

Samvardhana ~~M~~otherson Finance Services Cyprus Limited

Report and financial statements 31 March 2024

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Samvardhana Motherson Finance Services Cyprus Limited

Board of Directors and other officers

Board of Directors

Stelios Panayides
Xenia Koustai
Vivek Chaand Sehgal
Barbara Panayides
Dhruv Mehra

Company Secretary

Calmco Secretarial Limited
21 Dimostheni Severi Avenue
Anna Court, 5th floor
CY-1080, Nicosia
Cyprus

Registered office

Julia House
3 Themistocles Dervis Street
CY-1066 Nicosia
Cyprus

Registration number: C195660

Independent Auditor's Report

To the Members of Samvardhana Motherson Finance Services Cyprus Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Samvardhana Motherson Finance Services Cyprus Limited (the "Company"), which are presented in pages 5 to 33 and comprise the statement of financial position as at 31 March 2024, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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 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 judgment and maintain professional skepticism 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 Board of Directors.
- Conclude on the appropriateness of the Board of 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 a true and fair view.

We communicate with the Board of 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.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Comparative figures

The financial statements of the Company for the year ended 31 March 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 21 June 2023.



Angelos Theodorou
Certified Public Accountant and Registered Auditor
for and on behalf of

FINCAP Advisers LTD
Certified Public Accountants and Registered Auditors

Nicosia, 22 May 2024

Samvardhana ~~M~~otherson Finance Services Cyprus Limited

Statement of profit or loss and other comprehensive income for the year ended 31 March 2024

	Note	2024 US\$	2023 US\$
Reversal of impairment losses on loan to related entity	20(iii)	-	98.354
Administrative expenses	10	(90.983)	(92.217)
Dividend income	8	158.197	-
Other gains/(losses) - net	9	<u>4.722</u>	<u>(1.307.751)</u>
Operating profit/(loss)		71.936	(1.301.614)
Finance costs	20(ii)	<u>(20.142)</u>	<u>(6.524)</u>
Profit/(loss) before income tax		51.794	(1.308.138)
Income tax expense	11	<u>-</u>	<u>-</u>
Profit/(loss) for the year		<u>51.794</u>	<u>(1.308.138)</u>
Other comprehensive loss:			
Changes in the fair value of equity investments designated at fair value through other comprehensive income	15	<u>-</u>	<u>(2.160.687)</u>
Total comprehensive income/(loss) for the year		<u>51.794</u>	<u>(3.468.825)</u>

The notes on pages 9 to 33 are an integral part of these financial statements.

Samvardhana Motherson Finance Services Cyprus Limited

Statement of financial position at 31 March 2024

	Note	2024 US\$	2023 US\$
Assets			
Non-current assets			
Financial assets at fair value through other comprehensive income	12(b)	3,388,924	3,388,924
Financial assets at fair value through profit or loss	12(c)	<u>2,824,374</u>	<u>2,819,158</u>
		<u>6,213,298</u>	<u>6,208,082</u>
Current assets			
Prepayments		2,248	1,998
Tax refundable		4,864	4,864
Cash and cash equivalents	13	<u>102,680</u>	<u>52,019</u>
		<u>109,792</u>	<u>58,881</u>
Total assets		<u>6,323,090</u>	<u>6,266,963</u>
Equity and liabilities			
Capital and reserves			
Share capital	14	46,168	46,168
Share premium	14	18,497,660	18,497,660
Other reserves	15	388,926	388,926
Accumulated loss		<u>(12,925,437)</u>	<u>(12,977,231)</u>
Total equity		<u>6,007,317</u>	<u>5,955,523</u>
Non-current liabilities			
Borrowings	16	<u>55,176</u>	<u>271,722</u>
Current liabilities			
Payables	17	23,467	39,276
Current income tax liabilities		442	442
Borrowings	16	<u>236,688</u>	<u>-</u>
		<u>260,597</u>	<u>39,718</u>
Total liabilities		<u>315,773</u>	<u>311,440</u>
Total equity and liabilities		<u>6,323,090</u>	<u>6,266,963</u>

On 22 May 2024 the Board of Directors of Samvardhana Motherson Finance Services Cyprus Limited authorised these financial statements for issue.

Stelios Panayides, Director

Xenia Koustai, Director

The notes on pages 9 to 33 are an integral part of these financial statements.

Samvardhana ~~M~~otherson Finance Services Cyprus Limited

Statement of changes in equity for the year ended 31 March 2024

	Note	Share capital US\$	Share premium ⁽¹⁾ US\$	Other reserves US\$	Accumulated loss US\$	Total US\$
Balance at 1 April 2022		<u>46.168</u>	<u>18.497.660</u>	<u>2.549.613</u>	<u>(11.669.093)</u>	<u>9.424.348</u>
Comprehensive loss						
Loss for the year		<u>-</u>	<u>-</u>	<u>-</u>	<u>(1.308.138)</u>	<u>(1.308.138)</u>
Other comprehensive loss						
Financial assets at fair value through other comprehensive income:						
Fair value losses	15	<u>-</u>	<u>-</u>	<u>(2.160.687)</u>	<u>-</u>	<u>(2.160.687)</u>
Total other comprehensive loss		<u>-</u>	<u>-</u>	<u>(2.160.687)</u>	<u>-</u>	<u>(2.160.687)</u>
Balance at 31 March 2023/1 April 2023		<u>46.168</u>	<u>18.497.660</u>	<u>388.926</u>	<u>(12.977.231)</u>	<u>5.955.523</u>
Comprehensive income						
Profit for the year		<u>-</u>	<u>-</u>	<u>-</u>	<u>51.794</u>	<u>51.794</u>
Balance at 31 March 2024		<u>46.168</u>	<u>18.497.660</u>	<u>388.926</u>	<u>(12.925.437)</u>	<u>6.007.317</u>

(1) Share premium is not available for distribution.

The notes on pages 9 to 33 are an integral part of these financial statements.

Samvardhana Motherson Finance Services Cyprus Limited

Statement of cash flows for the year ended 31 March 2024

	Note	2024 US\$	2023 US\$
Cash flows from operating activities			
Profit/(loss) before income tax		51.794	(1.308.138)
Adjustments for:			
Reversal of impairment losses on loan to related entity	20(iii)	-	(98.354)
Fair value (gains)/losses on financial assets at fair value through profit or loss	9	(5.216)	1.306.041
Dividend income	8	(158.197)	-
Interest expense	20(ii)	20.142	6.524
		(91.477)	(93.927)
Changes in working capital:			
(Decrease)/Increase in Payables		(15.809)	19.383
Increase in prepayments		(250)	(26)
Net cash used in operating activities		(107.536)	(74.570)
Cash flows from investing activities			
Dividends received	8	158.197	-
Net cash from investing activities		158.197	-
Cash flows from financing activities			
Repayment of loans from related parties		-	98.354
Net cash from financing activities		-	98.354
Net increase in cash and cash equivalents		50.661	23.784
Cash and cash equivalents at beginning of year		52.019	28.235
Cash and cash equivalents at end of year	13	102.680	52.019

The notes on pages 9 to 33 are an integral part of these financial statements.

Samvardhana Motherson Finance Services Cyprus Limited

Notes to the financial statements

1 General information

Country of incorporation

The Company is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Julia House, 3 Themistocles Dervis Street, CY-1066 Nicosia, Cyprus.

Principal activities

The principal activity of the Company, which is unchanged from the last year, is the holding of investments.

Operating environment of the Company

War between Russia and Ukraine

During 2021, the Russian economy continued to be negatively impacted by the ongoing political tension in the region and international sanctions against certain Russian companies and individuals, with the tension intensifying towards the end of 2021 as a result of further developments of the situation with Ukraine. From late February 2022 the conflict between Russia and Ukraine escalated further and the situation remains highly unstable.

In response to the conflict, a number of sanctions have been imposed on Russian entities to restrict them from having access to foreign financial markets, including removing access of several Russian banks to the international SWIFT system.

The EU, UK and US (amongst others) have also imposed sanctions against the Russian central bank, restricting the access of the Russian state to foreign currency reserves, and introduced further asset freezes against designated individuals/entities and sectoral sanctions.

The situation is still evolving and further sanctions and limitations on business activity of companies operating in the region, as well as consequences on the Russian economy in general, may arise but the full nature and possible effects of these are unknown.

Nonetheless, the Company is not significantly impacted from the conflict, as its operations are not affected by the situation however it will continue monitoring the situation and take action if required.

Samvardhana Motherson Finance Services Cyprus Limited

1 General information (continued)

Operating environment of the Company (continued)

Israel - Gaza conflict

The Israel-Gaza conflict has escalated significantly after Hamas launched a major attack on 7 October. Companies with material subsidiaries, operations, investments, contractual arrangements or joint ventures in the War area might be significantly exposed. Entities that do not have direct exposure to Israel and Gaza Strip are likely to be affected by the overall economic uncertainty and negative impacts on the global economy and major financial markets arising from the war. This is a volatile period and situation, however, the Company is not directly exposed. Management will continue to monitor the situation closely and take appropriate actions when and if needed.

The Company's management has assessed:

1) The impact on the expected credit losses of the Company's financial instruments that are subject to impairment under IFRS 9. IFRS 9 requires forward-looking information (including macro-economic information) to be considered both when assessing whether there has been a significant increase in credit risk and when measuring expected credit losses. As with any economic forecast, however, the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected. Refer to Note 6 for more information on impairment of financial assets.

2) The ability of the Company to continue as a going concern. Please refer to Note 2 for further information.

The future effects of the conflict in the region and the general economic conditions and the effect of the above events and measures on the Cyprus economy, and consequently on the future financial performance, cash flows and financial position of the Company, are difficult to predict and management's current expectations and estimates could differ from actual results. The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current economic environment.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

As of the date of the authorization of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 April 2023 and are relevant to the Company's operations have been adopted by the EU through the endorsement procedure established by the European Commission.

The principal accounting policies applied in the preparation of these financial statements are set out below in Note 4.

Samvardhana Motherson Finance Services Cyprus Limited

2 Basis of preparation (continued)

The financial statements have been prepared under the historical cost convention, except from financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which are measured at their fair value at each reporting year end.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

Going concern

In assessing the Company's status as a going concern the Directors considered the current intentions and financial position of the Company as well as the events disclosed in Note 1. The Company had net current liabilities amounting to US\$150.805 at 31 March 2024, which indicates the existence of material uncertainty which may cast significant doubt on the ability of the Company to continue as a going concern. The Directors have therefore considered obtaining a letter of financial support from the Company's shareholder.

The Company's shareholder has undertaken to provide the Company, if necessary, with financial and other support so as to enable the Company to conduct its operations and meet its obligations as they become due. The Directors therefore consider that the Company will continue as a going concern and that the financial statements are appropriately prepared on a going concern basis.

3 Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning 1 April 2023. This adoption did not have a material effect on the accounting policies of the Company.

4 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented in the financial statements, unless otherwise stated. Management seeks not to reduce the understandability of these financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

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4 Summary of material accounting policies (continued)

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in US dollars (US\$), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses are presented in profit or loss within "Other gains/(losses) - net".

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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4 Summary of material accounting policies (continued)

Current and deferred income tax (continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.

Uncertain tax positions

The Company's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions, other than interest and fines, are recorded within the income tax charge. Adjustments for uncertain income tax positions in respect of interest and fines are recorded within finance costs and other gains/(losses), net, respectively.

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost (AC).

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL), if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

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4 Summary of material accounting policies (continued)

Financial assets (continued)

Financial assets - Recognition and derecognition

Financial assets are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into the below measurement category:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in "other income". Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other losses" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statement. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

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4 Summary of material accounting policies (continued)

Financial assets (continued)

Financial assets – impairment – credit loss allowance for expected credit losses

The Company assesses on a forward-looking basis the expected credit losses for debt instruments (including loans) measured at AC. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'net impairment losses on financial assets'. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments measured at AC are presented in the balance sheet net of the allowance for ECL.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial instrument assessed for impairment. Refer to Note 6, Credit risk section for a description of impairment methodology applied by the Company for calculating expected credit losses for financial assets that are subject to impairment under IFRS 9.

Financial assets - Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets – modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (eg profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

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4 Summary of material accounting policies (continued)

Financial assets (continued)

Financial assets – modification (continued)

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a significant increase in credit risk (SICR) has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI (solely payments of principal and interest) criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Classification as cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Dividend income

Dividends are received from financial assets measured at fair value through other comprehensive income (FVOCI). Dividends are recognised as "Dividend income" in profit or loss when the right to receive payment is established.

Financial liabilities – measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost.

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4 Summary of material accounting policies (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset. Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

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 capitalised as a prepayment (for liquidity services) and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

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4 Summary of material accounting policies (continued)

Transactions with equity owners

The Company enters into transactions with shareholders. When consistent with the nature of the transaction, the Company's accounting policy is to recognise any gains or losses with equity holders and other entities which are under the control of the ultimate shareholder, directly through equity and consider these transactions as the receipt of additional capital contributions or the payment of dividends.

Share capital and share premium

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Prepayments

Prepayments are carried at cost less provision for impairment.

5 New accounting pronouncements

At the date of approval of these financial statements a number of new standards interpretations and amendments to existing standards are effective for annual periods beginning after 1 April 2023, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

Samvardhana Motherson Finance Services Cyprus Limited

6 Financial risk management

(i) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The risk management policies employed by the Company to manage these risks are discussed below:

- **Market risk**

Foreign exchange risk

Exposure

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. At the end of the year the Company is exposed to foreign exchange risk in relation to its Euro-denominated payables.

Sensitivity

At 31 March 2024, if the Euro had weakened / strengthened by 10% (2023: 10%) against the US dollar with all other variables held constant, post-tax profit for the year would have been US\$1.269 (2023: loss of US\$2.461) lower/higher, mainly as a result of foreign exchange losses/gains on translation of Euro-denominated payables.

Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Price risk

The Company is exposed to equity securities price risk because of investments held by the Company and classified on the balance sheet either as fair value through other comprehensive income or as financial assets at fair value through profit or loss. The Company has a relatively high concentration of price risk as it has invested in securities in a small number of unlisted entities. For additional information regarding the sensitivity analysis and fair value of the investments please refer to Note 7.

Cash flow and fair value interest rate risk

Exposure

The Company's loans to related parties that carry fixed interest rates are consequently not subject to cash flow interest rate risk. In addition, as these are measured at amortised cost they are not susceptible to fair value interest rate risk either. The Company's borrowings from related parties that carry variable interest rates expose the Company to cash flow interest rate risk. Management assessed that the impact of changes in interest rates on the Company's results would be insignificant.

Samvardhana Motherson Finance Services Cyprus Limited

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Market risk (continued)**

Cash flow and fair value interest rate risk (continued)

The Company is also exposed to cash flow interest rate risk in relation to its cash and cash equivalents which carry floating interest rates. Due to the nominal rates earned on the Company's bank balances the management assessed that any sensitivity analysis to demonstrate the impact of changes in interest rates on the Company's results would be insignificant.

The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

- **Credit risk**

Credit risk arises from cash and cash equivalents.

(i) Risk management

Credit risk is managed on a group basis.

For banks and financial institutions, only independently rated parties with a minimum rating of 'C' are accepted.

(ii) Impairment of financial assets

The Company has the following type of financial assets that are subject to the expected credit loss model:

- cash and cash equivalents

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For all financial assets that are subject to impairment under IFRS 9, the Company applies general approach – three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Samvardhana Motherson Finance Services Cyprus Limited

6 Financial risk management (continued)

(i) Financial risk factors (continued)

• Credit risk (continued)

(ii) Impairment of financial assets (continued)

Impairment losses are presented as net impairment losses on financial assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant increase in credit risk. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the borrower/counterparty.

Default. A default on a financial asset is when the counterparty fails to make contractual payments within a specified number of days of when they fall due.

Write-off. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. Also the Company categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company does not have any material debt financial assets that are subject to the impairment requirements of IFRS 9 and their contractual cash flows have been modified.

Samvardhana Matherson Finance Services Cyprus Limited

6 Financial risk management (continued)

(i) Financial risk factors (continued)

• Credit risk (continued)

(ii) Impairment of financial assets (continued)

A summary of the assumptions underpinning the Company's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing	Counterparties where credit risk is in line with original expectations	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Underperforming	Counterparties for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Stage 2: Lifetime expected losses	Gross carrying amount
Non-performing	Interest and/or principal repayments are 90 days past due or it becomes probable a customer will enter bankruptcy	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)

The following table contains an analysis of the credit risk exposure of each class of financial instruments.

Cash and cash equivalents

The Company assesses, on an individual basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

Samvardhana Motherson Finance Services Cyprus Limited

6 Financial risk management (continued)

(i) Financial risk factors (continued)

• Credit risk (continued)

(ii) Impairment of financial assets (continued)

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 March 2024 and 31 March 2023:

	Rating	2024 US\$	2023 US\$
Moody's	Ba2	102,680	52,019
Total cash and cash equivalents		102,680	52,019

The estimated loss allowance on cash and cash equivalents as at 31 March 2024 and 31 March 2023 was immaterial. All cash and cash equivalents were performing (Stage 1) as at 31 March 2024 and 31 March 2023.

• Liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year US\$	1 and 2 years US\$	2 to 5 years US\$
At 31 March 2023			
Borrowings	-	220,313	51,409
Payables	39,276	-	-
	39,276	220,313	51,409
	Less than 1 year US\$	1 and 2 years US\$	2 to 5 years US\$
At 31 March 2024			
Borrowings	236,688	55,176	-
Payables	23,467	-	-
	260,155	55,176	-

(ii) Capital risk 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.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Samvardhana Motherson Finance Services Cyprus Limited

6 Financial risk management (continued)

(ii) Capital risk management (continued)

The Company considers equity as shown on the face of the balance sheet as capital.

(iii) Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following tables present the Company's assets that are measured at fair value.

	Level 3 US\$	Total US\$
31 March 2024		
Assets		
Financial assets at fair value through profit or loss	2,824,374	2,824,374
Financial assets at fair value through other comprehensive income:		
- Equity securities	3,388,924	3,388,924
Total financial assets measured at fair value	6,213,298	6,213,298
	Level 3 US\$	Total US\$
31 March 2023		
Assets		
Financial assets at fair value through profit or loss	2,819,158	2,819,158
Financial assets at fair value through other comprehensive income:		
- Equity securities	3,388,924	3,388,924
Total financial assets measured at fair value	6,208,082	6,208,082

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date and is included as Level 1. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments that are not traded in an active market (for example, unlisted equity securities) 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.

There were no transfers between Levels 1 and 2 during the year.

Samvardhana Motherson Finance Services Cyprus Limited

6 Financial risk management (continued)

• (iii) Fair value estimation (continued)

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following table presents the changes in Level 3 investments for the year ended 31 March 2024:

	Equity securities US\$	Total Level 3 US\$
At 1 April 2023	6.208.082	6.208.082
Fair value gain recognised in profit or loss	5.216	5.216
At 31 March 2024	6.213.298	6.213.298

The following table presents the changes in Level 3 investments for the year ended 31 March 2023:

	Equity securities US\$	Total Level 3 US\$
At 1 April 2022	9.674.810	9.674.810
Fair value loss recognised in other comprehensive income (Note 15)	(2.160.687)	(2.160.687)
Fair value losses recognised in profit or loss	(1.306.041)	(1.306.041)
At 31 March 2023	6.208.082	6.208.082

7 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. 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 discussed below.

Samvardhana Motherson Finance Services Cyprus Limited

7 Critical accounting estimates and judgements (continued)

(i) Critical accounting estimates and assumptions (continued)

- **Related party transactions**

In the normal course of business the Company enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair values. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analyses.

Terms and conditions of related party balances and transactions are disclosed in Note 20.

- **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 6 Credit risk section.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. The Company 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.

- **Fair value of financial instruments**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

The Company's financial assets at fair value through other comprehensive income represent equity shares in an unlisted entity, a streaming music service provider Saavn Global Holdings Ltd.

The Company's financial assets designated at fair value through profit and loss represent equity shares in three unlisted entities, a clothing rental services provider, CaaStle Inc. (formerly known as Gwynnie Bee Inc.), an online sports management application, League Apps Inc., and an online education tutoring, Fullmind Inc. (formerly known as iTutor.com Inc.). The fair values of the above-mentioned investments are determined annually by independent professional valuer. Valuer holds relevant professional qualification and has recent experience in investments valuations. The valuer has fair valued the relevant financial instruments using various valuation methodologies, utilising information provided directly by the issuer.

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8 Dividend income

	2024 US\$	2023 US\$
Dividend income from equity instruments designated at FVOCI (Note 12(b))	158,197	-
Total dividend income	158,197	-

9 Other gains/losses - net

	2024 US\$	2023 US\$
Fair value gain/(loss) on financial assets at fair value through profit or loss (Note 12(c))	5,216	(1,306,041)
Net foreign exchange transaction losses	(494)	(1,710)
Total other gains/(losses) - net	4,722	(1,307,751)

10 Administrative expenses

	2024 US\$	2023 US\$
Auditors' remuneration- current year	9,743	12,468
Auditors' remuneration - previous year under provision	3,383	1,265
Other expenses	756	827
Directors' fees (Note 20(i))	869	840
Secretarial fees	460	424
Bank signatory fees	569	530
Registered office fees	541	532
Accounting and administration	54,874	57,244
Bank charges	3,115	2,587
Printing and stationery fees	1,807	1,178
Legalisation of documents	410	92
Unrecoverable VAT	14,456	14,230
Total administrative expenses	90,983	92,217

11 Income tax expense

	2024 US\$	2023 US\$
Current tax:		
Corporation tax	-	-
Income tax expense	-	-

Samvardhana Motherson Finance Services Cyprus Limited

11 Income tax expense (continued)

The tax on the Company's profit/(loss) before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	2024 US\$	2023 US\$
Profit/(loss) before tax	<u>51.794</u>	<u>(1.308.138)</u>
Tax calculated at the applicable corporation tax rate of 12,5%	6.474	(163.517)
Tax effect of expenses and losses not deductible for tax purposes	11.129	175.811
Tax effect of allowances and income not subject to tax	(20.427)	(12.294)
Tax effect of tax losses for which no deferred tax asset was recognised	<u>2.824</u>	<u>-</u>
Income tax charge	<u>-</u>	<u>-</u>

The Company is subject to income tax on taxable profits, at the rate of 12,5%.

Brought forward losses of only five years may be utilized.

As at 31 March 2024 the carry forward losses for income tax purposes amounted to €34.037 (2023: €7.972).

Under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 30%.

In certain cases dividends received from abroad may be subject to special contribution for defence at the rate of 17%. In certain cases dividends received from other Cyprus tax resident companies may also be subject to special contribution for defence.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

12 Financial assets

(a) Financial assets at amortised cost

On 25 July 2017, the Company entered into a loan agreement with Motherson Sintermetal Technology B.V., a related entity, for the amount of €75.000. The loan bore interest of 5% per annum, was repayable by 31 December 2023. The loan was fully impaired as at 31 March 2019, with interest continuing to be accrued and impaired. On 11 July 2022 Motherson Sintermetal Technology B.V. settled in full the impaired loan (capital and interest) of US\$98.354 (Note 20(iii)). The amount was recognised in profit or loss as reversal of impairment losses.

On 14 November 2015 the Company subscribed to a convertible promissory note in a third party, Naya Health, Inc. for the aggregate amount of US\$100.000. The promissory note carried interest of 5% per annum and matured on 31 July 2017. The promissory note was fully impaired as at 31 March 2022. As at 31 March 2023, management has decided to proceed with the write-off of the full amount of the convertible promissory note, as it has assessed and concluded that this amount will not be recovered.

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12 Financial assets (continued)

(b) Financial assets at fair value through other comprehensive income

Investments at FVOCI comprise the following:

	2024 US\$	US\$
<u>Equity investments designated at FVOCI</u>		
At beginning of year	3,388,924	5,549,611
Fair value loss recognised in other comprehensive income (Note 15)	-	(2,160,687)
At end of year	<u>3,388,924</u>	<u>3,388,924</u>

(i) Disposal of equity investments

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

(ii) Amounts recognised in profit or loss and other comprehensive income

During the year, the following gains/(losses) were recognised in profit or loss and other comprehensive income.

	2024 US\$	2023 US\$
Gains/(losses) recognised in other comprehensive income (Note 15)	-	(2,160,687)
Dividends from equity investments held at FVOCI recognised in profit or loss in other income (Note 8)	<u>158,197</u>	-

(iii) Fair value, impairment and risk exposure

Information about the methods and assumptions used in determining fair value and sensitivity of the assets to price and interest rate risk are provided in note 6 and information about the loss allowance recognised on debt investments at FVOCI is provided in note 6.

Financial assets at FVOCI are denominated in US Dollars.

On 13 August 2012 the Company's wholly owned subsidiary, at the time, Samvardhana Motherson Finance Services Inc., transferred to the Company its entire interest in Saavn Global Holdings Limited in the form of dividend distribution. At the date of the transfer the fair value of the interest transferred was estimated at US\$1,172,410 (consisting 1,674,872 shares at a fair value of US\$0.70 per share).

On 31 July 2014 the Company subscribed to 971,251 Series B-3 Preference Shares in Saavn Global Holdings Limited for the aggregate amount of US\$1,000,000.

On 16 June 2017 the Company subscribed to 994,035 Series C Preference Shares in Saavn Global Holdings Limited for the aggregate amount of US\$1,999,998.

For information regarding the fair value of these investments refer to Note 7.

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12 Financial assets (continued)

(c) Financial assets at fair value through profit or loss

Financial assets measured at FVTPL include the following:

	2024 US\$	2023 US\$
At beginning of year	2,819,158	4,125,199
Fair value net gain/(loss) (Note 9)	5,216	(1,306,041)
At end of year	<u>2,824,374</u>	<u>2,819,158</u>

On 30 November 2015 the Company subscribed to 59,382 Series A-8 Preferred Shares in CaaStle Inc (formerly known as Gwynnie Bee Inc.) a private entity, for the aggregate amount of US\$250,000.

On 12 August 2015 the Company subscribed to 2,314,815 Series A-1 Preferred Shares in League Apps Inc., a private entity, for the aggregate amount of US\$625,000.

On 19 January 2017 the Company subscribed to 248,026 Series A-2 Preferred Shares in League Apps Inc., a private entity, for the aggregate amount of US\$77,285.

The promissory notes are automatically convertible into equity instruments of the issuer if certain conditions are triggered, such as qualifying financing rounds, change of control etc in accordance with specified terms stipulated in the relevant agreements.

On 23 March 2017 the convertible promissory notes with Fullmind Inc (formerly known as iTutor.com Inc) with principal amount of US\$850,000 plus the accrued interest of US\$98,940 as of that date were converted into 403,257 Series Seed Preferred shares with a fair value of US\$2,016,285, resulting in a revaluation gain of US\$1,067,345 at the time of conversion.

On 7 October 2021, 269,173 out of 403,257 Series Seed Preferred shares converted into Common shares with par value US\$0.0001.

On 22 October 2021 the convertible promissory notes with Fullmind Inc. with principal amount of US\$1,000,000 plus the accrued interest of US\$101,370 as of that date were converted into 2,753,424 Series Seed 2B Preferred shares with fair value of US\$1,101,370.

The preference shares above are not redeemable at the option of the holder and are convertible at the option of the holder at any time into fully paid shares of common stock at the "Conversion Rate" as this is defined in the relevant Stock Purchase agreements. Further on the basis of the underlying contracts there are terms pertaining to automatic conversion on the occurrence of specified events.

For information regarding the fair value of these investments refer to Note 7.

Samvardhana Motherson Finance Services Cyprus Limited

13 Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2024 US\$	2023 US\$
Cash at bank	<u>102.680</u>	<u>52.019</u>

Cash and cash equivalents are denominated in the US Dollars.

14 Share capital and share premium

	Share capital US\$	Share premium US\$	Total US\$
At 1 April 2022 / 31 March 2023 / 31 March 2024	<u>46.168</u>	<u>18.497.660</u>	<u>18.543.828</u>

The Company's authorised ordinary share capital comprises of 1.600.000 shares of nominal value of US\$1 each.

The Company's issued share capital stands at 46.168 shares of nominal value of US\$1 each.

15 Other reserves

	Financial assets at FVOCI US\$
At 1 April 2022	2.549.613
Financial assets at fair value through other comprehensive income	
Fair value loss (Note 12(b))	<u>(2.160.687)</u>
At 31 March 2023/1 April 2023/31 March 2024	<u>388.926</u>

16 Borrowings

	2024 US\$	2023 US\$
Current		
Borrowings from related entity (Note 20(ii))	<u>236.688</u>	<u>-</u>
Non-current		
Borrowings from related entity (Note 20(ii))	<u>55.176</u>	<u>271.722</u>
Total borrowings	<u>291.864</u>	<u>271.722</u>
Maturity of non-current borrowings		
Between 1 and 2 years	55.176	220.313
Between 2 and 5 years	<u>-</u>	<u>51.409</u>
	<u>55.176</u>	<u>271.722</u>

Samvardhana Motherson Finance Services Cyprus Limited

17 Payables

	2024 US\$	2023 US\$
Payables	13.724	26.808
Accrued expenses	9.743	12.468
Total payables at amortised cost	<u>23.467</u>	<u>39.276</u>

The carrying amounts of the Company's payables are denominated in the following currency:

	2024 US\$	2023 US\$
Euro	<u>23.467</u>	<u>39.276</u>

18 Contingent liabilities

The Company had no contingent liabilities as at 31 March 2024 and 31 March 2023.

19 Commitments

The Company had no capital or other commitments as at 31 March 2024 and 31 March 2023.

20 Related party transactions

The Company's shareholder is Samvardhana Motherson International Limited ("SAMIL") incorporated in India, which owns 100% of the Company's shares. SAMIL is listed in the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

(i) Directors fees (Note 10)

The total remuneration of the Directors was as follows:

	2024 US\$	2023 US\$
	<u>869</u>	<u>840</u>

(ii) Borrowings from related entity (Note 16)

	2024 US\$	2023 US\$
At beginning of year	271.722	265.198
Interest charged	20.142	6.524
At end of year	<u>291.864</u>	<u>271.722</u>

Samvardhana Motherson Finance Services Cyprus Limited

20 Related party transactions (continued)

(ii) Borrowings from related entity (continued)

On 20 April 2021 the Company entered into a loan agreement with Samvardhana Motherson Holding (M) Private Limited for a loan facility of US\$210,000. The loan carried a 1 year Libor+220bps per annum, is unsecured and repayable by 20 April 2024. The USD Libor rate was phased out and the overnight 12-month US dollar LIBOR settings ceased being published at the end of June 2023. Therefore the Company adopted the Secured Overnight Financing (SOFR) rate as of 1 April 2023. The rate applied from 1 April 2023 is SOFR plus 2.92% per annum.

On 21 January 2022 the Company entered into a loan agreement with Samvardhana Motherson Holding (M) Private Ltd for a loan facility of US\$50,000. The loan carried a 1 year Libor+194bps per annum, is unsecured and repayable by 21 January 2023. On 21 January 2023, it was mutually agreed to extend the tenure period of the loan for three years until 20 January 2026. The USD Libor rate was phased out and the overnight 12-month US dollar LIBOR settings ceased being published at the end of June 2023. Therefore the Company adopted the Secured Overnight Financing (SOFR) rate as of 1 April 2023. The rate applied from 1 April 2023 is SOFR plus 2.66% per annum.

(iii) Loan to related entity

	2024 US\$	2023 US\$
Reversal of impairment losses on loan to related entity	-	98,354
Repayment of loan from related entity	-	(98,354)
At end of the year	-	-

On 25 July 2017, the Company entered into a loan agreement with Motherson Sintermetal Technology B.V., a related entity, for the amount of €75,000. The loan carried interest of 5% per annum, was repayable by 31 December 2023. The loan was fully impaired as at 31 March 2019, with interest continuing to be accrued and impaired. On 11 July 2022 Motherson Sintermetal Technology B.V. settled in full the impaired loan (capital and interest) of US\$98,354. The amount was recognised in profit or loss as reversal of impairment losses.

21 Events after the reporting date

Depending on the duration of the Russia- Ukraine war, the Israel-Gaza conflict and continued negative impact on economic activity, the Company might experience negative results, and liquidity restraints and incur impairments on its assets in 2024. The exact impact on the Company's activities in 2024 and thereafter cannot be predicted. Yet management is reasonably confident that any impact would be contained.

There were no other material events after the balance sheet date, which have a bearing on the understanding of the financial statements.

Independent Auditor's Report on pages 2 to 4.