Samvardhana Motherson Global (FZE)

FINANCIAL STATEMENTS

31 MARCH 2026

motherson

DIRECTORS' REPORT

The Directors present their report and financial statements for Samvardhana Motherson Global (FZE) (the "Establishment") for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the Establishment is to provide business consultancy services to the related parties.

Total revenue of the Establishment for the year ended 31 March 2026 is USD 103,025,968 (2025: USD 75,107,620). The Establishment reported a net loss of USD 1,049,300 for the year ended 31 March 2026 (2025: net profit of USD 1,345,606).

DIRECTORS

The Directors who served during the year were:

- Mr. Vivek Chaand Sehgal (Chairman)
- Mr. Laksh Vaaman Sehgal
- Mr. Sanjay Mehta
- Mr. Atul Kumar Agarwal
- Mr. Veli Matti Ruotsala (joined during the year on 10 April 2025)
- Mr. Pankaj Mital (joined during the year on 10 April 2025)

AUDITOR

Ernst and Young Middle East (Dubai Branch) were appointed as external auditor of the Establishment for the year ended 31 March 2026. Ernst & Young, have indicated their willingness to continue as auditor of the Establishment for the year ending 31 March 2027.

For and on behalf of the Board of Directors

Atul Kumar Agarwal
Director

11 June 2026
Sharjah, United Arab Emirates

P.O. Box : 513142
Sharjah - U.A.E.
SAMVARDHANA MOTHERSON GLOBAL FZE

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SAMVARDHANA MOTHERSON GLOBAL (FZE)

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Samvardhana Motherson Global (FZE) (the "Establishment"), which comprise the statement of financial position as at 31 March 2026, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Establishment as at 31 March 2026, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting standards as issued by the International Accounting Standards Board (IASB).

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 Establishment in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, 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.

Material Uncertainty Relating to Going Concern
We draw attention to Note 2.1 to the financial statements, which indicates that the Establishment has incurred a loss of USD 1,049,300 during the year ended 31 March 2026, and as of that date, the Establishment has accumulated losses amounting to USD 5,167,305, a deficiency of assets of USD 5,126,466 and its current liabilities exceeded its current assets by USD 8,107,215. As stated in Note 2.1, these conditions, along with other matters as set forth in note 2.1, indicate the existence of material uncertainty which may cast significant doubt on the Establishment's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Responsibilities of Management and the Board of Directors for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting standards and in compliance with applicable provisions of the Implementing Regulations for Free Zone Companies issued pursuant to Law No. 2 of 1995 concerning Sharjah Airport International Free Zone and the Memorandum & Articles of Association of the Establishment, 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.

In preparing the financial statements, management is responsible for assessing the Establishment'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 Establishment or to cease operations, or has no realistic alternative but to do so.

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

Report on the Audit of the Financial Statements (continued)

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 Establishment'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 Establishment'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 Establishment to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SAMVARDHANA MOTHERSON GLOBAL (FZE) (continued)

Report on other Legal and Regulatory Requirements

The net assets of the Establishment as at 31 March 2026 has fallen below 75% of the Establishment's share capital as of that date. As per Clause 46 of the applicable provisions of the Implementing Regulations for Free Zone Companies issued pursuant to Law No. 2 of 1995 concerning Sharjah Airport International Free Zone, under such circumstances, the Board of Directors of the Establishment should notify the FZE Department within 15 days of the event being identified and the Shareholder, within 7 days of the notification, should take steps to remedy the situation. However, the Board of Directors have not notified the FZE Department as the Shareholder has confirmed its continuing financial support to the Establishment.

Except for the above, we also confirm that, in our opinion, the financial statements of the Establishment have been properly prepared, in all material respects, in accordance with the applicable provisions of the Implementing Regulations for Free Zone Companies issued pursuant to Law No. 2 of 1995 concerning Sharjah Airport International Free Zone.

Ernst & Young Middle East (Dubai Branch)

TS. Hali Gopal

Thodla Hari Gopal
Registration No. 689

ERNST & YOUNG MIDDLE EAST
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P.O.BOX: 9267
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16 June 2026

Dubai, United Arab Emirates

STATEMENT OF COMPREHENSIVE INCOME
As at 31 March 2026

	Notes	***2026 USD***	*2025 USD*
Revenue from contracts with customers	3,10	**103,025,968**	75,107,620
Operating expenses	4	**(103,205,830)**	(74,476,375)
OPERATING (LOSS) / PROFIT		**(179,862)**	631,245
Finance income	5(a)	**407,052**	174,076
Finance cost	5(b)	**(363,720)**	(193,403)
(Loss) / Gain on currency exchange fluctuation		**(563,995)**	882,764
(LOSS) / PROFIT BEFORE TAX		**(700,525)**	1,494,682
Income tax expense	16	**(348,775)**	(149,076)
(LOSS) / PROFIT FOR THE YEAR		**(1,049,300)**	1,345,606
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		**(1,049,300)**	1,345,606

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P.O. Box : 513142
Sharjah - U.A.E.
SAMVARDHANA MOTHERSON GLOBAL FZE

Atul Kumar Agarwal
Director

EY Initialled for identification purposes only, to be read along with our report dated

16 June 2026

The attached notes 1 to 16 form part of these financial statements

Samvardhana Motherson Global (FZE)

STATEMENT OF FINANCIAL POSITION
As at 31 March 2026

	Notes	*2026* *USD*	*2025* *USD*
ASSETS			
Non-current assets			
Property and equipment	6(a)	**3,017,834**	824,808
Right-of-use assets	7	**2,575,704**	125,020
Capital advance	6(b)	**156,386**	-
		5,749,924	949,828
Current assets			
Trade and other receivables	8	**5,725,910**	6,055,376
Due from related parties	10	**9,839,336**	11,704,471
Loan to a related party	10	**4,513,738**	4,513,738
Bank balances and cash	9	**5,237,431**	667,598
		25,316,415	22,941,183
TOTAL ASSETS		**31,066,339**	23,891,011
EQUITY AND LIABILITIES			
Equity			
Share capital	11	**40,839**	40,839
Accumulated losses		**(5,167,305)**	(4,118,005)
Total deficiency of assets		**(5,126,466)**	(4,077,166)
Non-current liabilities			
Employees' end of service benefits	12	**436,090**	271,699
Lease liabilities	7	**2,333,085**	-
Loan from a related party	10	-	3,785,950
		2,769,175	4,057,649
Current liabilities			
Due to related parties	10	**20,415,860**	22,985,151
Trade and other payables	13	**8,446,448**	735,510
Lease liabilities	7	**525,809**	189,867
Loan from a related party	10	**4,035,513**	-
		33,423,630	23,910,528
Total liabilities		**36,192,805**	27,968,177
TOTAL EQUITY AND LIABILITIES		**31,066,339**	23,891,011

SAMVARDHANA MOTHERSON GLOBAL FZE
P.O. Box : 513142
Sharjah - U.A.E.

Atul Kumar Agarwal
Director

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16 June 2026

The attached notes 1 to 16 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Share capital USD	*Accumulated losses USD*	*Total USD*
At 1 April 2024	40,839	(5,463,611)	(5,422,772)
Profit for the year	-	1,345,606	1,345,606
Total comprehensive profit for the year	-	1,345,606	1,345,606
At 31 March 2025	40,839	(4,118,005)	(4,077,166)
Loss for the year	-	(1,049,300)	(1,049,300)
Total comprehensive loss for the year	-	(1,049,300)	(1,049,300)
At 31 March 2026	**40,839**	**(5,167,305)**	**(5,126,466)**

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16 June 2026

The attached notes 1 to 16 form part of these financial statements.

Samvardhana Motherson Global (FZE)

STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	Notes	***2026 USD***	*2025 USD*
OPERATING ACTIVITIES			
(Loss) / Profit before tax		**(700,525)**	1,494,682
Adjustments for:			
Depreciation on right-of-use assets	7	**505,461**	113,552
Provision for employees' end of service benefits	12	**225,414**	78,222
Depreciation on property and equipment	6	**490,805**	81,366
Finance cost	5(b)	**363,720**	193,403
Unrealized foreign exchange loss / (gain) on loan from a related party	10	**249,563**	(4,550)
		1,134,438	1,956,675
Working capital changes:			
Trade and other receivables		**329,466**	(5,886,868)
Due from related parties		**1,865,135**	(1,008,790)
Due to related parties		**(2,569,291)**	6,529,814
Trade and other payables		**7,536,565**	608,169
Cash generated from operating activities		**8,296,313**	2,199,000
Employees' end of service benefits paid	12	**(61,023)**	-
Tax paid	16	**(348,775)**	(149,076)
Net cash flows from operating activities		**7,886,515**	2,049,924
INVESTING ACTIVITIES			
Purchase of property and equipment	6	**(2,683,831)**	(733,228)
Loan to a related party	10	**-**	(4,513,738)
Capital advance paid for furniture	6	**(156,386)**	-
Net cash flows used in investing activities		**(2,840,217)**	(5,246,966)
FINANCING ACTIVITIES			
Receipt on loan from related party	10	**-**	3,790,500
Payment of lease liabilities	7	**(460,802)**	(169,680)
Finance cost paid	5(b)	**(15,663)**	(173,043)
Net cash flows (used in)/ from financing activities		**(476,465)**	3,447,777
NET INCREASE IN BANK BALANCES AND CASH		**4,569,833**	250,735
Bank balances and cash at the beginning of the year		**667,598**	416,863
BANK BALANCES AND CASH AS AT 31 MARCH	9	**5,237,431**	667,598

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16 June 2026

The attached notes 1 to 16 form part of these financial statements.

1 ACTIVITIES

Samvardhana Motherson Global (FZE) (the "Establishment") is registered as a Free Zone Establishment in the Emirate of Sharjah, United Arab Emirates ("UAE") with trade license number 15115 under applicable provisions of the Implementation Regulations issued pursuant to Law No. 2 of 1995, concerning the formation of Free Zone Establishments in the Sharjah Airport International Free Zone. The address of registered office of the Establishment is P.O. Box 513142, Sharjah.

During the year ended 31 March 2025, pursuant to agreement dated 20 August 2024, Samvardhana Motherson Reflectec Group Holdings Limited transferred its 100% shareholding in the Establishment to MSSL Mideast FZE (the "Parent Company"), a free zone establishment registered with Sharjah Airport International Free zone, Sharjah, United Arab Emirates.

The Establishment has also established a branch in the Dubai Airport Free Zone Authority on 31 May 2015 with trade license number 02929. During the year ended 31 March 2026, the Establishment has established another branch in the Dubai Word Trade Centre Authority on 19 August 2025 with trade license number L-4053. The accompanying financial statements of the Establishment include the branches in Dubai Airport Free Zone Authority and Dubai Word Trade Centre Authority.

The Ultimate Parent Company is Samvardhana Motherson International Limited, India, a company listed on National Stock Exchange of India Limited and BSE Limited.

The principal activity of the Establishment is to provide business consultancy services to the related parties.

The financial statements of the Establishment for the year ended 31 March 2026 were approved by the Board of Directors on 11 June 2026.

2.1 FUNDAMENTAL ACCOUNTING CONCEPT

The Establishment has incurred a loss of USD 1,049,300 during the year ended 31 March 2026 (2025: profit of USD 1,345,606), and as of that date, the Establishment has accumulated losses amounting to USD 5,167,305 (2025: USD 4,118,005), a deficiency of assets of USD 5,126,466 (2025: USD 4,077,166) and its current liabilities exceeded its current assets by USD 8,107,215 (2025: USD 969,345). These conditions indicate that there is material uncertainty that may cast significant doubt on Establishment's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

However, the Shareholder has confirmed to continue to provide adequate financial support to the Establishment to enable it to continue its operations and settle its obligations as and when they fall due, to the extent that funds are not available to the Establishment, over a period of 12 months from the reporting date. The Establishment, therefore, continues to adopt the going concern basis in preparing these financial statements.

2.2 BASIS OF PREPARATION

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

The financial statements are prepared under the historical cost convention.

Functional currency
The financial statements are presented in US Dollar (USD), which is also the functional and reporting currency of the Establishment. This is different from the currency of the country in which the Establishment is domiciled i.e. UAE Dirhams (AED). As AED is pegged with USD, there is no significant impact on the financial statements.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Establishment's financial statements for the year endec

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16 June 2026

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

New standards, interpretations and amendments thereof, adopted by the Establishment

The Establishment applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2025:

- Lack of exchangeability – Amendments to IAS 21

This above amendment had no significant impact on the financial statements of the Establishment.

2.4 STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective as at 31 March 2026 are disclosed below. The Establishment intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 18 – Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027).
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures (effective for annual reporting periods beginning on or after 1 January 2027).
- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual reporting periods beginning on or after 1 January 2026).
- Annual Improvements to IFRS Accounting Standards—Volume 11 (effective for annual reporting periods beginning on or after 1 January 2026).
- Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7 (effective for annual reporting periods beginning on or after 1 January 2026).
- Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21 (effective for annual reporting periods beginning on or after 1 January 2027).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. The amendments must be applied prospectively. Early application is still permitted and must be disclosed)

Management does not expect that the adoption of the above standards, amendments and interpretations will have a material impact on the financial statements in future periods as and when these are applied.

2.5 MATERIAL ACCOUNTING POLICY INFORMATION

Revenue from contracts with customers

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

The following specific recognition criteria must also be met before revenue is recognised:

The Establishment recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

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.
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.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Establishment expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Establishment will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Establishment expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue from contracts with customers (continued)
The Establishment satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Establishment's performance as the Establishment performs; or
- The Establishment's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Establishment's performance does not create an asset with an alternative use to the Establishment 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.

Revenue is recognised in the statement of comprehensive income to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the revenue and costs, if applicable, can be measured reliably.

Business consultancy services
The Establishment provides business consultancy services to its related parties by acting as a VCSO (Value Creation and Strategic Office) allowing for centralized management and pooling of group service costs. The Establishment concluded that the services are satisfied over time given that the customer simultaneously receives and consumes the benefits provided by the Establishment. Consequently, under IFRS 15 the Establishment would continue to recognise revenue for these service contracts over time rather than at a point of time.

The Establishment determined that it controls the services before they are transferred to customers. Hence, it acts as a principal in these service contracts.

In addition, the Establishment concluded that it transfers control over its services, at a point in time, upon receipt by the customer of the goods or services, because this is when the customer benefits from the Establishment's agency service.

Foreign currencies
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income within "Gain on currency exchange transaction". All other foreign exchange gain and losses are presented in the statement of comprehensive income within 'operating expenses'.

Taxes
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.

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.

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Taxes (continued)

Deferred tax (continued)
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.

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 Establishment 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.

Property and equipment
Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Property and equipment comprise building and fit-out, computer and IT equipment and furniture and fixtures. Depreciation is calculated on a straight line basis over the estimated useful lives of assets as follows:

Building and fit-out	4-10 years
Computer and IT equipment	3-6 years
Furniture and fixtures	4-5 years
Vehicles	3-4 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use. Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the components that is replaced is written off.

Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property and equipment (continued)
An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Fully depreciated property and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

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 at 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 Establishment's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Establishment has applied the practical expedient, the Establishment 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 or for which the Establishment has applied the practical expedient are measured at the transaction price determined under IFRS 15.

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

The Establishment'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 Establishment commits to purchase or sell the asset.

The Establishment's financial assets include cash and bank balances, due from related parties, loan to a related party, security deposits and other receivables.

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

- Financial assets at fair value through profit or loss – The Establishment has not designated any financial asset as fair value through profit or loss;
- Financial assets at amortised cost (debt instruments) – The Establishment subsequently measures financial assets at amortised cost using 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 Establishment 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 Establishment has not designated any financial asset at fair value through OCI with no recycling of cumulative gains and losses upon derecognition.

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

i. Financial assets (continued)

Subsequent measurement (continued)

Due from related parties
Amounts due from related parties are stated at original invoice amount less provision 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 a trade accounts receivable and amounts due from related parties are uncollectible, it is written off against the provision for expected credit losses. Subsequent recoveries of amounts previously written off are shown as other income in the statement of comprehensive income.

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

Loan to a related party
Loan to a related party is measured using the effective interest (EIR) method and is subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

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

When the Establishment has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Establishment's continuing involvement in the asset. In that case, the Establishment 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 Establishment 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 Establishment could be required to repay.

Impairment of financial assets
The Establishment recognises a provision for expected credit losses (ECLs) 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 Establishment expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral 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 provision is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

i. Financial assets (continued)

Impairment of financial assets (continued)
Trade and other operating receivables are depreciated according to the simplified IFRS 9 model. From inception, bank balances and due from related parties are depreciated to the extent of the expected losses over their remaining maturity.

The credit risk of trade and other receivables, bank balances and due from related parties are assessed on a collective basis using the risk profile assessment provided by an external agency. The provision for expected credit losses is evaluated using (i) the probabilities of default communicated by a credit agency, (ii) historical default rates, (iii) aging balance, (iv) as well as the Establishment's assessment of the credit risk considering actual guarantees and credit insurance.

Once it is known with certainty that a doubtful receivable will not be collected, the doubtful account and its related depreciation are written off through the income statement. Trade receivables are discounted in cases where they are due in over one year and the discounting impact is significant.

The Establishment considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Establishment may also consider a financial asset to be in default when internal or external information indicates that the Establishment is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Establishment. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Disclosures relating to impairment of financial assets are provided in the notes to these financial statements.

- Disclosures for significant assumption Note 2.6

ii Financial liabilities

Initial recognition and measurement
Financial liabilities are classified 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 Establishment determines the classification of its financial liabilities at initial recognition.

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

Subsequent measurement
The Establishment's financial liabilities include trade and other payables, amounts due to related parties, loan from a related party and lease liabilities.

The Establishment has not designated any financial liability as at fair value through profit or loss. The measurement of financial liabilities depends on their classification.

Accounts payable 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.

Provisions
Provisions are recognised when the Establishment 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 Establishment 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.

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

ii Financial liabilities (continued)

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.

Loan 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 liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income. This category generally applies to loan from a related party.

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.

Fair value
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 Establishment.

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 Establishment 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.

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Fair value (continued)
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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Establishment 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.

For the purpose of fair value disclosures, the Establishment 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.

Impairment of non-financial assets
The Establishment 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 Establishment estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

The Establishment bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Establishment’s cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the income statement in expense categories consistent with the function of the impaired asset, except for a property previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Establishment estimates the assets or CGUs 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 income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Value Added Tax (VAT)
Revenue, expenses and assets are recognised at amounts net of value added tax except:

- where VAT incurred on purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or part of the expense items, as applicable.
- where 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.

Employees' end of service benefits
The Establishment 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.

Leases
The Establishment 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.

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

i) Right-of-use assets
The Establishment 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, as follows:

Buildings	2 years
Vehicles	3-4 years

If ownership of the leased asset transfers to the Establishment 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.

ii) Lease liabilities
At the commencement date of the lease, the Establishment 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 Establishment and payments of penalties for terminating the lease, if the lease term reflects the Establishment 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 Establishment 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.

iii) Short-term leases and leases of low-value assets
The Establishment 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 office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

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

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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 Establishment classifies all other liabilities as non-current.

2.6 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of the Establishment's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation and uncertainty in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are discussed below:

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

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

- *Identifying performance obligation*

The Establishment is involved in providing business consultancy services to the related parties. The Establishment has concluded that there are no other promises in the contract with the affiliates and customers that can be determined as separate performance obligations.

- *Determining the timing of satisfaction of performance obligation*

The Establishment has concluded that in case of Business consultancy services, the services are satisfied over time given that the customer simultaneously receives and consumes the benefits provided by the Establishment.

2.6 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS (continued)

Judgements (continued)

Revenue from contracts with customers (continued)

- *Consideration of significant financing component in a contract*

The Establishment has concluded that there is no element of financing deemed to be present in its contract with the customers as the sales are made on credit terms of 60 to 90 days, which is consistent with market practice.

Determining the lease term of contracts with renewal and termination options – Establishment as lessee
The Establishment determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Establishment has several lease contracts that include extension and termination options. The Establishment applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The Establishment has considered lease term of 5 years against its lease contract for offices. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Establishment reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Going concern
Management has made an assessment of the Establishment's ability to continue as a going concern and is satisfied that the Establishment has adequate resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Establishment's ability to continue as a going concern (Note 2.1). Therefore, these financial statements have been prepared on the going concern basis.

Taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Establishment based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Establishment. Such changes are reflected in the assumptions when they occur.

Leases - Estimating the incremental borrowing rate
The Establishment cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Establishment would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Establishment 'would have to pay', which requires estimation when no observable rates are available. The Establishment estimates the IBR using observable inputs such as the average bank rate for the group i.e. 9.10% (2025: 9.75%) per annum.

Useful lives of property and equipment
The Establishment's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

2.6 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Allowance for expected credit losses of dues from related parties and loan to a related party
The Establishment uses a provision matrix to calculate ECLs for dues from related parties and loan to a related party. The provision rates are based on days past due for groupings of various related parties that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Establishment's historical observed default rates. The Establishment will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the service sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Establishment's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

As at the reporting date, gross dues from related party were USD 9,839,336 (2025: USD 11,704,471) with no allowance against expected credit losses (2025: Nil). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

As at the reporting date, loan to a related party was amounting to USD 4,513,738 (2025: USD 4,513,738) with no allowance against expected credit losses (2025: Nil). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Establishment’s revenue from contracts with customers:

	2026 USD	*2025 USD*
Nature of revenue		
Business consultancy services (Note 10)	**103,025,968**	75,107,620
Timing of revenue recognition		
Over a period of time	**103,025,968**	75,107,620
Geographical market		
Europe	**47,934,908**	35,129,239
America	**31,099,500**	23,848,334
Asia	**20,704,541**	14,132,660
Africa	**1,991,961**	1,489,806
Australia	**1,295,058**	507,581
	103,025,968	75,107,620

4 OPERATING EXPENSES

	2026 *USD*	*2025* *USD*
Consulting Fees*	**59,073,627**	50,718,650
Travelling expenses*	**26,180,298**	17,753,630
Staff costs**	**10,466,897**	3,899,558
Professional expenses*	**3,144,959**	80,458
Office expenses	**815,912**	4,184
Software expenses*	**524,002**	367,637
Depreciation on right-of-use assets (Note 7)	**505,461**	113,552
Depreciation on property and equipment (Note 6)	**490,805**	81,366
Subscription fees	**396,974**	345,381
Vehicle hiring & maintenance charges	**249,557**	158,358
Insurance	**153,759**	85,197
Group cost recharges*	**81,421**	70,123
Telephone and postage	**74,203**	54,070
Others*	**1,047,955**	744,211
	103,205,830	74,476,375

* Operating expenses includes related party expenses amounting to USD 82,825,918 (2025: USD 70,635,523) (Note 10).

** Staff costs include directors remuneration amounting to USD 6,156,446 (2025: Nil) (Note 10)

5(a) FINANCE INCOME

	2026 *USD*	*2025* *USD*
Finance income on loan to a related party (Note 10)	**289,846**	173,531
Other Income*	**117,206**	545
	407,052	174,076

* includes interest on withholding tax refund amounting to USD 117,206 (2025: USD Nil)

5(b) FINANCE COST

	2026 *USD*	*2025* *USD*
Interest on loan from a related party (Note 10)	**174,373**	162,823
Interest costs on lease liabilities (Note 7)	**173,684**	20,360
Others	**15,663**	10,220
	363,720	193,403

6 (a) PROPERTY AND EQUIPMENT

	Vehicles USD	*Buildings and fit-out USD*	*Computer and IT equipment USD*	*Furniture and fixtures USD*	*Capital work-in-progress USD*	*Total USD*
Cost:						
At 1 April 2025	913,925	100,982	283,499	136,523	-	1,434,929
Additions	1,868,090	-	22,784	-	792,957	2,683,831
At 31 March 2026	**2,782,015**	**100,982**	**306,283**	**136,523**	**792,957**	**4,118,760**
Accumulated depreciation:						
At 1 April 2025	107,582	100,982	265,994	135,563	-	610,121
Charge for the year	477,817	-	12,743	245	-	490,805
At 31 March 2026	**585,399**	**100,982**	**278,737**	**135,808**	**-**	**1,100,926**
Net carrying amount:						
At 31 March 2026	**2,196,616**	**-**	**27,546**	**715**	**792,957**	**3,017,834**

	Vehicles USD	*Buildings and fit-out USD*	*Computer and IT equipment USD*	*Furniture, and fixtures USD*	*Total USD*
Cost:					
At 1 April 2024	203,084	100,982	268,892	135,543	708,501
Additions	710,841	-	21,407	980	733,228
Disposals	-	-	(6,800)	-	(6,800)
At 31 March 2025	913,925	100,982	283,499	136,523	1,434,929
Accumulated depreciation:					
At 1 April 2024	31,170	100,982	267,860	135,543	535,555
Charge for the year	76,412	-	4,934	20	81,366
Deletions	-	-	(6,800)	-	(6,800)
At 31 March 2025	107,582	100,982	265,994	135,563	610,121
Net carrying amount:					
At 31 March 2025	806,343	-	17,505	960	824,808

Capital work-in-progress mainly comprises of Furniture & Fixtures related to property leased in Dubai World Trade Center and is expected to be completed in the year ended 31 March 2027. Refer note 6(b) & (c).

6 (b) Capital advance

	2026 USD	*2025 USD*
Capital advance for furniture	**156,386**	-

6 (c) Capital Commitment

	2026 USD	*2025 USD*
Capital Commitment	**686,114**	-

7 LEASES

Establishment as a lessee

The Establishment has lease contracts for buildings and vehicles. The Establishment's obligation under its leases are secured by the lessor's title to the leased assets. Generally, the Establishment is restricted from assigning and subleasing the leased asset.

The Establishment also has leases of other assets with lease terms of 12 months or less. The Establishment applies the 'short-term lease' recognition exemptions for those leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Buildings USD	***Vehicles USD***	***Total USD***
At 31 March 2024	225,369	13,203	238,572
Depreciation expense	(106,205)	(7,347)	(113,552)
At 31 March 2025	119,164	5,856	125,020
Additions during the year	2,956,145	-	2,956,145
Depreciation expense	(499,605)	(5,856)	(505,461)
At 31 March 2026	**2,575,704**	**-**	**2,575,704**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2026 USD	*2025 USD*
At the beginning of the year	**189,867**	339,187
Additions during the year	**2,956,145**	-
Lease payments	**(460,802)**	(169,680)
Accrual of interest (Note 5(b))	**173,684**	20,360
As at 31 March	**2,858,894**	189,867
Non-current	**2,333,085**	-
Current	**525,809**	189,867
	2,858,894	189,867

7 LEASES (continued)

The Establishment had total cash outflows of USD 460,802 (2025: USD 169,680) during the year which relate to payment of lease liabilities. The establishment also had non-cash additions to right to use of assets and lease liabilities of USD 2,956,145 (2025 Nil). The Establishment leases contains variable payments. The Establishment has no other lease contracts that has commenced at the reporting date or that has extension and termination options.

8 TRADE AND OTHER RECEIVABLES

	2026 ***USD***	*2025* *USD*
Withholding tax receivable (Note 16)	**2,038,520**	2,106,921
Prepayments	**1,412,506**	529,964
Security deposit	**1,618,282**	1,095,122
Interest on loan receivable (Note 10)	**463,377**	173,531
Advance to suppliers	**113,880**	1,913,058
Other receivables	**79,345**	236,780
	5,725,910	6,055,376

9 BANK BALANCES AND CASH

Bank balances and cash in the statement of cash flows consist of the following amounts relating to the statement of financial position:

	2026 ***USD***	*2025* *USD*
Bank balances	**5,233,465**	667,140
Cash in hand	**3,966**	458
	5,237,431	**667,598**

10 RELATED PARTY TRANSACTIONS

Related parties represent shareholder, affiliates, directors and key management personnel of the Establishment, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Establishment's management.

a) Transactions with related parties included in the statement of comprehensive income are as follows:

	2026 ***USD***	*2025* *USD*
Entities under common ownership / management control		
Revenue (Note 3)	**103,025,968**	75,107,620
Finance income on loan (Note 5(a))	**289,846**	173,531
Entities under common ownership / management control		
Operating expenses (Note 4)	**82,825,918**	70,635,523
Finance expense on loan (Note 5(b))	**174,373**	162,823
Director remuneration (Note 4)	**6,156,446**	-

10 RELATED PARTY TRANSACTIONS (continued)

b) Balances with related parties included in the statement of financial position are as follows:

Due from related parties

	2026 USD	*2025 USD*
Entities under common ownership / management control		
Motherson Sumi Electric Wire (Division of SAMIL) - MSEW	**1,467,530**	211,089
SMP Automotive Systems Alabama Inc.Tuscaloosa(USD)	**995,286**	-
PKC Group Poland Sp. z o.o.	**961,506**	2,213,288
Motherson Automotive Technologies and Engineering	**762,738**	279,715
MSSL Wiring System Inc.(USD)	**659,923**	-
Motherson SAS Automotive Module Services Mexico	**465,632**	-
Motherson SAS Automotive Modules and Services Argentina	**370,451**	-
SMR Automotive Mirror Technology Hungary-USD	**336,736**	2,207,507
Motherson SAS Automotive Service Czechia s.r.o.	**268,394**	-
Motherson Global Manufacturing Services Limited	**267,695**	-
Kabel-Technik-Polska Sp. z o.o.	**233,932**	942,948
SMRC Automotive Tech Argentina SA	**232,660**	-
SMR Automotive Systems India Ltd.-Tamilnadu-USD	**206,418**	20,609
SMR Automotive Mirror Technology Hungary Bt. (SMP-HUN)	**172,440**	79,958
Samvardhana Motherson Stamping And Assemblies - SMS	**165,883**	-
SMR Automotive Systems India Ltd.-Noida-USD	**153,451**	144,643
Motherson Yachiyo Auto. Tech Manufacturing of America	**148,882**	-
Micro Mecanique Pyreneenne	**146,251**	-
SMRC Automotive Interiors Spain S.L.U.	**132,912**	55,525
Motherson Manufacturing Services Limited	**129,537**	-
Mssl Global RSA Module Engineering Limited	**116,776**	-
Motherson Automotive Elastomers Technology	**114,012**	-
SMRC Automotive Products India Limited	**104,722**	190,253
Motherson Lumen Systems South Africa (Pty) Limited	**99,140**	-
Fortitude Industries Inc. (USD)	**90,693**	-
MothersonSAS Turkey Otomotiv Servis Ticaret Ltd.Sirketi	**84,758**	-
SMRC Automotive Solutions Slovakia s.r.o.	**82,550**	119,578
CTM India Limited	**79,449**	2,477
Motherson Elastomers Pty Ltd.	**78,079**	-
ADI KALFA	**59,163**	-
MSSL WH System (Thailand) Co.Ltd	**50,769**	33,917
Samvardhana Motherson Peguform Barcelona SLU-Spain-USD	**50,327**	97,165
Motherson Sequencing and Assembly Services GmbH	**47,671**	-
Samvardhana Motherson Auto Component Private Limited	**44,480**	31,001
Motherson Lumen North America, INC	**44,129**	-
ADI Composites Medical	**39,309**	-
Samvardhana Motherson International Limited - MINES	**38,404**	19,507
Samvardhana Motherson Innovative Solutions Limited	**37,639**	-
SMR Automotive System (Thailand) Limited	**36,643**	12,172
Samvardhana Motherson Innovative Autosystems-USD	**32,842**	186,793
MS Composites	**31,334**	-
S.N.E. Deshors ADI	**28,047**	-
Motherson Air Travel Agencies Ltd.	**15,971**	-
Motherson Wiring System FZE-AED	**26,855**	-
ADI Aerotube	**21,290**	-
PKC Wiring Systems LLC	**18,984**	-
Motherson Lumen Innovative Solutions Pty Ltd	**18,425**	-
Motherson Electroplating US LLC. (USD)	**10,298**	-
Samvardhana Motherson Auto System Private Limited	**9,670**	18,023
Samvardhana Motherson International Limited (MAP)	**8,973**	12,423

10 RELATED PARTY TRANSACTIONS (continued)

b) Balances with related parties included in the statement of financial position are as follows: (continued)

Due from related parties (continued)

	2026 USD	*2025 USD*
Entities under common ownership / management control (continued)		
Exameca Mesure	**7,850**	-
Samvardhana Motherson Innovative Autosystems de Mexico,	**5,131**	42,227
Samvardhana Motherson Adsys Tech Limited	**5,014**	17,224
AEES Power Systems Limited Partnership (USD)	**4,902**	-
Motherson Auto Solutions Limited	**4,728**	-
SMR Automotive Australia Pty Ltd	**4,223**	3,141
Motherson SAS Automotive Modules de Portugal,Unipessoal	**3,015**	-
Motherson Lumen (Thailand) Limited	**2,924**	-
SMP Automotive Technologies Teruel-USD-(Spain)	**1,058**	5,185
ADiMA Aerospace	**351**	-
Motherson Yachiyo Automobile Private Limited	**349**	-
SMR Automotive (Langfang) Co. Ltd	**129**	105,377
MSSL Japan Limited	**-**	3,580
SMP Automotive Technology Portugal, S.A.	**-**	-
Samvardhana Motherson Health Solutions Limited	**-**	4,662
SMP Deutschland GmbH	**-**	1,028,704
Motherson DRSC Deutschland GmbH	**-**	618,141
Fortitude Industries Inc.	**-**	519,626
AEES Inc.	**-**	516,300
Motherson SAS Automotive Services USA Inc.	**-**	335,328
MSSL Wiring System Inc.	**-**	196,968
SMP Automotive Systems Alabama Inc.Tuscaloosa	**-**	193,079
Motherson Sequencing and Assembly Services Global Group	**-**	182,591
Samvardhana Motherson Reydel Autotecc Morocco S.A.S	**-**	172,345
Motherson DRSC Modules USA Inc	**-**	134,849
SAS Otosistem Teknik Sanayi ve Ticaret Limited	**-**	124,839
Samvardhana Motherson International Leasings Ifsc Ltd	**-**	119,892
PKC Eesti AS	**-**	101,301
SMP IBERICA, S.L.U.	**-**	74,520
Motherson Technology Services Limited	**-**	55,124
SMR Automotive Systems USA Inc-USD	**-**	50,453
SMIIEL (Unit of Samvardhana Motherson International Ltd	**-**	35,948
SMR Automotive Systems France S.A.	**-**	27,274
MSSL Advanced Polymers s.r.o.	**-**	26,230
Fritzmeier Motherson Cabin Engineering Private Limited	**-**	25,382
SMR Automotive Yancheng Co. Limited	**-**	25,328
MSSL Tooling (FZE)	**-**	18,442
MSSL (GB) Limited	**-**	16,690
SMRC Automotive Smart Interior Tech (Thailand) Ltd.	**-**	14,453
PKC Group AEES Commercial S. de R.L de C.V	**-**	11,215
Motherson Treasury Strategy Limited	**-**	9,459
Motherson Technology Services USA Limited	**-**	4,151
Global Environment Management (FZE)	**-**	3,436
Motherson International Limited	**-**	1,449
Motherson Invenzen xLab Technology - MI Xlab	**-**	967
Total	**9,839,336**	11,704,471

10 RELATED PARTY TRANSACTIONS (continued)

b) Balances with related parties included in the statement of financial position are as follows: (continued)

Entities under common ownership / management control (continued)

	2026 USD	*2025 USD*
Due to related parties		
Entities under common ownership / management control		
Motherson Innovations Deutschland GmbH	**3,868,423**	-
MSSL GmbH	**2,984,070**	3,903,323
Motherson Air Travel Pvt. Ltd.	**2,527,181**	4,035,960
Samvardhana Motherson Global Management Services	**2,284,799**	2,184,430
AEES Inc.(USD)	**900,091**	-
SMP Deutschland GmbH	**728,039**	-
SMR-Automotive Mirror International USA Inc	**638,991**	721,901
Motherson Innovations Company Limited	**421,127**	1,169,338
SMP Iberica, S.L.U.	**348,754**	-
Motherson Yachiyo US Automotive Systems, Inc.	**334,007**	-
SMRC Automotive Modules France SAS	**333,297**	316,385
SMR Automotive Vision Systems Mexico S.A-USD	**314,031**	210,054
Samvardhana Motherson Corp Management Shanghai Co Ltd.	**301,377**	209,878
SMP Automotive Systems Mexico SA - Tlaxcala-USD	**294,876**	34,094
Motherson DRSC Deutschland GmbH	**276,553**	-
Motherson DRSC Modules USA Inc (USD)	**265,310**	-
SMR Automotive Mirrors UK Ltd-USD	**242,662**	108,022
SMR Automotive Modules Korea Ltd.-USD	**222,577**	91,291
Motherson SAS Automotive Services Spain. S.A.	**214,440**	-
MSSL Japan Limited	**199,147**	-
EXAMECA	**196,869**	-
MSSL Australia Pty Ltd	**196,619**	422,211
SMR Automotive Systems Spain SLU-USD	**194,875**	945
Motherson Yachiyo Automotive Systems Co., Ltd	**174,623**	-
Motherson Technology Services Limited	**153,281**	-
Motherson DRSC Automotive Systems (Liaoyang) Co., Ltd	**132,935**	55,207
Motherson Yachiyo AY Manufacturing, Ltd	**128,345**	-
Motherson SAS Automotive Services USA Inc.(USD)	**125,937**	-
SMR Automotive Systems USA Inc-USD	**124,268**	-
Motherson SAS Automotive Module Solutions (Shanghai)	**117,556**	222,328
SMR Automotive Systems France S.A.	**106,314**	-
MSSL (S) PTE LTD	**100,000**	300,000
Samvardhana Motherson Global Carriers Limited	**97,280**	-
Motherson Yachiyo Siam Automotive Systems Co., Ltd	**82,133**	-
SMIIEL (Unit of Samvardhana Motherson International Ltd	**79,739**	-
Motherson SAS Automotive Systems and Technologies Slova	**70,532**	42,840
PKC Eesti AS	**63,719**	-
Motherson Techno Precision México, S.A. de C.V	**59,393**	18,369
SMRC Automotive Smart Interior Tech (Thailand) Ltd.	**53,315**	-
Motherson SAS Automotive Service and Module Systems Ren	**44,661**	2,200
PKC SEGU Systemelektrik GmbH	**43,631**	100,832
Misato Industries Co. Ltd.	**40,308**	29,049
Samvardhana Motherson Reydel Autotecc Morocco S.A.S	**35,661**	-
MSSL Tooling (FZE)	**35,094**	-

10 RELATED PARTY TRANSACTIONS (continued)

b) Balances with related parties included in the statement of financial position are as follows: (continued)

Due to related parties (continued)

	2026 USD	*2025 USD*
Entities under common ownership / management control (continued)		
SMR Automotive Mirror Systems Holding Deutschland GmbH	**29,999**	-
SMRC Automotives Technology Phil Inc.	**21,880**	507
Fritzmeier Motherson Cabin Engineering Private Limited	**18,850**	-
MSSL (GB) Limited	**17,082**	-
Dr. Franz Schneider S.A.U.	**17,046**	133,543
SMP Automotive Exterior GmbH-Schierling	**16,557**	72,822
Motherson Global Investments B.V.	**15,300**	-
PKC Group AEES Commercial S. de R.L de C.V	**15,021**	-
Motherson Technology Services USA Limited (USD)	**11,519**	-
Motherson Yachiyo Mexico Automotive, SA DE CV	**10,694**	-
SMP Automotive Systems Mexico S.A. de C.V	**9,981**	-
Rollon Hydraulics Private Limited (d)	**9,463**	2,497
SMR Automotive Yancheng Co. Limited	**8,966**	-
Motherson Moulds and Diecasting Limited	**8,936**	56
Samvardhana Motherson International Limited - NDWH	**7,802**	-
Motherson Wiring System FZE-EUR	**6,249**	-
Motherson Lumen EU Sp. z o.o	**6,116**	-
MSSL Advanced Polymers s.r.o.	**5,303**	-
MSSL Mideast FZE (Parent Company)	**2,703**	939,523
Global Environment Management (FZE)	**4,554**	-
Motherson Sequencing and Assembly Services Global Group	**4,372**	-
Wisetime Oy	**3,760**	3,032
Motherson Invenzen xLab Technology - MI Xlab	**2,934**	-
Samvardhana Motherson Health Solutions Limited	**1,300**	-
Re- Time Pty Ltd	**1,290**	-
Motherson Deltacarb Advanced Metal Solutions SA	**1,106**	10,255
SMP Automotive Technology Portugal, S.A.	**237**	83,368
Motherson Air Travel Agencies Ltd.	**-**	22,188
Motherson Wiring System FZE	**-**	6,410,808
SAS Automotive Systems S.A. de C.V.	**-**	283,130
MSSL GLOBAL RSA MODULE Engineering Limited	**-**	192,852
SAS Autosystemtechnik S.A	**-**	180,442
Motherson Techno Tools Mideast FZE	**-**	165,559
Samvardhana Motherson Stamping And Assemblies - SMS	**-**	91,655
SAS Autosystemtechnik de Portugal Unipessoal LDA	**-**	44,864
SAS Autosystemtechnik s.r.o.	**-**	33,841
PKC Wiring Systems LLC	**-**	31,215
Motherson Elastomers Pty Ltd.	**-**	27,192
Samvardhana Motherson Innovative Solutions Limited	**-**	26,937
SAS Autosystemtechnik GmbH	**-**	24,005
AEES Power Systems Limited Partnership	**-**	23,688
Motherson Automotive Elastomers Technology	**-**	2,515
	20,415,860	22,985,151

10 RELATED PARTY TRANSACTIONS (continued)

b) Balances with related parties included in the statement of financial position are as follows: (continued)

Loan from a related party

	2026	*2025*
	USD	*USD*
MSSL Mideast FZE	**4,035,513**	3,785,950

Loan movement during the year:

	2026	*2025*
	USD	*USD*
At the beginning of the year	**3,785,950**	-
Loan taken during the year (Euro 3.5 Million)	**-**	3,790,500
Unrealised foreign exchange loss / (gain)	**249,563**	(4,550)
At 31 March 2026	**4,035,513**	3,785,950

On 29 May 2024, the Establishment entered into loan agreement with MSSL Mideast FZE to receive loan amounting to EUR 3,500,000. The loan is repayable on 31 May 2026 and carried an interest at a rate of 1 year EURIBOR + 2% per annum (2025: 1 year EURIBOR + 2% per annum). Loan from a related party includes interest payable amounting to USD 343,094 as at reporting date (2025: USD 162,832) (Note 13).

Loan to a related party

	2026	*2025*
	USD	*USD*
Motherson Strategic Systems Mideast Limited (UAE)	**4,513,738**	4,513,738

Loan movement during the year:

	2026	*2025*
	USD	*USD*
At the beginning of the year	**4,513,738**	-
Loan given during the year (AED 16.57 Million)	**-**	4,513,738
At 31 March 2026	**4,513,738**	4,513,738

On 28 August 2024, the Establishment extended a loan facility of AED 16,576,342 (approx. USD 4,513,738) to Motherson Strategic Systems Mideast Limited (UAE). This loan carries interest at a rate of 6.41% per annum. As per the loan agreement, the loan has a tenure of one year from the date of disbursement. The loan tenure has been extended during the year for further period of 1 year at revised interest rate of 3M EIBOR plus 1.77% p.a.

Loan to a related party includes interest receivable amounting to USD 463,377 as at reporting date (2025: USD 173,531) (Note 8).

Terms and conditions of transaction with related parties
Outstanding balances at the year-end arise in the normal course of business, are unsecured and settlement occurs in cash. For the year ended 31 March 2026, the Establishment has not recorded any impairment on amounts owed by related parties (2025: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

10 RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel
The remuneration of key management personnel during the year was as follows:

	2026 USD	*2025 USD*
Short term benefits	**6,598,381**	345,889
Employees' end of service benefits	**134,212**	9,963
	6,732,593	355,852

Short term benefits (compensation) include remuneration to whole-time directors for the period from September 2025 to March 2026 amounting to USD 6,156,446 (2025: Nil), comprising fixed salary of USD 2,050,118, target-based variable compensation of USD 3,900,513, and perquisites of USD 205,815. Variable compensation is payable after declaration of the annual results, in accordance with the terms of employment.

11 SHARE CAPITAL

	2026 USD	*2025 USD*
Authorised, issued, and fully paid up:		
1 share of AED 150,000 (1 AED @ 0.2723 USD)	**40,839**	40,839

12 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the statement of financial position are as follows:

	2026 USD	*2025 USD*
At the beginning of the year	**271,699**	193,477
Provisions during the year	**225,414**	78,222
End of service benefits paid	**(61,023)**	-
As at 31 March	**436,090**	271,699

13 TRADE AND OTHER PAYABLES

	2026 USD	*2025 USD*
Salary payable - Directors remuneration	**3,900,513**	-
Provision for expenses	**3,730,070**	389,698
Trade payables	**342,131**	110,395
Interest payable on loan from a related party	**343,094**	162,823
VAT payable	**16,560**	43,383
Others	**114,080**	29,211
	8,446,448	735,510

13 TRADE AND OTHER PAYABLES (continued)

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled within one to two months.
- Other payables are non-interest bearing and have an average term of two to three months.

For explanations on the Establishment's liquidity risk management processes, refer to Note 15.

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments include financial assets and financial liabilities.

Financial assets consist of bank balances, due from related parties, loan to a related party, security deposits and other receivables. Financial liabilities consist of due to related parties, trade and other payables and loan to a related party.

The fair values of financial instruments are not materially different from their carrying values largely due to short term maturity of these instruments. The fair value of the financial assets and liabilities are considered at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

15 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Establishment's principal financial liabilities comprise trade payables, bank borrowings, accrued expenses, amounts due to related parties and lease liability. These financial liabilities arise from the Establishment's operations.

The Establishment has various financial assets such as bank balances, due from related parties, loan from a related party, security deposits and other receivables, which arise directly from its operations.

Management has overall responsibility for the Establishment and oversight of the Establishment's risk management framework and for developing and monitoring the Establishment's risk management policies.

The main risks arising from the Establishment's financial instruments are credit risks, liquidity risks and foreign currency risk. The Establishment's management reviews and agrees policies for managing each of these risks which are summarised below.

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 Establishment is exposed to interest rate risk on its interest-bearing assets (loan to a related party) and interest-bearing liabilities (loan from a related party).

The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Establishment's profit for one year, based on the floating rate financial liabilities held at 31 March. There is no impact on the Establishment's equity.

	Increase/ decrease in basis points	*Effect on loss for the year*
2026	**+15**	**717**
	-15	**(717)**
2025	+15	(5,679)
	-15	5,679

15 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

Currency rate 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. The Establishment's exposure to the risk of changes in foreign exchange rates relates primarily to the Establishment's operating activities (when revenue or expense is denominated in a foreign currency).

The carrying amounts of the Establishment's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Liabilities		***Assets***	
	2026 USD	*2025 USD*	***2026 USD***	*2025 USD*
Euro	**22,090,009**	18,230,824	**7,225,658**	11,737,713
Australian Dollar	**196,619**	422,211	**-**	-
Indian Rupee	**11,936**	21,002	**-**	-
	22,298,564	18,674,037	**7,225,658**	11,737,713

The following table details the Establishment's sensitivity to a 10% increase and decrease in US Dollar against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at year-end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the US Dollar strengthens 10% against the relevant currency. For a 10% weakening of the US Dollar against the relevant currency, there would be an equal and opposite impact on the profit, and the balance below would be negative.

	Increase/ Decrease in currency rate %	*Effect on the results of the year USD*
31 March 2026	**+10%**	**(1,507,291)**
	-10%	**1,507,291**
31 March 2025	+10%	(298,754)
	-10%	298,754

Credit risk
Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Establishment.

The Establishment has adopted a policy of only dealing with creditworthy counterparties. The Establishment's credit exposure is continuously monitored and regularly reviewed by the management and the Establishment maintains a provision on expected credit losses based on expected collectability of all receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by International credit-rating agencies.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Establishment's maximum exposure to credit risks.

15 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

	2026 USD	*2025 USD*
Due from related parties (Note 10)	**9,839,336**	11,704,471
Loan to a related party (Note 10)	**4,513,738**	4,513,738
Security deposit (Note 8)	**1,618,282**	1,095,122
Bank balances (Note 9)	**5,233,465**	667,140
Interest on loan receivable (Note 8)	**463,377**	173,531
Other receivables (Note 8)	**79,345**	236,780
	21,747,543	18,390,782

Liquidity risk
Liquidity risk is the risk that the Establishment will encounter difficulty in meeting obligations from its financial liabilities. The Establishment's objective is to maintain a balance between continuity of funding and flexibility through efficient cash management. The Establishment limits its liquidity risk by ensuring adequate funds from operations, borrowings from financial institutions and the shareholders or other related parties are available.

Cash flow forecasting is performed by management who monitor rolling forecasts of the Establishment's liquidity requirements to ensure it has sufficient cash to meet operational needs.

The tables below summarizes the maturity profile of the Establishment's undiscounted financial liabilities at year end, based on contractual payment dates and current market interest rates.

As at 31 March 2026

	Less than 3 months USD	***3 to 12 months USD***	***More than 12 months USD***	***Total USD***
Amounts due to related parties	**20,415,860**	**-**	**-**	**20,415,860**
Trade and other payables	**8,086,794**	**-**	**-**	**8,086,794**
Loan from a related party	**4,378,607**	**-**	**-**	**4,378,607**
Lease liabilities	**181,414**	**569,029**	**2,681,031**	**3,431,474**
	33,062,675	**569,029**	**2,681,031**	**36,312,735**

At 31 March 2025

	Less than 3 months USD	*3 to 12 months USD*	*More than 12 months USD*	*Total USD*
Amounts due to related parties	22,985,151	-	-	22,985,151
Trade and other payables	692,127	-	-	692,127
Lease liabilities	190,042	-	-	190,042
Loan from a related party	-	-	3,948,223	3,948,223
	23,867,320	-	3,948,223	27,815,543

15 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

Capital management
For the purpose of the Establishment's capital management, capital includes share capital, and accumulated losses attributable to the shareholder of the Establishment. The primary objective of the Establishment's capital management is to maximize the shareholder value.

The Establishment manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Establishment may adjust the dividend payment to shareholder, return capital to shareholder. The Establishment monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

For the purpose of the Establishment's capital management, deficiency of assets includes share capital and accumulated losses and is measured at USD 5,126,466 (2025: USD 4,077,166).

16 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 or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute 'substantive enactment' of the UAE CT Law for the purposes of IAS 12, the objective of which is to prescribe the basis for accounting for Income Taxes.

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period.

Since the Establishment operates in a Free Zone, it has conducted an impact assessment for corporate income tax liability for the year ended 31 March 2026 and has identified itself as a Qualifying Free Zone Person. Accordingly, it will benefit from the preferential tax rate of 0% on Qualifying income in accordance with the provisions of Article 18 (read in conjunction with Cabinet Decision No. 100 of 2023 and Ministerial Decision No. 265) and Article 3 of the UAE CT Law.

Management believes that the Establishment is eligible for Free Zone exemption under the UAE corporate tax law, as it is complying with all the conditions of Free Zone exemption specified in Article 18 of 2023 and its operations align with the exemption criteria established for free zone entities.

Accordingly, the qualifying income of the Establishment will be subject to 0% Corporate tax rate in the UAE and no current and deferred tax has been accounted for in the current reporting period.

Income tax expense represents withholding tax deducted during the year ended 31 March 2026 amounting to USD 348,775 (2025: USD 149,076). This pertains to taxes in various countries on certain transactions with related parties as required under the respective tax laws. Additionally income tax expense includes tax payable on the interest income from income tax refund in India during the year ended 31 March 2026 amounting to USD 14,789 (2025: Nil).

Additionally, as at 31 March 2026, withholding tax receivable amounts to USD 2,038,520 (2025: USD 2,106,921), which pertains to tax deducted at source by related parties in India, while making remittance to the Establishment. This amount is recoverable from the income tax authority of India (Note 8).

16 CORPORATE INCOME TAX (continued)

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.

For the financial year ended 31 March 2026, Samvardhana Motherson International Limited and its subsidiaries (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 Establishment, to be recognised and disclosed under "Income Tax Expense" in the statement of comprehensive income for the financial year. During the year, the Establishment incurred loss and accordingly, 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.