

**SMRC Automotive Modules South**

**America Minority Holdings B.V.**

**Amsterdam**

**Annual report 2020/2021**

SMRC Automotive Holdings Netherlands B.V.  
Hoogoorddreef 15  
1101 BA Amsterdam  
The Netherlands

Registered with the Dutch trade register under file number 64292274

## Annual report 2020/2021

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## **1. FINANCIAL STATEMENTS**

## SMRC Automotive Modules South America Minority Holdings B.V.

### 1.1 Balance sheet as at 31 March 2021

(Before result appropriation)

<b>ASSETS</b>	31 March 2021		31 March 2020	
	USD	USD	USD	USD
<b>Fixed Assets</b>				
<i>Financial fixed assets</i>				
Investment in participations	[1]	400,100	400,100	400,100
		400,100		400,100
<b>Current assets</b>				
<i>Cash and cash equivalents</i>	[2]	20		20
<b>Total Assets</b>		400,120		400,120

## SMRC Automotive Modules South America Minority Holdings B.V.

### 1.1 Balance sheet as at 31 March 2021

(Before result appropriation)

EQUITY AND LIABILITIES	31 March 2021		31 March 2020	
	USD	USD	USD	USD
<b>Shareholders' equity</b>				
	[3]			
Issued share capital	112		112	
Share premium	400,747		400,747	
Other reserves	(16,602)		(16,593)	
Undistributed result	<u>(1,417)</u>		<u>(9)</u>	
		382,840		384,257
<b>Current liabilities</b>				
	[4]			
Other debts	<u>17,280</u>		<u>15,863</u>	
		17,280		15,863
<b>Total equity and liabilities</b>		<u>400,120</u>		<u>400,120</u>

1.2 Profit and loss account 2020/2021

	<u>2020/2021</u>		<u>2019/2020</u>	
	USD	USD	USD	USD
General expenses	[5]	-	-	
Total operating expenses		-		-
<b>Operating result</b>		-		-
<b>Financial income and expenses</b>				
Interest income and similar revenues	[6]			
Interest expense and similar charges	[7]	(1,417)	(9)	
<b>Financial result</b>		(1,417)		(9)
<b>Other income and expenses</b>				
<b>Net result</b>		<u>(1,417)</u>		<u>(9)</u>

## 1.3 Notes to the financial statements

### General

SMRC Automotive Modules South America Minority Holdings B.V. (the "Company") previously referred to as Reydel Automotive South America Minority Holding B.V. is a private company with limited liability, incorporated in Amsterdam, the Netherlands under Dutch law on 7 October, 2015. The Company has its registered offices at Hoogoorddreef 15, 1101 BA Amsterdam, the Netherlands and is registered with the Dutch Chamber of Commerce under file number 64292274.

### Activities

The principal business objective of the Company is to act as a holding and finance company. During the year, the Company acts as an holding company.

### Staff members

During the financial year 2020/2021 an average of nil employees have been in service on the basis of a fulltime employment. In the financial year 2019/2020 this average was nil.

### Group structure

The Company is part of the SMRC Automotive Group, a privately held portfolio company of Motherson Group. Motherson Sumi Systems Limited (MSSL) acquired the SMRC Automotive Group through Samvardhana Motherson Automotive System Group B.V. (SMRPBV) at 2 August 2018.

### Comparison with previous year

The principles of valuation and determination of the result remained unchanged in comparison with the previous year. The 2020/2021 financial year begins at 1 April 2020 and ends at 31 March 2021.

### Consolidation

Consolidated financial statements are not presented as the Company has availed itself of the exemption provisions of article 2:408 paragraph 1 of the Dutch Civil Code. Accordingly, the consolidated financial statements of Samvardhana Motherson Automotive System Group B.V. (SMRPBV) for the year 2020/2021, which include the financial data of the Company and its directly or indirectly controlled subsidiaries, will be filed with the Chamber of Commerce in Amsterdam.

### Related-party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party.

Also, entities which can control the Company are considered a related party. In addition, statutory directors, other key management of the Company [or the ultimate parent company] and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as these are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required for to provide the true and fair view.

### Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under article 2:362 of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

## 1.3 Notes to the financial statements

### PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

#### General

The financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code. The functional currency of the Company is USD

The Company qualifies as a small sized entity. Therefore, based on article 396 Book 2 of the Netherlands Civil Code, exemptions apply to the figures, presentation and disclosures in the Company's financial statements.

#### Translation of foreign currencies

Transactions in currencies other than the Company's reporting currency, are accounted for at the exchange rates prevailing at the date of the transactions. Assets and liabilities denominated in currencies other than the Company's reporting currency are translated at year-end exchange rates. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in other currencies, are recognized in the profit and loss account. Non-monetary balance sheet items, which are valued at cost and resulting from transactions in foreign currencies, are translated at the rate prevailing on the date of the transaction.

Year-end exchange rates equivalent of USD 1:

	<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2020</u>
EUR	0.85266	0.9067

#### Financial fixed assets

##### *Investment in participations*

The Company applies article 2:408 of the Dutch Civil Code and makes use of the option to value its investments at cost.

Subsidiaries or investments in associates are minimally stated at zero unless the Company is fully or partially liable for the debts of the subsidiary or associate, or has the firm intention to pay these debts. In that case a provision is formed.

If the value of an investment stated at cost is lower than its cost price, this valuation is adjusted accordingly, provided that the management considers this to be a permanent diminution in value.



## **1.3 Notes to the financial statements**

### **Impairment of financial assets**

A financial asset that is not stated at (1) fair value with value changes reflected in the profit and loss account, or at (2) amortized cost or lower market value, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, indications that a debtor or issuer is approaching bankruptcy, or the disappearance of an active market for a security.

The entity considers evidence of impairment for financial assets measured at amortized cost (loan and receivables and financial assets that are held to maturity) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those individually significant assets found not to be specifically impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

### **Shareholders' equity**

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognized in the profit and loss as financial income or expense.

### *Share premium*

The share premium concerns the income from the issuing of shares insofar as this exceeds the nominal value of the shares (income above par).

## **1.3 Notes to the financial statements**

### **PRINCIPLES FOR THE DETERMINATION OF THE RESULT**

#### **General**

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Profit or loss is determined as the difference between the realizable value of the goods delivered and services rendered, and the costs and other charges for the year. Revenues on transactions are recognized in the year in which they are realized. Costs are determined on a historical basis and are attributed to the reporting year to which they are related to.

#### **Financial income and expenses**

Interest paid and received is recognized on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognizing interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

#### **Share in result of participating interests**

For participations valued at cost, the associated dividend income is accounted for in the profit and loss as dividend income.

#### **Taxation**

Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.

If the carrying values of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences. A provision for deferred tax liabilities is recognized for taxable temporary differences. For deductible temporary differences, unused loss carry forwards and unused tax credits, a deferred tax asset is recognized, but only in so far as it is probable that taxable profits will be available in the future for offset or compensation.

For taxable temporary differences related to group companies, foreign branches, associates and interests in joint ventures, a deferred tax asset is recognized when the company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

1.4 Notes to the balance sheet

ASSETS

FIXED ASSETS

Financial fixed assets [1]

Investment in participations

The participations in group companies for the financial year ending 31st of March 2021 have been divided as follows:

Name	Statutory place of business	Share in capital	Equity in accordance with last financial statements	Result in accordance with last financial statements
		%	USD	USD
SMRC Automotive Tech Argentina S.A.	Buenos Aires	4.97	509,516	5,776
SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda.	Guarulhos	0.01	692	(48)

Investment in participations

SMRC Automotive Tech Argentina S.A.

SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda.

	31 March 2021	31 March 2020
	USD	USD
	400,000	400,000
	100	100
	<u>400,100</u>	<u>400,100</u>

*SMRC Automotive Tech Argentina S.A.*

Opening balance

Provision for participation

Closing balance

	400,000	400,000
	-	-
	<u>400,000</u>	<u>400,000</u>

*SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda.*

Opening balance

Provision for participation

Closing balance

	100	100
	-	-
	<u>100</u>	<u>100</u>

1.4 Notes to the balance sheet

CURRENT ASSETS

	<u>31 March 2021</u>	<u>31 March 2020</u>
	USD	USD
<b>Cash and cash equivalents [2]</b>		
Current account bank	<u>20</u>	<u>20</u>

The balance of the cash and cash equivalents is available to the Company without any restrictions.

1.4 Notes to the balance sheet

EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY [3]

	<u>31 March 2021</u>	<u>31 March 2020</u>
	USD	USD
<b>Issued share capital</b>		
Closing balance	<u>112</u>	<u>112</u>

The authorized, issued and paid up share capital amounts to USD 112, divided into 10,000 ordinary shares of EUR 0.01 each (EUR 100).

	<u>2020/2021</u>	<u>2019/2020</u>
	USD	USD
<b>Share premium</b>		
Closing balance	<u>400,747</u>	<u>400,747</u>

<b>Other reserves</b>		
Closing balance	<u>(16,602)</u>	<u>(16,593)</u>

<b>Undistributed result</b>		
Opening balance	(9)	(6,571)
Appropriation result prior year	9	6,571
Result for the period/year	<u>(1,417)</u>	<u>(9)</u>
Closing balance	<u>(1,417)</u>	<u>(9)</u>

**Proposed appropriation of result for the financial year ending 31 March 2021**

The result for the financial period ended 31 March, 2021 in the amount of USD (1,417) is proposed to be added to the other reserves.

This proposal has not yet been processed in the annual report.

## SMRC Automotive Modules South America Minority Holdings B.V.

### 1.4 Notes to the balance sheet

#### CURRENT LIABILITIES [4]

	<u>31 March 2021</u>	<u>31 March 2020</u>
	USD	USD
<b>Debts to shareholder and related parties</b>		
SMRC Automotive Holdings Netherlands B.V.	<u>17,280</u>	<u>15,863</u>

**1.4 Notes to the balance sheet**

**Off balance sheet assets and liabilities**

**Conditional obligations and important financial obligations**

For the year ended 31 March 2021, the Company has no off balance sheet events.

1.5 Notes to the profit and loss account

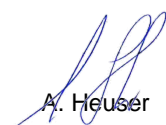
	<u>2020/2021</u> USD	<u>2019/2020</u> USD
<b>General expenses [5]</b>		
Administrative charges	-	-
Bank charges	-	-
	<hr/>	<hr/>
	-	-
<b>Financial income and expenses</b>		
<b>Interest income and similar revenues [6]</b>		
Other interest income	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
<b>Interest expenses and similar charges [7]</b>		
Other interest charges	1,417	9
	<hr/>	<hr/>
	1,417	9
	<hr/>	<hr/>

**Subsequent events**

The financial impact of the Coronavirus (COVID-19) on the company has been assessed at the date of authorization of the financial statements. Given the size of the company, nature of activities and realization of assets and liabilities there is a limited (Immaterial) expected impact on the financial statements and quantifying this is impracticable.

With the exception of these events and considerations, no other post balance sheet events affecting the financial statements or related disclosures have occurred to date.

Amsterdam, ..... May 2021  
The Board of Directors

  
A. Heuser

A. Bhakri

J.M. Buit

R.M.T. de Cuba