

# **Financial statements 2021**

Motherson Sintermetal Technology B.V.  
Hoogoorddreef 15  
1101 BA Amsterdam

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## **General information**

## **General**

Motherson Sintermetal Technology B.V. (the Company) is a private company with limited liability (a wholly-owned subsidiary of Samvardhana Motherson Innovative Solutions Limited), incorporated under the laws of The Netherlands on 9 June 2011, having its corporate seat in Amsterdam, with offices at Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands.

## **Results**

As presented in the profit and loss account, the net result for 2021 amounts to a loss of EUR 1,950,279 (2020: a loss of EUR 27,824,123).

## **Summary of activities**

The principal activities of the Company are to act as a holding and finance company.

## **Financial statements 2021**

## Balance sheet as at 31 December 2021

(After appropriation of result)

	<b>31 Dec 2021</b>		<b>31 Dec 2020</b>	
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	12,526		31,775	
		<b>12,526</b>		<b>31,775</b>
		<b>12,526</b>		<b>31,775</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	70,000		70,000	
Share premium	13,604,853		13,604,853	
Other reserves	(64,514,810)		(62,564,530)	
		<b>(50,839,957)</b>		<b>(48,889,677)</b>
<b>Non-current liabilities</b>	50,754,133		48,853,747	
<b>Current liabilities</b>	98,350		67,705	
		<b>50,852,483</b>		<b>48,921,452</b>
		<b>12,526</b>		<b>31,775</b>

## Profit and loss account for the year 2021

	2021		2020	
	EUR	EUR	EUR	EUR
<b>Gross margin</b>		<b>(1,879,180)</b>		<b>(1,125,918)</b>
<b>Total operating income / (expenses)</b>		<b>(1,879,180)</b>		<b>(1,125,918)</b>
Impairment of participation in subsidiaries	-		10,266,401	
Change in value of receivable	-		16,298,266	
Other general expenses	71,313		133,338	
<b>Total general expenses</b>		<b>71,313</b>		<b>26,698,005</b>
		<b>(1,950,493)</b>		<b>(27,823,923)</b>
<b>Result before taxation</b>		<b>(1,950,493)</b>		<b>(27,823,923)</b>
Taxation result		214		(200)
<b>Result after taxation</b>		<b>(1,950,279)</b>		<b>(27,824,123)</b>

## General notes

### 1. General

#### General

Motherson Sintermetal Technology B.V. (the Company) is a private company with limited liability (a wholly-owned subsidiary of Samvardhana Motherson Innovative Solutions Limited), incorporated under the laws of The Netherlands on 9 June 2011, having its corporate seat in Amsterdam, with offices at Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands.

The Company is registered at the Chamber of Commerce under number 52922332.

#### Activities

The principal activities of the Company are to act as a holding and finance company.

#### Group structure

The Company is part of the Samvardhana Motherson group. The head of this group is Motherson Sumi Systems Limited in Mumbai, India. The financial statements of the Company are included in the consolidated financial statements of Samvardhana Motherson Innovative Solutions Limited.

#### Going concern

The equity of the Company amounts to EUR 50,839,957 negative as at 31 December 2021.

The negative equity is financed in full with current liabilities and non-current liabilities, including current account funds provided by group entities. The continuity of the Company is based on the assumption on the willingness of group entities to continue these financing facilities. At present, commitments have been made by the group entities to continue financing the Company so it can continue with its ordinary activities.

The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the Company.

#### Directors' report

The Company has taken advantage of Article 395a section 6, Title 9, Book 2 of the Dutch Civil Code and has not presented a directors' report.



**Estimates**

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure.

The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

**Comparison with previous year**

The principles of valuation and determination of the result remained unchanged in comparison to previous year.

**Related parties**

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the Company are considered to be a related party. In addition, statutory directors, other key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

## 2. General accounting principles

### **Accounting policies**

The financial statements have been prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards applicable for micro legal entities, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Based on Title 9, Book 2 of the Dutch Civil Code, the Company can be qualified as a so-called 'micro-sized company', but voluntarily discloses more information to meet the legal requirement to provide a true and fair view.

Valuation of assets and liabilities and determination of the result take place under the historical cost convention, unless presented otherwise.

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

### **Financial instruments**

Financial instruments include both primary financial instruments, such as receivables and liabilities, and financial derivatives. Reference is made to the recognition per balance sheet item for the principles of primary financial instruments.

### **Foreign currency**

Items included in the financial statements of the Company are valued with due regard for the currency in the economic environment in which the Company carries out most of its activities (the functional currency). The financial statements are denominated in EUR, this is both the functional currency and presentation currency of the Company.

### **3. Principles of valuation of assets and liabilities**

#### **CURRENT ASSETS**

##### **Cash at banks and in hand**

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

#### **LIABILITIES**

##### **Non-current liabilities**

On initial recognition non-current liabilities are recognized at fair value. Transaction costs which can be directly attributed to the acquisition of the non-current liabilities are included in the initial recognition. After initial recognition non-current liabilities are recognized at the amortized cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the non-current liabilities.

##### **Current liabilities**

On initial recognition current liabilities are recognized at fair value. After initial recognition current liabilities are recognized at the amortized cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

## **4. Principles for the determination of the result**

### **General**

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

### **Costs**

Costs are determined on a historical basis and allocated to the financial year to which they relate.

### **Financial income and expenses**

Interest income and expenses are recognized on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. When accounting for interest expenses, the recognized transaction expenses for loans received are taken into consideration.

### **Income tax**

Tax on the result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Also changes are taken into account which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

## Notes to the balance sheet as at 31 December 2021

### EQUITY AND LIABILITIES

#### Equity

##### Share capital

The issued and fully paid up share capital of the Company amounts to EUR 70,000, divided into 70,000 ordinary shares of EUR 1.

##### Proposed appropriation of result for the financial year 2021

The board of directors proposes that the result for the financial year 2021 amounting to a loss of EUR 1,950,279 should be transferred to the other reserves. This proposal has been incorporated in the financial statements.

#### Non-current liabilities

	<u>31 Dec 2021</u>		
	<u>Total</u>	<u>Remaining</u>	<u>Remaining</u>
	<u>EUR</u>	<u>maturity 1- 5</u>	<u>maturity &gt; 5</u>
		<u>years</u>	<u>year</u>
		<u>EUR</u>	<u>EUR</u>
Amounts owed to group company	50,754,133	50,754,133	-
	<u>50,754,133</u>	<u>50,754,133</u>	<u>-</u>

Repayment obligations falling due within 12 months from the end of the financial year, as set out above, are not included in the above figures but in current liabilities.

##### Amounts owed to group company

This item includes loan from associated companies. The interest rate is fixed and amounts to 4.32% (31 Dec 2020: 4.32%). Nothing has been agreed on repayment and securities.

#### Current liabilities

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	<u>EUR</u>	<u>EUR</u>
Associate payables	91,877	13,075
Amounts owed to equity holder	51	51
Trade payables and trade creditors	422	48,014
Taxes and social security contributions payable	-	565
Other payables	6,000	6,000
	<u>98,350</u>	<u>67,705</u>

All payables will be resolved within one year.

## **Notes to the balance sheet as at 31 December 2021**

### **Contingent assets and liabilities**

The Company has no contingent assets and liabilities that are not already included in the annual report.

## Notes to the profit and loss account for the year 2021

	<u>2021</u>	<u>2020</u>
	EUR	EUR
<b>Gross margin</b>		
Finance income	8	71,380
Finance expenses	(1,879,188)	(1,197,298)
	<u><b>(1,879,180)</b></u>	<u><b>(1,125,918)</b></u>
The Finance income consists of:		
<u>Interest income and similar income</u>		
Interest income on associates receivable	-	71,595
Currency exchange profit	-	(235)
Other income	8	20
	<u><b>8</b></u>	<u><b>71,380</b></u>
The Finance expenses consists of:		
<u>Interest expenses and similar expenses</u>		
Interest expenses on associates payable	1,879,188	798,736
Interest expenses on loans from equity holders	-	32,659
Interest expenses on loans from banks	-	365,903
	<u><b>1,879,188</b></u>	<u><b>1,197,298</b></u>
<b>Impairment of participation in subsidiaries</b>		
Result from impairment	-	(10,266,401)
	<u><b>-</b></u>	<u><b>(10,266,401)</b></u>
<b>General expenses</b>		
Tax advisory fees	7,729	38,761
Administrative, management and domiciliation fees	58,368	81,640
Legal fees	-	2,778
Not to be refunded VAT	-	565
Fines and interest tax authorities	-	3,653
Bank charges	5,216	5,941
	<u><b>71,313</b></u>	<u><b>133,338</b></u>
<b>Change in value of receivable</b>		
Waiver of loan receivable	-	16,298,266
	<u><b>-</b></u>	<u><b>16,298,266</b></u>
<b>Taxation result</b>		
Corporate income tax	(214)	200
	<u><b>(214)</b></u>	<u><b>200</b></u>

## Notes to the profit and loss account for the year 2021

### Average number of employees

The Company had no employees during the year under review (2020: none).

### Events after balance sheet date

The Company used to belong to a group whose head was Samvardhana Motherson International Limited (old SAMIL). The head of the old group has been merged with Motherson Sumi Systems Limited, which is the surviving entity, and has taken the name of the disappearing entity (Samvardhana Motherson International Limited, hereinafter new SAMIL). The new SAMIL is a listed company in Mumbai India, and the financial statements of the Company will from now on be included in the consolidated financial statements of the new SAMIL.

Amsterdam, 8 July 2022

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IQ EQ Management (Netherlands) B.V.  
Managing director (A)

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A. Heuser  
Managing director (B)