Annual Financial Report MSSL Australia Pty Ltd and Controlled Entities

ABN 65 122 085 287

31 March 2022

Contents

Directors' Report

The Directors present their report of MSSL Australia Pty Ltd and its controlled entities (the Group) for the year ended 31 March 2022.

Corporate Information

MSSL Australia Pty Ltd is registered at:

Unit 4, 18-22 Lexia Place
Mulgrave, VIC 3170
AUSTRALIA

Directors and company secretary

The names of the directors in office during or since the end of the financial year are:

Ramesh Dhar
Bharat Kumar Garg
Gordon Stuart Hardcastle

Principal Activities

The principal activity of the consolidated entity during the financial period consisted of manufacturing rubber compounds and components principally for the mining and automotive industries.

No significant change in the nature of these activities occurred during the year.

Review of Results and Operations

The profit of the Group after providing for income tax for the financial year ended 31 March 2022 amounted to $ 2,568,999 (31 March 2021: $3,336,256). The Group achieved revenues and other income for the year of $43,042,890 (31 March 2021: $49,717,958).

Dividends

No dividend has been declared for the period ending 31 March 2022 (31 March 2021: $4,500,000).

Significant Events after Balance Date

There have been no significant events after balance date which may affect either the Group's operations or results of these operations or the company's state of affairs, other than that noted above.

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Group during the financial year.

Employee Numbers

The number of full-time equivalents employed, as at 31 March 2022 is 66 (2021: 53).

Environmental Regulation

The company is not subject to any particular or significant environmental regulation.

Directors' Report (continued)

Likely Developments and Future Results

The directors have excluded from this report any further information on the likely developments in the operations of the Group and the expected results of those operations in future financial years, as the directors believe that it would be likely to result in unreasonable prejudice to the entity.

Directors' Benefits

Since 1 April 2021, no director has received or become entitled to receive a benefit, other than benefits disclosed in the financial report as emoluments or the fixed salary of a full-time employee of the Group, by reason of a contract made by the company with the director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

Options

No options over issued shares the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnifications of Officers and Auditors

During or since the end of the financial year, the Group has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums.

Further disclosure required under section 300(9) of the Corporations law is prohibited under the terms of the contract.

Proceedings on Behalf of the Economic Entity

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Impact of COVID-19

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout Australia. The spread of COVID-19 has caused significant volatility in Australian and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australian and international economies. We cannot reasonably estimate the length or severity of this pandemic, but we currently do not anticipate a material impact on our consolidated financial position, consolidated results of operations, and consolidated cash flows in the financial year 2021-22. Customer orders have not reduced, and no notification of adverse impact has been received from our major customers.

Economic Outlook

Although a major element of the Group's revenue is from one well established customer. There is currently a long-term supply agreement in place and the directors have no reason to believe that the agreement will be discontinued in the near future.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307c of the Corporations Act 2001 follows the audit report.

Directors' Report (continued)

Signed in accordance with a resolution of the Board of Directors.

Bharat Kumar Garg
Director

Melbourne
Dated this day 05th of July 2022

Statement of Profit or Loss and other Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2022		**CONSOLIDATED**	CONSOLIDATED
		2022	2021
	Notes	**$**	$
Revenue			
Sale of goods		**42,015,801**	48,699,246
Services rendered		**800,024**	670,571
Other income			
Interest revenue		**23,440**	15,763
Other miscellaneous income		**203,625**	332,378
Total Revenue and Other Income		**43,042,890**	49,717,958
Expenses			
Change in inventories and materials consumed		**(30,450,893)**	(36,299,634)
Personnel costs		**(5,234,703)**	(4,740,323)
Repairs and maintenance		**(948,089)**	(691,576)
Depreciation expenses	3(b)	**(466,004)**	(400,996)
Occupancy expense		**(783,157)**	(1,370,029)
Selling and distribution expense		**(5,569)**	(10,150)
Administration expenses		**(1,499,994)**	(1,315,442)
Finance costs	3(a)	**(19,776)**	(19,294)
Profit before income tax		**3,634,705**	4,870,514
Income tax expense	4	**(1,065,706)**	(1,534,258)
Net profit		**2,568,999**	3,336,256
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**2,568,999**	3,336,256

-The above statement of Profit or loss and other comprehensive income should be read in conjunction with the accompanying notes-

Statement of Financial Position

AS AT 31 MARCH 2022	Notes	CONSOLIDATED 2022 $	CONSOLIDATED 2021 $
Current Assets			
Cash and cash equivalents	5	**2,265,173**	4,294,358
Trade and other receivables	6	**10,046,004**	10,994,062
Inventories	7	**3,971,090**	2,804,822
Other current assets	8	**2,191,967**	126,386
Total Current Assets		**18,474,234**	18,219,628
Non-Current Assets			
Deferred tax asset	4	**200,125**	114,191
Property, plant and equipment	9	**4,830,578**	4,264,007
ROU Asset	12	**366,282**	163,582
Intangibles		**4**	4
Other non-current assets		**382,073**	-
Total Non-Current assets		**5,779,062**	4,541,784
Total Assets		**24,253,296**	22,761,412
Current Liabilities			
Trade and other payables	10	**7,735,694**	8,537,987
Income tax payable		**57,032**	621,826
Lease Liability	12	**144,435**	79,091
Provisions	11	**957,375**	872,470
Total Current Liabilities		**8,894,536**	10,111,374
Non -Current Liabilities			
Lease Liability	12	**229,808**	90,085
Total Non -Current Liabilities		**229,808**	90,085
Total Liabilities		**9,124,344**	10,201,459
Net Assets		**15,128,952**	12,559,953
Equity			
Issued capital	13	**3,500,000**	3,500,000
Retained earnings		**11,628,952**	9,059,953
Total Equity		**15,128,952**	12,559,953

-The above statement of financial position should be read in conjunction with the accompanying notes-

Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2022		CONSOLIDATED	CONSOLIDATED
		2022	2021
	Notes	$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**47,975,385**	54,518,441
Payments to suppliers and employees		**(46,900,223)**	(49,584,039)
Interest costs (net)		**9,994**	(3,531)
Income tax paid		**(1,712,053)**	(1,020,026)
Net cash flows from operating activities	5	**(626,897)**	3,910,845
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(1,617,349)**	(379,754)
Interest received		**23,440**	15,763
Net cash flows used by investing activities		**(1,593,909)**	(363,991)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings taken		**-**	-
Interest paid		**(13,446)**	(19,294)
Dividends paid		**-**	(4,500,000)
Lease Liability		**205,067**	(58,409)
Net cash flow (used by) / from financing activities		**191,621**	(4,577,703)
Net (decrease) / increase in cash and cash equivalents		**(2,029,185)**	(1,030,849)
Cash and cash equivalents at beginning of the year		**4,294,358**	5,325,207
Cash and cash equivalents at end of the year	5	**2,265,173**	4,294,358

-The above statement of cash flows should be read in conjunction with the accompanying notes-

Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2022

CONSOLIDATED	Issued capital	Retained earnings	Total Equity
	$	$	$
Balance at 1 April 2020	3,500,000	10,223,697	13,723,697
Profit for the year	-	3,336,256	3,336,256
Dividend	-	(4,500,000)	(4,500,000)
Balance at 31 March 2021	3,500,000	9,059,953	12,559,953
Balance at 1 April 2021	**3,500,000**	**9,059,953**	**12,559,953**
Profit for the year	**-**	**2,568,999**	**2,568,999**
Dividend	**-**	**-**	**-**
Balance at 31 March 2022	**3,500,000**	**11,628,952**	**15,128,952**

-The above statement of changes in equity should be read in conjunction with the accompanying notes-

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

1. Corporate Information

MSSL Australia Pty Ltd is a company limited by shares that is incorporated and domiciled in Australia.

The company's ultimate holding company is Motherson Sumi Systems Limited which is incorporated in India.

The principal activity of the consolidated entity during the financial period consisted of manufacturing rubber compounds and components principally for the mining and automotive industries.

2. Summary of Significant Accounting Policies

a) General information and statement of compliance

The financial report includes the consolidated financial statements and notes of MSSL Australia Pty Ltd and its subsidiaries

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001.

MSSL Australia Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.
The financial statements for the year ended 31 March 2022 were approved and authorized for issue by the Board of Directors.

The consolidated financial statements have been prepared in accordance with the historical cost convention and the going concern assumption. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

b) Adoption of new and revised accounting standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period and no impact noted in current year period from new / revised accounting standards.

c) Basis of consolidation

The consolidated financial statements comprise the financial statements of MSSL Australia Pty Ltd and its subsidiaries as at 31 March 2022.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

d) Revenue

Revenue from contacts with customers

Revenue is recognised either at a point in time or over time, when (or as) the Consolidated entity satisfies performance obligations by transferring the promised goods or services to its customers.

The Company allocates the transaction price to the performance obligations in a contract based on the input method which requires revenue recognition on the basis of the Company's efforts or inputs to the satisfaction of the performance obligations.

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

Sale of goods
Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods to the customer. The normal credit term is 30 to 90 days upon delivery.

Rendering of Services and Consulting Services
Revenue is recognised over time monthly as work is performed.

e) Borrowing costs

Borrowing costs are recognised as an expense when incurred. The Group does not currently hold qualifying assets but, if it did, the borrowing costs directly associated with this asset would be capitalised (including any other associated costs directly attributable to the borrowing and temporary investment income earned on the borrowing).

f) Leases

The Group considers whether a contract is, or contains a lease.

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:
• the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
• the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
• the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.
At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.
At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.
Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients.
Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term

g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

h) Trade and other receivables

Trade receivables, which generally have 30-90 days terms, are recognised at original invoice amount less an allowance for any uncollectible amounts.

The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. For trade receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available. There is no material effect on the Group recognition or measurement of financial assets or liabilities trade receivables, no impairment allowance has been recognised at 31 March 2022 based on customer credit history. Based on the information available to the Company, management believes the allowance for expected credit losses as of March 31, 2022 is adequate. Bad debts are written off when identified.

i) Other financial assets

Investments in subsidiaries are carried at the lower of cost and recoverable amount.

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

j) Foreign currency translation

(i) Functional and presentation currency
Both the functional and presentation currency of the MSSL Australia Pty Ltd and its subsidiaries is in Australian dollars (A$).

(ii) Transactions and balances
Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

k) Inventories

Inventories including raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials- purchase cost on a first-in, first-out basis. The cost of purchase comprises the purchase price including import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), transport, handling and other cost directly attributable to the acquisition of raw materials.

Finished goods and work in progress- cost of direct materials and labour and a proportion of the variable and fixed manufacturing overheads based on normal operating capacity. Costs are assigned on the basis of weighted average costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except, when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

can be utilised, except when the deferred income 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

m) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

n) Government grants

When the grant relates to an expense item (research and development grants directed to the production of automotive components and tooling or directed to facilitating the provision of automotive services), it is recognised as income immediately to match the incurred costs that it is intended to compensate.

When the grant relates to an asset (investment grants relating to plant and equipment that is used to produce automotive components and tools or facilitate the provision of automotive services), the fair value is credited to deferred income and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

o) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other R&M are recognised in profit and loss as incurred.

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

	Useful life	Method
Plant and machinery	1 – 20 years	Straight-line method
Building	25 years	Straight-line method
Furniture & fittings, office & IT equipment	1 – 5 years	Straight-line method
Motor vehicles	5 years	Straight-line method
Leasehold improvements	5 – 10 years	Straight-line method

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

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

p) Impairment of non-financial assets other than goodwill

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Group conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

q) Trade and other payables

Trade payables and other payables are carried at amortised costs due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

r) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

s) Provisions

Provisions are recognised when the Group 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 Group 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 income statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability.

The increase in the provision resulting from the passage of time is recognised in finance costs.

t) Employee leave benefits

Provision is made for employee leave benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

(i) Wages, salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

u) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable)

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition

- amortised cost
- fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivable which is presented within other expenses.

Classification and subsequent measurement of financial assets (continued)

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses

Subsequent measurement financial assets

Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows

- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as government bonds that were previously classified as held-to-maturity under AASB 139.

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

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Group's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

v) Contributed equity

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

w) Non-cumulative redeemable preference shares

The non-cumulative redeemable preference shares are recognised as shareholders' equity. For the terms and conditions of the non-cumulative redeemable preference shares refer to note 13.

x) Prior year comparatives

Certain financial statement line items have been reclassified to conform to the current year's presentation.

y) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

Carrying value of inventory
The consolidated entity assesses whether inventory is recorded at the lower of cost and net realizable value and ensures all obsolete or slow-moving stock is appropriately provided for at each reporting date. These calculations involve estimates and assumptions around specific inventories and to the best of management's knowledge inventories have been correctly and fairly recorded as at 31 March 2022.

Impact of COVID-19
In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout Australia. The spread of COVID-19 has caused significant volatility in Australian and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australian and international economies. We cannot reasonably estimate the length or severity of this pandemic, but we currently do not anticipate a material impact on our consolidated financial position, consolidated results of operations, and consolidated cash flows in the financial year 2021-22. Customer orders have not reduced and

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

no notification of adverse impact has been received from our major customers. Thus, no material adjustments have been made to significant accounting estimates for the year ended to account for the pandemic

z) Parent entity financial information

The financial information for the parent entity, MSSL Australia Pty Ltd, disclosed in note 16 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of MSSL Australia Pty Ltd. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Tax consolidation legislation
MSSL Australia Pty Ltd formed a tax consolidated group with its wholly-owned subsidiaries with effect from 23 February 2007.

The head entity, MSSL Australia Pty Ltd and the wholly owned subsidiaries in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, MSSL Australia Pty Ltd also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

3. Other Expenses

	Notes	CONSOLIDATED 2022 $	CONSOLIDATED 2021 $
a) Finance costs			
External interest		**(13,446)**	(7,664)
Bank charges		**(6,330)**	(11,630)
		(19,776)	(19,294)
b) Depreciation and amortisation expense			
Plant and equipment		**(151,847)**	(136,100)
Buildings		**(125,531)**	(125,531)
Buildings – ROU Asset		**(74,528)**	(74,528)
Furniture, fittings and IT equipment		**(40,395)**	(39,448)
Office equipment – ROU Asset		**(3,418)**	(2,564)
Factory equipment – ROU Asset		**(46,788)**	-
Leasehold improvements		**(4,531)**	(3,859)
Motor vehicles		**(18,966)**	(18,966)
		(466,004)	(400,996)

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

4. Income Tax

	Notes	CONSOLIDATED 2022 $	CONSOLIDATED 2021 $
Current income tax expense		**(1,151,640)**	(1,543,253)
Deferred income tax relating to temporary difference		**85,934**	8,995
Income tax reported in income statement		**(1,065,706)**	(1,534,258)

A reconciliation of income tax income (expense) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate is as follows:

Accounting profit (loss) before income tax	**3,634,705**	4,870,516
Statutory income tax rate of 30%	**(1,090,411)**	(1,461,155)
Adjustment for:		
- Temporary differences	**24,705**	(73,103)
Permanent items	**-**	-
Total income tax expense	**(1,065,706)**	(1,534,258)
Deferred tax assets/liabilities		
Deferred tax assets from temporary differences on:		
Sales return provision	**19,490**	22,104
Accruals	**26,844**	26,001
ACIS grant	**117**	117
Employee provisions	**333,262**	239,552
Fixed assets	**63,163**	118,052
Provision for debtor bad debt	**-**	3,000
Unrealised foreign exchange loss	**26,348**	(12,215)
Provision for stock obsolescence	**51,941**	70,800
Lease	**112,273**	49,075
Total deferred tax assets	**633,438**	516,486
Deferred tax liabilities from temporary differences on:		
Buildings	**313,019**	341,360
Other assets	**10,409**	10,182
Lease	**109,885**	50,753
Total deferred tax liabilities	**433,313**	402,295
Net deferred tax assets / (liability)	**200,125**	114,191

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

5. Cash and Cash Equivalents

	Notes	**CONSOLIDATED 2022 $**	CONSOLIDATED 2021 $
Cash at bank and in hand		**2,265,173**	4,294,358
Total Cash and cash equivalents		**2,265,173**	4,294,358

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

For the purposes of Cash Flow Statement, cash includes cash on hand and in banks and deposits at call, net of outstanding bank overdrafts.

Net profit after income tax	**2,568,999**	3,336,256
Adjustments for non-cash income and expense items:		
Depreciation	**466,004**	400,997
Government grant	**-**	-
Provision for bad debts	**(10,000)**	5,000
Provision for stock obsolescence	**(62,864)**	25,000
Finance cost (net)	**(9,994)**	3,531
Increase/decrease in assets and liabilities:		
Decrease in trade and other receivables	**958,058**	211,644
(Increase)/ decrease in Inventories	**(1,103,404)**	(323,159)
(Increase) / decrease in other assets	**(2,065,582)**	(45,658)
Decrease / (increase) in deferred tax assets	**(116,951)**	29,233
(Decrease) in trade & other payables & loans accruals	**(802,291)**	(235,657)
Increase/ (decrease) in income tax payable	**(564,795)**	279,696
(Decrease) / increase in deferred tax liabilities	**31,018**	(38,227)
Increase/ (decrease) in provisions for Employee entitlements	**84,905**	262,189
Net cash from operating activities	**(626,897)**	3,910,845

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

6. Trade and Other Receivables

	Notes	CONSOLIDATED 2022 $	CONSOLIDATED 2021 $
Trade receivables, third parties	(i)	**9,883,265**	10,853,509
Provision for expected credit losses		**-**	(10,000)
Total trade receivables		**9,883,265**	10,843,509
Other receivables - government grants	(ii)	**-**	-
Other receivables – related parties	(iii)	**162,739**	150,553
Total other receivables		**162,739**	150,553
Total trade and other receivables		**10,046,004**	10,994,062

Terms and conditions

Terms and conditions relating to the above financial instruments

(i) Trade debtors are non-interest bearing and generally on 30-60 days terms

(ii) Other receivables are non-interest bearing and have repayment terms between 30 and 90 days.

(iii) Other receivables- related parties are non-interest bearing.

On 19th April 2021, Motherson Elastomers Pty Ltd has entered into an agreement with MUFG Bank, LTD., Sydney Branch, ABN 75 103 418 882 to sell the trade receivables related to Fenner Dunlop Australia Pty. Ltd, ABN 23 080 570 574 on non-recourse basis.

As on 31st March 2022, the outstanding non-recourse receivable balance is $594,173.18 which has been net-off with trade receivables due to its non-recourse nature.

7. Inventories

	Notes	CONSOLIDATED 2022 $	CONSOLIDATED 2021 $
Raw Material		**3,294,526**	2,171,870
Work in Progress		**90,533**	78,064
Finished Goods		**451,542**	711,105
Stock in transit		**307,625**	79,783
Provision for obsolete inventory items		**(173,136)**	(236,000)
Total inventories		**3,971,090**	2,804,822

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

8. Other Current Assets

	Notes	CONSOLIDATED 2022 $	CONSOLIDATED 2021 $
Prepayments		**188,994**	126,386
Loan to related party		**2,002,973**	-
Total other current assets		**2,191,967**	126,386

9. Property, Plant and Equipment

	Notes	CONSOLIDATED 2022 $	CONSOLIDATED 2021 $
Land		**1,561,343**	1,561,343
Buildings		**3,151,978**	3,151,978
Less: accumulated depreciation		**(1,778,372)**	(1,652,841)
		1,373,606	1,499,137
Plant & equipment at cost		**7,517,712**	6,624,560
Less: accumulated depreciation		**(6,276,454)**	(6,124,607)
		1,241,258	499,953
Furniture& Fittings, Office and IT equipment - cost		**413,914**	375,261
Less: accumulated depreciation		**(282,875)**	(242,481)
		131,039	132,780
Motor vehicles-cost		**94,830**	94,830
Less: accumulated depreciation		**(68,485)**	(49,519)
		26,345	45,311
Leasehold Improvement-cost		**611,151**	607,407
Less: accumulated depreciation		**(596,481)**	(591,950)
		14,670	15,457
Capital work in progress		**482,317**	510,026
Total plant and equipment		**4,830,578**	4,264,007

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

CONSOLIDATED

	Land $	Buildings $	Plant & equipment $	Furniture & fittings, Office & IT Equipment $	Motor vehicles $	Leasehold Improvement $	Capital work in progress $	Total $
2022								
Balance at the beginning of the year	**1,561,343**	**1,499,137**	**499,953**	**132,780**	**45,311**	**15,457**	**510,026**	**4,264,007**
Additions/ (disposals) during the year	**-**	**-**	**893,152**	**38,654**	**-**	**3,744**	**(27,709)**	**907,841**
Depreciation expense	**-**	**(125,531)**	**(151,847)**	**(40,395)**	**(18,966)**	**(4,531)**	**-**	**(341,270)**
Carrying amount at end of the year	**1,561,343**	**1,373,606**	**1,241,258**	**131,039**	**26,345**	**14,670**	**482,317**	**4,830,578**

	Land	Buildings	Plant & equipment $	Furniture & fittings, Office & IT Equipment $	Motor vehicles $	Leasehold Improvement $	Capital work in progress $	Total $
2021								
Balance at the beginning of the year	1,561,343	1,624,668	619,790	119,837	64,277	6,477	228,857	4,225,249
Additions/ (disposals) during the year	-	-	16,263	52,391	-	12,839	281,169	362,662
Depreciation expense	-	(125,531)	(136,100)	(39,448)	(18,966)	(3,859)	-	(323,904)
Carrying amount at end of the year	1,561,343	1,499,137	499,953	132,780	45,311	15,457	510,026	4,264,007

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

10. Trade and Other Payables

	Notes	CONSOLIDATED 2022	CONSOLIDATED 2021
Trade payables, third parties	(i)	**7,487,443**	8,250,871
Total trade payables		**7,487,443**	8,250,871
Other payables and accruals , third parties	(ii)	-	-
Other payables, related parties		**248,251**	287,116
Total other payables		**248,251**	287,116
Total trade and other payables		**7,735,694**	8,537,987

Terms and conditions
Terms and conditions relating to the above financial instruments:
(i) Third Party Trade creditors are non-interest bearing and are normally settled on 30 days terms.
(ii) Other payables and accruals are non-interest bearing and have an average term of 2 months.

11. Provisions

	Notes	CONSOLIDATED 2022 $	CONSOLIDATED 2021 $
Employee entitlements - Current		**957,375**	872,470
Total		**957,375**	872,470

	Notes	CONSOLIDATED 2022 $	CONSOLIDATED 2021 $
Employee entitlements			
Opening carrying amount		**872,470**	616,531
Employee entitlements transfer from group company		**-**	235,224
Amount utilised		**(260,143)**	(307,324)
Charge for the year		**345,048**	328,039
Closing carrying amount		**957,375**	872,470

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

12. Lease Liability / Right of Use Assets

	Notes	CONSOLIDATED 2022 $	CONSOLIDATED 2021 $
Right-of-use assets			
Building		**298,111**	298,111
Less: Accumulated depreciation		**(223,583)**	(149,056)
Total		**74,528**	149,055
Office equipment		**17,091**	17,091
Less: Accumulated depreciation		**(5,982)**	(2,564)
Total		**11,109**	14,527
Factory equipment		**327,433**	-
Less: Accumulated depreciation		**(46,788)**	-
Total		**280,645**	-
Right-of-use assets (net)		**366,282**	163,582
Lease liabilities			
Current		**144,435**	79,091
Non-current		**229,808**	90,085
Total		**374,243**	169,176

Additions to the right-of-use assets during the 2022 financial year were $327,433.

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets		
Building	**74,528**	74,528
Factory equipment	**46,788**	-
Office equipment	**3,418**	2,564
Total	**124,734**	77,092

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

	CONSOLIDATED 2022	CONSOLIDATED 2021
Interest expense (included in finance cost)	**(12,791)**	(7,489)

The total cash outflow for leases in 2022 $131,158 ($80,182 – Building, $47,233 – Factory Equipment and $3,743 - Office equipment)

With the exception of short-term leases, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

13. Issued Capital

	Notes	CONSOLIDATED 2022 $	CONSOLIDATED 2021 $
Ordinary shares (issued and fully paid)	(a)	**10,000**	10,000
Redeemable preference shares (issued and fully paid)	(b)	**3,490,000**	3,490,000
Total		**3,500,000**	3,500,000

(a) Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(b) The terms and conditions of the non-cumulative redeemable preference shares are the following:

- The redemption of the redeemable preference shares by cash payment to the shareholders is at the discretion of the issuer of the shares (the Group)
- 6% non-cumulative dividend is payable to the holder of the shares at the discretion of the Group.

14. Events After The Balance Sheet Date

Motherson Investments Pty Ltd has sold Unit 5, 18-22 Lexia Place, Mulgrave, Victoria, 3170 Australia for $925,000 (excl GST), settlement date being 06th May 2022. The net book value of this property included in the Property, Plant and Equipment as on 31st March 2022 is $447,031 (land - $188,000 and building - $259,031).

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

15. Auditors' Remuneration

The following total remuneration was received, or is due and receivable, by the auditor of the Group in respect of:

	Notes	CONSOLIDATED 2022 $	CONSOLIDATED 2021 $
Amounts received or due and receivable:			
Audit of the financial statements		**51,000**	48,000
Audit related services		**12,000**	27,500
Total remuneration		**63,000**	75,500

16. Parent entity financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2022	2021
Balance sheet		
Current assets	**6,220,838**	4,077,792
Total assets	**6,446,277**	4,314,999
Current liabilities	**(746,383)**	(648,280)
Total liabilities	**(746,383)**	(726,907)
Shareholders' equity		
Contributed equity	**3,500,000**	3,500,000
(Accumulated losses)/Retained Earnings	**2,199,893**	88,092
Total Shareholder's equity	**5,699,893**	3,588,092
Profit /(loss) for the year	**2,111,801**	2,330,026
Total comprehensive income /(loss)	**2,111,801**	2,330,026

(a) Guarantees entered into by the parent entity

The Group entity has not provided financial guarantees as at 31 March 2022 (2021: Nil)

(b) Contingent liabilities of the parent entity

The Group entity did not have any contingent liabilities as at 31 March 2022 (2021: Nil). For information about guarantees given by the parent entity, please see above.

(c) Contractual commitments for the acquisition of property, plant or equipment

As at 31 March 2022 the Group entity had $1,244,907 as contractual commitments for the acquisition of property, plant or equipment (31 March 2021: $203,370).

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

17. Related party transactions

The Company's related parties include its ultimate parent, associates and key management as described below.

a) Parent entity
The company is controlled by Motherson Sumi Systems Limited.

b) Transactions with related parties
The following significant transactions occurred with related parties. Transactions are made on mutually agreed commercial terms and conditions and no amounts owed by related parties have been written off or forgiven during the year.

	Notes	**CONSOLIDATED 2022 $**	CONSOLIDATED 2021 $
Other income from fellow subsidiaries and joint ventures		**877,096**	724,462
Other income from other commonly controlled entities		**16,036**	16,036
Expenses from other commonly controlled entities		**739,536**	951,288
Purchases made from fellow subsidiaries and joint ventures		**501,873**	464,051

	Notes	**CONSOLIDATED 2022 $**	CONSOLIDATED 2021 $
The following balances are outstanding at the reporting date in relation to transactions with related parties:			
Current receivables:			
Other receivables – related parties		**2,165,712**	150,553
Current payables:			
Other payables, related parties		**248,251**	287,116

18. Key Management Personnel Compensation

The Key Management Personnel of the Group during the period are the company's three directors. The Key Management Personnel Compensation of the company is paid by related parties.

19. Contingent liabilities

The Group does not have any contingent liabilities as at 31 March 2022.

Notes to the Financial Statements (continued)

For the year ended 31 March 2022

20. Financial assets and liabilities

Financial assets at amortised cost	Notes	CONSOLIDATED 2022 $	CONSOLIDATED 2021 $
Cash and cash equivalents	5	**2,265,173**	4,294,358
Trade and other receivables	6	**10,046,004**	10,994,062
		12,311,177	15,288,420
Financial liabilities at amortised cost			
Trade and other payables	10	**7,735,694**	8,537,987
		7,735,694	8,537,987

21. Financial risk management

The Group is exposed to various risks in relation to financial instruments. The main types of risks are market risk and liquidity risk. The Group has no significant exposure to market risk through exchange rate risk and market interest rates and liquidity risk exposure is from other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. The financial instruments and the principal categories of financial instrument used by the group are: Cash at bank, Trade and other receivables, Interest bearing loans and Trade and other payables.

Director's Declaration

In accordance with a resolution of the directors of MSSL Australia Pty Ltd, I state that:

In the opinion of the directors:

a the financial statements and notes of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:

i. giving a true and fair view of the Company's and consolidated entity's financial position as at 31 March 2022 and of their performance for the period ended on that date; and

ii. complying with Accounting Standards and Corporations Regulations 2001; and

b there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Bharat Kumar Garg
Director

Melbourne

Dated 5th July 2022

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Independent Auditor's Report

To the Members of MSSL Australia Pty Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of MSSL Australia Pty Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 March 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 31 March 2022 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

A J Pititto
Partner – Audit & Assurance

Melbourne, 5 July 2022

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Auditor's Independence Declaration

To the Directors of MSSL Australia Pty Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of MSSL Australia Pty Ltd for the year ended 31 March 2022, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

A J Pititto
Partner – Audit & Assurance

Melbourne, 5 July 2022