	=====
Company shares of total comprehensive income – 49%	18,188,062	8,828,600
	=====	=====
	<b>2023</b> <b>EUR</b>	2022 EUR
Net assets include:		
- Cash and cash equivalents	344,111,084	372,409,868
- Current financial liabilities (excluding other payables and provisions)	503,272,000	620,473,000
- Non-current financial liabilities (excluding other payables and provisions)	570,241,362	27,922,000

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

23

## 7. INVESTMENT IN JOINT VENTURE (CONTINUED)

	2023 EUR	2022 EUR
Profit from continuing operations include:		
- Depreciation and amortisation	241,866,000	227,242,000
- Interest income	5,809,520	5,938,000
- Interest expense	55,139,349	57,256,888
- Income tax expense	41,303,000	33,771,000

## 8. OTHER RECEIVABLES

	2023 EUR	2022 EUR
<b>Current portion</b>		
Interest receivable (Note 13)	-	5,329,967
Amount receivable from related parties (Note 13)	88,664	129,015
Prepaid expenses	402	3,424
Loan to related party (Note 13)	193,683	-
Interest receivable on loan to related party (Note 13)	10,811	4,696
	<b>293,560</b>	<b>5,467,102</b>
<b>Non-current portion</b>		
Loan to related party (Note 13)	-	234,884
	<b>293,560</b>	<b>5,701,986</b>

Further details on new loans, repayment of loans and expected credit loss (ECL) for the year are provided in Note 13 below. The loan to related party is repayable within 1 year and therefore has been re-classified from non-current to current during the year under review.

## 9. STATED CAPITAL

	2023 EUR	2022 EUR
<i>Issued and fully paid:</i>		
1,325,714 Ordinary shares of no-par value	1,388,594	1,388,594
3,555,175 Preference shares of no-par value	3,555,175	3,555,175
	<b>4,943,769</b>	<b>4,943,769</b>

The ordinary and preference shares of no-par value have the following rights, privileges, restrictions and conditions:

*Voting:*

The holders of the ordinary shares have the right to attend and to vote at any meeting of shareholders of the Company and shall have one vote per share. Preference shareholders shall have no voting rights.

**9. STATED CAPITAL (CONTINUED)***Dividend:*

Dividend is payable to all shareholders as may be decided by the board from time to time. However, no dividend shall be payable to ordinary shareholders unless the dividend declared to Preference shareholders have been paid in full.

*Redemption:*

Ordinary shares shall not be redeemable. Preference shares shall be redeemable at the option of the Company.

*Distribution on winding up:*

Ordinary shareholders shall be entitled to repayment of capital and any surplus assets after the preference shareholders have been repaid the face value of their capital contribution plus any unpaid preference dividend. Thereafter, the preference shareholders are proportionately entitled to surplus assets with ordinary shareholders.

**10. OTHER RESERVES**

Other reserves include translation reserves which comprises all foreign exchange differences arising on the results and financial position of subsidiaries of the joint venture whose functional currencies differ from the group reporting currency of the joint venture.

They also include the Company's share in a merger reserve, hyperinflation reserves, a cash flow hedge reserve and a fair value reserve to which the joint venture is entitled as per its consolidated results.

During the year under review, an amount of EUR 4,504,590 was re-classified from retained earnings to other reserves as it relates to hyperinflation reserves.

**11. BORROWINGS**

	<b>2023</b>	2022
	<b>EUR</b>	EUR
<i>(i) Loan from holding entity – Samvardhana Motherson International Ltd:</i>		
At the beginning of the year	<b>4,117,713</b>	4,079,238
Interest during the year	<b>39,009</b>	38,475
	<b>4,156,722</b>	4,117,713

The loan due to the holding entity is unsecured, interest at 0.95% plus Euribor rate and repayable as at 26 June 2023.

**11. BORROWINGS (CONTINUED)**

	<b>2023</b> <b>EUR</b>	2022 EUR
<i>(ii) Samvardhana Motherson Finance Services Cyprus Ltd - under common control</i>		
At the beginning of the year	-	678,127
Interest during the year	-	872
Repayment during the year	-	(660,958)
Exchange difference	-	(18,041)
	-----	-----
	-	-
	-----	-----

	<b>2023</b> <b>EUR</b>	2022 EUR
<i>(iii) Axis Bank Limited</i>		
At beginning of year	<b>50,011,459</b>	50,016,667
Interest accrued	<b>27,083</b>	375,000
Repayment during the year	<b>(50,038,542)</b>	(380,208)
	-----	-----
Balance at end of year	-	50,011,459
	-----	-----

Pursuant to the deed guarantee dated 07 December 2020, the Company had obtained a loan of EUR 50,000,000 from Axis Bank India for an interest of 0.75%. The loan was repaid in April 2022.

	<b>2023</b> <b>EUR</b>	2022 EUR
<i>(iv) SBI Antwerp Term Loan</i>		
At beginning of year	<b>22,704,196</b>	22,711,382
Interest during the year	<b>13,179</b>	212,657
Repayment during the year	<b>(22,717,375)</b>	(219,843)
	-----	-----
Balance at end of year	-	22,704,196
	-----	-----

Pursuant to the deed guarantee dated 24 September 2018, the Company had obtained a loan of EUR 22,700,000 from State Bank of India (SBI) Antwerp Branch and was repayable as at 24 September 2021 and carried an annual interest rate of 0.95% plus libor rate. The loan and the interest on the loan was paid on 22 April 2022.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

26

## 11. BORROWINGS (CONTINUED)

	2023 EUR	2022 EUR
(v) <i>MSSL Mauritius Holdings Ltd</i>		
At beginning of year	-	-
Advanced during the year	67,858,000	
Interest during the year	1,556,700	-
	-----	-----
Balance at end of year	69,414,700	-
	-----	-----

Pursuant to the loan agreement dated 13 April 2022, the Company has obtained a loan of EUR 67,858,000 from MSSL Mauritius Holdings Ltd and is repayable by 20 April 2025 and carries an annual interest rate of 2.38%. The remaining amount of EUR 2,142,000 is an undrawn amount.

	2023 EUR	2022 EUR
Total carrying amount at end of year	73,571,422	76,833,364
Less: current portion	(4,156,722)	(72,783,364)
	-----	-----
Non-current portion	69,414,700	4,050,000
	=====	=====

## 12. OTHER PAYABLES

	2023 EUR	2022 EUR
Other payable (Note 13)	-	250,000
Accrued expenses	48,264	39,837
	-----	-----
	48,264	289,837
	=====	=====

## 13. RELATED PARTY TRANSACTIONS

Other than transactions with its holding entity and entity under common control as disclosed in Note 11, the Company transacted with other related parties during the year ended 31 March 2023. The nature, volume of transactions and balances are as follows:

	2023 EUR	2022 EUR
(i) <i>Motherson Sintermetal Technology BV. - under common control</i>		
At beginning of year	-	-
Addition during the year	150,000	50,000
Interest for the year	1,860,274	1,876,136
Impaired during the year	(2,010,274)	(1,926,136)
	-----	-----
At end of year (Note 8)	-	-
	=====	=====

The loan to the entity under common control carries interest in the range 1.30% - 5.90% per annum and is repayable on demand.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

27

## 13. RELATED PARTY TRANSACTIONS (CONTINUED)

The directors have assessed the recoverability of the loan and the interest receivable and of the opinion that the company, Motherson Sintermetal Technology BV. does not have enough cash flow to repay the amount advanced. On that basis, the directors have concluded that the loan and interest on loan receivable should be fully impaired as at 31 March 2023.

	2023 EUR	2022 EUR
(ii) <i>Loan to joint venture - Samvardhana Motherson Global Holdings Limited</i>		
Opening balance	5,329,966	7,320,804
Repayments during the year	(5,329,966)	(2,000,000)
Interest for the year	-	9,162
	-----	-----
At end of year (Note 8)	-	5,329,966
	=====	=====

The loan to joint venture carried interest at the rate of 4.78% per annum and was repayable not earlier than 26 June 2026 and it was renewable by mutual agreement for a further period. Interest is repayable on demand. The principal amount was fully repaid in 2021.

The remaining balance of interest was fully repaid in April 2022.

	2023 EUR	2022 EUR
(iii) <i>Loan to related party – Samvardhana Motherson Employee Benefit Limited</i>		
Opening balance	45,170	42,680
Repayment during the year	(45,529)	-
Exchange difference	359	2,490
	-----	-----
At end of year (Note 8)	-	45,170
	=====	=====

	2023 EUR	2022 EUR
(iv) <i>Interest on loan to related party – Samvardhana Motherson Employee Benefit Limited</i>		
Opening balance	695	230
Interest charged during the year	482	452
Exchange difference	(19)	13
Repayment during the year	(1,158)	-
	-----	-----
At end of year (Note 8)	-	695
	=====	=====

The loan receivable from related party - Samvardhana Motherson Employee Benefit Limited was unsecured, bears interest of 1% and repayable on demand. The loan and the interest on loan was fully repaid in March 2023.

## 13. RELATED PARTY TRANSACTIONS (CONTINUED)

	2023 EUR	2022 EUR
<i>(v) Interest on loan to related party – Atar Mauritius Private Limited</i>		
Opening balance	-	3,699
Repayment during the year	-	(3,699)
At end of year	-	-

	2023 EUR	2022 EUR
<i>(vi) Loan to related party – Samvardhana Motherson Finance Services Cyprus Ltd</i>		
Opening balance	234,884	-
Advanced during the year	-	218,190
Exchange difference	4,914	16,694
At end of year	239,798	234,884

	2023 EUR	2022 EUR
<i>(vii) Interest receivable on loan to related party – Samvardhana Motherson Finance Services Cyprus Ltd</i>		
Opening balance	4,696	-
Interest charged during the year	6,248	4,487
Exchange difference	(133)	209
At end of year	10,811	4,696

The loan to related party - Samvardhana Motherson Finance Services Cyprus Ltd are unsecured, bears interest of LIBOR plus 194 – 220 basis point and repayable within 1 year.

*(viii) Amount receivables-expenses paid on behalf of related parties:*

	2023 EUR	2022 EUR
Samvardhana Motherson Employees Benefit Limited	-	88,031
Samvardhana Motherson Employees Wealth Trust	10,339	6,685
Samvardhana Motherson UK	32,211	33,604
	42,550	128,320

The amount receivables from the above related parties are repayable on demand and are interest-free.

**13. RELATED PARTY TRANSACTIONS (CONTINUED)***(ix) Amount payable to holding company – Samvardhana Motherson International Ltd:*

	<b>2023</b> <b>EUR</b>	2022 EUR
Opening balance	(250,000)	(313,211)
Commission paid during the year	264,384	313,211
Charged during the year	(14,384)	(250,000)
	-----	-----
At end of the year	-	(250,000)
	=====	=====

The amount payable to the holding company is unsecured, interest free and repayable within 30 days from the date of invoice. The commission fees were on the guarantee on the bank loans. Since the loan has been repaid, the commission fee is no more calculated.

	<b>2023</b> <b>EUR</b>	2022 EUR
<i>(x) Ocorian Corporate Services (Mauritius) Ltd - Administrator</i>		
Opening balance	(36,413)	(32,051)
Under provision	7,922	400
Paid during the year	28,770	24,855
Charged for the year	(36,051)	(29,617)
	-----	-----
At end of the year	(35,772)	(36,413)
	=====	=====

**14. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

	<b>Borrowings</b> <b>EUR</b>	<b>Interest</b> <b>EUR</b>	<b>Total</b> <b>EUR</b>
At 01 April 2021	79,789,359	(2,303,944)	77,485,415
Interest expense	627,004	-	627,004
Cash flows			
- Interest paid	-	(1,261,009)	(1,261,009)
Exchange difference	-	(18,046)	(18,046)
	-----	-----	-----
At 31 March 2022	80,416,363	(3,582,999)	76,833,364
	-----	-----	-----

**14. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)**

	<b>Borrowings EUR</b>	<b>Interest paid EUR</b>	<b>Total EUR</b>
<b>At 01 April 2022</b>	<b>80,416,363</b>	<b>(3,582,999)</b>	<b>76,833,364</b>
Interest expense	1,635,972	-	1,635,972
Cash flows			
- Loan repaid	(72,700,000)	-	(72,700,000)
- Loan received	67,858,000	-	67,858,000
- Interest paid	-	(55,914)	(55,914)
<b>At 31 March 2023</b>	<b>77,210,335</b>	<b>(3,638,913)</b>	<b>73,571,422</b>

**15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS***Fair value*

The Company's financial assets and liabilities include other receivables, cash and cash equivalents, borrowings and other payables. The basis of measurement in respect of each class of financial asset and financial liability is disclosed in Note 3 of the financial statements.

The carrying amounts of financial assets and liabilities approximate their fair values due. The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Company are discussed below.

*Credit risk*

Credit risk represents the potential loss that the Company would incur if counterparties fail to perform pursuant to the terms of their obligations to the Company. At the reporting date, the credit risk against which the Company was associated was as follows:

	<b>2023 EUR</b>	<b>2022 EUR</b>
Loan to related parties	193,683	234,884
Interest receivable	10,811	5,334,663
Other receivables	88,664	129,015
Cash and cash equivalents	150,441	113,541
	-----	-----
	<b>443,599</b>	<b>5,812,103</b>
	=====	=====

Investment in joint venture **EUR 257,591,185** (2022 – EUR 236,341,932) and prepaid expenses amounting to **EUR 402** (2022 – EUR 3,424) have not been included in financial assets.

Credit risk arises from cash and cash equivalents, loans and interest receivable from related parties and other receivables. For banks and financial institutions, the Company maintain banking relationships with only creditworthy banks, which it reviews on an on-going basis. The credit risk on the bank balance is not considered material.

**15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)***Credit risk (Continued)*

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

*Liquidity risk*

This refers to availability of funds for the Company to meet its financial obligations as they fall due. The Company pays out its obligations from finance received from its holding and related entities and loans from financial institutions. The good financial standing enjoyed by the Company with these institutions gives it the ability to raise sufficient funds when required. Liquidity risk is also dependent on the financial support obtained from the holding company as further disclosed in Note 18. As a result, the directors consider that liquidator risk is properly monitored.

*Contractual cash flows*

The following are the undiscounted contractual maturities of financial liabilities:

<b>Non-derivative financial liabilities</b>	<b>Carrying amount EUR</b>	<b>Within 1 year EUR</b>	<b>1 – 2 years EUR</b>	<b>2 – 5 years EUR</b>	<b>More than 5 years EUR</b>
<b>At 31 March 2023</b>					
Borrowings	75,247,883	5,833,183	69,414,700	-	-
Other payables	48,264	48,264	-	-	-
	=====	=====	=====	=====	=====
<b>At 31 March 2022</b>					
Borrowings	76,867,212	72,740,262	4,126,950	-	-
Other payables	289,837	289,837	-	-	-
	=====	=====	=====	=====	=====

*Market risk*

At the end of the year, a significant portion of the Company's net assets was based in Cyprus, which involves certain considerations and risks not typically associated with investment in other developed countries. Future economic and political developments in Cyprus could adversely affect the liquidity and/or the value of the securities in which the Company has invested.

*Interest rate risk*

The Company's finance and operating expenses are met by equity finance and advances from its holding and related entities and financial institutions. At the reporting date, the Company is exposed to interest rate risk to the extent that it has interest-bearing financial assets and liabilities.

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	<b>2023 EUR</b>	<b>2022 EUR</b>
<b>Variable rate instruments</b>		
<b>Financial asset</b>		
Loan to related parties	2,123,121	2,111,020
	=====	=====

**15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)***Sensitivity analysis for variable rate instruments*

The following table indicates the approximate change in the Company's statement of profit or loss and other comprehensive income in response to reasonable possible changes in the interest rates to which the Company has significant exposure at the reporting date:

	Change in interest rates	2023 EUR	Effective change in profit after tax 2022 EUR
<i>Variable rate instrument</i>			
<b>Financial asset</b>			
Loan to related parties	50 basis points	106,156 =====	105,551 =====
<b>Financial liability</b>			
Borrowings	50 basis points	- =====	- =====

*Currency risk*

The Company is exposed to currency risk to the extent that it has financial assets and liabilities denominated in a currency other than EUR.

*Currency profile*

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets 2023 EUR	Financial liabilities 2023 EUR	Financial assets 2022 EUR	Financial liabilities 2022 EUR
United States Dollars	318,162	-	405,714	-
GBP	32,211	-	33,604	-
Euro	93,226	73,619,686	5,372,784	77,123,201
	----- 443,599 =====	----- 73,619,686 =====	----- 5,812,102 =====	----- 77,123,201 =====

Investment in joint venture **EUR 257,591,185** (2022 – EUR 236,341,932) and prepaid expenses amounting to **EUR 402** (2022 – EUR 3,424) have not been included in financial assets.

Tax liability amounting to **EUR 3,212** (2022: EUR 28,264) has not been included in the financial liabilities.

**15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)***Currency sensitivity analysis*

The following table indicates the approximate change in the Company's profit after tax in response to a reasonable possible change in the foreign exchange rates of 10% to which the Company has significant exposure at the reporting date.

	<b>2023</b>	<b>Effect on profit after tax</b>
	<b>EUR</b>	<b>2022</b>
		<b>EUR</b>
United States Dollars	<b>31,816</b>	40,571
	=====	=====
Great Britain Pound	<b>3,221</b>	3,360
	=====	=====

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the reporting date and had been applied to the Company's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

<b>Financial instruments by category</b>	<b>Amortised cost</b>
	<b>2023</b>
	<b>EUR</b>
<b>Financial assets</b>	
Loans to related parties	<b>193,683</b>
Interest and other receivable	<b>99,475</b>
Cash and cash equivalents	<b>150,441</b>
<b>Financial liabilities</b>	
Borrowings	<b>73,571,422</b>
Other payables	<b>48,264</b>
	<b>Amortised cost</b>
	<b>2022</b>
	<b>EUR</b>
<b>Financial assets</b>	
Loans to related parties	234,884
Interest and other receivable	5,463,678
Cash and cash equivalents	113,541
<b>Financial liabilities</b>	
Borrowings	76,833,364
Other payables	289,837

**16. CAPITAL MANAGEMENT**

The Company actively and regularly reviews and manages its capital position to maintain a balance between its liability and equity level.

The management of the Company's capital position is undertaken by the management team of its holding Company. The management team ensures that the Company is adequately capitalised to meet economic and regulatory requirements. Capital injections and repatriations are executed in a timely fashion, working closely with the business and infrastructure groups. The management team meets on a regular basis and manages capital by taking into account key considerations, which may include business developments, regulatory requirements, gap profitability and market movements such as foreign exchange and interest rate.

**17. HOLDING AND ULTIMATE HOLDING ENTITY**

The directors consider Samvardhana Motherson International Limited, a limited liability company incorporated in India, as the Company's holding and ultimate holding entity.

**18. GOING CONCERN**

The Company is in a net current liability situation of **EUR 3,764,197** (2022: EUR 67,520,822). The Company relies on its holding company to provide assistance for its operations. A letter of financial Support dated 10 May 2023 has been received from its holding company Samvardhana Motherson International Ltd which expresses their willingness to support the Company to meet its financial obligations for a period of one year from the date of approval of the financial statements of the Company. The financial statements have therefore been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the Company will continue to receive the support of its holding company and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

**19. EVENTS AFTER REPORTING DATE**

There are no material events after the reporting date which require amendments to or additional disclosures in the financial statements for the year ended 31 March 2023.