

MSSL MAURITIUS HOLDINGS LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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COMPANY INFORMATION

		Date of appointment	Date of resignation
DIRECTORS	Vivek Chaand Sehgal	20 August 2001	-
	Bimal Dhar	20 August 2001	-
	Venkatesen Saminada Chetty	23 October 2007	-
	Veronique Magny-Antoine (alternate to Venkatesen Saminada Chetty)	6 October 2008	30 June 2020
	Rishal Tanee	1 October 2016	-
	Laksh Vaaman Sehgal (alternate to Vivek Chaand Sehgal)	28 June 2019	-
ADMINISTRATOR AND SECRETARY	OCORIAN Corporate Services Mauritius Limited 6 th Floor, Tower A 1, CyberCity, Ebène MAURITIUS		
REGISTERED OFFICE	C/o OCORIAN Corporate Services Mauritius Limited 6 TH Floor, Tower A 1, CyberCity, Ebène MAURITIUS		
AUDITOR	Ernst & Young 6th Floor, IconEbene Rue de L'institut Ebene, Mauritius		
BANKERS	SBI (Mauritius) Ltd. 7 th Floor, SBI Tower Mindspace 45, Cybercity, Ebene Mauritius		

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the MSSL MAURITIUS HOLDINGS LTD (the "Company") for the year ended 31 March 2022.

PRINCIPAL ACTIVITY

The principal activity of the Company is to hold investments.

REVIEW OF BUSINESS

The Company's profit for the year is **EUR 7,456,005** (2021 EUR 8,251,950).

The directors do not recommend the payment of any dividend for the year under review.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2001 applicable to a company holding a Category 1 Global Business Licence, as described in note 2 to the financial statements. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

The auditor, Ernst & Young, has indicated its willingness to continue in office and will be automatically re-appointed at the Annual Meeting.

By Order of the Board

Fayaz DOOBARRY, ACCA
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

Ocorian Corporate Services (Mauritius) Limited
SECRETARY

Dated 29 September 2022

SECRETARY'S CERTIFICATE

TO THE MEMBER OF MSSL MAURITIUS HOLDINGS LTD

SECRETARY'S CERTIFICATE UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT

In accordance with section 166 (d) of the Companies Act, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001 for the Audited Financial Statements for the year ended 31 March 2022.

Dated ^{DS}29 September 2022

Fayaz DOOBARRY, ACCA
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

Ocorian Corporate Services (Mauritius) Limited
Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MSSL MAURITIUS HOLDINGS LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of MSSL Mauritius Holdings Ltd ("the Company") set out on pages 8 to 30, which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements of the Company are prepared in all material respects, in accordance with the basis of accounting described in note 2 to the financial statements and the requirements of the Companies Act 2001 applicable to a company holding a Global Business Licence.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") and other independence requirements applicable to performing audits of financial statements of the Company and in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Company and in Mauritius. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "MSSL Mauritius Holdings Ltd Financial Statements for year ended 31 March 2022", which includes the Company Information, Directors' Report and the Secretary's Report as required by the Companies Act 2001. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MSSL MAURITIUS HOLDINGS LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2001 applicable to a company holding a Global Business Licence, as described in note 2 to the financial statements and for such internal control as the directors determine 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, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MSSL MAURITIUS HOLDINGS LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body for our audit work, for this report, or for the opinions we have formed.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor, tax advisors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.



ERNST & YOUNG
Ebène, Mauritius



ANDRE LAI WAN LOONG, F.C.A.
Licensed by FRC

Date: 29 September 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	31-Mar-22	31-Mar-21
	EUR	EUR
Revenue		
Dividend income	-	2,373,201
Miscellaneous income	771	-
	771	2,373,201
Expenses		
General and administrative expenses (Note 5)	(58,305)	(58,947)
	(58,305)	(58,947)
Operating profit	(57,534)	2,314,254
Finance income (Note 6)	20,341,742	9,930,180
Finance costs (Note 6)	(12,623,522)	(3,992,484)
Finance income, net	7,718,220	5,937,696
Profit before income tax	7,660,686	8,251,950
Income tax expense (Note 8)	(204,681)	-
Profit for the year	7,456,005	8,251,950
Other comprehensive income	-	-
Total comprehensive income for the year	7,456,005	8,251,950

The notes on pages 12 to 30 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

	31-Mar-22	31-Mar-21
	EUR	EUR
ASSETS		
Non-current assets		
Investment in joint venture (Note 7)	16,426,385	16,426,385
Investments in subsidiaries (Note 9)	8,779,969	8,779,969
Other receivables (Note 10)	390,314,475	409,264,322
	415,520,829	434,470,676
Current assets		
Other receivables (Note 10)	19,739,771	12,215,117
Cash and cash equivalents (Note 11)	2,585,838	4,039,018
	22,325,609	16,254,135
Total assets	437,846,438	450,724,811
EQUITY		
Capital and reserves attributable to the equity holder		
Share capital (Note 12)	37,820,080	37,820,080
Compulsorily convertible Preference Shares (Note 13)	100,000,000	100,000,000
Retained earnings	44,477,904	37,021,899
Total equity	182,297,984	174,841,979
Non-current liabilities		
Borrowings (Note 14)	252,129,400	271,855,100
	252,129,400	271,855,100
Current liabilities		
Other payables (Note 15)	3,214,373	4,027,732
Income tax payable	204,681	-
	3,419,054	4,027,732
Total Equity and Liabilities	437,846,438	450,724,811

Authorised for issue by the Board of directors on 29 September 2022
and signed on its behalf by



DocuSigned by:

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} Venkatesen Chetty
}
} **DIRECTORS**
}
} Rishal Tanee

STATEMENT OF CHANGES IN EQUITY

	Share capital EUR	Compulsorily convertible Preference Shares EUR	Retained earnings EUR	Total Equity EUR
Balance as at 01 April 2020	37,820,080	-	28,769,949	66,590,029
Issued during the year	-	100,000,000	-	100,000,000
Profit/total comprehensive income for the year	-		8,251,950	8,251,950
Balance as at 31 March 2021	37,820,080	100,000,000	37,021,899	174,841,979
Profit/total comprehensive income for the year	-	-	7,456,005	7,456,005
Balance as at 31 March 2022	37,820,080	100,000,000	44,477,904	182,297,984

The notes on pages 12 to 30 are an integral part of these financial statements.

STATEMENT OF CASH FLOW

	31-Mar-22	31-Mar-21
	EUR	EUR
Cash flow from operating activities		
Profit before taxation	7,660,686	8,251,950
<i>Adjustments for:</i>		
Interest income	(13,908,628)	(8,514,987)
Interest expense	6,791,377	3,966,106
Dividend income	-	(2,373,201)
Sundries written back	(771)	-
Unrealised foreign exchange (gain)/loss	(307,619)	(1,368,027)
Cash flow before changes in working capital	235,045	(38,159)
Decrease in trade & other receivables and prepayments	6	200,048
Decrease in trade and other payables	(19,112)	(70,426)
Net cash from operating activities	215,939	91,463
Cash flow from investing activities		
Dividend received	-	2,373,201
Interest received from others	420	129
Net cash from investing activities	420	2,373,330
Cash flow from financing activities		
Loan received back from group companies	104,187,631	17,500,000
Interest received from related party	6,739,194	581,457
Loans to joint venture	(12,100,000)	(376,234,200)
Loans to other group company	(67,500,000)	(13,200,000)
Loan received from Parent	-	271,934,200
Loan repaid to Parent	(25,500,000)	-
Interest paid to Parent	(7,643,099)	-
Contribution as Compulsorily convertible preference Shares by Parent	-	100,000,000
Net cash flow (used in)/generated from financing activities	(1,816,274)	581,457
Net (decrease)/increase in cash and cash equivalents	(1,599,915)	3,046,250
Cash and cash equivalents at beginning of year	4,039,016	936,948
Effect of exchange difference on balance with Banks in foreign currency	146,737	55,820
Cash and cash equivalents at end of year	2,585,838	4,039,018

The notes on pages 12 to 30 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENT

1 INCORPORATION AND ACTIVITIES

Incorporation

MSSL MAURITIUS HOLDINGS LTD (the 'Company') is a private company with limited liability incorporated on 10 July 2001 and domiciled in Mauritius. The registered address of the Company is c/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1, CyberCity, Ebène, Mauritius. The Company holds a Category 1 Global Business Licence under the Financial Services Act 2007 and is regulated by Financial Services Commission.

Activities

The principal activity of the Company is to hold investments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards as modified by the exemption from consolidation in the Companies Act 2001 for companies holding a Category 1 Global Business License ("IFRS as modified by the Companies Act 2001"). These financial statements have been prepared under the historical cost convention. All values are rounded to the nearest Euro, except when otherwise indicated.

The preparation of the financial statements in conformity with IFRS as modified by the Companies Act 2001 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

2.2 Consolidated financial statements

The Company holds investments in joint ventures and subsidiaries as disclosed in Notes 7 and 9 to the financial statements. The investments in joint ventures and subsidiaries are accounted for at cost (net of impairment) and the Company has not consolidated the results of subsidiaries and joint ventures. The Company has taken advantage of the exemption provided by the Companies Act 2001 allowing a wholly owned or virtually owned parent company holding a Category 1 Global Business License not to present consolidated financial statement.

2.3 Investment in Subsidiaries & Joint Ventures

Subsidiaries are those entities in which the entity has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in subsidiaries & joint ventures in these financial statements are initially recognised at cost (which includes transaction costs).

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 *Investment in Subsidiaries & Joint Ventures (Continued)*

Where an indication of impairments exists, the recoverable amount of the investment is assessed. Where the recoverable amount of an investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognized as an expense in the income. Details of the Company's subsidiaries are given in Note 7 & 9

2.4 *Financial assets*

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of receivable from related party that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

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

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

The Company's financial assets include cash at bank and loans to related parties, which are classified as financial assets at amortised cost.

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial assets (Continued)

Financial assets at amortised cost (debt instruments) (Continued)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Derecognition

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

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

When the Company has transferred its 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 Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all trade receivables with third parties. ECLs are based on the difference between the contractual cash flows due and all the cash flows that the Company expects to receive.

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

The Company applies a simplified approach in calculating ECLs for all its receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on ECLs at each reporting period date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Company's financial liabilities include accruals and borrowings.

Subsequent measurement

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss 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 profit or loss.

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 profit or loss.

Offsetting of financial instruments

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

Foreign currency translation

- Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash at bank.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 *Share capital*

The Company has two classes of shares, being ordinary shares and redeemable preference shares. Par value of each class of share outstanding is EUR 1 and both are classified as equity. No redeemable preference shares have been issued to date.

2.8 *Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Company expects 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.

2.9 *Current and deferred income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period in the countries where the Company's subsidiaries and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

2.10 *Income recognition*

Interest income is recognised using the effective interest method.

Dividend income is recognised when the shareholder's right to receive payment is established.

Dividend and interest income are shown gross of withholding taxes.

2.11 *Impairment of non-financial assets*

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

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 of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses including impairment on inventories, are recognised in the statement of profit and loss

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

2.12 New and amended standards and interpretations

The Company applied, for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 01 April 2021. The standards, amendments and interpretations that are issued and effective are disclosed below, except for those standards which, in the opinion of the directors, will not impact the financial statements of the Company. The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for the current and prior periods but may affect the accounting treatment for future transactions or arrangements.

IAS 39 Financial Instruments: Recognition and Measurement - Amendments regarding replacement issues in the context of the IBOR reform

IFRS 7 Financial Instruments: Disclosures - Amendments regarding replacement issues in the context of the IBOR reform

IFRS 9 Financial Instruments – Amendments regarding replacement issues in the context of the IBOR reform
These amendments had no impact on the financial statements of the Company as the latter has not entered into any loan arrangement containing IBOR.

New or revised standards and interpretations issued but not effective

The new and amended standards and interpretations that are issued, but not yet effective up to the date of issuance of the Company's financial statements are listed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New and amended standards and interpretations (Continued)

	Effective for accounting period beginning on or after
Reference to the conceptual framework - Amendments to IFRS 3	1 January 2022
Onerous contracts - Costs of fulfilling a contract- Amendments to IAS 37	1 January 2022
IFRS 9: Financial instruments - Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	1 January 2022
IAS 41 Agriculture – Taxation in fair value measurements	1 January 2022
Amendments to IAS 1: Classification of liabilities as current or non-current	1 January 2023
IFRS 17 Insurance Contracts	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Amendments to IAS 8 Accounting Policies - Changes in Accounting Estimates and Errors - Definition of accounting estimates	1 January 2023

Amendments to IAS 1: Classification of liabilities as current or non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS I to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing agreements may require renegotiation.

Onerous contracts - Costs of fulfilling a contract - Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The amendments are not expected to have a material impact on the Company.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New and amended standards and interpretations (Continued)

IFRS 9: Financial instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received

by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 01 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently assessing the impact of the above amendments on the financial statements and they are not expected to have a significant impact.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1 *Impairment of investments*

The Company tests annually whether investments in joint ventures and subsidiaries have suffered any impairment. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. The Company follows the guidance of IAS 36 to determine when investment in joint ventures and subsidiaries are impaired. IAS 36 requires impairment of an asset when its carrying amount exceeds its recoverable amount. In making this judgement, the Company evaluates and determines the recoverable amount of the interests in joint ventures and subsidiaries in accordance with IAS 36. In determining value in

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

use, the Company estimates future cash flows from the asset on the basis of continuing use of the asset and its ultimate disposal by the joint ventures and subsidiaries.

3.2 Going concern

The company's management has made an assessment on the company's going concern and it is satisfied that the company has resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the company's ability as a going concern.

3.3 Determination of significant increase in credit risk on other receivables

Credit risk arises from cash and cash equivalents and other receivables only. For banks and financial institutions, the Company maintain banking relationships with only creditworthy banks which it reviews on an on-going basis. The credit risk on the bank balance has no material impact on financial statement. Other receivables represent balances recoverable from group companies. Management has reviewed the financial position of the related parties and concluded based on positive cash flow and financial position that no ECL is required. Furthermore, a letter of financial support has also been provided by parent company to support the loans in case of repayments. Accordingly, no credit risk arises on these balances.

3.4 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The significant transactions of the Company are in Euros. Hence, the Board of directors considers the Euro ("EUR") as their functional currency. The financial statements are presented in EUR.

3.5 Impairment of other receivables (ECL)

The company has analysed the loans and advances. In addition, the application of the ECL mode under IFRS 9 has not significantly changed the carrying amounts of the Company's amortised cost financial instruments.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

The company has below financial assets & financial liabilities:-

Financial assets	31-Mar-22	31-Mar-21
	EUR	EUR
Other receivables (Note 10)	410,053,719	421,478,906
Cash and cash equivalents (Note 11)	2,585,838	4,039,018
	412,639,557	425,517,924
	31-Mar-22	31-Mar-21
	EUR	EUR
Financial liabilities		
Borrowings (Note 14)	252,129,400	271,855,100
Other payables (Note 15)	3,214,373	4,027,732
	255,343,773	275,882,832

Other receivables exclude prepayments amounting to EUR 528 (2021: EUR 533).

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

4 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks; market risk (including foreign exchange and interest rate risks), credit risk and liquidity risk. The Company's overall risk management program focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Board of Directors.

(i) Market risk

Foreign exchange risk

The reporting currency of the Company is Euro and the Company has given loans denominated in ZAR and USD and has taken a loan denominated in USD for which it is exposed to foreign exchange risk.

Currency risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign companies. As a result, it is subject to foreign currency exchange risk arising from exchange rate movements.

There were no hedging transactions in place as at 31 March 2022.

Currency	Financial assets		Financial liabilities	
	2022	2021	2022	2021
	EUR	EUR	EUR	EUR
EUR	302,843,730	313,939,159	151,666,667	178,112,198
USD	105,880,848	100,686,536	103,677,107	97,770,634
ZAR	3,914,979	10,892,228	-	-
	412,639,557	425,517,923	255,343,774	275,882,832

Financial assets exclude prepayments amounting to EUR 528 (2020: EUR 533)

As at 31 March 2022, if the ZAR had strengthened / weakened by 15% against EUR with all other variables held constant, pre-tax profit for the year would have been higher/lower by **EUR 471,412** (2021 – EUR 1,494,336) and if the USD had strengthened / weakened by 5% against EUR with all other variables held constant, pre-tax profit for the year would have been lower/higher by **EUR 28,661** (2021 - EUR 24,428).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk is limited to its bank balance, loan given and loan received. Interest thereon is based on market interest rates.

As at 31 March 2022, if the interest rates on ZAR denominated advances had been higher/lower by 100 basis points with all other variables held constant, pre-tax profit and equity for the year would have been higher/lower by **EUR 68,330** (2021 - EUR 125,211), if the interest rates on USD denominated loans had been higher/lower by 100 basis points with all other variables held constant, pre-tax profit and equity for the year would be lower/higher by **EUR 47,231** (2021 - EUR 24,392) and if the interest rates on EUR denominated advances had been higher/lower by 100 basis points with all other variables held constant, pre-tax profit and equity for the year would be higher/ lower by **EUR 1,313,451** (2021- EUR 770,643).

(ii) Credit risk

Credit risk arises from cash and cash equivalents and other receivables only. For banks and financial institutions, the Company maintain banking relationships with only creditworthy banks which it reviews on an on-going basis.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

The credit risk on the bank balance is not considered material. Other receivables represents balances recoverable from group companies, accordingly no credit risk arises on these balance.

The risk of financial loss due to counterparty's failure to honour its obligations arise principally in relation to transactions where the Company provides funding to its subsidiaries.

The maximum exposure to credit risk regarding financial assets is the carrying amount as disclosed in the statement of financial position.

(iii) Liquidity risk

The Company is in a net current assets position as of 31 March 2022 and faces no liquidity risk.

All financial liabilities are repayable on demand.

(iv) Fair values

The fair value of the Company's financial assets and liabilities at 31 March 2022 approximated their net book amounts as reflected in the financial statements.

(v) Capital risk management

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

5. GENERAL AND ADMINISTRATIVE EXPENSES

	31-Mar-22	31-Mar 21
	EUR	EUR
Legal & professional fees	48,096	48,006
Audit fee	5,693	5,435
Rent expense	2,187	1,821
Miscellaneous expense	2,329	3,685
	58,305	58,947

6. FINANCE INCOME/EXPENSE

	31-Mar-22	31-Mar 21
	EUR	EUR
Finance income:		
Exchange gain on bank balance	146,737	55,820
Bank interest	420	129
Exchange gain on Interest income	168,212	240,416
Exchange gain on Loan balance to related parties	6,118,165	1,038,323
Exchange gain on Loan balance from related parties	-	79,100
Exchange gain on other payables	-	1,535
Interest on loan to related party (Note 16)	13,908,208	8,514,857
	20,341,742	9,930,180
Finance expense:		
Exchange loss on loan from related party	(5,774,300)	-
Interest on loan from related party (Note 16)	(6,791,377)	(3,966,106)
Exchange loss on Interest expense from related parties	(57,845)	(26,378)
	(12,623,522)	(3,992,484)

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

7. INVESTMENTS IN JOINT VENTURES

	Equity 31-Mar-22 EUR	Equity 31-Mar-21 EUR
At beginning of year		
Gross Investment at Cost	16,426,385	16,426,385
Less: Impairment Provision	-	-
Balance as at year end	16,426,385	16,426,385

The investments in joint ventures consist of:

Name of the entity	Country of incorporation	Holding %	Investment value as on 31.03.2022 (at cost)	Investment value as on 31.03.2021 (at cost)
Samvardhana Motherson Global Holdings Ltd.	Cyprus	51%	16,426,380	16,426,380
Vacuform 2000 (Pty) Ltd	South Africa	51%	5	5
			16,426,385	16,426,385

(i) Samvardhana Motherson Global Holdings Limited (SMGHL)

The Company holds 51% (2021: 51%) in Samvardhana Motherson Global Holdings Limited (SMGHL) incorporated in Cyprus, a joint venture between the Company and Samvardhana Motherson Holding (M) Private Limited. The Company had invested EUR 14,605,380 in the joint venture and held 1,020,000 ordinary shares of EUR 1 each at a premium of EUR 13.319 each. The Company received 1,197 ordinary shares of EUR 1 each at a premium of EUR 1,499 each upon conversion of loan of EUR 1,795,500 into equity by the joint venture company during financial year 2015-16. During the year ended 31 March 2018, the Company invested Euro 25,500 in Samvardhana Motherson Global Holdings Limited (SMGHL) by way of 17 equity shares of Euro 1 each at a premium of EUR 1,499 per share. As at 31 March 2022 the Company held 1,021,214 (2021: 1,021,214) ordinary shares of Euro 1 and 5,100 (2021: 5,100) preference shares of Euro 1 each. The company has invested a total of Euro 16,426,380 (2021: Euro 16,426,380).

(ii) Vacuform 2000 (Pty) Ltd

The Company holds 51% (2021: 51%) in Vacuform 2000 (Pty) Ltd, incorporated in Republic of South Africa. The Company is engaged in the business of manufacturing vacuum-forming and blow moulding components majorly for the automotive industry and has its manufacturing location at Rosslyn, Pretoria, Republic of South Africa.

The Company has invested ZAR 51 equivalent to Euro 5 in the joint venture and holds 51 shares of ZAR 1 each.

The directors have reviewed the carrying amounts of the above investments and the financial position of the investee companies at 31 March 2022 and are of the opinion that no impairment is required, except for Global Environment Management (FZC) which has already been fully impaired in previous years.

8. INCOME TAX

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of 15% (2021: 15%). The Company has received its Category 1 Global Business Licence ("GBL1") on or before 16 October 2017 and is grandfathered under the provisions of the Finance (Miscellaneous Provisions) Act 2018 ("FA 2018"). As from 1 July 2021, the Company's GBL1 licence will be automatically converted to a Global Business Licence ("GBL"). The Company will therefore operate under the current tax regime up to 30 June 2021.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

"Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income, subject to meeting certain conditions, which includes:

- (a) The Company carries out its core income generating activities in Mauritius;
- (b) The Company employs, directly or indirectly, adequate number of suitably qualified persons to conduct its core income generating activities; and
- (c) The Company incurs a minimum expenditure proportionate to its level of activities.

The Company will also need to demonstrate that its central management and control is in Mauritius."

The foregoing is based on the taxation laws and practices currently in force in Mauritius and may be subject to change.

The foregoing is based on current interpretation and practice and is subject to any future changes in Mauritian laws:

	31-Mar-22	31-Mar-21
	EUR	EUR
<i>Income tax liability/(asset) :</i>		
At beginning of year	-	-
Tax refund received	-	-
Charge for the year	204,681	-
Amount paid during the year	-	-
At end of year	204,681	-

Reconciliation between the actual tax and the applicable income tax is as follows:

	31-Mar-22	31-Mar-21
	EUR	EUR
Profit before income tax	7,660,686	8,251,950
Tax calculated at 15%	1,149,103	1,237,792
Expenses not deductible for tax purposes	1,701,346	191,186
Income not subject to tax	(2,645,768)	(209,180)
Foreign tax credit	-	(1,219,798)
Total income tax charge	204,681	-

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

9. INVESTMENTS IN SUBSIDIARIES

Company					31-Mar-22	31-Mar-21
Unquoted, at cost:					EUR	EUR
Balance as at year end					8,779,969	8,779,969
Details of the subsidiaries are as follows:						
Name of subsidiaries	Country of incorporation	Face value	Number of shares	Equity interest	Cost	Cost
					EUR	EUR
					2021	2020
MSSL Global RSA Module Engineering Limited	Republic of South Africa	1 ZAR	60,000,000	100%	6,822,336	6,822,336
MSSL Australia Pty Ltd	Australia	1 AUD	2,800,000	80%	1,957,633	1,957,633
(Preference Shares: 8,000 Equity Shares: 2,792,000)						
Global Environment Management (FZC)	UAE	1 AED	75,100	100%	-	-
Global Environment Management (FZC)	UAE	1 AUD	6,041,542	100%	-	-
					8,779,969	8,779,969

- (i) MSSL Global RSA Module Engineering Limited (Formerly Golden Dividend 629 Limited): Its principal activity is the manufacturing of automobile components.
- (ii) MSSL Australia Pty Ltd – The Company is a holding company and act as a corporate office providing support to the Australian group entities.

In 2017, the Company purchased the 2,792,000 Equity shares of AUD 1 and 8,000 Preference shares of AUD 1 for a consideration of EUR 1,957,633.

- (iii) Global Environment Management (FZC)-

The Company holds 100% (2021: 100%) of shares denominated in AED and 100% (2021: 100%) of shares denominated in AUD equivalent to amounts of AED 75,100 and AUD 6,041,542 (aggregating to EUR 1,968,731) in Global Environment Management (FZC).

Global Environment Management (FZC) is engaged in the trading of Aerobin home composting and on site household and garden waste containment systems. The Company, pursuant to the HOA has been assigned the Intellectual property i.e. the patents, trademark registrations and applications, designs and design applications and patents and patent applications relating to the above products by EC.

Further, Global Environment Management (FZC) owns 100% shares in Global Environment Management Australia Pty Ltd, registered as a proprietary company limited by shares under the Corporations Act, 2001 in Victoria, Australia on January 16, 2007. The Company is engaged in the marketing of Aerobin home composting and on site household and garden waste containment systems.

The investment held in Global Environment Management (FZC) has been fully impaired. Also the company has given advance against equity amounting Euro 1431,166 to Global Environment Management (FZC), which was also impaired in company's books in previous periods

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

The directors have reviewed the carrying amounts of the above investments and the financial position of the subsidiaries at 31 March 2022 and are of the opinion that the investments in subsidiaries should not be impaired.

10. OTHER RECEIVABLES

	31-Mar-22	31-Mar-21
	EUR	EUR
Loan to related parties (Note 16)	390,314,475	409,264,322
Interest from related parties (Note 16)	19,738,901	12,214,241
Other receivables from related parties (Note 16)	-	-
Security deposit	343	343
Prepaid expenses	527	533
	410,054,246	421,479,439
Non-current portion	390,314,475	409,264,322
Current portion	19,739,771	12,215,117
	410,054,246	421,479,439

- I. The Company has received back total loans amounting ZAR 120,750,000 from MSSL Global RSA Module Engineering Limited during the year. Outstanding balance as on 31.03.2021 was ZAR 120,750,000 at an interest rate of 6 month JIBAR plus 250 basis points. Total interest income of ZAR 3,570,278 (equivalent to EUR 207,933) ((2021: ZAR 8,890,229 (equivalent to EUR 472,794) was booked during the year on the said loan. There is no amount outstanding against principal or interest receivable against this loan at year end.
- II. The Company has given loans totalling ZAR 26,900,000 (equivalent to EUR 1,665,110) ((2021: ZAR 26,900,000 (equivalent to EUR 1,552,130)) to Vacuform 2000 Pty Limited, at an interest rate of Prime Lending Rate. Total interest income of ZAR 1,949,129 (equivalent to EUR 113,658) ((2021: ZAR 1,959,964 (equivalent to EUR 105,046)) was booked during the year on the said loan.
Interest receivable at year end was ZAR 23,871,370 (equivalent to EUR 1,477,638) ((2021: ZAR 21,922,240 (equivalent to EUR 1,264,913)).
- III. The Company has given loan of EUR 68,900,000 (2021: EUR 151,800,000) to Samvardhana Motherson Global Holdings Limited., at an interest rate of 6 month EURIBOR plus 250 basis points & 2.38% as applicable. Total interest income of EUR 7,421,284 (2021: EUR 4,371,976) was booked during the year on the said loan.
Interest receivable at year end was EUR 14,512,440 ((2021: EUR 7,091,156).
- IV. The Company has given loan of EUR 150,000,000 (2021: EUR 150,000,000) to Samvardhana Motherson Global Holdings Limited., at an interest rate of 2.19% p.a. Total interest income of EUR 3,330,625 (2021: EUR 1,742,875) was booked during the year on the said loan.
Interest revivable at year end was EUR 1,870,625 ((2021: EUR 1,742,875).
- V. The Company has given loan of USD 113,000,000 (equivalent to EUR 102,129,400) (2021: USD 113,000,000 (equivalent to EUR 96,355,100)) to Samvardhana Motherson Global Holdings Limited, at an interest rate of 2.92% p.a. Total interest income of USD 3,345,428 (equivalent to EUR 2,918,999) (2021: USD 1,750,621 (equivalent to EUR 1,462,077)) was booked during the year on the said loan.
Interest receivable at year end was USD 1,878,939 (equivalent to EUR 1,698,185) ((2021: USD 1,750,621 (equivalent to EUR 1,492,755)).

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

10. OTHER RECEIVABLES (CONTINUED)

- VI. The Company has given loans totalling USD 340,000 (equivalent to EUR 307,292) ((2021: USD 340,000 (equivalent to EUR 289,918)) to Samvardhana Motherson Global Holdings Limited, at an interest rate of 6 month LIBOR plus 250 basis points. Total interest income of USD 9,240 (equivalent to EUR 8,060) ((2021: 11,130 (equivalent to EUR 9,530)) was booked during the year on the said loan. Interest receivable at year end was USD 110,299 (equivalent to EUR 99,688) ((2021: USD 101,059 (equivalent to EUR 86,173)).
- VII. The Company has received back EUR 2,300,000 from MSSL Mideast (FZE). The loan was given in tranches started from March 2020 at the rate of 4.78%. The rate of interest on this loan was amended to 2.38%. the impact of this interest rate changes was considered in FY 2021-22.
- VIII. During the year the Company has granted loan of Euro 67,500,000 to MSSL Mideast at an interest rate of 2.38% for the period of 3 years. Interest revivable at year end was EUR 80,325.

Expected Credit Loss assessment done by the company and as per management, no provision is required to be made for ECL.

11. CASH AND CASH EQUIVALENTS

	<u>31-Mar-22</u>	<u>31-Mar-21</u>
	EUR	EUR
Balances with bank	<u>2,585,838</u>	<u>4,039,018</u>

12. SHARE CAPITAL (Par Value of Euro 1 Each)

	<u>31-Mar-22</u>		<u>31-Mar-21</u>	
	<u>Ordinary Share Capital</u>		<u>Ordinary Share Capital</u>	
<i>Issued and fully paid</i>	Number	EUR	Number	EUR
At end of the year	<u>37,820,080</u>	<u>37,820,080</u>	<u>37,820,080</u>	<u>37,820,080</u>

13. Compulsorily Convertible Preference Shares

	<u>31-Mar-22</u>		<u>31-Mar-21</u>	
	<u>Compulsorily convertible preference shares</u>		<u>Compulsorily convertible preference shares</u>	
	Number	EUR	Number	EUR
Opening balance	100	100,000,000	-	-
Issued during the year	-	-	100	100,000,000
At end of the year	<u>100</u>	<u>100,000,000</u>	<u>100</u>	<u>100,000,000</u>

During the financial year 2020-21, the company received Euro 100,000,000 from its parent company Motherson Sumi Systems Limited as subscription to Compulsorily Convertible Preference Shares. Security subscription agreement was executed between the companies on 07th October 2020. According to the agreement the company issued to the subscriber 100 compulsorily convertible preference shares having face

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

value of Euro 1,000,000 each. These preference shares will be converted into Equity shares at the end of 4 years and 9 months from the date of allotment of preference shares applying discount of 10% of fair value of equity shares on the date of conversion or such discount that ensures benefit of holding similar instruments with similar terms.

14. BORROWINGS

I. During the financial year 2021-22, the Company has below borrowings from its parent company Motherson Sumi systems Limited:-

- I. During the year the company has repaid borrowing of Euro 25,500,000 to its parent company Motherson Sumi Systems Limited. The borrowing was at an interest rate of 4.25% p.a. Total interest expense of Euro 1,050,635 (2021: 1,020,531) was booked during the year on the said loan.
- II. The Company has outstanding loan of Euro 150,000,000 (2021: 150,000,000) from its parent company Motherson Sumi Systems Limited, at an interest rate of 2% p.a. Total interest expense of Euro 3,041,667 (2021: 1,591,667) was booked during the year on the said loan. The loan is repayable by September 2023.
- III. The Company has outstanding of USD 113,000,000 (equivalent to Euro 102,129,400) (2021: USD 113,000,000 (equivalent to EUR 96,355,100) from its parent company Motherson Sumi Systems Limited, at an interest rate of 2.70% p.a. Total interest expense of USD 3,093,375 (equivalent Euro 2,677,075) (2021: USD 1,618,725 (equivalent to EUR 1,353,908)) was booked during the year on the said loan. The loan is repayable by September 2023.

Lender	31-Mar-21	New loan taken	Exchange Difference	Loan repaid	31-Mar-22
Samvardhana Motherson International Limited	271,855,100	-	5,774,300	(25,500,000)	252,129,400

15. OTHER PAYABLES

	31-Mar-22	31-Mar-21
	EUR	EUR
Accruals	15,498	34,610
TDS payable	268	637
Interest on loan from related parties (Note 16)	3,198,607	3,992,485
	3,214,373	4,027,732

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

16. RELATED PARTY TRANSACTIONS & BALANCES

The Company is wholly owned by Motherson Sumi Systems Limited, a company incorporated in India. During the year ended 31 March 2022, the Company transacted with related entities. The nature, volume of transactions and balances with the related parties are as follows:

	Parent	Joint Venture	Subsidiaries	Other related parties
March 2022	EUR	EUR	EUR	EUR
Interest income (Note 6)	-	13,792,625	207,933	(92,350)
Loan receivable (Note 10)	-	323,001,808	-	67,312,667
Interest income receivable (Note 10)	-	19,658,576	-	80,325
Interest received	-	5,980,849	385,239	373,106
Dividend income	-	-	-	-
Loan given during the year	-	12,100,000	-	67,500,000
Loan received back	-	95,000,000	6,887,631	2,300,000
Compulsorily convertible Preference Shares	100,000,000	-	-	-
Loan repaid during the year	25,500,000	-	-	-
Interest paid during the year	7,643,099	-	-	-
Interest expenses	6,791,377	-	-	-
Loan payable	252,129,400	-	-	-
Interest payable	3,198,607	-	-	-
March 2021	EUR	EUR	EUR	EUR
Interest income (Note 6)	-	7,691,503	472,794	350,560
Loan receivable (Note 10)	-	399,997,147	6,967,275	2,300,000
Interest income receivable (Note 10)	-	11,677,872	178,022	358,447
Interest received	-	-	600,707	-
Dividend income	-	2,373,201	-	-
Loan given during the year	-	376,234,200	-	13,200,000
Loan received back	-	-	-	17,500,000
Compulsorily convertible Preference Shares	100,000,000	-	-	-
Loan taken during the year	271,934,200	-	-	-
Interest expenses	3,966,106	-	-	-
Loan payable	271,855,100	-	-	-
Interest payable	3,992,485	-	-	-

The total remuneration of the directors for the year ended 31 March 2022 was EUR 1,981 (2021 - EUR 1,981).

17. PARENT AND ULTIMATE CONTROLLING PARTY

The directors consider Motherson Sumi Systems Limited, a company incorporated in India as the Company's parent and ultimate controlling party. Motherson Sumi Systems Limited is also listed on the Bombay, Delhi and Ahmedabad stock exchanges.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

18. ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19 (COVID-19):

The company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to fulfil performance obligations under the loan arrangements with borrowers;(ii) disinvestment by the company in its subsidiaries or Joint Ventures; (iii) impairment of loans given.

The company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, investments, loans given etc. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products. The Company has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.

19. SUBSEQUENT EVENTS

There is no reportable subsequent event occurred after 31 March 2022.