

**Registered Number: 102658**

**Samvardhana Motherson Reflectec Group Holdings Limited**

**Directors Report and Financial Statements  
for the year ended 31 March 2020**

**Samvardhana Motherson Reflectec Group Holdings Limited (Registered Number: 102658)**

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**For the year ended 31 March 2020**

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**Samvardhana Motherson Reflectec Group Holdings Limited (Registered Number: 102658)**

**Company Information**

**For the year ended 31 March 2020**

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**Directors**

Vivek Chaand Sehgal  
Bimal Dhar  
Alice Read  
Andreas Heuser  
Laksh Vaaman Sehgal  
Alma Dura

**Secretary**

Intertrust Fiduciary Services (Jersey) Limited

**Independent Auditors**

Ernst & Young LLP  
Bedford House  
16 Bedford Street  
Belfast  
BT2 7DT

**Registered office**

44 Esplanade,  
St Helier,  
Jersey JE4 9WG

**Directors' Report**

**For the year ended 31 March 2020**

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The directors present their annual report and the audited financial statements for the year ended 31 March 2020.

**PRINCIPAL ACTIVITIES**

The principal activity of the company during year is that of a holding company and to facilitate the procurement of manufacturing components for the SMR Group that are used for the development and production of exterior & interior mirrors and other components for the international automotive industry.

**REVIEW OF BUSINESS**

The profit of the company for the financial year ended 31 March 2020 was €27,853,000 (2019: €30,594,000).

As of 31 March 2020 the total assets of the company were €331,852,000 (2019: €298,113,000).

Profit of the company are mainly driven by dividend and interest income from Subsidiaries.

**DIVIDENDS**

No dividend has been paid or proposed by the directors during the year (2019 :€nil).

**PRINCIPAL FINANCIAL RISKS AND UNCERTAINTIES**

The principal financial risks and uncertainties facing the Company are summarised on the following pages:

**Financial risk management**

The Company gives considerable attention to its risk mitigation process and ensures that appropriate measures are taken to avoid, reduce and transfer or intentionally accept risk. The company is responsible for managing its own financial risk and secure cost-effective funding for operations and to minimise the adverse effects of fluctuations in the financial markets on the value of the financial assets and liabilities, on reported profitability and on the cash flows of the Company.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. Majority of the transactions are denominated in the functional currency of the Company. Therefore, the Company is not exposed to any significant foreign currency risk. Moreover, all the borrowings of the Company are also in the functional currency of the Company.

**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.

Due to the fixed terms of interest at which borrowings are obtained and fixed terms for loans given to subsidiaries, the Company is not exposed to cash flow interest rate risk on financial assets and liabilities.

**Credit risk**

The risk of financial loss due to counterparty's failure to honour its obligations arises principally in relation to transactions where the Company provides funding to its subsidiaries. Credit risk arises from cash and cash equivalents and other receivables. For banks and financial institutions, the Company maintain banking relationships with only creditworthy banks which it reviews on an on-going basis. Consequently, the credit risk related to the bank balances is not considered material. Other receivables represent balances recoverable from Group companies; accordingly no credit risk arises on these balances.

**Samvardhana Motherson Reflectec Group Holdings Limited (Registered Number: 102658)**

**Directors' Report (continued)**

**For the year ended 31 March 2020**

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**Liquidity risk**

Liquidity risk is defined as the risk that the Company could not be able to settle or meet its obligations on time or at a reasonable price. Company Treasury is responsible for liquidity, funding as well as settlement management. In addition, liquidity and funding risks, related processes and policies are overseen by management regularly.

**Going concern**

These financial statements are prepared under the assumption that the entity is a going concern. The directors of the Company believe that, on the basis of the future business plans & cash flows and the ability to raise funds as required, they have a reasonable expectation that the Company will continue as a going concern for a period of at least 12 months from the date of signing of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**Directors**

The directors who held office during the year and up to the date of signing the financial statements are given below:

Vivek Chaand Selgal

Alice Read

Laksh Vaaman Sehgal

Alma Dura (resigned 26th May 2020)

Frances Allain (appointed 26th May 2020)

Bimal Dhar (resigned 30th June 2020) (appointed as alternate director to Vivek Chaand Selgal 30th June 2020)

Andreas Heuser (resigned 30th June 2020) (appointed as alternate director to Laksh Vaaman Sehgal 30th June 2020)

**Directors' Report (continued)**

**For the year ended 31 March 2020**

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**STATEMENT OF DIRECTORS' RESPONSIBILITY**

The directors are responsible for preparing the Directors' Report and Financial Statements in accordance with applicable law and regulation.

Companies (Jersey) Law 1991 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company affairs of the profit and loss for that year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing those financial statements the directors should:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and accounting estimates that are reasonable and prudent;
3. state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
4. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm they have complied with all the above requirements in preparing the company financial statements. The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They have general responsibility for taking such steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Post Balance Sheet Events**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, investment in and loans granted to subsidiaries. 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 economic forecasts and consensus estimates from market sources on the expected future demand of its subsidiaries 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. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements. The Company is a holding company, it does not trade, and it does not have employees and therefore, has not seen a material impact as a result of COVID 19.

**Independent Auditors**

A resolution for the reappointment of Ernst & Young as auditors of the Company will be proposed at the forthcoming annual general meeting.

By order of the Board,



Alice Read

Date: 10th September 2020

**Samvardhana Motherson Reflectec Group Holdings Limited (Registered Number: 102658)**

**Independent auditors' report to the members of Samvardhana Motherson Reflectec Group Holdings Limited**  
**For the year ended 31 March 2020**

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**Opinion**

We have audited the financial statements of Samvardhana Motherson Reflectec Group Holdings Limited (the "company") for the period ended 31 March 2020 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

In our opinion, the financial statements:

- ▶ give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the period then ended;
- ▶ have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- ▶ have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

**Emphasis of Matter**

We draw attention to Note 2 and Note 20 of the financial statements, which describe the economic and operational consequences the Company is facing as a result of Covid-19. Our opinion is not modified in respect of this matter.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ▶ the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ▶ the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

**Independent auditors' report to the members of Samvardhana Motherson Reflectec Group Holdings Limited**  
**For the year ended 31 March 2020**

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Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- ▶ proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the financial statements are not in agreement with the company's accounting records and returns; or
- ▶ we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 (UK) 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.



**Samvardhana Motherson Reflectec Group Holdings Limited (Registered Number: 102658)**

**Independent auditors' report to the members of Samvardhana Motherson Reflectec Group Holdings Limited**

**For the year ended 31 March 2020**

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A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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.

ERNST & YOUNG LLP

Neil Corry  
for and on behalf of Ernst & Young LLP  
Belfast  
Date: 10 SEPTEMBER 2020

**Statement of Comprehensive Income**

**For the year ended 31 March 2020**

**A- Income Statement**

|                                   | Note | Year ended 31<br>March 2020<br>€000 | Year ended 31<br>March 2019<br>€000 |
|-----------------------------------|------|-------------------------------------|-------------------------------------|
| Other Income                      | 5    | 25,280                              | 28,860                              |
| Other operating expenses          | 6    | (1,395)                             | (1,075)                             |
| <b>Operating profit</b>           |      | <b>23,885</b>                       | <b>27,785</b>                       |
| Finance Income                    | 7    | 7,616                               | 7,360                               |
| Finance Costs                     | 7    | (3,648)                             | (4,551)                             |
| <b>Finance Income - net</b>       |      | <b>3,968</b>                        | <b>2,809</b>                        |
| <b>Profit before income taxes</b> |      | <b>27,853</b>                       | <b>30,594</b>                       |
| Income tax expense                | 8    | -                                   | -                                   |
| <b>Profit for the year</b>        |      | <b><u>27,853</u></b>                | <b><u>30,594</u></b>                |

**B- Statement of Comprehensive Income**

|  | Year ended 31<br>March 2020<br>€000 | Year ended 31<br>March 2019<br>€000 |
|--|-------------------------------------|-------------------------------------|
| Profit for the year  | 27,853                              | 30,594                              |
| <b>Items that will not be reclassified to income statement</b>                                   |                                     |                                     |
| Changes in the fair value of equity investments at fair value through other comprehensive income | (5,108)                             | -                                   |
| <b>Total comprehensive income for the year</b>   | <b><u>22,745</u></b>                | <b><u>30,594</u></b>                |

All of the actuals above relate to continuing operations.

The notes on pages 12 to 37 form an integral part of these financial statements.

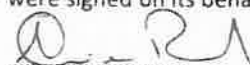
**Samvardhana Motherson Reflectec Group Holdings Limited (Registered Number: 102658)**

**Statement of Financial Position**  
**For the year ended 31 March 2020**

|                                     | Note | As at 31 March 2020<br>€000 | As at 31 March 2019<br>€000 |
|-------------------------------------|------|-----------------------------|-----------------------------|
| <b>Assets</b>                       |      |                             |                             |
| <b>Non current assets</b>           |      |                             |                             |
| Investment                          | 9    | 141,734                     | 135,442                     |
| Trade & Other receivables           | 11   | <u>8,426</u>                | <u>159,890</u>              |
|                                     |      | <b>150,160</b>              | <b>295,332</b>              |
| <b>Current assets</b>               |      |                             |                             |
| Cash and cash equivalents           | 10   | 36                          | 138                         |
| Trade & Other receivables           | 11   | <u>181,656</u>              | <u>2,643</u>                |
|                                     |      | <b>181,692</b>              | <b>2,781</b>                |
| <b>Total Assets</b>                 |      | <b><u>331,852</u></b>       | <b><u>298,113</u></b>       |
| <b>Equity and liabilities</b>       |      |                             |                             |
| <b>Total Equity</b>                 |      |                             |                             |
| Share capital                       | 13   | 30,450                      | 30,450                      |
| Share premium                       |      | 2,550                       | 2,550                       |
| Capital reserve                     |      | 215                         | 215                         |
| Retained earnings                   |      | <u>206,455</u>              | <u>183,710</u>              |
|                                     |      | <b>239,670</b>              | <b>216,925</b>              |
| <b>Non current liabilities</b>      |      |                             |                             |
| Financial liabilities               | 12   | —                           | <u>70,305</u>               |
|                                     |      |                             | <b>70,305</b>               |
| <b>Current liabilities</b>          |      |                             |                             |
| Financial liabilities               | 12   | 88,833                      | 8,644                       |
| Other liabilities                   | 14   | <u>3,349</u>                | <u>2,239</u>                |
|                                     |      | <b>92,182</b>               | <b>10,883</b>               |
| <b>Total Liabilities</b>            |      | <b><u>92,182</u></b>        | <b><u>81,188</u></b>        |
| <b>Total equity and liabilities</b> |      | <b><u>331,852</u></b>       | <b><u>298,113</u></b>       |

The notes on pages 12 to 37 form an integral part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 10/09/2020 and were signed on its behalf by:



Alice Read

**Samvardhana Motherson Reflectec Group Holdings Limited (Registered Number: 102658)**

**Statement of Changes in Equity**  
**For the year ended 31 March 2020**

|   | Share<br>capital     | Share<br>premium    | Capital<br>Reserve | Retained<br>earnings  | Total<br>Equity       |
|---|----------------------|---------------------|--------------------|-----------------------|-----------------------|
|   | €000                 | €000                | €000               | €000                  | €000                  |
| <b>As at 1 April 2018</b>                             | <b>30,450</b>        | <b>2,550</b>        | <b>215</b>         | <b>153,116</b>        | <b>186,331</b>        |
| Profit for the year and total<br>comprehensive income |                      |                     |                    | 30,594                | 30,594                |
| <b>As at 31 March 2019</b>                            | <b><u>30,450</u></b> | <b><u>2,550</u></b> | <b><u>215</u></b>  | <b><u>183,710</u></b> | <b><u>216,925</u></b> |
| <b>As at 1 April 2019</b>                             | <b>30,450</b>        | <b>2,550</b>        | <b>215</b>         | <b>183,710</b>        | <b>216,925</b>        |
| Profit for the year and total<br>comprehensive income |                      |                     |                    | 22,745                | 22,745                |
| <b>As at 31 March 2020</b>                            | <b><u>30,450</u></b> | <b><u>2,550</u></b> | <b><u>215</u></b>  | <b><u>206,455</u></b> | <b><u>239,670</u></b> |

**Share capital**

The company has authorised share capital of 3,045,000,000 shares with a nominal value of Euro 0.01 each of which 3,045,000,000 shares are issued and fully paid.

**Share premium**

Share premium represents the amount subscribed for share capital in excess of the nominal value.

**Capital reserve**

Substantial shareholders of the Company Motherson Sumi Systems Limited and Samvardhana Motherson International Limited provide guarantees to the lenders for the loans granted to the company. These guarantees are provided without any cost to the Company and it is recognised as an equity contribution on the basis of the fair value of the guarantee provided.

**Retained earnings**

This reserve records retained earnings and accumulated losses.

The notes on pages 12 to 37 form an integral part of these financial statements.

**Samvardhana Motherson Reflectec Group Holdings Limited (Registered Number: 102658)**

**Statement of Cash Flows**

**For the year ended 31 March 2020**

|   | Note      | Year ended 31<br>March 2020<br>€000 | Year ended 31<br>March 2019<br>€000 |
|---|-----------|-------------------------------------|-------------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                      |           |                                     |                                     |
| Operating Profit  |           | 23,885                              | 27,785                              |
| <u>Adjustments for:</u>   |           |                                     |                                     |
| Exchange Loss/(gain)  |           | 11                                  | (23)                                |
| Bad Debts/Advances written off                                  |           | -                                   | -                                   |
| Dividend Received   |           | (25,280)                            | (28,530)                            |
|   |           | (25,269)                            | (28,553)                            |
| <b>Operating cash flows before movements in working capital</b> |           | <b>(1,384)</b>                      | <b>(768)</b>                        |
| Increase/(decrease) in other liabilities                        |           | 253                                 | (822)                               |
|   |           | 253                                 | (822)                               |
| Income tax paid   |           | -                                   | -                                   |
| <b>Cash flow used in operating activities</b>                   |           | <b>(1,131)</b>                      | <b>(1,590)</b>                      |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                      |           |                                     |                                     |
| Investment in subsidiaries                                      |           | (11,400)                            | (10,550)                            |
| Loans and advances given to subsidiaries                        |           | (16,810)                            | (23,790)                            |
| Loans and advances received from/to Subsidiaries                |           | 13,450                              | 17,850                              |
| Loans and advances given to Related Party                       |           | (24,400)                            | -                                   |
| Dividend received   |           | 25,938                              | 27,861                              |
| Interest received   |           | 7,158                               | 7,002                               |
| <b>Cash flow (used in)/generated from investing activities</b>  |           | <b>(6,064)</b>                      | <b>18,373</b>                       |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                      |           |                                     |                                     |
| Proceeds from borrowings  |           | 83,418                              | 99,550                              |
| Payment of Interest   |           | (2,791)                             | (5,888)                             |
| Repayment of borrowings   |           | (73,534)                            | (114,201)                           |
| <b>Cash flow generated from/(used in) financing activities</b>  |           | <b>7,093</b>                        | <b>(20,539)</b>                     |
| <b>Net (decrease) in cash and cash equivalents</b>              |           | <b>(102)</b>                        | <b>(3,756)</b>                      |
| Cash and cash equivalents at beginning of year                  |           | 138                                 | 3,871                               |
| Exchange gain/(loss) on cash and cash equivalents               |           | -                                   | 23                                  |
| <b>Cash and cash equivalents at end of year</b>                 | <b>10</b> | <b>36</b>                           | <b>138</b>                          |

The notes on pages 12 to 37 form an integral part of these financial statements.

**Notes to the Financial Statements**

**For the year ended 31 March 2020**

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**1. GENERAL INFORMATION**

Samvardhana Motherston Reflectec Group Holdings Limited (hereafter referred as "Company" or "SMRGHL") is a private company with limited liability, domiciled and incorporated under the laws of Jersey, having its corporate seat at Jersey with office at 44 The Esplanade, St Helier, Jersey JE4 9WG.

The financial statements of Samvardhana Motherston Reflectec Group Holdings Limited for the year ended 31 March 2020 were authorised for issue by the board of directors on 07.09.2020 and were signed on the board's behalf by Alice Read.

**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.

***i) Basis of preparation***

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union.

The financial statements have been prepared on a historical cost basis and are presented in Euros (€).

The Company did not prepare consolidated financial statements on the basis of the exemption in IFRS 10 'Consolidated Financial Statements'. Its intermediary parent company Samvardhana Motherston Automotive Systems Group B.V., an entity incorporated in Netherlands produces consolidated financial statements for public use that have been prepared in accordance with IFRS. These consolidated financial statements are available at Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands.

***ii) Going concern***

These financial statements are prepared under the assumption that the entity is a going concern. The directors of the Company believe that, on the basis of the future business plans & cash flows and the ability to raise funds as required, they have a reasonable expectation that the Company will continue as a going concern for a period of at least 12 months from the date of signing of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

***iii) Investments in subsidiaries***

Investments in subsidiaries are recognised and subsequently measured at cost. Where an indication of impairment 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 recognised as an expense in the statement of comprehensive income.

***iv) Impairment of investments in subsidiaries***

The Company has tested investment in subsidiaries for 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 'Impairment of Assets' to determine when investment in subsidiaries is impaired. IAS 36 requires impairment of an asset when its carrying amount exceeds its recoverable amount. In making this judgment, the Company

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

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**iv) Impairment of investments in subsidiaries(Continued)**

evaluates and determines the recoverable amount of the interest in subsidiaries in accordance with IAS 36. In determining value in use, the Company estimates future cash flows from the asset on the basis of continuing use of the asset and its ultimate disposal by subsidiaries.

**v) Foreign currency translation**

The financial statements are presented in Euros, which is the Company's functional and presentation currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the rate of exchange prevailing on this date. All differences are taken to the statement of comprehensive income.

**vi) Financial assets**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortized 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 trade receivables that do not contain a significant financing component, 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. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15. In order for a financial asset to be classified and measured at amortized 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 recognized on the trade date, i.e., the date that the company commits to purchase or sell the asset.

**Subsequent measurement**

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

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

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

This category is the most relevant to the company. The company measures financial assets at amortized cost if both of the following conditions are met:

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

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**vi) Financial assets (Continued)**

- 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.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Companies financial assets at amortized cost include trade receivables. Financial assets designated at fair value through OCI (debt instruments) A financial asset is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income in statement of profit and loss using the EIR method.

**Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the income statement when the right of payment has been established, except when the Companies benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Companies elected to classify irrevocably its non-listed equity investments under this category.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the income statement. This category includes derivative instruments.



**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

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**vii) Loans and receivables**

Loans and receivables are initially recognised at fair value plus transaction costs. Loans and receivables that have fixed or determinable payments and are not listed on an active market are measured at amortised cost using the effective interest method less any necessary write-downs arising from impairments. They are reported in the statement of financial position under other receivables and other assets unless they are trade receivables and are recorded as non-current or current depending on their maturity period.

**viii) Trade and other receivables**

Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

**ix) Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

**x) Impairment of financial assets**

For trade receivables and contract assets, the company applies a simplified approach in calculating Expected Credit Losses (ECLs). Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for any forward-looking factors specific to the debtors and the economic environment.

In accordance with IFRS 9, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables under IFRS 16
- d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IFRS 15
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of IFRS 16

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

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***x) Impairment of financial assets (continued)***

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

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***xi) Derecognition of financial assets and liabilities***

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where the Company has transferred a financial asset and retained substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received.

Where 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 a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

***xii) Trade payables***

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

***xiii) Interest bearing loans and borrowings***

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

***xiv) 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.

***xv) Derivative financial instruments***

The company enters into derivative financial instruments to manage its exposure of foreign exchange, viz. foreign exchange forward contracts and cross currency swaps.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The company designates certain derivatives as either:

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

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**xv) Derivative financial instruments (continued)**

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the company documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The company documents its risk management objective and strategy for undertaking its hedge transactions. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability if these are expected to be settled within 12 months of the reporting date, else these are classified as non-current.

**xvi) Financial guarantee contracts**

Financial guarantee contracts are recognised as financial liabilities at the date the guarantee is issued. The fair value of the financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

Financial guarantee provided without consideration by the related companies are also measured in accordance with the IFRS- 9—"Financial Instruments" and recognized as equity contribution on the basis of its fair value.

Where guarantees in relation to loans or in relation to un-interrupted supply of raw materials to subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment in the financial statements of the Company.

**xvii) Share capital**

The Company has only one class of shares in issue, being ordinary shares. The par value of ordinary shares is €0.01.

**xviii) Recognition of income and expenses**

**a) Dividends**

Revenue is recognised when the company's right to receive payment is established.

**b) Expense Recognition**

Operating expenses are recognised when goods or services are used or when the expense is incurred. Anticipated losses from construction contracts are directly recognised as expenses.

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

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***c) Interest income/expense***

Interest is recognised using the effective interest method as an expense or income for the period in which it occurs.

***xix) Changes in accounting policy and disclosure***

The IASB has adopted the following changes to existing IFRS and adopted new IFRS standards, which have also already been adopted by the European Commission, thereby making their application mandatory as for Financial Year 2019-20 to the extent relevant for the Company.

- IFRS 16 Leases
- Prepayment Features with Negative Compensation – Amendments to IFRS 9
- Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28
- Annual Improvements to IFRS Standards 2015 – 2017 Cycle
- Plan Amendment, Curtailment or Settlement – Amendments to IAS 19
- Interpretation 23 Uncertainty over Income Tax Treatments

the aforementioned standards and changes did not have any impact on the Company's financial statement and therefore did not require retrospective adjustments.

***xx) New standards and interpretations***

Several new standards and amendments to standards are effective for accounting periods beginning on or after 1 January 2020 and have not been applied in preparing these financial statements: IFRS 17 „Insurance Contracts“; Amendments to IFRS 3, IAS 1, IAS 8, IFRS 10 and IAS 28. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

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**3. Financial risk management**

***i) Risk management objectives and policies***

The Company's principal financial liabilities comprise mainly loan taken from the group companies. The Company has financial assets such as receivables and cash and cash equivalents, which arise directly from its activities.

Financial instruments give rise to cash flow interest rate risk, foreign currency risk, credit risk, and liquidity risk. Information on how these risks arise is set out below, as are the objectives, policies and processes agreed by the board for their management and the methods used to measure each risk.

The objective of the Company's treasury is to manage the financial risk, secure cost-effective funding for the Company's and its subsidiaries operations and to minimise the adverse effects of fluctuations in the financial markets on the value of the Company's financial assets and liabilities, on reported profitability and on the cash flows of the Company. The treasury team is accountable to the board.

The Company gives considerable attention to its risk mitigation process and ensures that appropriate measures are taken to avoid, reduce and transfer or intentionally accept risk. However during the year the Company did not enter into any complex financial instruments nor had established any hedge relationship.

***ii) 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.

Due to the fixed terms of interest at which borrowings are obtained and fixed terms for loans given to subsidiaries, the Company is not exposed to cash flow interest rate risk on financial assets and liabilities.

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

**iii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Majority of the transactions are denominated in the functional currency of the Company. Therefore, the Company is not exposed to any significant foreign currency risk. Moreover, all the borrowings of the Company are also in the functional currency of the Company.

**iv) Credit risk**

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

Credit risk arises from cash and cash equivalents and other receivables. For banks and financial institutions, the Company maintain banking relationships with only creditworthy banks which it reviews on an on-going basis. Consequently, the credit risk related to the bank balances is not considered material. Other receivables represent balances recoverable from group companies; accordingly no credit risk arises on this balance.

The maximum exposure to credit risk regarding financial assets is the carrying amount as disclosed in the balance sheet.

The following table shows the ageing of trade and other receivables that were not impaired:

|                             | Total   | Neither<br>past due<br>nor<br>impaired | Past due but not impaired |               |                |                 |              |
|-----------------------------|---------|--|---------------------------|---------------|----------------|-----------------|--------------|
|                             |         |  | < 30<br>days              | 30-90<br>days | 90-180<br>days | 180-360<br>days | >360<br>days |
|                             | €000    | €000                                   | €000                      | €000          | €000           | €000            | €000         |
| <b>As at March 31, 2020</b> |         |  |                           |               |                |                 |              |
| Trade receivables           | -       | -                                      | -                         | -             | -              | -               | -            |
| Cash and cash equivalents   | 36      | 36                                     | -                         | -             | -              | -               | -            |
| Other assets and receivable | 190,082 | 190,082                                | -                         | -             | -              | -               | -            |
| <b>As at March 31, 2019</b> |         |  |                           |               |                |                 |              |
| Trade receivables           | -       | -                                      | -                         | -             | -              | -               | -            |
| Cash and cash equivalents   | 138     | 138                                    | -                         | -             | -              | -               | -            |
| Other assets and receivable | 162,533 | 162,533                                | -                         | -             | -              | -               | -            |

**v) Liquidity risk**

Liquidity risk is defined as the risk that the Company could not be able to settle or meet its obligations on time or at a reasonable price. Company Treasury is responsible for liquidity, funding as well as settlement management. In addition, liquidity and funding risks, related processes and policies are overseen by management regularly. Financial liabilities for which the corresponding counterparty can demand repayment at any time are assigned to the earliest possible time period.

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

**v) Liquidity risk (continued)**

The following table summarises the maturity profile of the Company's financial liabilities:

|              | As At 31st March 2020 |          |               |
|--------------|-----------------------|----------|---------------|
|              | 0-1 Year              | 1-5 Year | Total         |
|              | €000                  | €000     | €000          |
| Borrowings   | 92,800                | -        | 92,800        |
| <b>Total</b> | <b>92,800</b>         | <b>-</b> | <b>92,800</b> |

|              | As At 31st March 2019 |               |               |
|--------------|-----------------------|---------------|---------------|
|              | 0-1 Year              | 1-5 Year      | Total         |
|              | €000                  | €000          | €000          |
| Borrowings   | 12,579                | 72,815        | 85,394        |
| <b>Total</b> | <b>12,579</b>         | <b>72,815</b> | <b>85,394</b> |

The amounts included in the above table are the contractual undiscounted cash flows as a result these amounts will not reconcile to the amounts disclosed on the balance sheet.

**vi) Capital risk management**

The overriding aim of the Company's capital management is to ensure that it will continue to be able to repay its debt and remain financially sound. For this purpose, an important indicator for the company is the gearing ratio of financial debt to shareholders' equity as shown in the statement of financial position. Since these terms are generally not governed by International Financial Reporting Standards their definition and calculation may vary from one company to another.

The following table shows the Company's equity and debt positions recognised for the purpose of capital management as of 31 March 2020:

|   | As at 31 March<br>2020 | As at 31 March<br>2019 |
|---|------------------------|------------------------|
|   | €000                   | €000                   |
| Borrowings from related party (Refer Note 12) | 88,833                 | 78,949                 |
| <b>Total Borrowings</b>                       | <b>88,833</b>          | <b>78,949</b>          |
| Less: Cash & Cash Equivalents                 | (36)                   | (138)                  |
| <b>Net Debt</b>                               | <b>88,797</b>          | <b>78,811</b>          |
| Shareholder's Equity                          | 239,670                | 216,925                |
| <b>Total Capital</b>                          | <b>328,467</b>         | <b>295,736</b>         |
| <b>Gearing Ratio</b>                          | <b>27%</b>             | <b>27%</b>             |

In addition to the debt / equity balance, the Company also manages the cash and cash equivalents position as defined in the balance sheet on an on-going basis in the context of capital management.



**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

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**4. Significant accounting judgements, estimates and assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. 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 company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.

**i) Impairment of financial assets**

The company assesses at each reporting date whether there is an indication that a financial asset may be impaired. If any such indication exists, the company makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. No impairment has been provided during the year (2019- Nil).

**ii) Impairment of investments**

The Company assesses at each reporting date whether there is an indication that investment in subsidiaries may be impaired. If any such indication exists, the company follows the guidance of IAS 36 'Impairment of Assets' which requires an 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 interest in subsidiaries in accordance with IAS 36. In determining value in use, the Company estimates future cash flows from the asset on the basis of continuing use of the asset and its ultimate disposal by subsidiaries.

Addition in investment during the year was made into Motherson Innovations Company Limited of €11,400k (2019: €10,550k). Impairment in investment during the year relates to investment in Quanergy Systems, Inc. of €5,108k (2019: €Nil).

**iii) Fair value estimation**

In order to determine the fair values for its financial assets and financial liabilities the company applies fair value measurement techniques which require inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Trade receivables, cash and cash equivalents and other financial assets (current) have remaining terms of less than one year and are non-interest bearing. Therefore, their carrying value as of the reporting date is approximately the same as their fair value. Trade liabilities, liabilities due to shareholders and other liabilities (current) have remaining terms of less than one year and is non-interest bearing. Therefore, their carrying value as of the reporting date is approximately the same as their fair value.

Most of the company borrowings carry interest at fixed rate of interest. Therefore, the carrying value as on the balance sheet date approximates the fair value.

**Samvardhana Motherison Reflectec Group Holdings Limited (Registered Number: 102658)**

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

**5. Other Income**

|                 | Year ended 31<br>March 2020 | Year ended 31<br>March 2019 |
|-----------------|-----------------------------|-----------------------------|
|                 | €000                        | €000                        |
| Dividend Income | 25,280                      | 28,530                      |
| Other Income    | -                           | 330                         |
| <b>TOTAL</b>    | <b><u>25,280</u></b>        | <b><u>28,860</u></b>        |

**6. Other operating expenses**

|  | Year ended 31<br>March 2020 | Year ended 31<br>March 2019 |
|--|-----------------------------|-----------------------------|
|  | €000                        | €000                        |
| General administration expenses                                    | 673                         | 551                         |
| Foreign exchange loss/(gain)                                       | 11                          | (23)                        |
| Bad Debts/Advances written off                                     | -                           | -                           |
| Fees payable to the Company's auditor for the audit of the company | 23                          | 22                          |
| Fees payable to the Group auditor for the audit of the Group       | 130                         | -                           |
| Legal & Professional expenses                                      | 558                         | 525                         |
| <b>TOTAL</b>   | <b><u>1,395</u></b>         | <b><u>1,075</u></b>         |

**7. Finance income and costs**

|  | Year ended 31<br>March 2020 | Year ended 31<br>March 2019 |
|--|-----------------------------|-----------------------------|
|  | €000                        | €000                        |
| Interest Income on loans due from related parties              | <u>7,616</u>                | <u>7,360</u>                |
| <b>Total finance income</b>                                    | <b><u>7,616</u></b>         | <b><u>7,360</u></b>         |
| Interest expense on financial liabilities with related parties | <u>3,648</u>                | <u>4,551</u>                |
| <b>Total finance expenses</b>                                  | <b><u>3,648</u></b>         | <b><u>4,551</u></b>         |

**8. Income tax expense**

Profit arising in the company will be subject to Jersey tax at the standard corporate income tax rate at 0%. Hence there are no tax related amounts.

**9. Investment**

|                           | As at 31 March<br>2020 | As at 31 March<br>2019 |
|---------------------------|------------------------|------------------------|
|                           | €000                   | €000                   |
| <b>At 1 April</b>         | <b>135,442</b>         | <b>124,892</b>         |
| Additions during the year | 11,400                 | 10,550                 |
| Impairment in Investments | <u>(5,108)</u>         | -                      |
| <b>As at 31 March</b>     | <b><u>141,734</u></b>  | <b><u>135,442</u></b>  |

Addition in investment during the year was made into Motherison Innovations Company Limited of €11,400k (2019: €10,550k). Impairment in investment during the year relates to investment in Quanergy Systems, Inc. of €5,108k (2019: €Nil).

**Samvardhana Motherson Reflectec Group Holdings Limited (Registered Number: 102658)****Notes to the Financial Statements (continued)****For the year ended 31 March 2020****9. Investment**

Details of the investments in which the company hold are as follows:

| Sr.No | Name of Company                                      | Country of Incorporation | Category   | Shareholding % age | Registered office address   |
|-------|--|--------------------------|--|--------------------|---|
| 1     | SMR Automotive Technology Holding Cyprus Ltd.        | Cyprus                   | Subsidiary through Samvardhana Motherson Reflectec Group Holdings Ltd. | 100%               | ThemistokliDervi 3, Julia House P.C. 10066 Nicosia (Cyprus)   |
| 2     | SMR Automotive Mirror Parts and Holdings UK Ltd.     | England                  | Subsidiary through Samvardhana Motherson Reflectec Group Holdings Ltd. | 100%               | Castle Trading Estate, East Street, Portchester, Hampshire, PO16 9SD, England                         |
| 3     | SMR Automotive Holding Hong Kong Ltd                 | Hong Kong                | Subsidiary through Samvardhana Motherson Reflectec Group Holdings Ltd. | 100%               | Level 28 Three Pacific Place 1 Queen's Road East Hong Kong  |
| 4     | SMR Automotive Systems India Ltd.                    | India                    | Subsidiary through SMR Automotive Technology Holding Cyprus Ltd.       | 51%                | F - 7, Block B - 1, 2nd Floor, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi - 110044 |
| 5     | SMR Automotive Systems France S.A.                   | France                   | Subsidiary through SMR Automotive Technology Holding Cyprus Ltd.       | 100%               | 154, avenue du Lys, B.P. 5, 77191 Dammarie-Les-Lys Cedex, France                                      |
| 6     | SMR Automotive Mirror Technology Holding Hungary Kft | Hungary                  | Subsidiary through SMR Automotive Technology Holding Cyprus Ltd.       | 100%               | Szabadsag u. 35, PF 15, 9245 Mosonszolnok, Hungary  |
| 7     | SMR Patents S.a.R.L.                                 | Luxembourg               | Subsidiary through SMR Automotive Mirror Parts and Holdings UK Ltd.    | 100%               | Le Dôme 2-8 Avenue Charles de Gaulle, L-1653 Luxembourg   |
| 8     | SMR Automotive Technology Valencia S.A.U.            | Spain                    | Subsidiary through SMR Automotive Mirror Parts and Holdings UK Ltd.    | 100%               | Ctra. Valencia-Ademuz Km 30.5 46160 - Liria - Valencia - Spain  |
| 9     | SMR Automotive Mirrors UK Ltd.                       | England                  | Subsidiary through SMR Automotive Mirror Parts and Holdings UK Ltd.    | 100%               | Castle Trading Estate, East Street, Portchester, Hampshire, PO16 9SD, England                         |

**Samvardhana Motherson Reflectec Group Holdings Limited (Registered Number: 102658)**

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

|    |  |             |   |        |   |
|----|--|-------------|---|--------|---|
| 10 | SMR Automotive Mirror International USA Inc.           | USA         | Subsidiary through SMR Mirrors UK Limited                                 | 100%   | 1855 Busha Highway, Marysville, Michigan 48040, USA   |
| 11 | SMR Automotive Systems USA Inc.                        | USA         | Subsidiary through SMR Automotive Mirror International USA Inc.           | 100%   | 1855 Busha Highway, Marysville, Michigan 48040, USA   |
| 12 | SMR Automotive Beijing Co. Ltd.                        | China       | Subsidiary through SMR Automotive Holding Hong Kong Ltd.                  | 100%   | #4 Bohai Road, Modern Industrial Park, Xianghe, Langfang, Hebei, China  |
| 13 | SMR Automotive Yancheng Co. Ltd.                       | China       | Subsidiary through SMR Automotive Holding Hong Kong Ltd.                  | 100%   | Yancheng Economic Development Zone, Yancheng 224007, Jiangsu, China   |
| 14 | SMR Automotive Mirror Systems Holding Deutschland GmbH | Germany     | Subsidiary through SMR Automotive Mirror Parts and Holdings UK Ltd.       | 100%   | Hedelfinger Straße 60, 70327 Stuttgart, Germany   |
| 15 | SMR Holding Australia Pty Ltd.                         | Australia   | Subsidiary through SMR Automotive Mirror Technology Holding Hungary Kft   | 100%   | Sherriffs Road (corner of Aldershot Road), Lonsdale, South Australia 5160, Australia  |
| 16 | SMR Automotive Australia Pty. Ltd.                     | Australia   | Subsidiary through SMR Holding Australia Pty Ltd.                         | 100%   | Sherriffs Road (corner of Aldershot Road), Lonsdale, South Australia 5160, Australia  |
| 17 | SMR Automotive Mirror Technology Hungary Bt            | Hungary     | Subsidiary through SMR Automotive Technology Holding Cyprus Ltd.          | 99.40% | Szabadsag u. 35, PF 15, 9245 Mosonszolnok, Hungary  |
| 18 | SMR Automotive Mirror Technology Hungary Bt            | Hungary     | Subsidiary through SMR Automotive Mirror Technology Holding Hungary KFT   | 0.60%  | Szabadsag u. 35, PF 15, 9245 Mosonszolnok, Hungary  |
| 19 | SMR Automotive Modules Korea Ltd.                      | South Korea | Subsidiary through SMR Automotive Mirror Systems Holding Deutschland GmbH | 100%   | Ochang Science Industrial Complex (4-9 B/L), 170, Gwahaksaneop 1-ro, Oksan-myeon, heungdeok-gu, Dhungcheongbuk-do, Korea Postal Code: 28122 |

**Samvardhana Motherson Reflectec Group Holdings Limited (Registered Number: 102658)**

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

|    |   |             |   |        |   |
|----|---|-------------|---|--------|---|
| 20 | SMR Automotive Beteiligungen Deutschland GmbH     | Germany     | Subsidiary through SMR Automotive Mirror Systems Holding Deutschland GmbH | 100%   | Hedelfingerstraße 60, 70327 Stuttgart, Germany  |
| 21 | SMR Hyosang Automotive Ltd.                       | South Korea | Subsidiary through SMR Automotives Modules Korea Ltd.                     | 100%   | 192-6, Chunui-Dong, Wonmi-Ku, Bucheon City, Kyunggi-Do, South Korea                                 |
| 22 | SMR Automotive Mirrors Stuttgart GmbH             | Germany     | Subsidiary through SMR Automotive Mirror Systems Holding Deutschland GmbH | 100%   | Hedelfingerstraße 60, 70327 Stuttgart, Germany  |
| 23 | SMR Automotive Systems Spain S.A.U.               | Spain       | Subsidiary through SMR Automotive Mirrors Stuttgart GmbH                  | 100%   | Ctra. Valencia-Ademu Km 30.5 46160 - Liria - Valencia, Spain  |
| 24 | SMR Automotive Vision Systems Mexico S.A. de C.V. | Mexico      | Subsidiary through SMR Automotive Mirrors Stuttgart GmbH                  | 64.68% | Circuito Mexico No. 2 Mex-78395 San Luis Potosi, SLP  |
| 25 | SMR Automotive Vision Systems Mexico S.A. de C.V. | Mexico      | Subsidiary through SMR Automotive Systems Spain S.A.U.                    | 35.32% | Circuito Mexico No. 2 Mex-78395 San Luis Potosi, SLP  |
| 26 | SMR Grundbesitz GmbH & Co. KG                     | Germany     | Subsidiary through SMR Automotive Mirror Systems Holding Deutschland GmbH | 93.07% | Hedelfingerstraße 60, 70327 Stuttgart, Germany  |
| 27 | SMR Automotive Brasil LTDA                        | Brazil      | Subsidiary through SMR Automotive Mirror Technology Holding Hungary Kft   | 100%   | Av Pacifico Moneda 3360, Sitio Vargeao, Bairro Capotuna Jaguariuna, Sao Paulo Brasil CEP: 13820-000 |
| 28 | SMR Automotive System (Thailand) Ltd.             | Thailand    | Subsidiary through SMR Automotive Technology Holding Cyprus Ltd.          | 100%   | 500/49 Moo 3, Hem: Eastern Seaboard Industrial Estate, Tasith, A. Pluckdaeng Rayong, 21140 Thailand |
| 29 | Re-Time PTY Ltd                                   | Australia   | Subsidiary through SMR Automotive Australia Pty. Ltd.                     | 100%   | Suite 6, 15 King William Road UNLEY SA 5061   |
| 30 | SMR Automotives Systems Macedonio Dooel Skopje    | Macedonia   | Subsidiary through SMR Automotive Mirror Technology Holding Hungary Kft   | 100%   | 16, 8-mi Septemvri Blv Hyperium Business Centre, 2nd floor, 100C Skopje – Karposh, Karposh          |

**Samvardhana Motherson Reflectec Group Holdings Limited (Registered Number: 102658)**

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

|    |   |         |   |      |   |
|----|---|---------|---|------|---|
| 31 | SMR Automotive Operations Japan K.K.                  | Japan   | Subsidiary through SMR Automotive Mirror Technology Holding Hungary Kft   | 100% | 45 KT building 4F, 1-16-4, Marunouchi, Naka-ku, Nagoya-City, Aichi, Japan               |
| 32 | SMR Automotive (Langfang) Co. LTD                     | China   | Subsidiary through SMR Automotive Mirror Systems Holding Deutschland GmbH | 100% | #4 Bohai Road, Modern Industrial Park, Xianghe, Langfang, Hebei, China                  |
| 33 | SMR Automotive Vision System Operations USA INC       | USA     | Subsidiary through SMR Automotive Mirror Parts and Holdings UK Ltd.       | 100% | 1855 Busha Highway, Marysville, Michigan 48040, USA                                     |
| 34 | SMR Mirrors UK Limited                                | UK      | Subsidiary through SMR Automotive Vision System Operations USA INC        | 100% | Castle Trading Estate, East Street, Portchester, Hampshire, PO16 9SD, England           |
| 35 | Motherson Innovations Company Limited                 | UK      | Subsidiary through Samvardhana Motherson Reflectec Group Holdings Ltd.    | 100% | 35 Great St. Helen's, London, EC3A 6AP  |
| 36 | Motherson Innovations Deutschland GmbH                | Germany | Subsidiary through Motherson Innovations Company Limited                  | 100% | Hedelfinger Straße 60, 70327 Stuttgart, Germany   |
| 37 | Samvardhana Motherson Global (FZE)                    | Sharjah | Subsidiary through Samvardhana Motherson Reflectec Group Holdings Ltd.    | 100% | H3-05B, Post Box -513142, Saif Zone, UAE  |
| 38 | SMP Automotive Systems Alabama Inc                    | USA     | Subsidiary through SMR Automotive Mirror International USA Inc.           | 100% | 10799 Ed Stephens Road, Cottondale, AL 35453, USA                                       |
| 39 | Samvardhana Motherson Corp Management Shanghai Co Ltd | China   | Subsidiary through SMR Automotive Mirrors Stuttgart GmbH                  | 100% | Room 2606, No.299 Tongren Road, SOHO Exchange, Jing'an District, Shanghai, China 200040 |

Notes to the Financial Statements (continued)

For the year ended 31 March 2020

10. Cash and cash equivalents

Cash and cash equivalents comprise the following:

|              | As at 31 March 2020 | As at 31 March 2019 |
|--------------|---------------------|---------------------|
|              | €000                | €000                |
| Cash at Bank | <u>36</u>           | <u>138</u>          |

11. Trade and other receivables

Trade and receivables comprise the following:

|  | As at 31 March 2020   | As at 31 March 2019   |
|--|-----------------------|-----------------------|
|  | €000                  | €000                  |
| Loans, advances and receivables to subsidiaries    | 165,392               | 161,576               |
| Loans, advances and receivables to related parties | 24,402                | -                     |
| Dividend receivable                                | -                     | 669                   |
| Other Receivable                                   | <u>288</u>            | <u>288</u>            |
| <b>Other receivables and other assets</b>          | <b><u>190,082</u></b> | <b><u>162,533</u></b> |
| Current  | 181,656               | 2,643                 |
| Noncurrent   | 8,426                 | 159,890               |

Loans to group companies and related parties are unsecured in nature. The details of the loan provided to the group companies are below:

€24,401,522 (2019: €NIL) at interest rate of 0.52% and repayable on 31 March 2021

€153,526,725 (2019: €145,417,750) at interest rate of 4.5% and repayable on 31 March 2021.

€ 2,583,194 (2019: € NIL) at interest rate of 5 % and repayable on 31 March 2021.

€ 32,045 (2019: € 20,608) at interest rate of 5.5% and repayable on 10 Sept 2020.

€ 8,425,931 (2019: € 16,137,066) at interest rate of 5.5% and repayable on 31 Dec 2021.

€ 823,889 (2019: € NIL) at interest rate of 5 % and repayable on 31 March 2021.

12. Financial liabilities

As at 31 March 2020

| Loan Amount                                 | Interest Rate | Maturity  | Current              | Non Current     | Total                |
|---|---------------|-----------|----------------------|-----------------|----------------------|
|   | %             |           | (000's)              | (000's)         | (000's)              |
| €9.0 m SMR UK <sup>1</sup>                  | 5.25%         | 31-Mar-21 | 7,912                | -               | 7,912                |
| €80.0 m SMR Hungary <sup>2</sup>            | 4.50%         | 31-Mar-21 | 78,921               | -               | 78,921               |
| €5.0 m SMR Spain <sup>4</sup>               | 5.00%         | 30-Jun-20 | 2,000                | -               | 2,000                |
| € 90.0 m SMRP B.V. <sup>3</sup>             | 4.50%         | 30-Jun-20 | -                    | -               | -                    |
| <b>Total Liabilities to related parties</b> |               |           | <b><u>88,833</u></b> | <b><u>-</u></b> | <b><u>88,833</u></b> |

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

**12 Financial liabilities (continued)**

**As at 31 March 2019**

| Loan Amount                                 | Interest Rate<br>% | Maturity  | Current<br>(000's)  | Non Current<br>(000's) | Total<br>(000's)     |
|---|--------------------|-----------|---------------------|------------------------|----------------------|
| €7.0 m SMR UK <sup>1</sup>                  | 5.25%              | 31-Mar-20 | 5,644               | -                      | 5,644                |
| €80.0 m SMR Hungary <sup>2</sup>            | 5.78%              | 31-Mar-21 | -                   | 36,905                 | 36,905               |
| €5.0 m SMR Spain. <sup>4</sup>              | 5.00%              | 25-Apr-19 | 3,000               | -                      | 3,000                |
| € 90.0 m SMRP B.V. <sup>3</sup>             | 4.50%              | 30-Jun-20 | -                   | 33,400                 | 33,400               |
| <b>Total Liabilities to related parties</b> |                    |           | <b><u>8,644</u></b> | <b><u>70,305</u></b>   | <b><u>78,949</u></b> |

<sup>1</sup>The loan is unsecured taken from SMR Automotive Mirrors UK Ltd.

<sup>2</sup>This loan is unsecured taken from SMR Automotive Mirror Technology Hungary Bt.

<sup>3</sup>This loan is unsecured taken from Samvardhana Motherson Automotive Systems Group B.V.

<sup>4</sup>This loan is unsecured taken from SMR Automotive Systems Spain S.A.U

The carrying amount of the Company's borrowings is denominated in the following currencies:

|             | As at 31<br>March 2020<br>€000 | As at 31<br>March 2019<br>€000 |
|-------------|--------------------------------|--------------------------------|
| <b>Euro</b> | <b><u>88,833</u></b>           | <b><u>78,949</u></b>           |

**13. Share capital**

|   | As at 31<br>March 2020<br>€000 | As at 31<br>March 2019<br>€000 |
|---|--------------------------------|--------------------------------|
| <b>Allotted, called up and fully paid</b>                             |                                |                                |
| 3,045,000,000 (2019 -3,045,000,000) Ordinary shares of Euro 0.01 each | <u>30,450</u>                  | <u>30,450</u>                  |

Of the above ordinary shares:

- 2,997,723,339 (2019 - 2,997,723,339) ordinary shares are held by Samvardhana Motherson Automotive Systems Group B.V.
- 47,276,561 (2019 - 47,276,561) ordinary shares are held by Dr. Alfred Robert Schefenacker.
- 100 (2019 - 100) ordinary shares are held by Mr.Vivek Chaand Sehgal.



**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

**14. Other Liabilities**

|                        | As at 31 March<br>2020<br>€000 | As at 31 March<br>2019<br>€000 |
|------------------------|--------------------------------|--------------------------------|
| Accruals               | 605                            | 352                            |
| Interest on Borrowings | 2,744                          | 1,887                          |
| Current                | <u>3,349</u>                   | <u>2,239</u>                   |

**15. Related party transactions**

During the year the Company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, include the sale and purchase of goods and services. In addition, financing transactions have been undertaken.

**Entities with significant influence over the Company**

Samvardhana Motherson Automotive Systems Group B.V., the immediate parent company of Samvardhana Motherson Reflectec Group Holdings Limited holds 98.5% of the voting shares of the Company.

Samvardhana Motherson Automotive Systems Group B.V. is 69% owned by Samvardhana Motherson Global Holdings Limited and 31% owned by Samvardhana Motherson Polymers Limited.

Both Samvardhana Motherson Global Holdings Limited and Samvardhana Motherson Polymers Limited are indirectly held by both MSSL, India, which prepares financial statements available for public use and by SMIL, India. MSSL and SMIL are referred to as the substantial shareholders of the Company.

SMIL is owned by Mr. V.C. Sehgal and family. SMIL holds an equity interest (34.81%) in MSSL. Thus Samvardhana Motherson Reflectec Group Holdings Limited forms part of the Samvardhana Motherson Group controlled by Mr. V.C. Sehgal. As a result, SMIL and its direct and indirect held subsidiaries, except for the companies forming the subgroup of Samvardhana Motherson Reflectec Group Holdings Limited, are considered as related parties.

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

**15. Related party transactions (continued)**

**Details of related party transactions for the year ended 31 March 2020:**

|  | Holding company | Subsidiaries | Fellow Subsidiaries | Entities in which V.C. Sehgal and family holds significant influence | Total  |
|--|-----------------|--------------|---------------------|--|--------|
|  | €'000           | €'000        | €'000               | €'000  | €'000  |
| Interest receivable and similar income               | 1               | 7,614        | -                   | -  | 7,616  |
| Dividend Income                                      | -               | 25,280       | -                   | -  | 25,280 |
| Interest payable and similar expense                 | 1,058           | 2,590        | -                   | -  | 3,648  |
| Expenses incurred by others on behalf of the company | -               | -            | -                   | 645  | 645    |
| Lease rental and other expenses                      | -               | -            | 23                  | -  | 23     |
| Loans drawn down                                     | 28,500          | 54,918       | -                   | -  | 83,418 |
| Loan repayment made                                  | 61,900          | 11,634       | -                   | -  | 73,534 |
| Loans and advances given                             | 24,400          | 16,810       | -                   | -  | 41,210 |
| Loans and advances repayment                         | -               | 13,450       | -                   | -  | 13,450 |

**Details of related party balances as at 31 March 2020:**

|                     | Holding company | Subsidiaries | Fellow Subsidiaries | Entities in which V.C. Sehgal and family holds significant influence | Total   |
|---------------------|-----------------|--------------|---------------------|--|---------|
|                     | €'000           | €'000        | €'000               | €'000  | €'000   |
| Receivables         | 24,400          | 163,539      | -                   | -  | 187,939 |
| Loan payables       | -               | 88,833       | -                   | -  | 88,833  |
| Interest Receivable | 2               | 2,141        | -                   | -  | 2,143   |
| Interest Payable    | 92              | 2652         | -                   | -  | 2744    |
| Other payables      | 88              | -            | 8                   | 199  | 295     |

Notes to the Financial Statements (continued)

For the year ended 31 March 2020

15. Related party transactions (continued)

Details of related party transactions for the year ended 31 March 2019:

|  | Holding company | Subsidiaries | Fellow Subsidiaries | Entities in which V.C. Sehgal and family holds significant influence | Total   |
|--|-----------------|--------------|---------------------|--|---------|
|  | €'000           | €'000        | €'000               | €'000  | €'000   |
| Interest receivable and similar income               | -               | 7,360        | -                   | -  | 7,360   |
| Dividend Income                                      | -               | 28,530       | -                   | -  | 28,530  |
| Interest payable and similar expense                 | 2,851           | 1,700        | -                   | -  | 4,551   |
| Expenses incurred by others on behalf of the company | -               | -            | -                   | 512  | 512     |
| Lease rental and other expenses                      | -               | -            | 35                  | -  | 35      |
| Loans drawn down                                     | 54,500          | 45,050       | -                   | -  | 99,550  |
| Loan repayment made                                  | 72,500          | 41,701       | -                   | -  | 114,201 |
| Loans and advances given                             | -               | 23,790       | -                   | -  | 23,790  |
| Loans and advances repayment                         | -               | 17,850       | -                   | -  | 17,850  |

Details of related party balances as at 31 March 2019:

|                     | Holding company | Subsidiaries | Fellow Subsidiaries | Entities in which V.C. Sehgal and family holds significant influence | Total   |
|---------------------|-----------------|--------------|---------------------|--|---------|
|                     | €'000           | €'000        | €'000               | €'000  | €'000   |
| Receivables         | -               | 160,848      | -                   | -  | 160,848 |
| Loan payables       | 33,400          | 45,549       | -                   | -  | 78,949  |
| Interest Receivable | -               | 1,685        | -                   | -  | 1,685   |
| Interest Payable    | 1,454           | 433          | -                   | -  | 1,887   |
| Others payables     | 158             | -            | 15                  | 69   | 242     |

Notes to the Financial Statements (continued)

For the year ended 31 March 2020

16. Financial instruments

The following table shows the carrying amounts and fair values of the Company's financial instruments

|   | Category<br>according<br>to IFRS 9 | Carrying<br>Amt.<br>March 31,<br>2020<br>€000 | Measurement according to<br>IFRS 9<br>Amortised cost<br>€000 | At fair value<br>€000 | Fair Value<br>March 31,<br>2020<br>€000 |
|---|------------------------------------|---|--|-----------------------|---|
| <b>Assets</b>   |                                    |   |  |                       |   |
| Other assets and receivable   | LaR                                | 190,082                                       | 190,082  | -                     | 190,082                                 |
| Cash and cash equivalents   | LaR                                | 36  | 36   | -                     | 36                                      |
| <b>Liabilities</b>  |                                    |   |  |                       |   |
| Financial liability   | FLAC                               | 88,833  | 88,833   | -                     | 88,833                                  |
| Other liabilities   | FLAC                               | 3,349   | 3,349  | -                     | 3,349                                   |
| Thereof: aggregated by<br>category according to IFRS 9                          |                                    |   |  |                       |   |
| Loans and receivables (LaR)   |                                    | 190,118                                       | 190,118  | -                     | 190,118                                 |
| Financial liabilities carried at<br>fair value through profit or<br>loss (FVPL) |                                    |   |  | -                     |   |
| Financial liabilities measured<br>at amortised cost (FLAC)                      |                                    | 92,182  | 92,182   | -                     | 92,182                                  |

Notes to the Financial Statements (continued)

For the year ended 31 March 2020

|   | Category according to IFRS 9 | Carrying Amt. March 31, 2019<br>€000 | Measurement according to IFRS 9 |                       | Fair Value March 31, 2019<br>€000 |
|---|------------------------------|--------------------------------------|---------------------------------|-----------------------|-----------------------------------|
|   |                              |                                      | Amortised cost<br>€000          | At fair value<br>€000 |                                   |
| Assets  |                              |                                      |                                 |                       |                                   |
| Other assets and receivable                             | LaR                          | 162,533                              | 162,533                         |                       | 162,533                           |
| Cash and cash equivalents                               | LaR                          | 138                                  | 138                             |                       | 138                               |
| Liabilities   |                              |                                      |                                 |                       |                                   |
| Financial liability                                     | FLAC                         | 78,949                               | 78,949                          |                       | 78,949                            |
| Other liabilities                                       | FLAC                         | 2,239                                | 2,239                           |                       | 2,239                             |
| Thereof: aggregated by category according to IFRS 9     |                              |                                      |                                 |                       |                                   |
| Loans and Receivables (LaR)                             |                              | 162,671                              | 162,671                         |                       | 162,671                           |
| Financial liabilities measured at amortised cost (FLAC) |                              | 81,188                               | 81,188                          |                       | 81,188                            |

Due to the short-term nature of cash and cash equivalents and the short-term maturities of trade receivables, trade payables, other receivables and liabilities, their fair values are equal to their carrying amounts.

As this is of little importance to the users, there is no tabular portrayal of the structure of each financial instrument class using the three-level fair value hierarchy. These three levels separate fair values by the significance of the factors of influence included in their measurement and show the extent to which market data is available when measuring the fair value.

The following table shows the interest income and expense for financial instruments:

|  | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|--------------------------|--------------------------|
|  | €000                     | €000                     |
| Loans and receivables                            | 7,616                    | 7,360                    |
| Financial liabilities measured at amortised cost | 3,648                    | 4,551                    |

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

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**17. Financial Guarantees**

The Company has provided guarantee in respect of credit line availed by its subsidiaries to a maximum amount of €47,763K as per exchange rate prevailing on 31 March 2020 (2019: €47,653K).

**18. Directors Emoluments**

None of the directors of Samvardhana Motherson Reflectec Group Holdings Limited (SMRGHL) receive their remuneration from the Company as these directors are either shareholders of substantial shareholdings of SMRGHL i.e. MSSL & SMIL or these directors have an operational role in other group companies and draw their remuneration from those companies and for which no recharge is made as their services to SMRGHL is considered incidental to their wider role. However, an amount of €5.5k (2019: €5.25k) was paid to two directors of SMRGHL in relation to sitting fees.

**19. Ultimate parent company and controlling party**

The company's immediate parent company is Samvardhana Motherson System Group B.V.(SMRPBV) a company incorporated in the Netherlands. SMRPBV is 69% owned by Samvardhana Motherson Global Holdings Limited (SMGHL), Cyprus and 31% Samvardhana Motherson Polymers Limited (SMPL), India. SMGHL and SMPL are jointly controlled by Motherson Sumi Systems Limited (MSSL) and Samvardhana Motherson International Limited (SMIL) in the ratio 51:49. SMIL and MSSL are substantial shareholders of the company.

However the directors consider Motherson Sumi Systems Limited, a company incorporated in India, to be the company's ultimate parent and controlling party.

The financial statements of Samvardhana Motherson System Group B.V. are the smallest group which include the company and can be obtained from the following address:

Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands.

The financial statements of Motherson Sumi Systems Limited, the company's ultimate parent and controlling party are the largest group of consolidated financial statements which include the company and can be obtained from the following address:

Unit 705, C Wing, ONE BKC, G Block,BandraKurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India

**20. Post Balance sheet events**

As a result of the outbreak of COVID19 in the 4th Quarter of the financial year, the directors prepared a revised budget and forecast for the forthcoming financial year, where any strategic topics that could be progressed in a more cost-efficient way have been planned as such. The Company has also reviewed the receipt of funds either in the form of dividend or loan from the subsidiaries earlier than planned. These topics will be closely monitored by management with potential for a further reduction in future costs if the impact of COVID19 requires.

**Notes to the Financial Statements (continued)**

**For the year ended 31 March 2020**

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**20. Post Balance sheet events (continued)**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, investment in and loans granted to subsidiaries. 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 economic forecasts and consensus estimates from market sources on the expected future demand of its subsidiaries 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. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements. Beyond prudent cost management of the company there was limited impact as Company is a holding company, it does not trade, and it does not have employees and therefore has not seen a material impact as a result of COVID 19. The impact on the financial statements was limited to the cost reduction in the profit and loss, as such no COVID19 specific provisions or impairments were made to the financial statements.