

مؤسسة النداء لتدقيق الحسابات

AL NEDAA AUDITING
ACCOUNTANTS

هاتف : ٥٦٨٧٢٧٢ - ٠٦ ، فاكس : ٥٦٨١٧١٥ - ٠٦

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محاسبون قانونيون ومدققو حسابات

Motherson Wiring System (FZE)

Financial statements

For the Year Ended 31 March 2026

Motherson Wiring System (FZE)

Financial statements

For the year ended 31 March 2026

Particulars	Page
Independent auditors' report	1
Balance sheet	2
Statement of income	3
Statement of changes in equity	4
Statement of cash flow	5
Notes to the financial statements	6-21

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Independent auditors' report
To the shareholders of Motherson Wiring System (FZE)

Report on the Financial Statements

We have audited the accompanying financial statements of MSSL Mideast (FZE) ("the Company") which comprise the balance sheet as of 31 March 2026 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

AL NEDAA AUDITING ACCOUNTANTS

Samir Zaki Amin Ahmed Zaki Amin

Registration No: 440

Place: Sharjah

Date: Jun 19, 2026



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Motherson Wiring System (FZE)

Balance sheet at 31 March 2026

	Notes	31-Mar-26 Euro	31-Mar-25 Euro
Assets			
Property, plant and equipment	4	-	-
Right-of-use assets (Recog. under IFRS 16)	5	60,804	66,274
Non-current assets		60,804	66,274
Receivables and prepayments	7	154,808	5,130,226
Cash and cash equivalents	8	119,592	377,899
Current assets		274,400	5,508,125
Total assets		335,204	5,574,399
Equity And Liabilities			
Shareholders' equity			
Share capital	10	32,100	32,100
Retained earnings / (losses)		(279,689)	(575,168)
Shareholders' equity		(247,589)	(543,068)
Liabilities			
Non-current liabilities			
Long term lease liabilities	13	64,657	81,960
Retirement benefit obligations	14	2,848	-
Non-current liabilities		67,505	81,960
Current liabilities			
Borrowings	11	443,137	5,836,629
Trade and other payables	12	72,151	198,878
Current liabilities		515,288	6,035,507
Total liabilities		335,204	5,574,399

These financial statements were approved on June 19, 2026 and were signed by:

For and on behalf of the Board (Company)

Place: Sharjah




Notes on pages 6 to 21 are an integral part of these financial statements





Motherson Wiring System (FZE)
Statement of income for the year ended 31 March 2026

	Notes	For the year ended 31-Mar-26 Euro	For the year ended 31-Mar-25 Euro
Other income	15	738,360	587,829
Operating profit		<u>738,360</u>	<u>587,829</u>
Expenses			
General and administration expenses	16	232,826	23,805
Profit from operations		<u>505,534</u>	<u>564,024</u>
Finance costs	17	164,601	198,178
Depreciation and amortization expense	5	10,690	11,560
Profit before tax		<u>330,243</u>	<u>354,286</u>
Income tax expenses	21	-34,764	-
Profit after tax		<u>295,479</u>	<u>354,286</u>

These financial statements were approved on June 19, 2026 and were signed by:

For and on behalf of the Board (Company)

Place: Sharjah



Shahid Hussain
 (Director & Manager)

Notes on pages 6 to 21 are an integral part of these financial statements



Motherson Wiring System (FZE)
Statement of changes in equity for the year ended 31 March 2026

	Share Capital Euro	Retained Earnings Euro	Total Euro
At 1 April 2024	32,100	(929,454)	(897,354)
Profit for the period	-	354,286	354,286
At 31 March 2025	32,100	(575,168)	(543,068)
At 1 April 2025	32,100	(575,168)	(543,068)
Profit for the period	-	295,479	295,479
At 31 March 2026	32,100	(279,689)	(247,589)

Notes on pages 6 to 21 are an integral part of these financial statements



Motherson Wiring System (FZE)
Statement of cash flows for the year ended 31 March 2026

	Notes	Year ended 31-Mar-26 Euro	Year ended 31-Mar-25 Euro
<u>Operating activities</u>			
Profit before tax		330,243	354,286
Adjustments for:			
Depreciation	5	10,690	11,560
Finance cost	17	164,601	198,878
Unrealised foreign exchange loss		204,634	(10,229)
Operating profit before working capital changes and payment of employees' end of service benefits		<u>710,168</u>	<u>554,495</u>
Trade receivable and prepayments		4,770,784	(3,896,537)
Trade and other payables		27,566	(9,701)
Net cash provided by operating activities		<u>5,508,518</u>	<u>(3,351,743)</u>
<u>Financing activities</u>			
Interest paid		(342,927)	(198,878)
Amount received from borrowings		-	3,273,000
Loan repayment		(5,393,492)	-
Payment of lease liabilities		(30,406)	(11,560)
Net cash provided by financing activities		<u>(5,766,825)</u>	<u>3,062,562</u>
Net increase / (decrease) in cash and cash equivalents		(258,307)	(289,181)
Cash and cash equivalents, as at April 1, 2025		377,899	667,080
Cash and cash equivalents, end of the year	8	<u><u>119,592</u></u>	<u><u>377,899</u></u>

Notes on pages 6 to 21 are an integral part of these financial statements



Motherson Wiring System (FZE)

Notes to the financial statements for the year ended 31 March 2026

1. Incorporation and activities

Motherson Wiring System Limited (FZC) ("the Company") was registered as a Free Zone Company (FZC) with limited liability in the Sharjah Airport International Free Zone (SAIF Zone) on 15th July 2006. The registered address of the company is H-3, 4-6, P O Box 120563, Sharjah, UAE. The Company's shareholders was MSSL Mideast (FZE) (51%) (Parent Company) and Sumitomo Wiring Systems Limited (49%). Trade License Number is 04144.

During financial year 2010-11, the Company has discontinued business due to its customer shifting its business base back to Europe. Subsequently MSSL Mideast FZE, has purchased the remaining 49% equity shares in the Company from Sumitomo Wiring Systems Ltd., the Company is now 100% Subsidiary of MSSL Mideast (FZE) and consequently the entity is changed from Motherson Sumi Wiring System Limited (FZC) to Motherson Wiring System (FZE).

Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited), a company incorporated in India is the ultimate parent Company of Motherson Wiring System (FZE).

The Company owns 1% of issued share capital of Samvardhana Motherson Electric Vehicle LLC UAE, a company incorporated in UAE as a limited liability company.

Activities

The Company is engaged in the manufacture, processing assembly, trade and sale of wiring harness, components and tools. The principal terms governing the operations of the Company have been incorporated in the Memorandum & Articles of Association of the Company.

2. Summary of significant accounting policies

The financial statements of Motherson Wirig System (FZE) have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention.

The Company transacts its business mainly in EURO ("EUR") and accordingly, the functional and reporting currency of the Company is EUR. This is different from the currency of the country in which the Company is domiciled, the United Arab Emirates. The financial statements have been presented in EUR, being the functional currency of the Company.

Basis of preparation

2.1 Basis of preparation

The financial statements of Motherson Wiring System (FZE) have been prepared in accordance with and comply with International Financial Reporting Standards ('IFRS') and IFRIC interpretations. The financial statements have been prepared under the historical cost convention. The accompanying financial statements have been presented on the basis that the Company will continue as a going concern.

The Company has reported profit after tax of EUR 295,479 during the year ended 31 March 2026 (2025: EUR 354,286), and as of that date, the company has accumulated losses amounting to EUR 279,689 (2025: EUR 575,168), a net current liability of EUR 240,888 (2025: EUR 527,382)

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates. It also requires the management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed under the relevant accounting policies.



Motherson Wiring System (FZE)

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

2.1 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The significant transactions of the Company are in Euros. Hence, the Board of directors considers the Euro (“EUR”) as their functional currency. The financial statements are presented in EUR, which is the Company’s functional 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. 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 the statement of comprehensive income.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method at rates calculated to reduce the cost of assets to their estimated residual values over their expected useful lives as follows:

Building	10 Years
Plant and machinery	4~10 Years
Furniture, fixtures and equipment	3~6 Years
Motor vehicles	4 Years

Repairs and renewals are charged to the income statement when the expenditure is incurred.

Assets in the course of construction are carried at cost as capital work-in-progress, and are transferred to building, property, plant and equipment completed or when commissioned as the case may be. No depreciation is charged on such assets until completed or commissioned.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

2.3 Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement within ‘selling and distribution costs’.



Motherson Wiring System (FZE)

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

2.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and current accounts with banks. The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less on the date of purchase, to be cash equivalents.

2.5 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, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, 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. Trade receivables that do not contain a significant financing component are measured at the transaction price.

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

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

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

The Company's financial assets include amounts due from related parties, cash and bank balance and security deposits.

Subsequent measurement

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

-Financial assets at fair value through profit or loss – The Company has not designated any financial asset as fair value through profit or loss;

- Financial assets at amortised cost (debt instruments) – The Company subsequently measures financial assets at amortised cost using effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognized, modified or impaired;

-Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) - The Company has not designated any financial asset at fair value through OCI with recycling of cumulative gains and losses; and

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) - The Company has not designated any financial asset at fair value through OCI with no recycling of cumulative gains and losses upon derecognition.



Motherson Wiring System (FZE)

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

i) Financial assets - Subsequent measurement (continued)

Financial assets at amortised cost

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The Company's financial assets at amortised costs include amounts due from related parties, cash and bank balance and security deposits.

The Company does not have any financial assets within the other categories as stated above.

Bank balances and cash

Bank balances and cash in the statement of financial position comprise cash at bank and cash on hand, which are subject to an insignificant risk of changes in value.

Amounts due from related parties

Amounts due from related parties are stated at original invoice amount less allowance for expected credit losses. An estimate for expected credit losses is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

When amounts due from related parties are uncollectible, it is written off against the allowance for expected credit losses. Subsequent recoveries of amounts previously written off are shown as other income in the statement of comprehensive income.

Security deposits

Security deposits are stated at original invoice amount less allowance for any uncollectible amounts.

Derecognition

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

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

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.



Motherson Wiring System (FZE)

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

i) Financial assets (continued)

Impairment

The Company recognises an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integrated to the contractual terms.

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

For due from related parties and other receivables, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses at each reporting date.

The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognised in the statement of comprehensive income.

The Company considers a financial asset in default when contractual payments are 30-60 days past due. However, in certain cases, 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.

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, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

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 trade and other payables, due to related parties, loans from a related party and lease liability.

Subsequent measurement

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

Accounts payables and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Borrowings (Loans from a related party)

After initial recognition, loan from a related party is subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of comprehensive income when the liability is derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.



Motherson Wiring System (FZE)

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

ii) Financial liabilities - Subsequent measurement - continued

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 an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Due to related parties

Due to related parties are recognised for amounts to be paid in the future for goods or services received, whether billed by the related party or not.

Derecognition

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

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the 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

2.6 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:

- In the principal market for the asset or liability, or
 - 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 to / 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.



Motherson Wiring System (FZE)

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

2.6 Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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

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 categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.7 Current versus non-current classification

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

- Expected to be realised or intended to 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 classified as current when:

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

The Company classifies all other liabilities as non-current.



Motherson Wiring System (FZE)

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

2.8 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. 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. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. 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.

The Company's lease liability is disclosed as a separate line-item under current and non-current portions.

Short-term leases and leases of low value assets. The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



Motherson Wiring System (FZE)

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

2.9 Employees' end of service benefits

The Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

2.10 Provision for staff benefits

A provision is made for the estimated liability for employees entitlement to annual leave as a result of services rendered by the employees up to the balance sheet date. Provision is made for the full amount of the end of service benefits due to employees in accordance with the UAE Labour Law for their periods of service up to the balance sheet date. The provision relating to annual leave is disclosed as current liability, while that relating to end of service benefits is disclosed as a non-current liability.

2.11 Contingencies

Contingent liabilities are not recognised 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 recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

2.12 Taxes

(i) Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. 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.

(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 taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associate, and interests in joint arrangements, when 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, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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:

- When 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
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred 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 utilized.



Motherson Wiring System (FZE)

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

2.12 Taxes - Deferred Tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are 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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.13 Share Capital

Ordinary shares are classified as equity. Share capital is translated at the historical rate.

2.14 Trade Payables

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

2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction and the redemption value) is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.16 Revenue Recognition

Rental Income (Other Income)

Rental income arising from building given under operating leases is accounted for on a straight-line basis over the lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in operating income in the statement of profit and loss.



Motherson Wiring System (FZE)

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

3. Financial Risk Management

3.1 Financial Risk Management

The Company's activities expose it to a variety of financial risks; market risk (including currency risk and price risk), and credit risk. The Company's overall risk management program focuses on Unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the company.

Risk management is carried out by Central treasury department under policies approved by the Board of directors. The company operates internationally and is exposed to foreign exchange risk primarily with respect to United State Dollar, Indian Rupee, Sterling Pound and UAE Dirham. Currency risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. As a result, it is subject to foreign currency exchange risk arising from exchange rate movements which will affect the Company's translation of the results and underlying net assets of its foreign subsidiaries.

The company has loan and advances denominated in AED to which it is exposed to foreign currency exchange risk. There were no hedging transactions in place as at year end.

During the year, the company has not hedged the foreign currency exposure.

3.2 Capital Risk Management

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



Motherson Wiring System (FZE)

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

4 Property, Plant and Equipment

	Building	Plant and Machinery (Electric inst.)	Total
	Euro	Euro	Euro
At March 31 2025			
Cost	3,515,825	990,525	4,506,350
Accumulated depreciation / impairment	<u>(3,515,825)</u>	<u>(990,525)</u>	<u>(4,506,350)</u>
	<u>-</u>	<u>-</u>	<u>-</u>
	Building	Plant and Machinery (Electric inst.)	Total
	Euro	Euro	Euro
At March 31 2026			
Cost	3,515,825	990,525	4,506,350
Accumulated depreciation / impairment	<u>(3,515,825)</u>	<u>(990,525)</u>	<u>(4,506,350)</u>
Closing net book value	<u>-</u>	<u>-</u>	<u>-</u>

5 Right-to-use Assets (IFRS 16)

	Building	Total
	Euro	Euro
Year ended		
March 31 2025		
Opening net book value	79,572	79,572
Additions	(1,738)	(1,738)
Depreciation charge	<u>(11,560)</u>	<u>(11,560)</u>
Closing net book value	<u>66,274</u>	<u>66,274</u>
	Building	Total
	Euro	Euro
Year ended		
March 31 2026		
Opening net book value	66,274	66,274
Additions/Adjustment	5,220	5,220
Depreciation charge	<u>(10,690)</u>	<u>(10,690)</u>
Closing net book value	<u>60,804</u>	<u>60,804</u>

6 Capital Commitment

There is no capital commitment outstanding at the year end (previous year: nil).



Motherson Wiring System (FZE)

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

7 Receivables and Prepayments

	As at 31-Mar-26 Euro	As at 31-Mar-25 Euro
Trade receivables - parent (refer note 9)	37,437	-
Trade receivables - related party (refer note 9)	78,645	5,115,341
Prepayments	28,833	5,451
Other current assets	9,893	9,434
	<u>154,808</u>	<u>5,130,226</u>

8 Cash and Cash equivalents

	As at 31-Mar-26 Euro	As at 31-Mar-25 Euro
Cash at bank	<u>119,592</u>	<u>377,899</u>

9 Related party transactions and balances

Related parties comprise the shareholders and their subsidiaries and associates. During the period, the company entered into the following significant transactions with related parties at agreed rates:

A Transactions

	(Amount in Euro)			
	Parent		Related Parties	
	For the year ended 31-Mar-26	For the year ended 31-Mar-25	For the year ended 31-Mar-26	For the year ended 31-Mar-25
Other income	426,888	-	311,472	577,601
Finance cost	84,943	175,336	70,602	11,435
Loans repaid	3,720,492	-	1,673,000	-
Loan taken	-	1,600,000	-	1,673,000
Interest repaid	271,714	-	-	-

B Balances

	Parent		Related Parties	
	As at 31-Mar-26	As at 31-Mar-25	As at 31-Mar-26	As at 31-Mar-25
Loan receivable - current	443,137	4,163,629	-	1,673,000
Interest outstanding	-	175,336	-	11,435
Trade receivable	37,437	-	78,645	5,115,341
Trade payable	-	-	23,423	-



Motherhood Wiring System (FZE)**Notes to the financial statements for the year ended 31 March 2026 (continued)****10 Share Capital**

The company has been registered on 15 July 2006. The current shareholders of the Company is MSSL Mideast (FZE). Share capital comprises 1 Share of AED 150,000 (Equivalent to Euro 32,100). All shares are fully paid up.

11 Borrowings

	As at 31-Mar-26 Euro	As at 31-Mar-25 Euro
Loan from parent company (refer note 9)	443,137	4,163,629
Loan from related parties (refer note 9)	-	1,673,000
	<u>443,137</u>	<u>5,836,629</u>

12 Trade and other payables

	As at 31-Mar-26 Euro	As at 31-Mar-25 Euro
Trade payables		
-Related parties (refer note 9)	23,423	-
- Others	1,116	576
Finance lease liability	12,093	11,531
Other liability	755	-
Interest payable to parent (refer note 9)	-	186,771
Interest payable to related parties (refer note 9)	-	-
Corporation tax payable	34,764	-
	<u>72,151</u>	<u>198,878</u>

13 Long term lease liability

	As at 31-Mar-26 Euro	As at 31-Mar-25 Euro
Finance lease liability – non-current	64,657	81,960
	<u>64,657</u>	<u>81,960</u>

14 Retirement benefit obligations

	As at 31-Mar-26 Euro	As at 31-Mar-26 Euro
Provision for employees' end of service benefits		
At the beginning of the year	-	-
Charge for the year	2,848	-
Payments during the year	-	-
At the end of the year	<u>2,848</u>	<u>-</u>



Motherson Wiring System (FZE)**Notes to the financial statements for the year ended 31 March 2026 (continued)****15 Operating income**

	For the year ended 31-Mar-26 Euro	For the year ended 31-Mar-25 Euro
Other income (refer note 9)	738,360	587,829
	<u>738,360</u>	<u>587,829</u>

16 General and administration expenses

	For the year ended 31-Mar-26 Euro	For the year ended 31-Mar-25 Euro
Insurance	7,160	6,942
Other expenses	7,786	13,091
Employee benefit expense	13,246	3,772
Net foreign exchange transaction losses	204,634	-
	<u>232,826</u>	<u>23,805</u>

17 Finance cost

	For the year ended 31-Mar-26 Euro	For the year ended 31-Mar-25 Euro
Bank charges	611	622
Interest on term loan (refer note 9)	155,545	186,771
Finance cost on finance lease	8,445	10,785
	<u>164,601</u>	<u>198,178</u>

18 Employee benefit expense

	For the year ended 31-Mar-26 Euro	For the year ended 31-Mar-25 Euro
Salaries and wages	10,328	3,647
Retirement benefit obligations (refer note 13)	2,848	-
Staff welfare	70	88
	<u>13,246</u>	<u>3,735</u>

19 Fair value

The fair value of the company's financial assets and liabilities at 31 March 2026 approximated their net book amounts as reflected in these financial statements.



Motherson Wiring System (FZE)

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

20 Going concern

In the current year the company has rental income from related parties which has led to profit after tax of Euro 295,479 the same income is expected to continue in the foreseeable future.

21 Corporate income tax

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law). The Federal Corporate Tax (“the Law” or “CT”) provides the legislative basis for imposing a federal tax on corporations and business profits in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023 and will be applicable to the Establishment for accounting periods beginning on or after 1 April 2024. The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 (and a rate of 0% on qualifying income of free zone entities).

Based on the current provisions of the UAE CT Law (including interpretation based on the Ministerial decisions and related guidance) and in accordance with IAS 12 Income Taxes, no potential deferred tax assets or liabilities have been identified as at the reporting date, as the company has 0% tax due to having qualifying income in free zone.

Global minimum top-up Tax

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.

The resulting top-up tax liability, as allocated to the Company, has been recognised and disclosed under “Income Tax Expense” in the Statement of Profit and Loss for the current financial year.

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.

22 Adoption of accounts

These accounts were adopted by the Board of Directors in the meeting held on June 19, 2026.



مؤسسة النداء لتدقيق الحسابات

AL NEDAA AUDITING
ACCOUNTANTS

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