

Financial statements 2019/2020

Samvardhana Motherson Innovative Autosystems Holding Company B.V.
Am Germanenring 3
63486 Bruchköbel

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General information

General

Samvardhana Motherson Innovative Autosystems Holding Company B.V. (the Company) is a private company with limited liability (a wholly-owned subsidiary of Samvardhana Motherson Reflectec Group Holdings Limited), incorporated under the laws of The Netherlands on 28 January 2015, with offices at Am Germanenring 3, 63486 Bruchköbel, Germany.

Results

As presented in the profit and loss account, the net result for 2019/2020 amounts to a profit of EUR 5,000 (2018/2019: a profit of EUR 5,000).

Summary of activities

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

Furthermore, the Company also acts as the general partner of the German Group company Samvardhana Motherson Innovative Autosystems Holding Company B.V. & Co. KG.

Financial statements 2019/2020

Balance sheet as at 31 March 2020

(Before appropriation of result)

	31 Mar 2020		31 Mar 2019	
	EUR	EUR	EUR	EUR
ASSETS				
Fixed assets				
Financial fixed assets	0		0	
		0		0
Current assets				
Receivables and prepayments	27,675		47,661	
Cash and cash equivalents	83,344		68,251	
		111,019		115,912
		111,019		115,912
LIABILITIES				
Equity				
Share premium	100,000		100,000	
Undistributed result	(8,835)		(13,835)	
Result for the year	5,000		5,000	
		96,165		91,165
Current liabilities				
	14,855		24,747	
		14,855		24,747
		111,019		115,912

Profit and loss account for the year 2019/2020

	<u>2019/2020</u>		<u>2018/2019</u>	
	EUR	EUR	EUR	EUR
Management fee income		23,257		38,969
Other income		464		-
Total operating income / (expenses)		<u>23,721</u>		<u>38,969</u>
Other general expenses	18,721		33,969	
Total general expenses		<u>18,721</u>		<u>33,969</u>
		<u>5,000</u>		<u>5,000</u>
Result before taxation		<u>5,000</u>		<u>5,000</u>
Taxation result		-		-
Result after taxation		<u><u>5,000</u></u>		<u><u>5,000</u></u>

General notes

1. General

General

Samvardhana Motherson Innovative Autosystems Holding Company B.V. (the Company) is a private company with limited liability (a wholly-owned subsidiary of Samvardhana Motherson Reflectec Group Holdings Limited), incorporated under the laws of The Netherlands on 28 January 2015, with offices at Am Germanenring 3, 63486 Bruchköbel, Germany.

The Company is registered at the Chamber of Commerce under number 62518321.

Activities

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

Furthermore, the Company also acts as the general partner of the German Group company Samvardhana Motherson Innovative Autosystems Holding Company B.V. & Co. KG.

Group structure

The Company is part of the Samvardhana Motherson group. The head of this group is Samvardhana Motherson International Ltd. in Mumbai, India. The financial statements of the Company are included in the consolidated financial statements of Samvardhana Motherson Automotive Systems Group B.V.

Consolidation exemption

Consolidated accounts are not presented as the Company has availed itself of the exemption provisions of Article 408 section 1, Title 9 Book 2 of the Dutch Civil Code. Accordingly, the consolidated annual report of Samvardhana Motherson Automotive Systems Group B.V. for the year ending 31 March 2020 which include the financial statements of the Company and its subsidiaries, have been filed with the Chamber of Commerce.

Going concern

The accounting policies used are based on the going concern assumption. However, at the time of preparation of the annual accounts, the Coronavirus (COVID-19) prevails in the Netherlands and its neighbouring countries, as well as in several parts of the world. Government measures are now being taken and it is likely that additional government measures will be taken to minimize the effects of this virus as much as possible. We cannot exclude that the economic impact of the Coronavirus, partly influenced by the aforementioned government measures, will lead to serious impediments of the company's business operations for some time, which could (seriously) endanger the company's financial position. At the same time, the government offers various facilities to help healthy companies survive the crisis as much as possible, offering a reasonable expectation that healthy companies in principle will be helped. For this reason, the principles of valuation and determination of result used in the financial statements are based on the assumption of continuity.

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.

Group companies

Foreign group companies and associated companies outside the Netherlands qualify as carrying on business operations in a foreign country, with a functional currency different from that of the Company. For the translation of the financial statements of these business operations in a foreign country the balance sheet items are translated at the exchange rate as at balance sheet date and the profit and loss account items at the average rate. The translation differences that arise are directly deducted from or added to shareholders' equity.

3. Principles of valuation of assets and liabilities

FIXED ASSETS

Financial fixed assets

Participations

Participations (associates), over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of a participation based on the net asset value is negative, it will be stated at EUR 1. If and insofar the Company can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognized for this.

The amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the net result achieved by the participation is recognized in the profit and loss account.

In the light of the aforementioned application of Article 408 section 1, Title 9 Book 2 of the Dutch Civil code and in management's opinion disclosure of net asset value would not enhance the insight into the Company's financial position and results, the participations are valued at historical cost.

In the event of an impairment loss, valuation takes place at the realizable value (see also section "Impairment of non-current assets"); an impairment is recognized and charged to the profit and loss account.

Impairment of non-current assets

On each balance sheet date, the Company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realizable value of the asset is determined. If it is not possible to determine the realizable value of the individual asset, the realizable value of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realizable value; the realizable value is the higher of the fair value less cost to sell and the value in use. An impairment loss is directly recognized in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

An impairment occurs when the carrying amount of an asset is higher than the realizable value; the realizable value is the higher of the fair value less cost to sell and the value in use. An impairment loss is directly recognized in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

If it is established that an impairment that was recognized in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

CURRENT ASSETS

Receivables

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

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

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.

Other income

Other income represents miscellaneous income including provisions and liabilities no longer required and hence written off.

Costs

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

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 March 2020

ASSETS

Non-current financial assets

As from January 2015 the Company acts as the general partner of the German Group company Samvardhana Motiherson Innovative Autosystems Holding Company B.V. & Co. KG, where it has 100% of voting rights and 0% of interest.

Receivables and prepayments

	<u>31 Mar 2020</u>	<u>31 Mar 2019</u>
	EUR	EUR
Associate receivables	27,675	46,373
Prepaid expenses	-	1,288
	<u>27,675</u>	<u>47,661</u>

The fair value of the receivables approximates the carrying amount due to their short term character and the fact that provisions for bad debt are recognised, where necessary.

Notes to the balance sheet as at 31 March 2020

EQUITY AND LIABILITIES

Equity

Share capital

The issued and fully paid up share capital of the Company amounts to EUR 0.01, divided into 1 ordinary shares of EUR 0.01.

The Company's shares are pledged to secure liabilities arising out of senior secured notes and revolving credit facilities issued by Samvardhana Motherson Automotive Systems Group B.V.

Proposed appropriation of result for the financial year 2019/2020

The board of directors proposes that the result for the financial year 2020 amounting to a profit of EUR 5,000 should be transferred to the other reserves.

Current liabilities

	<u>31 Mar 2020</u>	<u>31 Mar 2019</u>
	EUR	EUR
Trade payables and creditors	398	1,143
Taxes payable	3,234	7,404
Other payables	11,222	16,200
	<u>14,855</u>	<u>24,747</u>

Contingent assets and liabilities

As of balance sheet date 31 March 2019, the Company, along with other Group companies, has given joint and several guarantees in respect of senior secured notes amounting to EUR 400,000,000 and USD 400,000,000, term loan of USD 60,000,000, as well as revolving credit facilities for a sanctioned limit of EUR 575,000,000 entered into by Samvardhana Motherson Automotive Systems Group B.V.

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

Notes to the profit and loss account for the year 2019/2020

	<u>2019/2020</u>	<u>2018/2019</u>
	EUR	EUR
Management fee income		
Management fees income	23,257	38,969
	<u>23,257</u>	<u>38,969</u>
General expenses		
Management fee	-	10,000
Domiciliation fees	973	1,074
Tax advisory fees	5,266	1,200
Bank charges	181	199
Legal and professional fees	12,161	21,466
Miscellaneous expenses	140	-
Chamber of Commerce fees	-	30
	<u>18,721</u>	<u>33,969</u>

Average number of employees

The Company had no employees during the year under review (2018/2019: none).

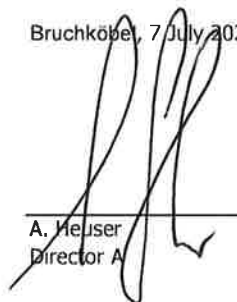
Notes to the profit and loss account for the year 2019/2020

Events after balance sheet date

At the time of preparation of the annual accounts, the Coronavirus (COVID-19) prevails in the Netherlands and its neighbouring countries, as well as in several parts of the world. Government measures are now being taken and it is likely that additional government measures will be taken to minimize the effects of this virus as much as possible. We cannot exclude that the economic impact of the Coronavirus, partly influenced by the aforementioned government measures, will lead to serious impediments of the company's business operations for some time, which could (seriously) endanger the company's financial position. At the same time, the government offers various facilities to help healthy companies survive the crisis as much as possible, offering a reasonable expectation that healthy companies in principle will be helped. For this reason, the principles of valuation and determination of result used in the financial statements are based on the assumption of continuity.

No other major activities have occurred after balance sheet date that could have a material effect on the annual accounts.

Bruchköbel, 7 July 2020



A. Meuser
Director A



C.M. Jäger
Director B