Samvardhana Motherson
Automotive Systems
Group BV

INTERIM
REPORT

HALF YEAR ENDED
SEPTEMBER 30 2015
(April 1, 2015 to September 30, 2015)

Samvardhana Motherson Automotive Systems Group BV






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OPERATING OVERVIEW

BUSINESS OVERVIEW

Samvardhana Motherson Automotive Systems Group BV together with it's subsidiaries (hereinafter referred as "SMRP BV Group" or "the Group") are a leading global Tier 1 supplier of rear view vision systems and interior and exterior modules (including door panels, instrument panels and bumpers) to automotive original equipment manufacturers ("OEMs") primarily for use in the production of light vehicles. We are also a member of the Samvardhana Motherson Group ("SMG"), one of the largest India-based global Tier 1 automotive supplier. We have long-term relationships with 14 of the top 15 global OEMs by 2014 production volume and our OEM customers collectively represented over 80% of global automotive production in 2014. We currently supply our products to over 600 vehicle programs and approximately one in every four passenger cars produced globally in 2014 contains our products. In addition, we currently hold leading market positions in our key product segments and geographies, particularly in the premium segment (which includes brands such as Audi, BMW, Jaguar Land Rover, Porsche, Mercedes-Benz and others), on which we are especially focused. We are active across the phases of our products' lifecycles, from product conception, design, styling, prototyping and validation to the manufacture, assembly and subsequent delivery of fully-engineered assembled products. SMRP BV Group has presence in each major global automotive production region, with 47 production facilities (2 yet to start construction) and 11 module centres spread across 16 countries and strategically located in close proximity to the manufacturing plants of the OEM customers. SMRP BV Group operate business through following main divisions:

smr

Samvardhana Motherson Reflectec

Rear view vision systems: SMR division produces a wide range of rear view vision systems primarily for light vehicles. SMR is a leading global supplier of exterior mirrors, with a global market share of 22% by volume with more than 40 million units produced in 2014. Rear view mirrors play an important role in automotive safety and design, and are becoming increasingly sophisticated. SMR's mirrors are engineered to optimize aerodynamics and can integrate technologically advanced features that enhance safety, comfort and aesthetics.

SMR is active in every phase of the product development cycle, and its product portfolio covers a wide spectrum of vehicle and price segments, from low-cost mirrors to highly complex premium mirrors incorporating a variety of electronic features. SMR's focus on research & development and customer collaboration has resulted in various first-to-market innovations and a variety of full system solutions tailored to the needs of OEMs and end consumers, including Blind Spot Detection Systems (BSDS) and Telescopic Trailer Tow (TTT) mirrors.

From its division headquarters in Stuttgart, Germany, SMR operated 20 manufacturing facilities and 2 module centres with presence in 14 countries and employed 9,041 people as of September 30, 2015.

Interior and exterior modules: SMP division produce various polymer-based interior and exterior products for light vehicles. SMP's product portfolio is primarily comprised of complete modules, including door panels, instrument panels and bumpers as well as other plastic components and systems, such as centre consoles, decorative interior trims and plastic body parts. These products involve a complex manufacturing and assembly processes, require significant systems integration expertise and represent key comfort and aesthetic features of the vehicles in which they are integrated.

SMP focuses on the premium segment, and is a leading global supplier of door panels, instrument panels and bumpers, with a global market shares of 22%, 8% and 18%, respectively, by volume in 2014. SMP's facilities are strategically located in close proximity to the plants of its OEM customers, allowing for minimal lead times and transport costs and efficient inventory management through "just-in-time" and "just-in-sequence" deliveries to customers.

SMP's research and development team are focussed on meeting and exceeding the steadily increasing requirements of its customers and focuses on key areas including lightweight constructions, renewable raw materials, occupant protection and pedestrian protection. The engineering team works with OEM to develop cost-efficient innovative products along with adding new functionalities and continually improving SMP's existing product range.

SMP division includes business of SMIA which was acquired last year, SMIA with its headquarters in Michelau (Germany) is an internationally renowned specialist in plastic technologies since it's foundation in 1967. The company develops and manufactures profiles and moulded parts made of thermoplastics, and hybrid components made of metal and plastic providing uninterrupted services to its customers. SMIA is one of the leading specialist suppliers of extruded and injection-moulded exterior and interior components. The key manufacturing technologies used at SMIA are injection-moulding, extrusion, stretch-bending, painting and assembly. Further, SMIA has a vast experience in Toolmaking activities.

SMP including SMIA operated 25 manufacturing facilities and 9 logistics centres in seven countries and employed 12,832 people as of September 30, 2015. Besides there are 2 manufacturing facilities which are yet to start construction as of September 30, 2015.





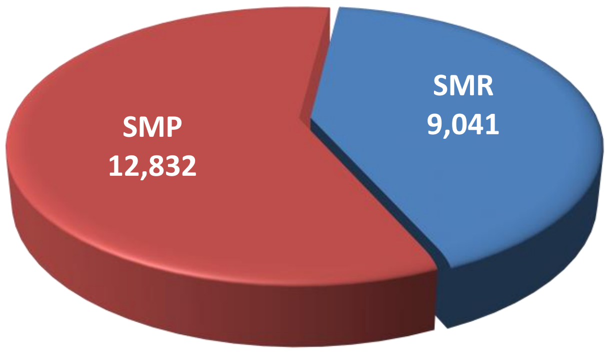

Due to strong synergies between product portfolio and manufacturing technologies, SMIA is considered as part of SMP for the purpose of review by the Chief Operating Decision Makers ("CODM") in taking strategic decisions. Therefore operating segments of SMRP BV considered are as SMR Group and SMP Group (including SMIA) and these are also the reportable segments.

MANAGEMENT TEAM & EMPLOYEES

SMRP BV Group benefits from a strong professional management team, with average automotive industry experience among senior managers of 26 years. The majority of the senior management team have been with the group or its legacy businesses for several years, demonstrating a high degree of continuity and commitment in leadership. Company's management team has a demonstrated track record of achieving improved financial results and has solidified the customer relationships of SMR and SMP as well as enhancing their respective local management teams. In addition, the group has experienced and stable senior managers at the regional levels with significant experience and understanding of their respective markets and regions. SMRP BV Group's strategy is to empower local management, ensuring they have ownership of day-to-day operational decisions while being guided by central principles aligned to the Group's vision and strategy. The Group believe that the strength of management team combined with decentralized business model is an enabler to taking advantage of strategic market opportunities, to making decisions at the local level quickly and to better serve our customers.

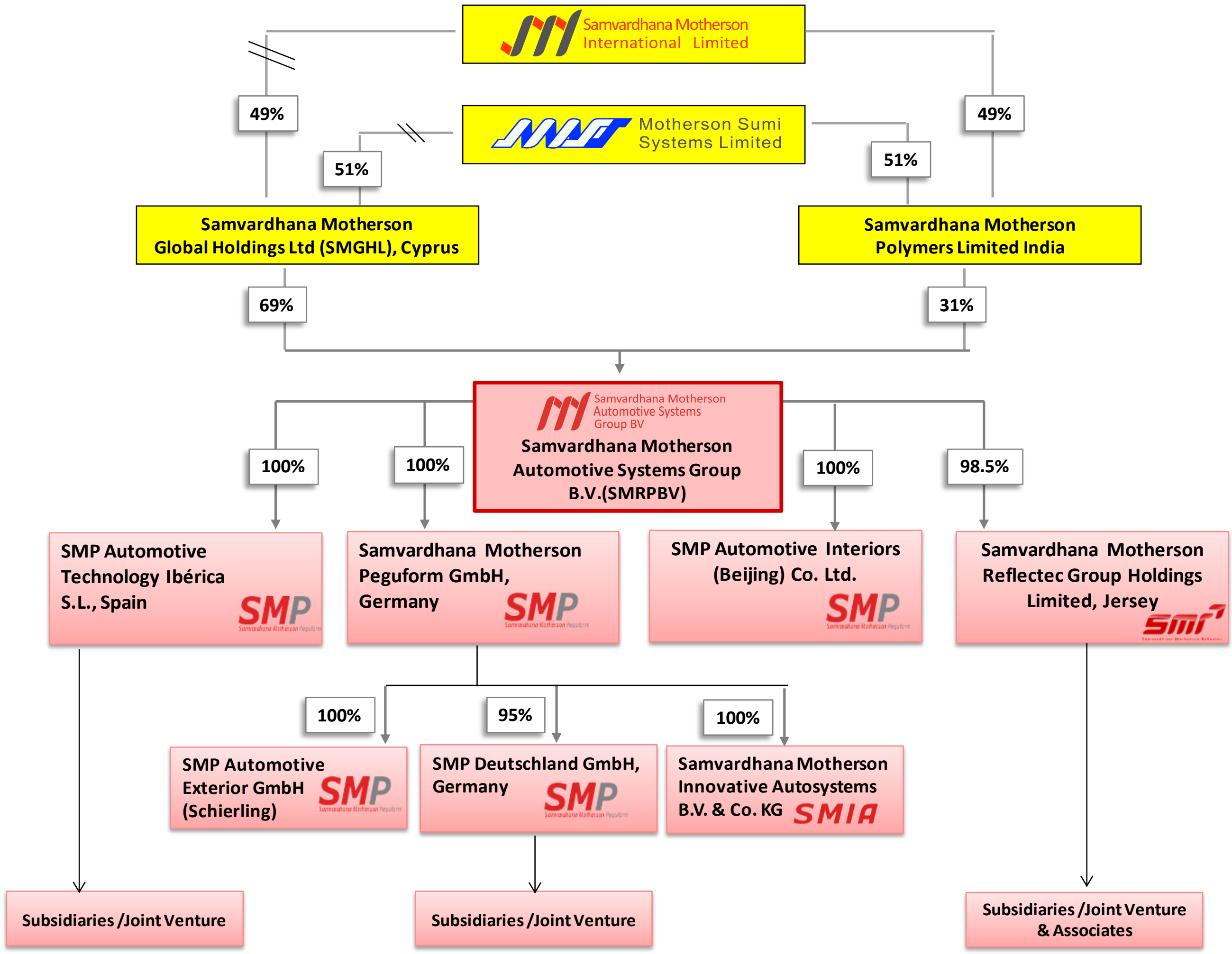
As on September 30, 2015, SMRP BV Group had a total of 21,873 employees. From time to time, the company employs staff on short-term basis to meet the demand for the products. These employees are typically employed under fixed-term contracts, generally of up to twelve months in duration which allows operational flexibility to meet customer demand.

The following chart sets out the total number of persons employed by the company in SMP (including SMIA) and SMR businesses:



GROUP STRUCTURE

The following diagram represents the Corporate Structure of SMRP BV Group along with details of its principal shareholders :



Corporate Structure as at date and is not a legal structure.

CORPORATE INFORMATION

MANAGEMENT BOARD :

The Management Board of the company is responsible for managing day to day business and to legally represent the company in its dealing with third parties while maintaining high standards of corporate governance and corporate responsibility. Management Board consists of following members:

1.	Laksh Vaaman Sehgal	Chairman and Chief Executive Officer
2.	Andreas Heuser	Managing Director and Head of Corporate, Europe & Americas-SMG
3.	Jacob Meint Buit	Resident Managing Director
4.	Randolph de Cuba	Resident Managing Director

SUPERVISORY BOARD :

The Supervisory Board of the company is responsible for supervising the management board's policy and course of action and to supervise the general conduct of the affairs of the company and any business it may be affiliated with. The supervisory board assists the management board in an advisory capacity and have to carry out their duties in the interest of the company. Supervisory Board consists of following members:

1.	Vivek Chaand Sehgal	Director and Chairman SMG
2.	Bimal Dhar	Director and Chief Executive Officer-SMP
3.	Cezary Zawadzinski	Director and Chief Operating Officer-SMR
4.	G.N. Gauba	Director
5.	Kunal Malani	Director

The above composition of Management & Supervisory Board is as on date.

AUDITORS :

The statutory auditors of the company are :

PricewaterhouseCoopers Accountants N.V.
Fascinatio Boulevard 350,
3065 WB Rotterdam,
P.O. Box 8800,
3009 AV Rotterdam,
The Netherlands

REGISTERED OFFICE :

The registered office of the company is under :
Hoogoorddreef 15, 1101 BA Amsterdam
The Netherlands

GEOGRAPHICAL FOOTPRINT

SMRP BV Group operate 45 manufacturing facilities across 16 countries and 11 logistics centres. Out of 45 manufacturing plants, SMR operates 20 manufacturing plants, SMP operates 25 manufacturing plants (including 2 manufacturing plants of SMIA). Further SMP Group has planning to set-up two new plants in Kecskemet (Hungary) and Tuscaloosa (USA) to cater to new customer orders for which it is yet to start the construction however land for both these plants has been identified and for Kecskemet it has been purchased in October 2015 and construction will commence soon.

SMRP BV Group's global footprint enables strategic presence of manufacturing facilities with close proximity to the plants of OEM customers. This enhances the ability to supply to in a timely and cost efficient manner, particularly with respect to the majority of interior & exterior modules, including door panels, instrument panels and bumpers, which cannot typically be transported efficiently. In addition, consumer demand for vehicle personalisation in the premium segment has increased the complexities of interior and exterior modules, some of which could have hundreds of potential permutations and combinations. To overcome these challenges, SMRP BV assemble products in close proximity to the plants of OEM customers, and deliver them on "just-in-time" and "just-in-sequence" basis directly to customers' production lines with minimal lead times.

SMRP BV Group intends to continue to expand global footprint in line with the international expansion of main OEM customer's production footprint, particularly in emerging markets in Americas & Asia Pacific region. SMRPBV will also start construction of two new plants for SMP in the United States and Hungary to cater to new customer orders.

Following chart provides an overview of SMRP BV Group's global footprint :

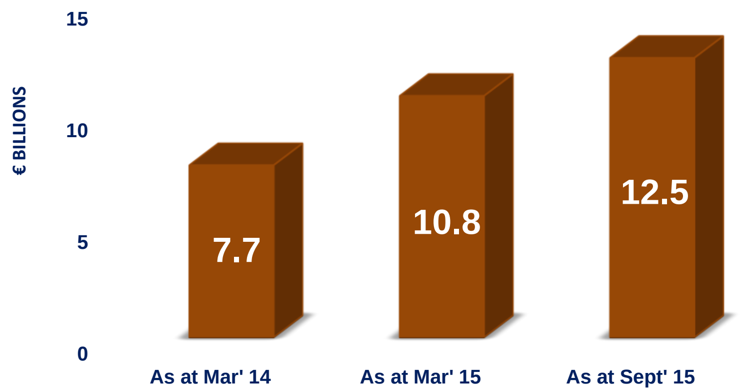
- ✓ **47 manufacturing plants**
- ✓ **16 countries**
- ✓ **11 logistics centers**
- ✓ **Workforce of 21,500+**

NEW ORDERS WON

SMRP BV Group continues to strengthen existing relationships with OEM customers and also simultaneously pursue opportunities to develop new OEM relationship. The company continues to maintain strong track record of repeat orders as well as expand new orders from OEM customers. SMRP BV group also intends to capitalise on current trend of OEMs consolidating their supplier base in order to capture greater value content in individual models. Further with the higher customer expectations of increased safety aspects, better aesthetics and higher feature content, there are also opportunities to increase feature content per component.

SMRP BV Group have been awarded incremental new orders for € 3.9 billion c.a. during the half year ended September 30, 2015. These new orders are estimated based on the estimated production volumes of vehicle programs throughout the program life. These new orders are well spread out geographically over various manufacturing locations and have been received from leading OEM customers.

ORDER BOOK



We benefit from strong mid-term revenue visibility, with an estimated Order Book of €12.5 billion as of September 30, 2015, which represents the sales that we expect to record over the life time of the orders under contracts for vehicle programs that we have been awarded by OEMs but which are not yet in production and is comprised of both incremental and repeat business.

Our Order Book reflects our focus on growth outside of Europe and is diversified across geographies and customers. We believe the potential revenue realization from these contracts positions us well for growth in the mid-term. In addition, our visibility over our revenues is enhanced by our strong track record of winning repeat orders and being awarded contracts for subsequent generations of a particular vehicle model, as well as by the unlikelihood that one of our customers switches suppliers once a project has been nominated to a preferred supplier, given the prohibitive operational, technical and logistical costs of switching.

As a result of the foregoing, while the actual revenues which we derive from a project ultimately depend on our OEM customers' production volumes achieved for the respective car models, we believe we have good visibility of mid-term revenues within a relatively small range of sensitivity.

FINANCIAL OVERVIEW FOR THE QUARTER ENDED SEPTEMBER 30, 2015

Samvardhana Motherson Automotive Systems Group BV's Board has approved its unaudited interim financial statements for the period ended September 30, 2015.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("IFRS EU").

SUMMARY FINANCIALS

Following are the summary financials for the quarter and six months ended September 30, 2015 :

Income Statement	3M ended Sept 30, 2015			3M ended Sept 30, 2014		
€ millions	SMRPBV	SMP	SMR	SMRPBV	SMP	SMR
Revenue	932.0	608.2	324.3	776.6	492.7	283.9
EBITDA	67.7	37.7	30.0	52.7	26.7	26.0
% to Revenue	7.3%	6.2%	9.3%	6.8%	5.4%	9.2%
EBIT	39.2	18.2	21.0	31.7	13.4	18.3
% to Revenue	4.2%	3.0%	6.5%	4.1%	2.7%	6.5%

Income Statement	6M ended Sept 30, 2015			6M ended Sept 30, 2014		
€ millions	SMRPBV	SMP	SMR	SMRPBV	SMP	SMR
Revenue	1,933.8	1,260.3	674.5	1,609.3	1,033.0	576.3
EBITDA	133.1	73.4	59.7	109.4	58.0	51.4
% to Revenue	6.9%	5.8%	8.9%	6.8%	5.6%	8.9%
EBIT	79.9	37.9	42.0	68.1	30.9	37.2
% to Revenue	4.1%	3.0%	6.2%	4.2%	3.0%	6.5%

Statement of Financial Position	As at Sept 30, 2015	As at March 31, 2015
Total Assets	1,804.5	1,797.7
Debt	662.2	585.2
Cash	111.2	184.1
Net Debt	551.0	401.1

Key Ratios#	Allowed	Status As at March 31, 2015	Status As at Sept 30, 2015
Gross Leverage Ratio: Indenture	3.50x	2.43x	2.59x
Net Leverage Ratio : RCF	3.25x	1.67x	2.16x

Computed as per definitions given in Indeture & RCF agreements

COMPONENTS OF REVENUE & EXPENSES

REVENUE

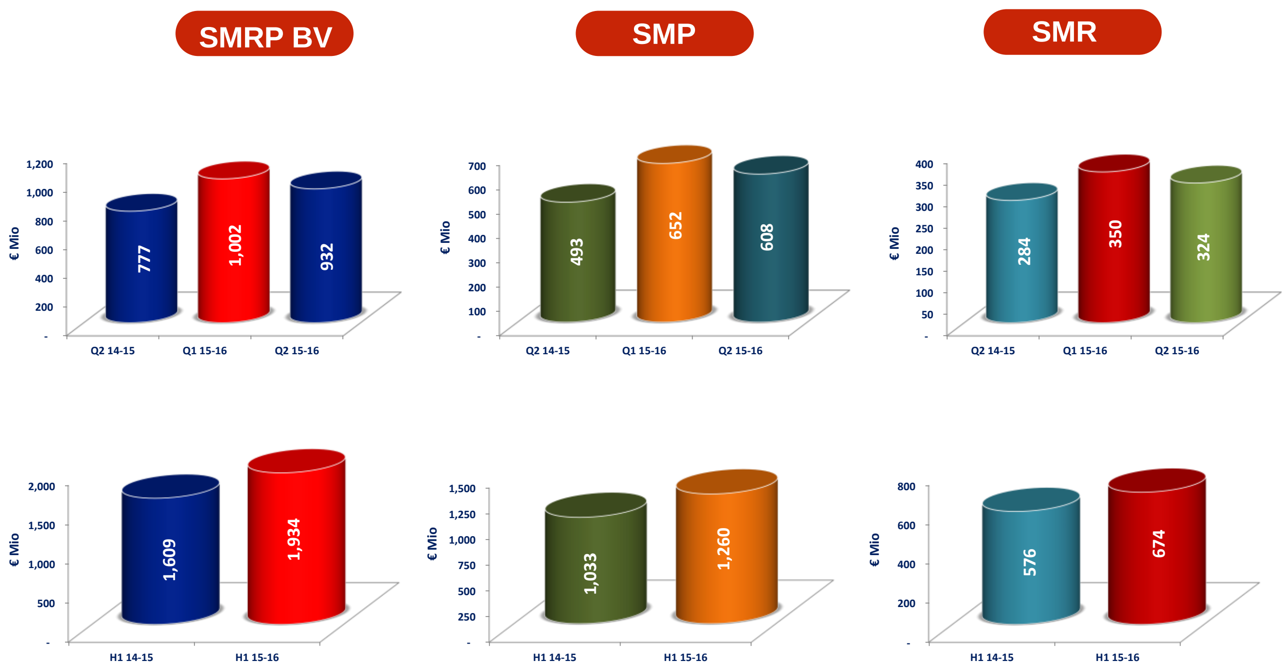
SMRP BV Group's revenues for quarter ended September 30, 2015 were € 932.0 million which is higher than the revenues for the corresponding previous quarter ended September 30, 2014 at € 776.6 million. For the half year ended September 30, 2015 Group's revenue increased to € 1,933.8 million as against € 1,609.3 million for the corresponding half year ended September 30, 2014. This represents growth of approximately 20% in both quarter and half year ended September 30, 2015 over quarter and half ended September 30, 2014.

This increase in revenue is due to consistent increase in revenues, both for SMP and SMR.

SMP revenues have increased from € 492.7 million for the quarter ended September 30, 2014 to € 608.2 million for the quarter ended September 30, 2015. This represents growth of approximately 23% in quarter ended September 30, 2015 over corresponding previous quarter ended September 30, 2014. Increase in SMP revenues is primarily due to higher engineering sales for new projects for approx. € 18.3 million, revenue from Greenfield site at Scherling , Germany for approx € 23.9 million, and revenues for three months from SMIA for approx. € 52.4 million which was acquired in February 2015.

SMR revenues have increased from € 283.9 million for the quarter ended September 30, 2014 to € 324.3 million for quarter ended September 30, 2015. This represents growth of approximately 14% in the quarter ended September 30, 2015 over corresponding previous quarter ended September 30, 2014. Increase in SMR revenues is primarily due to increased revenue from Americas region due to strong rebound in American market coupled with increased sales in Spain and Korea.

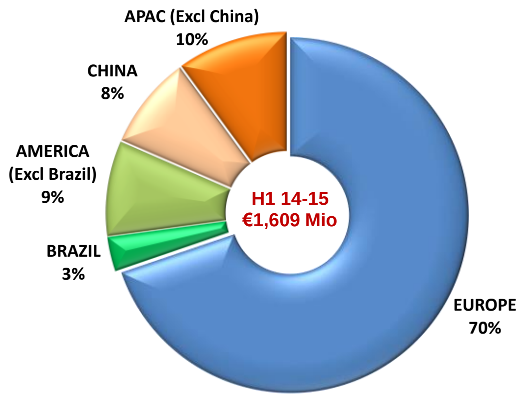
Split of revenue between SMP and SMR was as under:

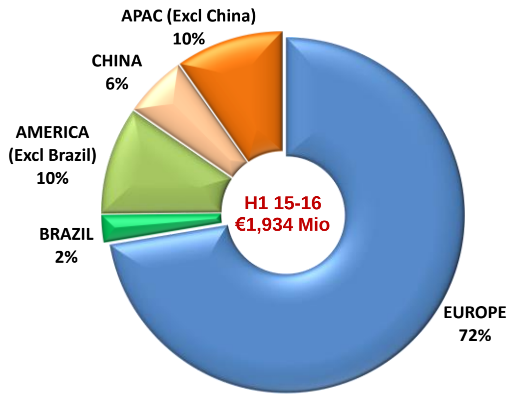


SMP, which is the interior & exterior module business, contributed 65% of the revenues and SMR, which is interior & exterior mirror business contributed 35% of the revenue for the quarter ended September 30, 2015 as compared to 63% of the revenues from SMP business and 37% from SMR business for the corresponding previous quarter ended September 30, 2014.

Geographical Spread of Revenues

During six months ended September 30, 2015, 72% of the revenues were contributed by European region, followed by APAC region 16% and Americas region 12%. European region is largely serviced to German OEMs like Audi, VW, Daimler, BMW, Porsche, JLR, Seat etc. While the company envisage healthy revenue growth across various geographies on consolidated basis but geographical spread of revenues would further diversify with commencement of commercial supplies from new plants under construction at USA, Mexico and China. The following chart shows the revenue breakdown by geography for six months ended September 30, 2014 and September 30, 2015:



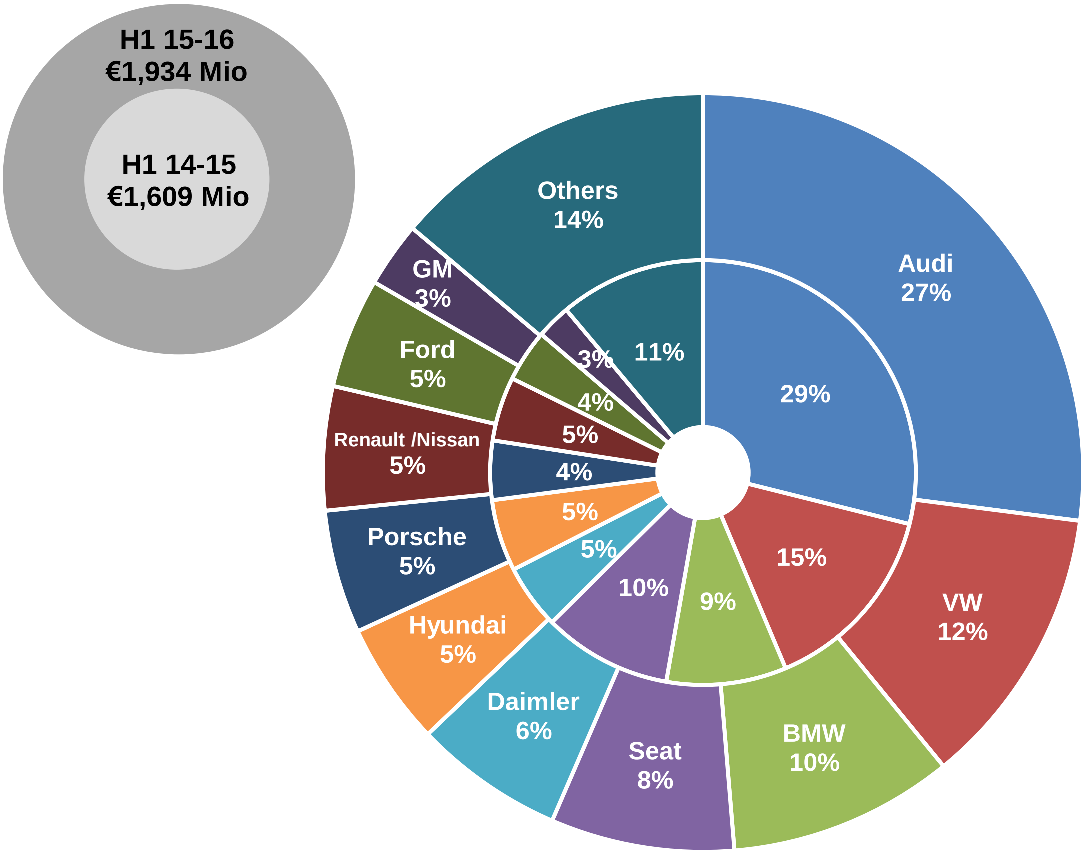


Diversified Customer Portfolio

SMRP BV Group is a trusted partner and strategic Tier I supplier to leading global OEMs and have well established strategic relationships with several OEMs across the globe. The ability to support OEMs in every phase of product development process differentiates the company from many of the competitors and given the substantial investment & time that would be required to replicate company's global footprint, strengthens the status of SMRP BV Group as a preferred partner to most of the leading OEMs in the automotive industry. The company is able to engage with customers during the early stages of collaborative development projects which regularly enables the company to introduce company's products into vehicle's designs phase. This collaboration when combined with close proximity to customer, technological leadership, demonstrated reliability and financial stability results into maintaining strong track record by not only winning repeat orders but new global upcoming platforms.

Customer profile of SMRP BV Group is very well diversified with Audi as the single largest customer contributing to 27% of total revenues. VW, Seat, BMW, Hyundai/Kia, Renault/Nissan, Porsche, Daimler, Ford, GM and JLR are other major customers of the company.

The following chart shows the revenue breakdown by customers for the six months ended September 30, 2014 and September 30, 2015:



Diversified customer profile moving towards 3CX15

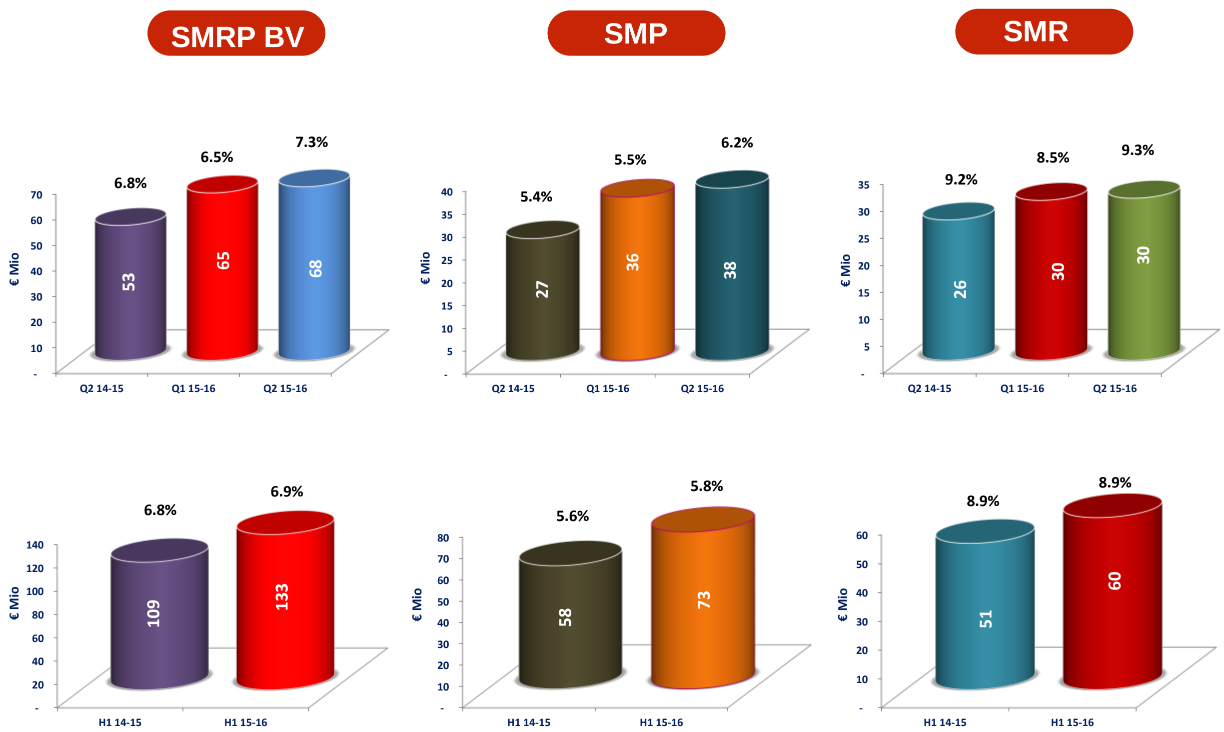
During six months ended September 30, 2015, there is significant growth in Daimler for 60%, Ford for 45%, BMW for 29% and Porsche for 43% as compared to six month ended September 30, 2014. This clearly depicts that customer profile of SMRPBV is getting more diversified and balanced.

EBITDA

EBITDA has been consistently improving with increase of 28% for the quarter ended September 30, 2015 at € 67.7 million against € 52.7 million for the quarter ended September 30, 2014. EBITDA as expressed in % to revenue has also shown increase from 6.8% to 7.3% in quarter ended September 30, 2015 over corresponding previous quarter ended September 30, 2014.

For the half year ended September 30, 2015 EBITDA increased by 22% to € 133.1 million over € 109.4 million for the corresponding period ended September 30, 2014. When expressed as % to revenue as well, EBITDA increased to 6.9% from 6.8% over the corresponding previous period.

Split of EBITDA between SMP and SMR was as under:



During the quarter ended September 30, 2015 there is continued expansion of new greenfield/brownfield manufacturing plants and revenues from these plants will ramp-up/start during the current year/next year. There are significant start-up cost including project management cost, trial of new products, machine set-up cost etc which are expensed to income statement as conservative accounting practice. This will get normalised once the matching revenues from the new plants will start. Significant sales reduction in China further impacted the profitability.

COST OF MATERIALS

Cost of materials includes purchases of raw materials, purchases of goods and tools for resale, discounts for prompt payment, purchase returns and similar transactions, volume discounts, changes to inventories, consumption of other supplies and purchase of pre-constructed components. These are primarily variable in nature based on the product mix sold during the period. Cost of material was at € 598.5 million which accounted for 64.2% of revenues for the quarter ended September 30, 2015. This is lower as compared to €513.3 million which accounted for 66.1% of revenues for the corresponding previous quarter ended September 30, 2014. For the half year ended September 30, 2015, cost of materials stood at € 1,255.8 million representing 64.9% of the revenues against € 1,071.2 million representing 66.6% of the revenues for the half year ended September 30, 2014. These reductions in cost of materials as a percentage of revenue is primarily due to our increased vertical integration initiatives, higher margins on new orders, scrap reduction and improved manufacturing efficiencies.

PERSONNEL COSTS

Personnel expenses include wages, salaries, paid labour rendered by third parties, employer's social security contributions and other welfare expenses. Personnel expenses are primarily driven by the size of our operations, our geographical reach and customer requirements. Personnel expenses were at € 184.5 million which accounted for 19.8% of revenues for the quarter ended September 30, 2015. This is higher as compared to € 143.7 million which accounted for 18.5% of revenues for the corresponding previous quarter ended September 30, 2014. For the half year ended September 30, 2015, personnel expenses stood at € 380.3 million representing 19.7% of the revenues against € 296.9 million representing 18.5% of the revenues for the half year ended September 30, 2014. This increase was primarily due to increased headcount relating to the increased capacity & production levels, start of new orders, start/ramp-up of production from new facilities and further pre-operative cost related to headcount at greenfield/brownfield sites.

OTHER OPERATING EXPENSES

Other operating expenses primarily consists of general administrative expenses, energy costs, repair & maintenance costs, rental & lease costs, freight & forwarding costs, auditors remuneration, net foreign exchange loss and legal & professional fees. Other operating expenses for the quarter ended September 30, 2015 were at € 97.7 million as compared to € 78.0 million for the corresponding previous quarter ended September 30, 2014. Other operating expenses includes a business interruption expense of € 2.8 million for the quarter ended September 30, 2015 and € 2.8 million for the quarter ended September 30, 2014 resulting from a fire at SMP's paint facility in Polinya, Spain (There is also a corresponding income arising out of settlement of insurance claim accounted for under other operating income for of € 2.8 million for the quarter ended September 30, 2015 and € 2.5 million for the quarter ended September 30, 2014). For the half year ended September 30, 2015 other operating expenses were at € 197.6 million against € 154.3 million for the corresponding previous period. Business interruption costs of € 7.3 million and € 6.8 million were included in other operating expenses for the half years ended September 30, 2015 and September 30, 2014 respectively. Increase in operating expenses is attributed primarily due to increase in variable cost of operations due to increased capacity & production levels and start-up costs for the new plants expensed to income statement as conservative accounting practice.

OTHER OPERATING INCOME

Other operating income primarily consists of income from development work & other recoveries from customers, income from de-recognition of liabilities, recovery of proceeds from insurance claims, rental income, royalty income and subsidies or grants. Other operating income for the quarter ended September 30, 2015 were at € 16.5 million as compared to € 11.1 million for the quarter ended September 30, 2014. This includes an amount of € 2.8 million for the quarter ended September 30, 2015 and € 2.5 million for the quarter ended September 30, 2014 respectively from settlement of insurance claim for fire at SMP Polinya plant.

For the half year ended September 30, 2015 other operating income were € 32.9 million against € 22.6 million for the half year ended September 30, 2014. Income from settlement of insurance claim of € 7.9

million was recognised during the half year ended September 30, 2015 against € 4.8 million for the half year ended September 30, 2014.

DEPRECIATION & AMORTISATION

Depreciation & Amortisation refers to the amount recognized in our income statement under this concept reflecting the amortized value of the tangible and intangible assets on a straight-line basis over the estimated useful life of the asset. Depreciation & Amortisation for the quarter ended September 30, 2015 were at € 28.6 million and € 21.0 million for the quarter ended September 30, 2014. For the half year ended September 30, 2015 this charge was € 53.2 million against € 41.3 million for the corresponding previous period. This increase is due to capitalisation of new plants which started their commercial production.

FINANCE COSTS/(INCOME)

Finance cost consists primarily of interest expense on borrowings, finance leases and defined benefit obligations as well as foreign exchange losses on long-term loans. Finance income consists of interest income, return on plan assets under defined benefit obligations and foreign exchange gain. Net Finance cost for the quarter ended September 30, 2015 was at € 12.0 million as compared to € 10.7 million for the quarter ended September 30, 2014. Finance costs for the quarter ended September 30, 2015 includes € 3.7 million towards forex loss on reinstatement of long term foreign currency loans and correspondingly finance cost for the corresponding quarter last year includes € 1.2 million towards break fees on pre-payment of third party debts.

For the half year ended September 30, 2015 net finance costs of € 20.4 million were incurred against € 23.0 million for the half year ended September 30, 2014. However, as mentioned above finance costs for the half year ended September 30, 2015 includes € 3.7 million towards forex loss on reinstatement of long term foreign currency loans and during corresponding period it includes € 6.5 million for the half year ended September 30, 2014 towards write off of unamortised upfront fee and break-fee on prepayment of various loans.

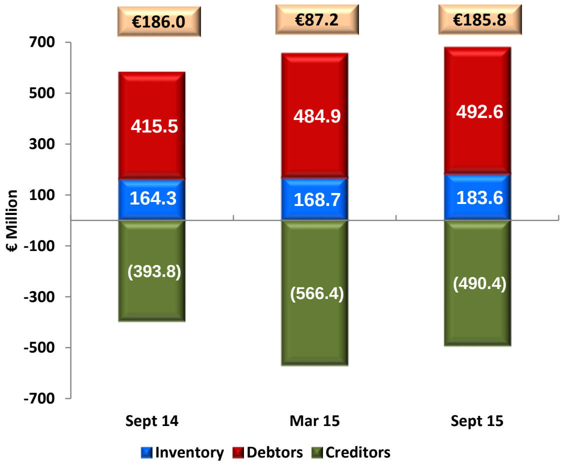
Excluding these exceptional costs net finance cost has reduced both during the quarter and six months ended September 30, 2015 as compared to corresponding period last year.

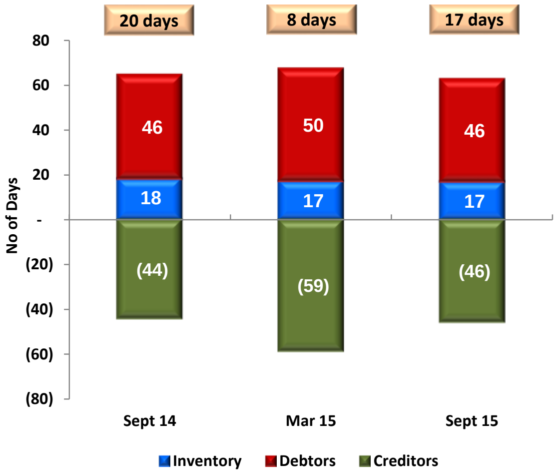
INCOME TAXES

Income tax represents the sum of tax currently payable and deferred tax under the laws of each jurisdiction in which the business is conducted. Income Tax was € 9.7 million for the quarter ended September 30, 2015, € 5.3 million for the quarter ended September 30, 2014. Income tax expense for the half year ended September 30, 2015 was € 20.1 million as against € 16.3 million for the corresponding previous period. Effective Tax Rate at consolidated level is stabilising and showing an improvement as the new plants have started generating profits.

TRADE WORKING CAPITAL

Trade Working Capital of the company comprised of Trade Receivables, Inventories and Trade Payables. Net trade working capital as at September 30, 2015 was at € 185.8 million, as at March 31, 2015 was at € 87.2 million and as at September 30, 2014 was at € 186.0 million. The net trade working capital as at 31st March 2015 was lower primarily due to higher trade payables due to the fact that that there was significant capitalisation for new plants and a significant portion of these were under engineering approval excluding this one-time impact net trade working capital represents consistent improvement from 20 days for September 30, 2014 to 17 days for September 30, 2015.





Days on hand are calculated based on 360 days basis

Analysis on each of these element are described below :

Trade Receivables

Trade Receivable represents the amount to be received from customers for which goods have already been sold and delivered to the customers or title of the property in goods have been transferred to customers. Trade receivable are recognised initially at fair value and carried at amortised cost. These are net of impairment due to delay or defaults which become likely in specific cases. The Company had Trade Receivables for € 415.5 million, € 484.9 million and € 492.6 million as at September 30, 2014, March 31, 2015 and September 30, 2015 respectively. These represent days on hand for 46 days, 50 days and 46 days respectively. This consistent trend is primarily due to better management of receivables.

Inventories

Inventories represent the amount of raw material, work-in-progress and finished goods held by the company in normal course of business. Inventories are carried at the lower of the cost or net realisable value at the reporting date. These are net of impairment due to reduced market visibility or obsolescence. The Company had inventory for € 164.3 million, € 168.7 million and € 183.6 million as at September 30, 2014, March 31, 2015 and September 30, 2015 respectively. These represent days on hand for 18 days, 17 days and 17 days respectively. These consistent trend are primarily due to focussed efforts on inventory reduction at shop floor and intensify efforts on Vendor Managed Inventory to buy Just-In-Time/Sequence inventory from the suppliers.

Trade Payables

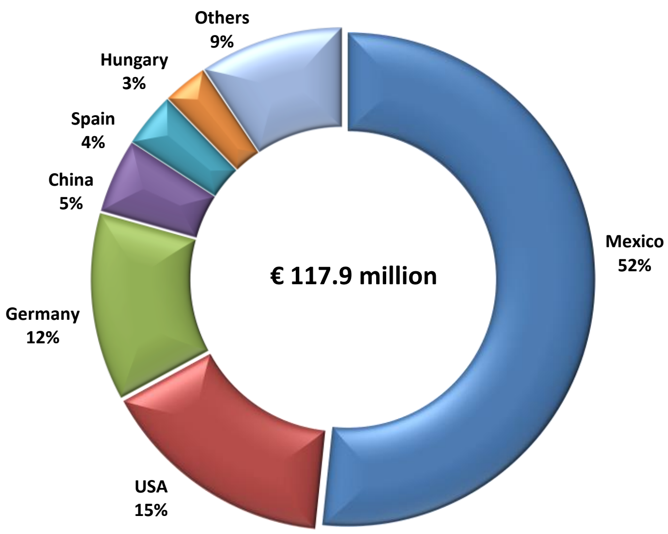
Trade Payables represents obligations to pay for goods or services that have been acquired in the ordinary course of business from the suppliers. Trade payables are carried at fair value. The Company had Trade Payables for € 393.8 million, € 566.4 million and € 490.4 million as at September 30, 2014, March 31, 2015 and September 30, 2015 respectively. These represent days on hand for 44 days, 59 days and 46 days respectively. As explained earlier trade payables were comparatively higher as at 31st March 2015 due to the fact that there was significant capitalisation for new plants and a significant portion of these were under engineering approval. Excluding this impact the trade payable are at consistent level as compared to previous quarter.

CAPITAL EXPENDITURE

SMRP BV Group's growth strategy includes expanding operations in line with customers' growth and sales order book. The company is one of the few suppliers in its product segment with a global engineering & manufacturing footprint and this strong geographical diversification enables the company to capitalise on global growth opportunities while mitigating the impact of any regional demand fluctuations. The company continuously assess the need for setting up Greenfield plants or expand capacities in existing plants to cater to new platforms with existing/new customers.

SMRP BV Group is also focussed on improving the cost base by enhancing the vertical integration of the manufacturing operations. Capital expenditure is also incurred to upgrade or replace key machineries utilised in manufacturing & assembly process to increase production efficiencies. The establishment period for new manufacturing facilities typically ranges between 12 and 24 months. Such capital expenditure primarily relates to the building of new manufacturing plants or increasing the capacities in existing plants in response to new orders from our customers. Capital expenditure is used primarily for investment in property, plant and equipment ranging from injection moulding machines, paint line, assembly lines and various auxiliary equipment for secondary operations.

Capital Expenditure incurred during the period ended September 30, 2015 was € 117.9 million. Break-up of major contributors of capital expenditure is depicted in below chart:



Approximately 76 % of capital expenditure amounting to € 89.4 million for the period ended September 30, 2015 was incurred on new facilities/expansion. This was majorly contributed by capital expenditure on Greenfield & brownfield expansion at Mexico for € 53.1 million, new plant at Michigan-USA for € 17.2 million, new plant at Beijing China for € 3.3 million, new paint line at Polinya-Spain for € 2.3 million, expansion at Germany for € 11.2 million and others at India and South Korea for € 2.4 million.

CASH FLOW

The following summarises cash flow information for the period ended September 30, 2015:

Statement of Cash Flows (€ millions)	For six months ended Sept 30, 2015	For six months ended Sept 30, 2014
Cash flow from operating activities before changes in working capital and income tax	119.6	113.8
Changes in working capital	(114.3)	(63.4)
Income tax paid	(29.5)	(20.2)
Cash flow from operating activities	**(24.2)**	**30.2**
Purchase of property, plant and equipment (including Pre-Payments)	(107.0)	(82.6)
Others	2.4	(27.4)
Cash flow from investing activities	**(104.6)**	**(110.0)**
Proceeds from issue of bond	100.0	484.4
Proceeds from borrowings	0.6	71.5
Repayment of borrowings/finance leases	(23.8)	(463.8)
Interest Paid	(15.5)	(10.7)
Others	(3.7)	(6.0)
Cash flow from financing activities	**57.6**	**75.4**
Net increase in cash and cash equivalents	**(71.2)**	**(4.4)**
Cash and cash equivalents at the beginning of the period	184.1	85.8
Variation in cash and cash equivalents from translation in foreign currencies	(1.7)	0.7
Cash and cash equivalents at the end of the period	**111.2**	**82.1**

Operating Activities

Net cash utilised in operating activities for the period ended September 30, 2015 was € 24.2 million. Cash generated from operations before changes in working capital & income tax was € 119.6 million which was offsetted by net cash utilised in working capital of € 114.3 million primarily due to payment of trade payables for € 86.3 million during the period ended September 30, 2015. Income Tax payment of € 29.5 million was made during the period September 30, 2015.

Investing Activities

Net cash flow utilised in investing activities during the period ended September 30, 2015 was € 104.6 million. This was primarily contributed by amount paid for purchase of property, plant & equipment for € 107.0 million.

Financing Activities

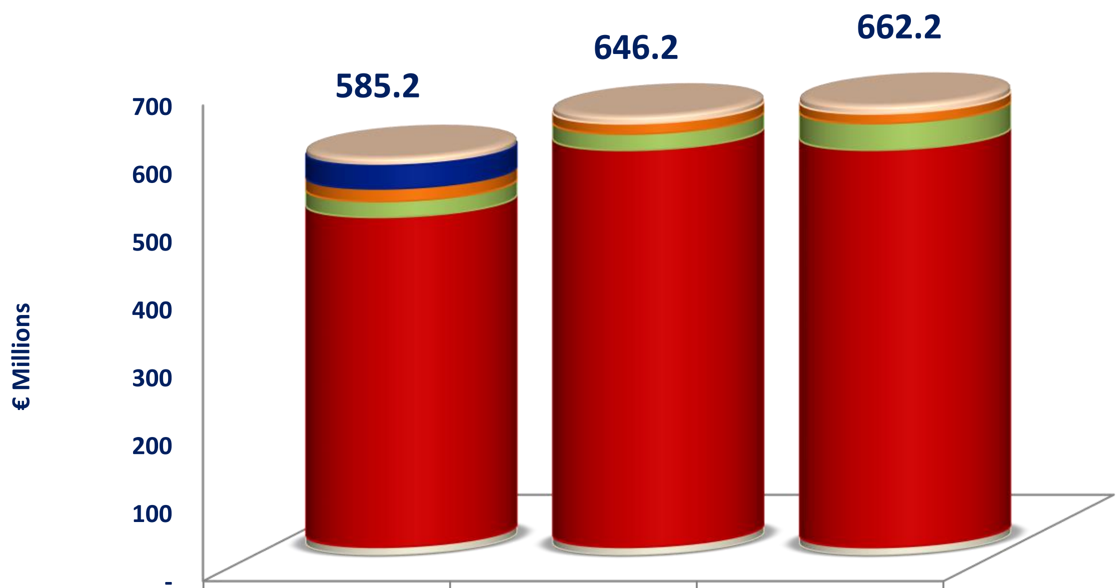
Net cash flow generated from financing activities for the period ended September 30, 2015 was € 57.6 million. This mainly constituted proceeds from secured bonds for € 100.0 million which was partly utilised for repayment of certain existing revolver facilities. Interest payment on financial liabilities for the period ended September 30, 2015 was € 15.5 million, and dividend paid to non-controlling shareholders was € 3.7 million.

DEBT & CASH

Gross Debt

Gross Debt as at September 30, 2015 was € 662.2 million against € 585.2 million as at March 31, 2015. Increase in Gross debt during the period ended September 30, 2015 was primarily on account of significant capital expenditure and payment of trade payables.

Break-up of Gross Debt into various facilities is as under:

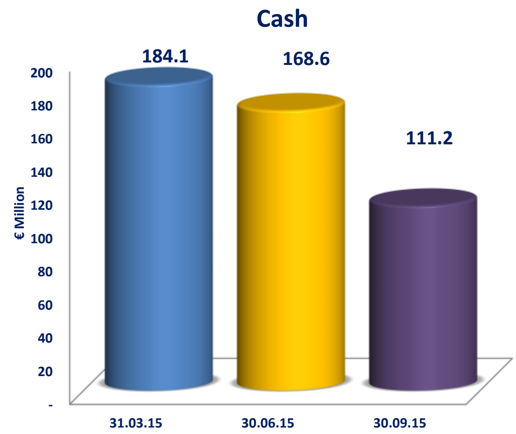


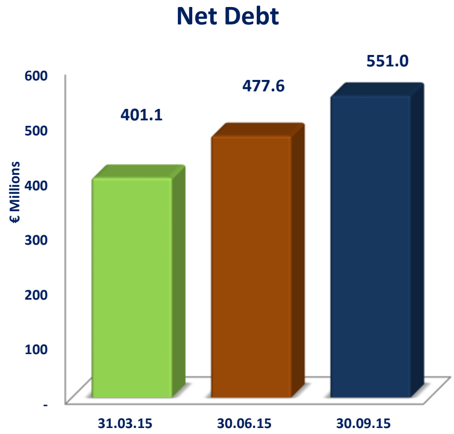
	31.03.15	30.06.15	30.09.15
RCF 1	12.1	11.3	12.8
RCF 2	34.0	-	-
RCF 3	-	-	-
Finance Lease	18.7	15.3	14.2
Working Capital	23.2	23.8	39.1
HY Bond	485.5	584.2	584.7
Term/Shareholder	11.7	11.6	11.4

Cash & Net Debt

Cash and cash equivalent was € 111.2 million as at September 30, 2015, € 184.1 million as at March 31, 2015, cash balance reduced was primarily on account of significant capital expenditure and payment of trade payables.

Net Debt was € 551.0 million as on September 30, 2015 and € 401.2 million as on March 31, 2015.





LIQUIDITY ANALYSIS

SMRP BV Group's liquidity requirements arise principally from operating activities, capital expenditure for new facilities, maintenance & expansion capital expenditure, short term investments in engineering projects for customer new product launches, repayment of borrowings and debt service obligations. Principal source of funding includes cash from operations, committed credit lines, short-term loans and overdraft facilities at some of the operating entities.

Cash generated from operating subsidiaries is utilised to finance growth within the operations of such subsidiary or is transferred to holding companies through the payment of dividends or inter-company loans. In most cases there are no significant obstacles or barriers for such transfer of funds but these are always subject to local jurisdictions at respective country.

As at September 30, 2015 SMRP BV Group had significant liquidity under committed revolver credit facilities as follows:

€ in Millions	Sanctioned Limit	Utilised as at Sept' 30, 2015	Liquidity Available
RCF 1 (including Ancilary facility)	250.0	12.8	237.2
RCF 3	100.0		100.0
RCF 2	50.0	-	50.0
Cash and Cash Equivalent			111.2
Total Liquidity Available			**498.4**

Status of leverage ratio for the period ended September 30, 2015:

Key Ratios#	**Allowed**	**Status As at March 31, 2015**	**Status As at Sept 30, 2015**
Gross Leverage Ratio: Indenture	3.50x	2.43x	2.59x
Net Leverage Ratio : RCF	3.25x	1.67x	2.16x

Computed as per definitions given in Indeture & RCF agreements

Due to strong operating performance supported by efficient management of working capital the company has been able to significantly improve the leverage rations. It is clearly evident from status of leverage ratios as at September 30, 2015 that the company has significant headroom available for generating additional liquidity through borrowings for any growth opportunities and business contingencies.

Samvardhana Motherson Automotive Systems Group BV

Unaudited Interim Condensed Consolidated Financial Statements

For the period ended September 30, 2015

All amounts in Euro'000, unless otherwise stated

A.1 Consolidated Statement of Financial Position

	Note	September 30, 2015	March 31, 2015
Assets			
Intangible assets		32,586	36,620
Property, plant and equipment		823,448	786,951
Investment properties		10,867	11,000
Joint ventures, accounted for using the equity method		30,040	27,095
Associates, accounted for using the equity method		262	307
Other financial instruments		5	5
Trade receivables and other assets		40,412	27,925
Deferred tax assets		23,622	22,471
Non-current assets		**961,242**	**912,374**
Inventories		183,635	168,710
Trade receivables		455,270	458,949
Tax receivables		701	283
Other financial instruments		-	1,169
Other receivables		92,484	72,073
Cash and cash equivalents	**A.6.3.1**	111,196	184,144
Current assets		**843,286**	**885,328**
Total assets		**1,804,528**	**1,797,702**
Equity and liabilities			
Shareholder's equity	**A.5**	277,350	267,548
Non-controlling interests	**A.5**	65,635	67,854
Equity		**342,985**	**335,402**
Provisions for pension liabilities		11,545	12,226
Other provisions		2,547	2,685
Financial liabilities	**A.6.3.3**	609,923	514,198
Other liabilities		31,166	31,684
Deferred tax liabilities		50,291	51,542
Non-current liabilities		**705,472**	**612,335**
Other provisions		13,913	13,807
Financial liabilities	**A.6.3.3**	52,239	71,141
Trade payables		490,368	566,402
Liabilities to companies accounted for using the equity method and related parties		15,761	18,458
Other financial instruments		546	62
Current tax liabilities		12,081	17,843
Other liabilities		171,163	162,252
Current liabilities		**756,071**	**849,965**
Liabilities		**1,461,543**	**1,462,300**
Total		**1,804,528**	**1,797,702**

The notes on pages 32 to 61 are an integral part of these unaudited interim condensed consolidated financial statements.

All amounts in Euro'000, unless otherwise stated

A.2 Consolidated Income Statement

	Notes	Period ended September 30, 2015	Period ended September 30, 2014
Revenue	**A.6.4.1**	**1,933,842**	**1,609,303**
Changes in inventories	**A.6.4.2**	4,328	7,219
Other operating Income	**A.6.4.3**	32,945	22,621
Cost of materials	**A.6.4.4**	(1,260,134)	(1,078,444)
Personnel expenses	**A.6.4.5**	(380,306)	(296,927)
Depreciation and amortization	**A.6.4.6**	(53,248)	(41,294)
Other operating expenses	**A.6.4.7**	(197,553)	(154,381)
Result from operating activities		**79,874**	**68,097**
Finance income	**A.6.4.8**	489	492
Finance costs	**A.6.4.8**	(20,893)	(23,529)
Finance costs - net	**A.6.4.8**	**(20,404)**	**(23,037)**
Share of after-tax profits/(losses) of joint ventures accounted for under the equity method	**A.6.4.9**	4,912	1,962
Share of after-tax profits/(losses) of associates accounted for under the equity method	**A.6.4.10**	(12)	2
Earnings before taxes (EBT)		**64,370**	**47,024**
Income taxes	**A.6.5**	(20,073)	(16,269)
Profit / (loss) for the year		**44,297**	**30,755**
Thereof profit or loss for the year attributable to:			
Equity holders of the group		37,819	21,156
Non-controlling interests		6,478	9,599
Profit / (loss) for the year		**44,297**	**30,755**

The notes on pages 32 to 61 are an integral part of these unaudited interim condensed consolidated financial statements.

All amounts in Euro'000, unless otherwise stated

A.3 Consolidated Statement of Comprehensive Income

	Period ended September 30, 2015	Period ended September 30, 2014
Profit / (loss) for the year after tax:	**44,297**	**30,755**
Other comprehensive income / (loss):	**(32,992)**	**18,693**
- Items that will not be reclassified to profit & loss		
Remeasurement of post-employment benefits	866	(1,065)
Deferred tax on actuarial losses	(203)	237
- Items that may be subsequently classified to profit & loss		
Exchange differences on translating foreign operations	(33,655)	19,521
Total comprehensive income for the year	**11,305**	**49,448**
Attributable to:		
Equity holders of the group	9,802	35,375
Non controlling interests	1,503	14,073
	11,305	**49,448**

The notes on pages 32 to 61 are an integral part of these unaudited interim condensed consolidated financial statements.

All amounts in Euro'000, unless otherwise stated

A.4 Consolidated Cash Flow Statement

	Note	Period ended September 30, 2015	Period ended September 30, 2014
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the period before income taxes	**A.2**	**64,370**	**47,024**
Adjustments for:			
Depreciation of property, plant and equipment and investment properties	**A.6.4.6**	47,839	37,203
Amortisation of intangibles	**A.6.4.6**	5,409	4,091
Loss from the sale of property, plant and equipment, investment properties and assets held for sale	**A.6.4.3 / A.6.4.7**	342	602
Net finance cost	**A.6.4.8**	16,748	23,037
Share of profits of JV and associates accounted for using equity method	**A.6.4.9 / A.6.4.10**	(4,900)	(1,964)
Bad debt allowances and provisions		1,242	251
Income from reversal of provisions and liabilities	**A.6.4.3**	(9,494)	(7,116)
Unrealised foreign exchange (gain)/loss		(2,001)	10,671
Cash flow from operations before working capital changes		**119,555**	**113,799**
Working capital changes			
Increase in provisions		741	(2,475)
Increase in inventories		(14,925)	(17,517)
Increase in trade receivables		(7,823)	(10,401)
Increase in other assets[1]		(21,306)	(10,131)
Decline in trade payables		(86,260)	(14,230)
Increase/(decline) in other liabilities[2]		15,367	(8,607)
Cash flow from operating activities before income tax		**5,349**	**50,438**
Income tax paid		(29,544)	(20,338)
Cash flow from operating activities (A)		**(24,195)**	**30,100**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment (including advances)		(106,441)	(81,797)
Purchase of intangible assets		(1,185)	(795)
Proceeds from sale of property, plant and equipment		616	937
Dividends received from Joint Ventures		1,966	-
Investment in joint ventures/Associates		-	49
Acquisition of non-controlling interests		-	(28,862)
Interest received		489	492
Cash flow from investing activities (B)		**(104,555)**	**(109,976)**

All amounts in Euro'000, unless otherwise stated

	Note	Period ended September 30, 2015	Period ended September 30, 2014
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid to non-controlling interest		(3,722)	(5,988)
Repayment of finance lease liabilities		(5,002)	(5,019)
Proceeds from borrowings		100,616	549,058
Repayment of borrowings		(18,847)	(383,607)
Interest paid		(15,547)	(10,569)
Loans received from related parties		-	6,861
Loans repayments to related parties		-	(75,186)
Cash flow from financing activities (C)		**57,498**	**75,550**
Changes in cash and cash equivalents (A+B+C)		(71,252)	(4,326)
Cash and cash equivalents at beginning of period		184,144	85,702
Variation in cash and cash equivalents from translation in foreign currencies		(1,696)	756
Cash and cash equivalents at end of year	**A.6.3.1**	**111,196**	**82,132**

[1] Other asset comprising of other financial and non-financial assets.

[2] Other liabilities comprise of prepayment received, liabilities from shareholders, and other financial and non-financial liabilities.

The notes on pages 32 to 61 are an integral part of these unaudited interim condensed consolidated financial statements.

All amounts in Euro'000, unless otherwise stated

A.5 Consolidated Statement of Changes in Equity

	Attributable to owners of the parent						Non-controlling interest	Total equity
	Subscribed capital	Share premium	Currency translation reserve	Retained earnings	Merger reserve	Total		
As at April 01, 2015	66	900,910	26,859	62,399	(722,686)	**267,548**	67,854	335,402
Total comprehensive income								
Profit for the period	-	-	-	37,819	-	**37,819**	6,478	**44,297**
Other comprehensive income								
Items that may be subsequently classified to statement of profit or loss								
- Foreign currency translation	-	-	(28,674)	-	-	**(28,674)**	(4,981)	**(33,655)**
Items that will not be reclassified to statement of profit or loss								
- Remeasurement of post-employment benefits	-	-	-	856	-	**856**	10	**866**
- Deferred tax relating to remeasurement	-	-	-	(199)	-	**(199)**	(4)	**(203)**
Total other comprehensive income	**-**	**-**	**(28,674)**	**657**	**-**	**(28,017)**	**(4,975)**	**(32,992)**
Total comprehensive income	**-**	**-**	**(28,674)**	**38,476**	**-**	**9,802**	**1,503**	**11,305**
Transactions with owners								
- Addition during the period	-	-	-	-	-	**-**	-	**-**
- Dividend distribution to non-controlling interests	-	-	-	-	-	**-**	(3,722)	**(3,722)**
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**(3,722)**	**(3,722)**
As at September 30, 2015	**66**	**900,910**	**(1,815)**	**100,875**	**(722,686)**	**277,350**	**65,635**	**342,985**

All amounts in Euro'000, unless otherwise stated

	Attributable to owners of the parent							
	Subscribed capital	**Share premium**	**Currency translation reserve**	**Retained earnings**	**Merger reserve**	**Total**	**Non-controlling interest**	**Total equity**
As at April 1, 2014	**21**	**7,490**	**(6,639)**	**(18,603)**	**154,347**	**136,616**	**51,164**	**187,780**
Total comprehensive income								
Profit for the year	-	-	-	9,533	11,623	**21,156**	9,599	**30,755**
Other comprehensive income								
Items that may be subsequently classified to statement of profit or loss								
- Foreign currency translation	-	-	10,261	17	4,771	**15,049**	4,472	**19,521**
Items that will not be reclassified to statement of profit or loss								
- Remeasurement of post-employment benefits	-	-	-	(1,121)	54	**(1,067)**	2	**(1,065)**
- Deferred tax relating to remeasurement	-	-	-	253	(16)	**237**	-	**237**
Total other comprehensive income	**-**	**-**	**10,261**	**(851)**	**4,809**	**14,219**	**4,474**	**18,693**
Total comprehensive income	**-**	**-**	**10,261**	**8,682**	**16,432**	**35,375**	**14,073**	**49,448**
Transactions with owners								
- Addition during the year	45	893,420	-	-	(893,465)	**-**	-	**-**
- Dividend distribution to non-controlling interests	-	-	-	-	-	**-**	(5,988)	**(5,988)**
Total transactions with owners	**45**	**893,420**	**-**	**-**	**(893,465)**	**-**	**(5,988)**	**(5,988)**
As at September 30, 2014	**66**	**900,910**	**3,622**	**(9,920)**	**(722,685)**	**171,993**	**59,247**	**231,240**

The notes on pages 32 to 61 are an integral part of these unaudited interim condensed consolidated financial statements.

A.6. Notes to the Consolidated Financial Statements

A.6.1 General information and description of the business

These unaudited interim condensed consolidated financial statements comprise of Samvardhana Motherson Automotive Systems Group BV (SMRP BV) and its subsidiaries (hereinafter referred to as "SMRP BV Group"or "the Group") for six months ended September 30, 2015. MSSL and SMIL are the ultimate shareholders of SMRP BV Group.

SMRP BV is a private company with limited liability, incorporated under the laws of the Netherlands on October 07, 2011. Its registered office and principal place of business is situated at Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands.

On June 13, 2014, SMRP BV acquired 98.45% shareholding of Samvardhana Motherson Reflectec Group Holdings Limited (SMR Jersey) from Samvardhana Motherson Group Holdings Limited (SMGHL), Cyprus in share exchange deal wherein SMGHL transferred its entire shareholding (including acquired on June 9, 2014 from minority shareholders) to SMRP BV in exchange of 45,676 shares of a nominal value of € 1 each issued by SMRP BV and consequently SMRP BV has become subsidiary of SMGHL. Shareholders of SMRP BV have approved allotment of shares to SMGHL in their meeting dated June 13, 2014.

On June 24, 2014, SMRP BV acquired 16.28% stake held by PF Beteiligungsverwaltungs (Cross Industries AG). PF Beteiligungsverwaltungs had exercised put option for 16.28% held by them in SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L. in accordance with the framework agreement. Consequent to this buy out SMRP BV along with SMGHL holds 100% in SMP Deutschland GmbH and SMP Automotive Technology Iberica S.L.

SMR Group
SMR Jersey was incorporated on February 16, 2009. On March 6, 2009 Samvardhana Motherson Reflectec Group Holdings Limited acquired the Visiocorp Group and with this acquisition commenced its operating business.

SMR Group develops and produces a wide range of exterior mirrors from simple prismatic versions up to complex multi-function systems. In addition to the mirror technology, the Group develops and produces driver assistance systems such as detection systems in the door mirror for monitoring blind spots or mirror turn signals. It has production facilities and engineering centres in 14 countries across the globe.

SMP Group
SMRP BV acquired the Peguform Group as on November 23, 2011.

SMP Group supplies plastic parts and system modules for vehicle interiors and exteriors. Products for vehicle interiors include in particular interior door panels and dashboards. For exteriors, bumpers and other bodywork components are manufactured. The product range encompasses individual parts and complete modules, with engineering and tooling services also being provided. It has production facilities and engineering centres in 7 countries across the globe.

A.6.2 Summary of Significant Accounting Policies

A.6.2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended September 30, 2015 have been prepared for reporting to bondholders in accordance with the offering memorandum.
It does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated annual financial statements as at March 31, 2015 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("IFRS EU").

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended March 31, 2015. The new standards and interpretations applicable for financial year beginning April 1, 2015 do not have any impact on the unaudited interim condensed consolidated financial statements of the Group. Only material policies have been reproduced herein after.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("IFRS EU").

The consolidated financial statements have been prepared under the historical cost convention except for available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (€000), except when otherwise indicated.

A.6.2.2 Currency translation

A.6.2.2.1 Transactions in foreign currencies

All transactions are recorded in functional currency of the principal operating environment in which each Group company operates. The Consolidated financial statements are presented in 'euro', which is also the parent company's functional currency.
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the rate prevailing on this date. Differences from foreign currency transactions are reported in the income statement. Non-monetary assets and liabilities that are measured at historical cost in foreign currencies at the reporting date are translated into the functional currency at the rate prevailing on the day of the transaction. Non-monetary assets and liabilities that are measured at fair value in foreign currencies at the reporting date are translated into the functional currency at the rate prevailing on the date on which the fair value was determined.

All amounts in Euro'000, unless otherwise stated

A.6.2.2.2 Financial statements of foreign operations

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
© all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.
The exchange rates of currencies of non-Euro zone countries used for the consolidated financial statements are listed below (expressed in foreign currency units per Euro):

Foreign currencies		Closing rates September 30, 2015	Average rates Period ended September 30, 2015	Closing rates September 30, 2014	Average rates Period ended September 30, 2014	Closing rates March 31, 2015
Brazilian Real	BRL	4.41	3.67	3.09	3.03	3.43
Mexican Peso	MXN	18.91	17.63	16.96	17.60	16.37
Chinese Yuan	CNY	7.10	6.94	7.75	8.36	6.65
US Dollar	USD	1.12	1.11	1.26	1.35	1.07
Great British Pound	GBP	0.74	0.72	0.78	0.80	0.72
Korean Won	KRW	1,323.73	1,257.79	1,332.00	1,385.26	1,188.87
Indian Rupee	INR	73.30	71.26	77.99	81.15	67.06
Thai Bhat	THB	40.64	38.02	40.95	43.49	34.90
Hungarian Forint	HUF	313.06	308.76	310.38	308.69	300.18
Japanese Yen	JPY	133.93	135.09	138.49	138.90	128.89
Australian Dollar	AUD	1.59	1.48	1.44	1.45	1.41

A.6.2.3 Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The consolidation of companies acquired from third parties was carried out at the time of control using the acquisition method. According to this method, identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Intangible assets are recognised separately from any goodwill, provided that they can be separated from the company or are derived from a contractual or other entitlement.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration and the fair value of non-controlling interest is lower than the fair value of the net assets of the subsidiary acquired, the difference is directly recognised in profit or loss.

The Group recognises any non-controlling interest in the 35cquire on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of 35cquire's identifiable net assets.

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies are accounted for as financial liabilities when such options may only be settled other than by exchange of a fixed amount of cash or another financial asset for a fixed number of shares in the subsidiary. The amount that may become payable under the option on exercise is initially recognised at fair value within liabilities with a corresponding charge directly to equity. The charge to equity is recognised separately as written put options over non-controlling interests, adjacent to non-controlling interests in the net assets of consolidated subsidiaries.

The Group recognises the cost of writing such put options, determined as the excess of the fair value of the option over any consideration received, as a financing cost. Such options are subsequently measured at amortised cost, using the effective interest rate method, in order to accrete the liability up to the amount payable under the option at the date at which it first becomes exercisable. The charge arising is recorded as a financing cost.

Joint ventures
Joint ventures are companies over which the Group holds joint control as a result of contractual agreements.

The group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Interest in associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of 20% to 50% of the voting rights. Investments in associate are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Equity Method
The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in the associate/joint venture equals or exceeds its interest in the associate/joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate/joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate/joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate/joint ventures and its carrying value and recognizes the amount of impairment adjacent to share of profit/(loss) of an associate/joint ventures in the income statement.

Accounting policies of the associates/joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.
Dilution gains and losses arising in investments in associates/joint ventures are recognized in the income statement.

Elimination of business transactions in the course of consolidation
Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated.

Profits and losses resulting from unrealised upstream and downstream transactions between the Group and its associate / joint ventures are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates / joint ventures. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Unrealised gains or losses from business transactions with joint ventures accounted for using the equity method have been eliminated from the investments in accordance with the amount of the holding.

All amounts in Euro'000, unless otherwise stated

The consolidated financial statements of the Group include:

SMR Group

SMR Group comprises the subsidiaries as disclosed below:

Entity name	Country	Capital share	Minority shares	Voting rights
Samvardhana Motherson Reflectec Group Holdings Limited	Jersey	98.5%	1.5	98.5%
SMR Automotive Systems India Limited	India	51%	49%	51%
SMR Automotive Systems France S. A.	France	100%	-	100%
SMR Automotive Mirror Systems Holding Deutschland GmbH	Germany	100%	-	100%
SMR Poong Jeong Automotive Mirrors Korea Limited	South Korea	90%	10%	90%
SMR Hyosang Automotive Limited	South Korea	90%	10%	90%
SMR Automotive (Langfang) Co. Limited	China	90%	10%	90%
SMR Holding Australia Pty Limited	Australia	100%		100%
SMR Automotive Australia Pty Limited	Australia	100%		100%
SMR Automotive Mirror Technology Hungary Bt	Hungary	100%		100%
SMR Grundbesitz GmbH & Company KG	Germany	93%	7%	93%
SMR Automotive Mirrors UK Limited	UK	100%		100%
SMR Automotive Technology Valencia SAU	Spain	100%		100%
SMR Automotive Services UK Limited	UK	100%		100%
SMR Automotive Mirror International USA Inc.	USA	100%		100%
SMR Automotive Systems USA Inc.	USA	100%		100%
SMR Automotive Systems Spain S.A.U.	Spain	100%		100%
SMR Automotive Vision Systems Mexico S.A. de C.V.	Mexico	100%		100%
SMR Automotive Servicios Mexico S.A. de C.V.	Mexico	99.99%		99.99
SMR Automotive Mirrors Stuttgart GmbH	Germany	100%		100%
SMR Automotive Patents S.A.R.L.	Luxemburg	100%		100%
SMR Automotive Beteiligungen Deutschland GmbH	Germany	100%		100%
SMR Automotive Beijing Company Limited	China	100%		100%
SMR Automotive Yancheng Company Limited	China	100%		100%
SMR Automotive Mirror Technology Holding Hungary Kft	Hungary	100%		100%
SMR Automotive Mirror Parts and Holdings UK Limited	UK	100%		100%
Samvardhana Automotive Technology Holding Cyprus Limited	Cyprus	100%		100%
SMR Automotive Holding Hong Kong Limited	Hong Kong	100%		100%
SMR Automotive Brasil LTDA	Brazil	100%		100%
SMR Automotive System (Thailand) Limited	Thailand	100%		100%
SMR Automotives Systems Macedonia Dooel Skopje	Macedonia	100%		100%
SMR Automotive Operations Japan K.K.	Japan	100%		100%
SMR Automotive Vision System Operations USA INC. (incorporated on March 17, 2014)	USA	100%		100%

All amounts in Euro'000, unless otherwise stated

Entity name	Country	Capital share	Minority shares	Voting rights
SMR Mirror UK Limited (incorporated on March 19, 2014)	UK	100%		100%
Samvardhana Motherson Innovative Autosystems Holding Company B.V	Netherlands	100%		100%
Samvardhana Motherson Innovative Autosystems de Mexico, S.A. de C.V	Mexico	100%		100%
Samvardhana Motherson Real Estate Unit de Mexico, S.A. de C.V	Mexico	100%		100%
SMIA de Mexico Administrative Services, S.A. de C.V	Mexico	100%		100%
SMP Automotive Systems Alabama Inc.	USA	100%		100%

SMR Group comprises joint ventures and associates as disclosed below:

Entity name	Country of incorporation	Group interest in %
Ningbo SMR Huaxiang Automotive Mirrors Co., Ltd	China	50.0%
Chongqing SMR Huaxiang automotive Products Limited	China	50.0%
Re Time Pty Limited	Australia	35%

All amounts in Euro'000, unless otherwise stated

SMP Group

SMP Group comprises the subsidiaries as disclosed below:

Name	Country	Capital share	Minority shares	Voting rights
Samvardhana Motherson Peguform GmbH	Germany	100.0%		100.0%
SMP Automotive Interiors (Beijing) Co. Ltd (incorporated on March 31, 2014)	China	100.0%		100.0%
SMP Automotive Exterior GmbH (incorporated on May 31, 2013)	Germany	100.0%		100.0%
SMP Deutschland GmbH	Germany	95%	5%***	95%
SMP Automotive Solutions Slovakia s.r.o.	Slovakia	95%	5%***	95%
SMP Logistik Service GmbH (earlier known as SMP Automotive Solutions Personalleasings GmbH)	Germany	95%	5%***	95%
Changchun Peguform Automotive Plastics Technology Ltd.	China	47.5%	50%-1**	50%+1**
SMP Automotive Technology Management Services (Changchun) Co. Ltd.	China	78.5%		100.0%
Foshan Peguform Automotive Plastics Technology Co. Ltd.	China	47.5%	50%-1**	50%+1**
SMP Automotive Technology Ibérica, S.L.	Spain	100%	***	100.0%
SMP Automotive Technologies Teruel, S.L.	Spain	100%	***	100.0%
Samvardhana Motherson Peguform Barcelona, S.L.U.	Spain	100%	***	100.0%
Samvardhana Motherson Peguform Automotive Technology Portugal, S.A.	Portugal	100%	***	100.0%
SMP Automotive Produtos Automotivos do Brasil Ltda	Brazil	100%	***	100.0%
SMP Automotive Systems México, S. A. de C. V.	Mexico	100%	***	100.0%
Samvardhana Motherson Innovative Autosystems B.V. & Co. KG	Germany	100%		100%
SM Real GmbH	Germany	95%	5%	95%

**SMP Deutschland GmbH has 50% of the voting rights plus one additional vote.

***16.3% of the minority shares have been purchased from the Non-controlling interest by exercising put/call option.

SMP Group comprises joint ventures as disclosed below:

Name	Country of incorporation	Group interest in %
Celulosa Fabril S.A.	Spain	50.0%
Modulos Ribera Alto S.LU.	Spain	50.0%
Eissmann SMP Automotive Interieur Slovensko s.r.o.	Slovakia	47.0%

A.6.2.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets with a finite useful life are carried at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Research and development costs

Research costs are expensed as incurred. Development expenditure on an individual project is capitalised if it meets the definition of an intangible asset. Costs not eligible for capitalisation are expensed off and disclosed under "Research and development costs" in the income statement.

The intangible assets are amortised on a straight-line basis over their useful lives, beginning at the time the asset is first used and ending after a length of time usual for the asset in operation. The uniform useful lives applied within the Group are as follows:

Description	***Useful life (in years)***
Concessions, intellectual property, software and similar rights	1-3
Contracts with customers	3-11
Patents & Technologies	5-13

The useful life of customer contracts, engineering contracts as well as technology is the result of the analyses and average useful life of the contracts.

The amortisation methods, the usual useful lives and the residual values are checked annually.

A.6.2.5 Property, plant and equipment

A.6.2.5.1 Own assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. When a major replacement is made, its cost is recognised in the carrying amount of the plant and equipment if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to

All amounts in Euro'000, unless otherwise stated

the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.
General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

A.6.2.5.2 Leased assets

Leasing agreements in which the Group has essentially assumed all risks and opportunities are classified as finance leases. A property acquired under finance lease needs to be capitalized at the lower of its fair value or the present value of the minimum lease payments at the beginning of the lease period. Asset acquired under finance lease is depreciated over shorter of its useful life and lease term (provided that there is no transfer of the assets at the end of the lease term) or the estimated useful life (see A.6.2.5.3). Impairments are performed as necessary (see A.6.2.7).
If, from an economic perspective, not all material opportunities and risks have been transferred, leasing agreements are classified as operating leases and the income and expenses derived there from are recognised in the income statement.

A.6.2.5.3 Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Description	*Useful life (in years)*
Buildings	40 - 50
Machinery and other technical facilities	10 -15
Tooling	1-7
Other plant and office equipment	5 - 15

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. No depreciation is charged on land.

A.6.2.6 Investment Properties

Investment properties are stated at cost less accumulated depreciation. Transaction costs are included on initial measurement. The fair values of investment properties are disclosed in the notes. These are assessed using internationally accepted valuation methods. The fair values are calculated based on the income method and are supported by the results of the sales comparison method which compares a subject property's characteristics with those of comparable properties which have recently sold in similar transactions and uses multiples to calculate the fair value. Comparable characteristics that are used for the multiples are the construction level and the specific rent level. Depreciation is provided on investment property other than land, on a straight-line basis over the expected useful life which is 30 years.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition.

A.6.2.7 Impairment of non-current assets

Assets that are subject to depreciation/amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (see A.6.2.7.1).
For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units), generally individual business units. Prior impairments of nonfinancial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Impairment is recognised if the carrying value of an asset or its cash-generating unit exceeds the recoverable amount. Impairments are reported in the income statement.
The Group performed reviews at the reporting date to determine whether there were indications that assets or their cash-generating units have to be impaired. The triggering event for the impairment of customer and engineering contracts could be a budget that causes sales revenues from customer and engineering contracts to be reduced in the future.

The triggering event for the impairment of Technology could also be a budget that causes revenues to be reduced in the future or material changes in determination of royalty rate.
The triggering event for the impairment of patent and intellectual property is change in future economic benefits embodied in the asset.

As of the reporting date, no impairments have been identified on customer and engineering contracts, technology or fixed assets.

A.6.2.7.1 Recoverable amounts

The recoverable amount of an asset or a cash-generating unit is the higher of fair value less costs of disposal and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For assets that primarily do not generate independent cash flows, the recoverable amount was determined for the cash-generating units to which these assets belonged.

A.6.2.7.2 Impairment reversals

In case events which caused impairment initially ceases to exist, impairments are only reversed to the extent that increased carrying amount of the asset does not exceed the carrying amount that would have been in place had there no impairment been carried out in the first place, taking into account the normal depreciation/amortization.

A.6.2.8 Financial instruments

A financial instrument is any agreement that leads to the generation of financial asset at one company and/or to a financial liability or equity instrument at another. Financial instruments can be placed into one of four categories according to their intended purpose: financial assets measured at fair value through profit or loss, financial assets held to maturity, loans and receivables, financial assets available for sale.

Financial instruments include primary financial instruments such as receivables and trade liabilities, securities, debt instruments and other financial liabilities. They also include derivative financial instruments used to hedge against risks arising from changes in exchange rates and interest rates.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the group's right to receive payments is established.
Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'Gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of finance income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the group's right to receive payments is established.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

A.6.2.8.1 Primary financial instruments

Primary financial instruments are allocated to one of four categories according to their intended purpose. This allocation is re-assessed at each reporting date and it is determined whether the asset is to be reported as current or non-current.
a. Financial assets carried at fair value through profit or losses are initially recognised at fair value, and transaction costs are expensed in the income statement. Changes in the fair value of financial assets measured at fair value – either because they have been reported as such upon initial recognition or are held for trading – are recognised directly in the income statement. They are also reported as current assets if they are being held for trading or it can be reasonably expected that they will be converted within twelve months from the reporting date.

b. Financial assets held to maturity are initially recognised at fair value plus transaction costs. Financial assets held to maturity which exhibit fixed or determinable payments and a fixed maturity period, and which the Group wishes and is able to hold until maturity are measured at amortised cost and reported depending on their maturity period as non-current or current assets. The amortisation and losses arising from impairments are recognised in the statement of profit or loss.

c. 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.

d. Available-for-sale financial assets that have been reported as such upon initial recognition are measured at fair value, provided that this can be determined, and then reported as non-current or current assets, depending on the expected time of sale. Gains and losses from changes in fair value are recorded net, i.e. after tax, and taken directly to equity ("Other comprehensive income") until the financial asset has been derecognised. In the event that an asset is impaired permanently, however, the loss must be recorded directly in the income statement. If it is not possible to determine the fair value, for example with holdings in non-consolidated affiliated companies or other investments in companies, these assets are measured at cost.

A.6.2.8.1 Impairment of financial assets

(*a) Assets carried at amortised cost*
The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss

event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(b) Assets classified as available for sale
The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired

Financial liabilities are initially recognised at fair value less transaction costs for liabilities not recognised at fair value through profit or loss. Subsequently financial liabilities from primary financial instruments are measured at amortised cost. The Group measures all financial liabilities except derivatives at amortised cost, which encompasses the remaining debt amount less expenses. Liabilities from finance leases are measured at the present value of the remaining minimum lease payments on the basis of the interest rate underlying the leasing agreement. Financial liabilities with fixed or determinable payments that are neither debt instruments nor derivative financial instruments listed on an active market are reported in the statement of financial position under other liabilities in accordance with their maturity. All financial instruments are therefore measured at historical cost or amortised cost less impairments.

A.6.2.8.2 Derivative financial instruments
Derivative financial instruments that are not part of a hedging relationship are carried at fair value upon initial recognition, corresponding to the fair value of the consideration received or given in return. After initial recognition, derivative financial instruments are carried at fair value, which is based on the market value of the financial instrument. Any changes in fair value are recorded directly in profit or loss.

A.6.2.9 Inventories

Inventories are initially measured at cost, which comprises those costs directly attributable to the production process and an appropriate share of production overheads based on normal operating capacity. This includes write-downs related to production and a reasonable proportion of the administrative and social security costs. Financing costs are not included in the acquisition or production costs. Costs for raw materials and supplies are determined using the moving weighted average prices.

In the course of the subsequent valuation, inventories are carried at the lower of the cost or net realisable value at the reporting date. The net realisable value is the estimated selling price that could be achieved in the course of normal business less estimated costs of completion and estimated costs necessary to make the sale. Impairments take into account reduced market viability and excessive storage times as indicator for a reduced net realisable value. If the reasons for the impairment no longer apply, the impairments are reversed in full.

A.6.2.10 Construction contracts

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The Group determines the level of completion on the basis of milestones achieved to date. If it is not possible to determine the level of completion reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable. Therefore, no profit is reported in such a situation ("zero profit margin method"). The costs include all expenses incurred in direct relation to the specific projects and a proportion of the fixed and variable general costs incurred on the basis of normal capacity for the Group's construction contracts. On the balance sheet, the Group reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.

A.6.2.11 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A.6.2.12 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term deposits with an original maturity six months or less. Cash and cash equivalents are measured at cost.

A.6.2.13 Income taxes

Current taxes are those taxes foreseeably payable on a year's taxable income in accordance with the statutory tax rates or tax rates that had been substantially adopted as of the reporting date, as well as all adjustments to payable taxes in relation to previous reporting periods.
Income taxes for the annual result reported in the income statement comprise current taxes and deferred taxes. Income taxes are recorded in the income statement unless they relate to items recognised directly in equity or in other comprehensive income. In this case, the income taxes incurred are also recognised directly in equity or in other comprehensive income.
Deferred tax assets and liabilities are recognised for all temporary differences between the carrying amount as per IFRS and the relevant tax assessment basis. Deferred tax liabilities are not recognised for temporary differences ("outside-basis differences") if the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax liabilities for dividends from subsidiaries will be recognised if the parent company determines that the profits of the respective subsidiary will be distributed in the foreseeable future. Deferred tax assets contain tax assets that are derived from the expected utilization of unused tax losses and unused tax credits, unless it is improbable that the future taxable profits will be available against which the temporary differences can be utilized. Deferred taxes are calculated on the basis of the tax rates that are expected to apply to the period when the asset is realized and the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period in the respective country.

A.6.2.14 Provisions

A.6.2.14.1 Pension provisions

Companies within the Group operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans.
A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.
The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.
Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income.

When a settlement or a curtailment occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the income statement during the period in which the settlement or curtailment occurs.
The value of a net pension benefit asset is restricted to the present value of any amount the Group expects to recover by way of refunds from the plan or reductions in the future contributions after considering any legal or contractual minimum funding requirements. The minimum funding requirements stipulate a minimum amount or level of contributions that must be made to a plan over a given period and may limit the ability of the entity to reduce future contributions and considered respectively in determining the economic benefit from the plan.
For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A.6.2.14.2 Warranties

A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns although it is expected that most of these costs will be paid out in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the warranty period for all products sold.

A.6.2.14.3 Tax provisions and other provisions

Provisions for tax and other purposes are recognised to accommodate the possibility that current legal or constructive obligations against third parties resulting from a past event exist, and that it is probable that an outflow of economic benefits will be required to settle the obligation, and that the amount of these obligations can be estimated reliably.
Long-term provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Short term provisions are carried at their redemption value and are not offset against receivables from reimbursements.

A.6.2.15 Government Grants and grants from private companies & institutions

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Government grants in respect of capital expenditure are credited to the acquisition costs of the respective fixed asset and thus are released as income over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate as the conditions attached to the grants are met.
Grants from private companies and institutions are accounted for in a manner similar to the accounting for government grants, if the grants are comparable to government grants in their nature and the conditions related to these grants are satisfied.

A.6.2.16 Liabilities

Liabilities from finance lease are initially carried at equal to the fair value of leased property, or if lower, the present value of minimum lease payments. The lease payments are then separated into financing costs and the redemption of the remaining liability.

A.6.2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

A.6.2.18 Recognition of income and expenses

Sales revenue and other operating income is recognised when ownership of an asset changes hands or the opportunities and risks related to the property are transferred to the customer, when the amount of the income has been determined or can be determined, and when there is sufficient likelihood that the economic benefit from the sale will flow to the Group. Sales revenue from the sale of goods is measured at the fair value of the consideration received or to be received less product returns, rebates and discounts for early payment. Revenues from the sale of services are recorded with respect to the stage of completion as of the reporting date in relation to the total service to be provided in the course of the transaction.

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.

Interest is recognised using the effective interest method as an expense or income for the period in which it occurs. Interest payments for finance leases are calculated by breaking down the minimum lease payments into financing costs and redemption payments for the remainder of the liability and spreading the financing costs over the periods covered by the term of the leasing agreement. This allows a constant, periodic interest rate for the remainder of the liability to be calculated. Payments from operating leases are recognised over the term of the leasing agreement using a straight-line distribution in the income statement.

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

A.6.2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the supervisory board that makes strategic decisions.

All amounts in Euro'000, unless otherwise stated

A.6.3.1 Cash and cash equivalents

	September 30, 2015	March 31, 2015
Cash at bank	111,077	184,021
Cash in hand	119	123
	111,196	**184,144**

A.6.3.2 Property, plant and equipment

Acquisition and disposals

During the six months ended September 30, 2015 the Group acquired assets with a cost of k€ 117,905.

Assets with a net book value of k€ 958 were disposed by the Group during the six months ended September 30, 2015.

Refer to note A.6.6 for capital commitments.

A.6.3. 3 Financial liabilities

	September 30, 2015	March 31, 2015
Non-current financial liabilities		
Liabilities to bank	603,677	503,262
Finance lease liabilities	6,246	10,936
Total non-current financial liabilities	**609,923**	**514,198**
Current financial liabilities		
Liabilities to bank	44,268	63,396
Finance lease liabilities	7,971	7,745
Total current financial liabilities	**52,239**	**71,141**

All amounts in Euro'000, unless otherwise stated

A.6.4 Disclosures regarding the Consolidated Income Statement

A.6.4.1 Revenues

	Period ended September 30, 2015	Period ended September 30, 2014
Sale of products	1,744,675	1,467,748
Sale of tooling	189,167	141,555
Total	**1,933,842**	**1,609,303**

A.6.4.2 Changes in inventories

	Period ended September 30, 2015	Period ended September 30, 2014
Opening stock of		
finished goods	(48,889)	(39,253)
work-in-progress	(24,212)	(19,005)
Less: closing stock of		
finished goods	52,500	45,582
work-in-progress	24,929	19,895
Total	**4,328**	**7,219**

A.6.4.3 Other operating income

	Period ended September 30, 2015	Period ended September 30, 2014
Foreign exchange gain (net)	-	36
Subsidies /Income from investment Grants	2,089	1,979
Income from development work and other recoveries from Customers	1,926	2,683
Rental income	468	637
Royalty income	1,033	663
Gain from the sale of property, plant and equipment and Intangible assets	59	6
Provisions written back/Gain on reversal of bad debt allowance	247	114
Income from de-recognition of liabilities	9,494	7,116
Other Income	17,629	9,387
Total	**32,945**	**22,621**

All amounts in Euro'000, unless otherwise stated

A.6.4.4 Cost of materials

	Period ended September 30, 2015	Period ended September 30, 2014
Raw Material	(1,260,134)	(1,078,444)
Total cost of materials	**(1,260,134)**	**(1,078,444)**

A.6.4.5 Personnel expenses

	Period ended September 30, 2015	Period ended September 30, 2014
Wages and salaries	(267,541)	(211,947)
Paid labour rendered by third parties	(61,819)	(45,580)
Social security costs	(50,228)	(37,840)
Pensions costs from defined benefit plans	(718)	(1,560)
	(380,306)	**(296,927)**

A.6.4.6 Depreciation and amortization

	Period ended September 30, 2015	Period ended September 30, 2014
Depreciation of property, plant and equipment	(47,706)	(37,070)
Depreciation on investment properties	(133)	(133)
Amortisation of intangible assets	(5,409)	(4,091)
Total	**(53,248)**	**(41,294)**

All amounts in Euro'000, unless otherwise stated

A.6.4.7 Other operating expenses

	Period ended September 30, 2015	Period ended September 30, 2014
General administration expenses	(68,794)	(54,625)
Energy	(31,436)	(26,356)
Repairs and maintenance	(34,438)	(25,590)
Rent and lease	(21,223)	(16,873)
Freight and forwarding	(18,893)	(16,113)
Bad debts/advances written off	(1,489)	(365)
Auditors remuneration	(2,720)	(2,008)
Net foreign exchange loss	(3,760)	(695)
Legal and professional expenses	(14,800)	(11,756)
TOTAL	**(197,553)**	**(154,381)**

A.6.4.8 Financial costs and income

	Period ended September 30, 2015	Period ended September 30, 2014
Interest Income	489	492
Total finance income	**489**	**492**
Interest expenses finance leases	(457)	(902)
Foreign exchange loss	(3,655)	(666)
Interest expense on borrowings	(16,561)	(21,651)
Interest expense on defined benefit obligations	(220)	(310)
Total finance cost	**(20,893)**	**(23,529)**

Foreign exchange gain / loss contain amounts from the revaluation of foreign currency financial liabilities.

A.6.4.9 Share of the profits or loss of joint ventures accounted for using the equity method

	Period ended September 30, 2015	Period ended September 30, 2014
Share of after-tax profits/(losses) of joint venture accounted for under the equity method	4,912	1,962

All amounts in Euro'000, unless otherwise stated

A.6.4.10 Share of the profits or loss of associates accounted for using the equity method

	Period ended September 30, 2015	Period ended September 30, 2014
Share of after-tax profits/(losses) of associate accounted for under the equity method	(12)	2

A.6.5 Income taxes

Deferred income taxes are calculated using the balance-sheet based liability method. Deferred tax assets and liabilities are recognised for all temporary differences between the carrying amount of an asset or liability and the values used for taxation purposes. Deferred tax assets are also recognised for tax-loss carry forwards to the extent it is probable that future taxable profits will be available. For this reason, the recognition of all deferred tax assets based on tax losses is carried out with suitable consideration given to their realisation. Deferred taxes are determined on the basis of tax rates that have been enacted or substantially enacted by the end of the reporting period.

The income tax credit/expense for the three years comprises the following:

	Period ended September 30, 2015	Period ended September 30, 2014
Current tax	(24,117)	(20,068)
Deferred tax	4,044	3,799
Total	**(20,073)**	**(16,269)**

There is no significant change in corporate tax rates, in jurisdictions where group operates, having material impact on current charge and future adjustment to the carrying amounts of assets and liabilities.

A.6.6 Contingent Liabilities

In the ordinary course of business activities, the Group may be contingently liable for litigation and claims with customers, suppliers, former employees and other parties. In addition, the Group may be, or could become, liable to incur environmental remediation costs to bring environmental contamination levels back within acceptable legal limits. On an on-going basis, the Group assesses the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable costs and losses. A determination of the provision required, if any, for these contingencies is made after analysis of each individual issue. The required provision may change in the future due to new developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters.

The tax position taken by the Group with respect to certain transactions and calculations may be challenged by tax authorities for reasons including transfer pricing, the availability of deductions for interest expense and other deductible items, the treatment of acquisition, refinancing and reorganization transactions, intercompany funding arrangements, the application and effect of tax "holidays" and the calculation of deferred tax assets and liabilities. The Group does not expect any significant cash outflow in respect of these contingencies.

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

	September 30, 2015	**March 31, 2015**
Property, plant and equipment	63,912	42,589

A.6.7 Operating Segment Information

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("CODM") in taking strategic decisions. Those operating segments are SMR Group and SMP Group which are also the reportable segments.

SMR Group
SMR Group develops and produces a wide range of exterior mirrors from simple prismatic versions up to complex multi-function systems. In addition to the mirror technology, the Group develops and produces driver assistance systems such as detection systems in the door mirror for monitoring blind spots or mirror turn signals. It has production facilities and engineering centres in 14 countries across the globe.

SMP Group
SMP Group supplies plastic parts and system modules for vehicle interiors and exteriors. Products for vehicle interiors include in particular interior door panels and dashboards. For exteriors, bumpers and other bodywork components are manufactured. The product range encompasses individual parts and complete modules, with engineering and tooling services also being provided. It has production facilities and engineering centres in 7 countries across the globe.

The CODM considers revenues from external parties, EBITDA, profit before taxes and assets of each of the segments in taking strategic decisions. These amounts are measured in a manner consistent with that of the financial statements. Segment assets comprise of trade receivables, inventories and cash and cash equivalents. Geographically, the CODM considers the performance of sales in the Americas, Europe, and Asia Pacific.

Transfer prices for transactions between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

All amounts in Euro'000, unless otherwise stated

	September 30, 2015				September 30, 2014			
	SMR	SMP	Unallocated / Inter-segment eliminations	Total	SMR	SMP	Unallocated / Inter-segment eliminations	Total
Segment revenue:								
Sales to external customers	674,489	1,260,268	(915)	1,933,842	576,273	1,033,049	(19)	1,609,303
Intersegment sales	-	-	-	-	-	-	-	-
Total revenue	**674,489**	**1,260,268**	**(915)**	**1,933,842**	**576,273**	**1,033,049**	**(19)**	**1,609,303**
Results:								
EBITDA	59,637	73,485	-	133,122	51,702	57,689	-	109,391
Depreciation and amortization	(17,667)	(35,581)	-	(53,248)	(14,468)	(26,826)	-	(41,294)
Operating profit	41,970	37,904	-	79,874	37,234	30,863	-	68,097
Interest Income	457	1,037	(1,005)	489	206	1,177	(891)	492
Interest expense	(5,236)	(16,662)	1,005	(20,893)	(5,258)	(19,162)	891	(23,529)
Share of profit from joint venture	2,321	2,591	-	4,912	1,560	402	-	1,962
Share of profit from associate	(12)	-	-	(12)	2	-	-	2
Profit before tax	**39,500**	**24,870**	**-**	**64,370**	**33,744**	**13,280**	**-**	**47,024**
Income Taxes	(11,799)	(8,274)	-	(20,073)	(10,148)	(6,121)	-	(16,269)
Profit after tax	**27,701**	**16,596**	**-**	**44,297**	**23,596**	**7,159**	**-**	**30,755**
Segment assets:								
Inventory, Debtors and Cash	257,172	530,294	-	787,466	257,327	422,237	-	679,564
Others	335,407	1,602,596	(920,941)	1,017,062	289,639	1,501,502	(988,775)	802,366
Total assets	**592,579**	**2,132,890**	**(920,941)**	**1,804,528**	**546,966**	**1,923,739**	**(988,775)**	**1,481,930**
Other items:								
Capital expenditure	37,558	80,347		117,905	22,142	72,588	-	94,730
Investment in joint venture	11,017	19,023		30,040	8,971	11,185		20,156
Investment in associate	262	-		262	269	-		269

A.6.8 Related parties

During the year the Group 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 Group

SMRP BV, SMP Group and SMR Group were jointly controlled by Motherson Sumi Systems Limited and Samvardhana Motherson International Limited prior to June 13, 2014. On June 13, 2014 SMRP BV acquired the majority of the outstanding shares of SMR Group through the issuance of new shares to the shareholders of SMR Group.

Samvardhana Motherson Global Holdings Limited, Cyprus, the direct parent company of Samvardhana Motherson Automotive Systems Group B.V (SMRP) (earlier known as Samvardhana Motherson B.V.) holds 69% of the voting shares of the Group.

Samvardhana Motherson Polymers Limited, India holds 31% of the voting shares of SMRP BV.

Samvardhana Motherson Global Holdings Limited and Samvardhana Motherson Polymers Limited both are indirectly held by 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 Group.

SMIL is owned by Mr. V.C. Sehgal and family. SMIL holds an equity interest (36.12%) in MSSL.

As a result, MSSL and SMIL and its direct and indirect held subsidiaries, except for the companies forming the subgroup of Samvardhana Motherson Automotive Systems Group B.V are considered as related parties.

Key Management Personnel

Key management includes directors (executive and non-executive), members of the Supervisory Board. No compensation or any other benefits are paid or payable to any of the key management personnel.

All amounts in Euro'000, unless otherwise stated

Details of related party transactions

	Period ended September 30, 2015					
	Substantial shareholders	Entities in which V.C. Sehgal and family holds significant influence	Fellow Subsidiaries	Joint venture	Entities in which Key management personnel hold significant influence	Total
Sales	401	7	513	1,588	-	2,509
Purchases	15,683	636	24,785	23,403	1,607	66,114
Interest and similar income	43	-	-	-	-	43
Miscellaneous expenses	105	1,770	1,323	26	-	3,224
Purchase of assets	122	263	94	-	-	479
Miscellaneous income	482	9	606	-	65	1,162

Details of related party balances

	As at September 30, 2015					
	Substantial shareholders	Entities in which V.C. Sehgal and family holds significant influence	Fellow Subsidiaries	Joint venture	Entities in which Key management personnel hold significant influence	Total
Other receivables	42	1,162	4,388	251	-	5,843
Trade receivables	117	33	71	1	-	222
Other payables	4,135	1,433	6,969	3,224	-	15,761

A.6.9 Risk management with respect to financial risks-

The Group in its capacity as an internationally active supplier for the automobile industry is exposed to various risks with each of its business segments and products. The global presence and decentralised management structure with the main activities in the plants make an organised risk management system necessary. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks.

The successful management of opportunities and risks is part of operating a business and is the primary task of all management personnel. During the regular management meetings at all management levels, opportunities, risks and optimisation measures are subjected to systematic treatment. Rapid, open and unhindered communication between all levels of management on the risks and imminent exceptional situations ensure that potential risks can be identified at an early stage and their effects can be limited. Risk awareness and the integration of risk management into management personnel's on-going duties at an organisational level enable the Group to identify risks immediately and to eliminate them or to minimise their effects on the net asset, financial and income position.

A detailed examination has revealed that the risks detailed below are manageable for the SMRPBV Group.
The Group is exposed in particular to credit risks with regard to trade receivables, liquidity risks and market risks from changes in interest rates and exchange rates. The Group counters customer default risks by monitoring customers continuously and carrying out regular credit checks. Liquidity is secured by means of medium-term loans, pre-emptive liquidity planning and daily liquidity reporting. Interest and currency risks are monitored on a monthly basis centrally by the finance department and the Group's Board of Management.

The Group has developed guidelines on risk controlling and the use of financial instruments. These guidelines contain a clear allocation of duties. Risks are controlled and monitored by means of operational and financial measures.
The risks listed below are not so material that they would result in extraordinary concentrations of risk.

Credit risk

Credit risk is the risk of economic loss caused by a counterparty not fulfilling his contractual obligations with respect to repayment or the servicing of liabilities. The maximum amount of the credit risk is equal to the carrying amounts of the receivables. The Group has developed guidelines for the management of credit risk from trade receivables. The Group's primary customers are major European automobile manufacturers (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default. Suppliers are also regularly subjected to monitoring and credit assessments. If critical changes arise, alternative suppliers are sought.
The Group has deposited liquid funds at various banking institutions. Primary banking institutions are major international banks. In long term credit ratings these banking institutions are considered to be investment grade.

Liquidity risk

The liquidity risk encompasses any risk that the Group cannot fully meet its financial obligations. To manage the liquidity risk cash flow forecasting is performed in the operating entities of the group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and if applicable external regulatory or legal requirements – for example currency restrictions. Furthermore, in the case of an expected breach of covenants Group management evaluates early counteractions to prohibit negative impacts for the Group out of a breach of covenants.

Market risk

The Group is also exposed to market risk with respect to changes in interest rates and foreign exchange rates. These changes may affect the operating result and financial position.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations related to floating interest rates.

The Group's exposure to the risk of changes in market interest rates relates to its floating rate loans and other borrowings

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.

The Group's equity, earnings and cash flows are influenced by a wide variety of currencies due to the geographic diversity of the Group's sales and the countries in which it operates. The Euro, Korean Won and US dollar, however are the currencies in which the majority of the Group's sales are denominated. The Group also has transactional currency exposures arising from sales or purchases by operating subsidiaries in currencies other than the subsidiaries functional currencies. Most of the Group's borrowings are denominated in the functional currency of the Group entity that holds the instrument.

The Group is also exposed to movements in foreign currency exchange rates in respect of the translation of net assets and income statements of foreign subsidiaries.

The balance sheet and results of the Group can be affected by the movement in exchange rates. The long term relationship between the currencies of most of the countries where the Group operates provides a degree of natural protection; however in short-term it can be volatile.

Website: www.smrpbv.com
Email: contact@smrpbv.com

ABBREVIATIONS

€	Euro (European currency)
k€	Thousands of Euros
$	US Dollar (US currency)
£	Great British Pound (UK currency)
CNY	Chinese currency
KRW	Korean currency
MXN	Mexican currency
A$	Australian Dollar (Australian currency)
Rs.	Indian currency
THB	Thai currency
HUF	Hungarian currency
¥	Japanese Currency
BRL	Brazilian currency
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
EU	European Union

Abbreviations used for companies

SMRP BV Group	Samvardhana Motherson Automotive Systems Group B.V & subsidiaries
SMR Group	Samvardhana Motherson Reflectec Group Holdings Limited & subsidiaries
SMP Group	Samvardhana Motherson Peguform GmbH Germany, SMP Deutschland GmbH and its subsidiaries, SMP Automotive Technology Ibérica S.L. and its subsidiaries and SMP Automotive Interiors (Beijing) Co. Ltd.
SMR	Samvardhana Motherson Reflectec Group Holdings Limited
SMP Germany	SMP Deutschland GmbH, Bötzingen, Germany
SMP Ibérica	SMP Automotive Technology Ibérica S.L., Polinyà del Vallés, Spain
SMPG	Samvardhana Motherson Peguform GmbH, Gelnhausen
NSHAM	Ningbo SMR Huaxiang Automotive Mirrors Co., Ltd, China
CPAT	Changchun Peguform Automotive Plastics Technology Co., Ltd., Changchun, China
MRA	Modulos Ribera Alta S.L.U., Zaragoza/Spain
CEFA	Celulosa Fabril S.A., Zaragoza, Spain
SMPL	Samvardhana Motherson Polymers Limited
SMGHL	Samvardhana Motherson Global Holdings Ltd
MSSL	Motherson Sumi Systems Limited
SMIL	Samvardhana Motherson International Limited