

**MOTHERSON STRATEGIC
SYSTEMS MIDEAST LIMITED
JAFZA, DUBAI, UNITED ARAB EMIRATES
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2026**

<u>CONTENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	5
STATEMENT OF CHANGES IN EQUITY	6
STATEMENT OF CASH FLOWS	7
NOTES TO THE FINANCIAL STATEMENTS	8-27



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INDEPENDENT AUDITOR'S REPORT

To
The Shareholder
M/s Motherson Strategic Systems Mideast Limited
601, The Exchange Tower, Business Bay,
Dubai, United Arab Emirates

Report on the audit of the financial statements

Opinion

We have audited the financial **M/s. Motherson Strategic Systems Mideast Limited, Dubai, United Arab Emirates (the "Company")**, which comprise the statement of financial position as at **31 March 2026**, 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at **31 March 2026**, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, 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.

Emphasis of Matter

We refer to the note 21 to the financial statements which mentions the impact of ongoing geopolitical tensions on the Company's operations, including increased market volatility and the management is actively monitoring developments to assess and evaluate any impact on the financials of the company.

Our report is not modified in respect of these matter

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Continue...

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

Those charged with governance are 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 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 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 management.
- Conclude on the appropriateness of management's 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Report on Other Legal and Regulatory Requirements

As required by the Jebel Ali Free Zone Offshore Company Regulation, 2018 on offshore companies, we report that:

- i. We have obtained and reviewed all the records, paperwork, information, clarification, explanations and other documents of the Company which we considered necessary for the purpose of our audit;
- ii. The financial statements have been prepared and comply in all material aspects, in accordance with the applicable provisions of this regulation;
- iii. The Company's accounts are in agreement with the accounting Records and returns;
- iv. There are no any violations of Memorandum and Articles of Association during the financial year that would impact the activity or financial position of the Company.

For FALCON INTERNATIONAL CONSULTING & AUDITING L.L.C, DUBAI BRANCH
Chartered Accountants

Rakesh Jain
Managing Partner
(Rakesh Jain)
Reg. No: 606



14 May 2026

MOTHERSON STRATEGIC SYSTEMS MIDEAST LIMITED
JAFZA, DUBAI, UNITED ARAB EMIRATES

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Notes	31-03-2026 AED	31-03-2025 AED
ASSETS			
NON-CURRENT ASSETS			
Investment property under development	5	34,704,573	26,437,801
Deferred tax assets (Net)	6	-	3,300
		34,704,573	26,441,101
CURRENT ASSETS			
Due from related party	7	-	100,000
Cash and cash equivalents	8	53,336	-
		53,336	100,000
TOTAL ASSETS		34,757,909	26,541,101
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	100,000	100,000
Retained earnings	10	(51,389)	(33,370)
		48,611	66,630
NON CURRENT LIABILITIES			
Long term borrowings	11	8,950,000	8,950,000
		8,950,000	8,950,000
CURRENT LIABILITIES			
Short term borrowings	12	22,376,342	16,576,342
Other current liabilities	13	3,382,956	948,129
		25,759,298	17,524,471
TOTAL LIABILITIES		34,709,298	26,474,471
TOTAL EQUITY AND LIABILITIES		34,757,909	26,541,101

The accompanying notes and policies form an integral part of these financial statements.
The report of the independent auditor is set out on page 1 to 3.

Approved by the Director on 14 May 2026
For Motherson Strategic Systems Mideast Limited


Director
Atul Kumar Agrawal



MOTHERSON STRATEGIC SYSTEMS MIDEAST LIMITED
JAFZA, DUBAI, UNITED ARAB EMIRATES

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 MARCH 2026**

	Notes	31-03-2026 AED	31-03-2025 AED
Revenue	14	-	-
Cost of revenue	15	-	-
Gross profit		-	-
General and administrative expenses	16	(14,719)	(36,670)
Finance cost	17	-	-
Total expenses		(14,719)	(36,670)
Operating profit		(14,719)	(36,670)
Other income	-	-	-
Profit/(loss) before income tax		(14,719)	(36,670)
Income tax expenses:			
Current tax	18	-	-
Deferred tax expenses/(credit)	6	3,300	(3,300)
Profit/(loss) after tax from continuing operations		(18,019)	(33,370)
Loss from discontinued operations		-	-
Profit/(loss) for the year		(18,019)	(33,370)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(18,019)	(33,370)

The accompanying notes and policies form an integral part of these financial statements.
The report of the independent auditor is set out on page 1 to 3.

Approved by the Director on 14 May 2026
For Motherson Strategic Systems Mideast Limited


Director
Atul Kumar Agrawal



MOTHERSON STRATEGIC SYSTEMS MIDEAST LIMITED
JAFZA, DUBAI, UNITED ARAB EMIRATES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2026

	Share Capital	Retained Earnings	Total AED
Balance as on 31-03-2024	-	-	-
Share capital introduced	100,000	-	100,000
Profit for the year	-	(33,370)	(33,370)
Balance as on 31-03-2025	100,000	(33,370)	66,630
Addition in capital	-	-	-
Profit for the year	-	(18,019)	(18,019)
Balance as on 31-03-2026	100,000	(51,389)	48,611

The accompanying notes and policies form an integral part of these financial statements.
The report of the independent auditor is set out on page 1 to 3.

Approved by the Director on 14 May 2026
For Motherson Strategic Systems Mideast Limited



Director:
Atul Kumar Agrawal



MOTHERSON STRATEGIC SYSTEMS MIDEAST LIMITED
JAFZA, DUBAI, UNITED ARAB EMIRATES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	31-03-2026	31-03-2025
	AED	AED
Cash flows from operating activities		
Profit/(loss) for the year	(18,019)	(33,370)
Add: Provision for corporate tax	-	-
Add: Deferred tax expense	3,300	(3,300)
Funds generated from operations	(14,719)	(36,670)
Changes in working capital		
(Increase) /decrease in due from related party	100,000	(100,000)
Increase /(decrease) in other current liabilities	(31,945)	36,670
Net cash inflow / (outflow) from working capital activities	68,055	(63,330)
Corporate tax paid during the year	-	-
Net cash inflow / (outflow) from operating activities	53,336	(100,000)
Cash flow from investing activities		
Advance payment for purchase of flat	(5,800,000)	(25,526,342)
Net cash inflow / (outflow) from investing activities	(5,800,000)	(25,526,342)
Cash flow from financing activities		
Share capital introduced	-	100,000
Proceeds from short term borrowings	5,800,000	16,576,342
Proceeds from long term borrowings	-	8,950,000
Net cash inflow / (outflow) from financing activities	5,800,000	25,626,342
Net Increase / (decrease) in cash and cash equivalents	53,336	-
Cash & bank balances at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	53,336	-
Represented By:		
Cash and cash equivalents (Note No. 8)	53,336	-

The accompanying notes and policies form an integral part of these financial statements.
The report of the independent auditor is set out on page 1 to 3.

Approved by the Director on 14 May 2026
For Motherson Strategic Systems Mideast Limited


Director
Atul Kumar Agrawal



MOTHERSON STRATEGIC SYSTEMS MIDEAST LIMITED
JAFZA, DUBAI, UNITED ARAB EMIRATES

Notes to the Financial Statements for the year ended 31 March 2026

1. LEGAL STATUS AND BUSINESS ACTIVITIES

a) **M/s. Motherson Strategic Systems Mideast Limited (“The Company”)** was registered with Jebel Ali Free Zone Authority, Dubai, UAE (Registration No. 104059445) in accordance with Jebel Ali Free Zone Offshore Company Regulation, 2018 as an offshore company with limited liability on 15 August 2024.

b) The Company is mainly engaged in Commercial enterprises, investment & establishing commercial, industrial and agricultural projects and development of projects, general trading activities and any other activities that may be conducted in accordance with the Jebel Ali Free Zone Authority offshore companies’ regulations 2018, as amended from time to time.

The company shall be entitled to incorporate and/or purchase a stake and/or own another company in whole or own shares in another companies and/or commercial entities in any part of the world and/or own any freehold property which will be accepted by Jebel Ali Free Zone Authority.

c) The management and control of the Company is vested with the Director, Mr. Atul Agrawal (Indian national).

d) The registered office address of the company is 601, The Exchange Tower, Business Bay, Dubai, United Arab Emirate.

e) SHARE CAPITAL

Authorized, issued and paid-up capital of the Company is AED 100,000 divided into 1000 shares of AED 100 each fully paid and held by the Shareholder as follows:

S.No.	Name of the Shareholders	Nationality	No. of Shares	Amount (AED)	%
1.	MSSL MIDEAST (FZE)	United Arab Emirates	100	100,000	100

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and applicable provisions of relevant UAE Laws.

IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC interpretations).



BASIS OF PREPARATION (continued)

b) Basis of presentation

The financial statements have been presented in Dirhams ("AED") which is Company's functional and presentation currency.

All the values are expressed in AED and files have been rounded off to the nearest AED.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of complexity, or areas where assumptions and estimates are significant to financial statements are disclosed in Note 4. These have been applied consistently for all years presented unless otherwise stated.

c) Going concern basis of accounting

The financial statements have been prepared on a going concern basis on the assumption that the Company will be able to meet its payment obligations as and when they fall due for payment, the bank finance and the financial support of the Shareholder would be available on a continuing basis. The Company's operations are profitable and it has a sound financial position.

d) Accrual basis of accounting

The Company prepares the financial statements, except for cash flows information, using the accrual basis of accounting i.e. all items of assets, liabilities, equity, income and expenses are recognized as they arise.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted, and those have been consistently applied, are as follows:

a) Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or



SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

(Continued)

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

b) Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Specifically, the Company has applied a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.



SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

(Continued)

Principal versus agent

The Company acts as a principal if it controls a promised good or service before transferring it to the customer. The Company is an agent if its role is to arrange for another entity to provide the goods or services. The factors considered in making this assessment are most notably whether the Company has discretion in establishing the price for the specified good or service, whether the Company is primarily responsible for fulfilling the promise to deliver the service or good. Where the Company is acting as a principal, revenue is recorded on a gross basis. Where the Company is acting as an agent revenue is recorded as a net amount reflecting the margin earned.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. Revenue is recognised in the statement of comprehensive income to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

c) Contract balances

When either party to a contract has performed, an entity shall present the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. An entity shall present any unconditional rights to consideration separately as a receivable.

i. Contract Assets

Contract assets primarily relate to the Company's right on consideration for goods and services provided but not billed at the reporting date. Any amount recognized as a contract asset is reflected to trade receivable or receivable from related party at the point at which it is invoiced to the customer.

ii. Trade receivables

A receivable is recognized if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

iii. Contract liabilities

A contract liability is recognized if a payment is received, or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognized as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

iv. Trade payables

These represents liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer) after the statement of financial position date. If not, they are presented as non-current liabilities.

d) Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs which are subsequently carried at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is amortised over the period of the borrowings using the effective interest



SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

(Continued)

method. Borrowings are classified as current liabilities in case if settlement is due within 12 months otherwise, they are classified as non-current liabilities.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payment through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The future cash payment is estimated taking into account all the contractual terms of the instrument.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

e) Leases

i. *Right-of-use assets*

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii. *Lease liabilities*

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. *Short-term leases and leases of low-value assets*

The Company has exercised the IFRS 16 exemption to not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

f) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.



SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

(Continued)

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of derecognition.

When the use of investment property changes such that it is reclassified from, or to, property, plant and equipment, inventory or development work-in-progress, its carrying value at the date of reclassification becomes its cost for subsequent accounting purposes.

Depreciation on investment properties is calculated using the straight-line method over their estimated useful life.

g) Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

h) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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. 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.



SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

(Continued)

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments, cash and cash equivalents and trade receivables)
- 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)
- Financial assets at fair value through profit or loss

Impairment of financial assets

The Entity recognises a loss allowance for expected credit losses on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all other financial instruments, the Entity recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset.

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.



SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

(Continued)

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 amounts due to related parties, borrowings, lease liabilities and trade and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Derecognition

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

iii. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

iv. Offsetting of financial instruments

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

i) Other incomes

Other income is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably.

j) Dividend income

Dividend income from investments is recognized when the Company's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

k) Dividend distribution

Dividend distributions payable to equity shareholders are debited directly to equity, net of any related income tax benefit. It is included in other liabilities when the dividends have been approved in a general meeting but not distributed prior to the reporting date.

As per the Articles of Association of the Company, the Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

l) Taxation

i. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

(Continued)

On December 09, 2022, United Arab Emirates (UAE) Ministry of Finance (MoF) released Federal Decree Law No. 47 of 2022 on Taxation of Corporations and Businesses, Corporate Tax Law (CT Law) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after June 01, 2023.

The taxable income of the entities that are in scope for UAE CT purpose will be subject to the rate of 9% corporate tax for mainland entities and where conditions are met and 0% for freezone with certain conditions as specified in the law.

Qualified Domestic Minimum Top-up Tax (“QDMTT”)

The OECD’s Pillar Two framework introduces a global minimum tax of 15% applicable to large multinational enterprise groups. In line with this, the United Arab Emirates has enacted the Qualified Domestic Minimum Top-up Tax (“QDMTT”), which is effective for financial years beginning on or after 1 January 2025.

The Group performs an assessment of its exposure to Pillar Two taxes based on the applicable rules and guidance issued to date. Based on such assessment, the UAE jurisdiction does not qualify for the transitional safe harbour provisions. Accordingly, the Group computes the expected top-up tax liability for its UAE operations in accordance with the Pillar Two framework. The top-up tax liability, as allocated to the Company, is recognised and disclosed under “Income Tax Expense” in the Statement of Profit and Loss.

ii. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.



SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

(Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

m) Value added tax ("VAT")

Expenses and assets are recognised net of the amount of VAT, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

n) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability; or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

(Continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

o) Impairment of non-financial assets

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

Impairment losses of continuing operations are recognised in the statement of profit comprehensive income in expense categories consistent with the function of the impaired asset.

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

p) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

q) Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.



SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

r) Standards issued but not yet effective

The standards, amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

- Derecognition of financial liabilities, Classification of financial assets and Disclosures- Amendments to the IFRS 9 Classification and Measurement of Financial Instruments and IFRS 7 Financial Instruments: Disclosures- (mandatorily effective from 1 January 2026)
- Annual Improvements to IFRS Accounting Standards- Hedge Accounting by a First-time Adopter (Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards); Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7); Gain or Loss on Derecognition (Amendments to IFRS 7); Introduction and Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7); Derecognition of Lease Liabilities (Amendments to IFRS 9); Transaction Price (Amendments to IFRS 9); Determination of a 'De Facto Agent' (Amendments to IFRS 10); Cost Method (Amendments to IAS 7)- (mandatorily effective from 1 January 2026)
- Contracts Referencing Nature-dependent Electricity (previously Power Purchase Agreements)- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures- (mandatorily effective from 1 January 2026)
- Replacement of IAS 1 Presentation of Financial Statements by IFRS 18 Presentation and Disclosure in Financial Statements- (mandatorily effective from 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures- (mandatorily effective from 1 January 2027)

The Company is currently assessing the impact of these standards, interpretations and amendments on the future financial statements and intends to adopt these standards as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of Company in the period of initial application.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

Revenue recognition

In making their judgement, the Company considered the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, whether the Company had transferred control of the goods to the customer. Based on the acceptance by the customer of the liability for the goods sold, management is satisfied that the control has been transferred and the recognition of the revenue is appropriate.



SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

(Continued)

Timing of satisfaction of performance obligations

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Company has assessed that based on the contract agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide services to customers, the Company does not create an asset with an alternative use to the Company and usually has an enforceable right to payment for performance completed to date. In these circumstances the Company recognises revenue over time.

Determination of transaction prices

The Company is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Company assess the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract. In determining the impact of variable consideration, the Company uses the “most-likely amount” method in IFRS 15 Revenue from Contracts with Customers whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Determination of principal status

The Company measures its revenue at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty, as the Company has determined that it is acting as principal in the transactions. The determination of whether the Company is principal, or agent requires judgement. In making this judgement, the Company evaluates whether it controls each specified good or service before that good or service is transferred to the customer.

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Impairment of non-financial assets

The Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets are impaired. In making the assessment for potential indicators of impairment, management is required to make certain judgments when determining whether events or circumstances exist that indicate the carrying amount may not be recoverable. During the years presented, management concluded there were no indicators of impairment that required further assessment.

Impairment of financial assets

The Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and when the financial asset is no longer subject to enforcement activity.



MOTHERSON STRATEGIC SYSTEMS MIDEAST LIMITED
JAFZA, DUBAI, UNITED ARAB EMIRATES

Notes to the financial statements for the year ended 31 March 2026 (continued)

	31-03-2026	31-03-2025
	AED	AED
5 INVESTMENT PROPERTY UNDER DEVELOPMENT		
Opening balance	26,437,801	-
Capital advance for purchase of investment property	5,800,000	25,526,342
Expenses capitalised during year (Note 5.1)	609,000	-
Finance cost capitalised during the year. Note-17	1,857,772	911,459
Closing balance	<u>34,704,573</u>	<u>26,437,801</u>

5.1 Expenses capitalised during year

Professional Expenses	<u>609,000</u>	-
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Investment property under development represents property under contractual arrangement with a real estate developer. The property is specifically identified, and the agreement provides the Company with the right to transfer the property in accordance with the terms agreed with the developer. Borrowing costs and directly attributable costs related to these properties have been capitalised. The property will be reclassified to investment property upon completion.

6 DEFERRED TAX ASSETS

Opening balance	3,300	-
Less: Reversal of deferred tax assets	(3,300)	
Tax @ 9% on carry forward business loss for the year	-	3,300
Total deferred tax assets	-	3,300
Deferred tax liabilities	-	-
Total deferred tax assets (Net)	<u>-</u>	<u>3,300</u>

During the year, the Company reassessed the deferred tax assets recognised on carried forward tax losses. Based on the revised assessment and the Company's decision regarding the utilisation of tax losses, the deferred tax asset amounting to AED 3,300 has been reversed and recognised as a deferred tax expense in the statement of profit or loss.

7 RELATED PARTY BALANCES AND TRANSACTIONS

The Company enters into transactions with other companies and entities that fall within the definition of a related party as contained in International Accounting Standard (IAS) 24: Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control and key management personnel. The management decides on the terms and conditions of transactions and of services received/rendered from/to related parties as well as other charges and transactions with such related parties are made at arm's length price and at terms agreed between the Company and related parties.



Notes to the financial statements for the year ended 31 March 2026 (continued)

	31-03-2026 AED	31-03-2025 AED
a) At the balance sheet date, balances with the related parties included in the statement of financial position are as follows:		
i) Due from related parties		
Other receivables from Holding Company	-	100,000
	-	100,000
ii) Due to related parties		
<u>Long Term Borrowings (Note -11)</u>		
Loan from MSSL Mideast FZE (Holding Company)	8,950,000	8,950,000
<u>Short-Term Borrowings (Note -12)</u>		
Loan from Samvardhana Motherson Global FZE (Group Company)	16,576,342	16,576,342
Loan from MSSL Tooling (FZE)	5,800,000	-
	22,376,342	16,576,342
<u>Other payable (Note-13)</u>		
Interest payable to group companies loan	2,769,231	911,459
SCCL Global Project FZE	609,000	-
	3,378,231	911,459
b) Transactions carried out with related parties during the year and included in the statement of comprehensive income are as follows:		
During the year there were no related party transactions included in statement of comprehensive income.		
c) Compensation to key management personnels (KMPs) of the Company are as follows:		
Key management of the company is the manager of the company. Key management personnel remuneration includes the following expenses:		
During the year, no any compensation has been made to KMP's.		
8 CASH AND CASH EQUIVALENTS		
Cash in hand		
Cash at bank	53,336	-
	53,336	-
9 SHARE CAPITAL		
Authorised share capital (1000 shares of AED 100 per share)	100,000	100,000
Issued and paid up share capital (1000 shares of AED 100 per share)	100,000	100,000



Notes to the financial statements for the year ended 31 March 2026 (continued)

	31-03-2026 AED	31-03-2025 AED
10 RETAINED EARNINGS		
Opening balance	(33,370)	-
Net profit/(loss) of the year	(18,019)	(33,370)
Balance- end of the year	<u>(51,389)</u>	<u>(33,370)</u>
11 LONG TERM BORROWINGS		
Loan from MSSL Mideast FZE (Holding Company)	8,950,000	8,950,000
	<u>8,950,000</u>	<u>8,950,000</u>
The loan is unsecured and utilized for the purchase of investment property.		
12 SHORT TERM BORROWINGS		
Loan from Samvardhana Motherson Global FZE (Group Company)	16,576,342	16,576,342
Loan from MSSL Tooling (FZE)	5,800,000	-
	<u>22,376,342</u>	<u>16,576,342</u>
The loan is unsecured and utilized for the purchase of investment property.		
13 OTHER CURRENT LIABILITIES		
Interest payable to group companies loan	2,769,231	911,459
Expenses payable	4,725	36,670
Other payable	609,000	-
	<u>3,382,956</u>	<u>948,129</u>
14 REVENUE FROM OPERATION		
Revenue from operation	-	-
	<u>-</u>	<u>-</u>
15 COST OF REVENUE		
Purchases & direct expenses	-	-
	<u>-</u>	<u>-</u>
16 GENERAL AND ADMINISTRATIVE EXPENSES		
Bank charges	126	-
Legal, license and professional expenses	14,593	36,670
	<u>14,719</u>	<u>36,670</u>
17 FINANCE COST		
Interest on loans	1,857,772	911,459
Less: Transfer to investment properties under development (Note 5)	(1,857,772)	(911,459)
	<u>-</u>	<u>-</u>



Notes to the financial statements for the year ended 31 March 2026 (continued)

	31-03-2026	31-03-2025
	AED	AED

18 INCOME TAX

On December 09, 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from June 01, 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted for the purposes of accounting for Income Taxes.

The OECD's Pillar Two framework introduces a global minimum tax of 15% applicable to large multinational enterprise groups. In line with this, the United Arab Emirates has enacted the Qualified Domestic Minimum Top-up Tax ("QDMTT"), which is effective for financial years beginning on or after 1 January 2025.

For the financial year ended 31 March 2026, the Group has performed an assessment of its exposure to Pillar Two taxes based on the applicable rules and guidance issued to date. Based on such assessment, the UAE jurisdiction does not qualify for the transitional safe harbour provisions. Accordingly, the Group has computed the expected top-up tax liability for its UAE operations in accordance with the Pillar Two framework.

During the year, the company's income as per Pillar two provisions is negative therefore QDMTT income tax expenses has not been recognised. The Group continues to monitor ongoing developments in relation to the Pillar Two legislation, including further administrative guidance and clarifications, and will assess the impact of any such changes.



MOTHERSON STRATEGIC SYSTEMS MIDEAST LIMITED
JAFZA, DUBAI, UNITED ARAB EMIRATES

Notes to the Financial Statements for the year ended 31 March 2026 (continued)

19. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise, trade and other payables, due to related parties, bank borrowings and lease liabilities. The Company's principal financial assets comprise cash and cash equivalents, short-term deposits with bank, other assets, trade and other receivables excluding staff advances and other advances and due from related parties. These financial assets and liabilities arise directly from the Company's operations.

The Company is exposed to variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk (including foreign exchange risk, price risk, interest risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Throughout the current financial year, the Company did not engage in speculative activities.

a) Market risk management

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk is limited as the Company's transactions are principally in UAE Dirhams or US Dollars. As the UAE Dirham is pegged to the US Dollar, balances in AED are not considered to represent significant currency risk.

The Company manages its currency risk by regularly assessing current and expected foreign currency exchange rate movements and Company's foreign currencies payable.

Price Risk

The Company is exposed to price risk arising from retail prices of the products.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

b) Credit risk management

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables, due from related parties and cash and cash equivalents. The Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has no significant concentration of credit risk. The Company has policies in place to ensure that transactions are entered into only with counterparties that are of acceptable credit



FINANACIAL RISK MANAGEMENT (continued)

quality. In addition, receivables balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The Company limits its credit risk with respect to bank balances by dealing only with reputable banks. Amounts due from the related parties are considered to have low probability of default and accordingly no material expected credit losses has been recognised as at the reporting date.

c) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for a short-term period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below summarizes the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

At 31 March 2026

	Less than 12 months AED	More than 12 months AED	Total AED
Long term borrowings	-	8,950,000	8,950,000
Short term borrowings	22,376,342	-	22,376,342
Other payables	3,382,956	-	3,382,956
	25,759,298	8,950,000	34,709,298

At 31 March 2025

	Less than 12 months AED	More than 12 months AED	Total AED
Long term borrowings	-	8,950,000	8,950,000
Short term borrowings	16,576,342	-	16,576,342
Other current liabilities	948,129	-	948,129
	17,524,471	8,950,000	26,474,471

20. CAPITAL MANAGEMENT

The Company manages its capital with an objective to ensure that adequate funds are available to it to continue the operations of the Company as a going concern and provide the Shareholder with reasonable rate of return under the prevailing economic conditions and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.



21. SUBSEQUENT EVENTS

Subsequent to the reporting date, evolving geopolitical tensions in the Middle East have increased market volatility and may impact regional economic conditions. The management is actively monitoring developments to assess and evaluate any impact on the financials of the company.

22. COMPARATIVE INFORMATION

Prior year comparatives have been regrouped/reclassified where necessary to conform with the current year classification. The impact of such regroupings/ reclassifications is not material to these financial statements.

23. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Director of the Company on 14 May 2026 and signed on its behalf by Mr. Atul Kumar Agrawal.

For Motherson Strategic Systems Mideast Limited



Director
Atul Kumar Agrawal

