

مؤسسة النداء لتدقيق الحسابات

AL NEDAA AUDITING
ACCOUNTANTS

هاتف : ٥٦٨٧٢٧٢ - ٠٦ ، فاكس : ٥٦٨١٧١٥ - ٠٦

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محاسبون قانونيون ومدققو حسابات

MSSL Mideast (FZE)

**Financial statements
For the Year Ended 31 March 2024**

MSSL Mideast (FZE)

**Financial statements
For the year ended 31 March 2024**

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Independent auditors' report

To the shareholders of MSSL Mideast (FZE)

Report on the Financial Statements

We have audited the accompanying financial statements of MSSL Mideast (FZE) ("the Company") which comprise the balance sheet as of 31 March 2024 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Samir Zaki Amin Ahmed Zaki Amin

Registration no, 440

August 03-2024



MSSL Mideast (FZE)
Balance sheet as at 31 March 2024

| | Notes | March 31, 2024 Euros | March 31, 2023 Euros |
|--|-------|---------------------------|---------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 1,140,560 | 1,238,346 |
| Right-of-use Assets (Recog. under IFRS 16) | 5 | 50,229 | 64,833 |
| Investments | 6 | 32,205,526 | 57,165,526 |
| | | <u>33,396,315</u> | <u>58,468,705</u> |
| Current assets | | | |
| Inventories | 7 | 15,669,211 | 19,172,593 |
| Trade & Other Receivables | 8 | 278,869,441 | 258,210,911 |
| Cash and cash equivalents | 9 | 9,498,017 | 4,102,329 |
| | | <u>304,036,669</u> | <u>281,485,833</u> |
| Total assets | | <u>337,432,984</u> | <u>339,954,538</u> |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves | | | |
| Share capital | 11 | 94,216,875 | 94,216,875 |
| General reserve | 12 | 2,356,050 | 1,967,633 |
| Other Reserves & Surplus | | 133,416,770 | 144,921,019 |
| | | <u>229,989,695</u> | <u>241,105,527</u> |
| Non-current liabilities | | | |
| Retirement benefit obligations | 13 | 396,385 | 370,024 |
| Lease Liabilities | 15 | 41,948 | 59,372 |
| | | <u>438,333</u> | <u>429,396</u> |
| Current liabilities | | | |
| Borrowings | 14 | 96,878,150 | 86,850,460 |
| Trade and other payables | 16 | 10,109,128 | 11,553,454 |
| Lease Liabilities | 15 | 17,678 | 15,701 |
| | | <u>107,004,956</u> | <u>98,419,615</u> |
| Total equity and liabilities | | <u>337,432,984</u> | <u>339,954,538</u> |

These financial statements were approved on August 03, 2024 and were signed by:

Place: Sharjah



For and on behalf of the Board

Atul Kumar Agarwal
(Director & Manager)



Notes on pages 7 to 21 are an integral part of these financial statements

MSSL Mideast (FZE)

Statement of income for the Year ended 31 March 2024

| | Notes | Year ended March 31, 2024 Euros | Year ended March 31, 2023 Euros |
|-------------------------------------|-------|---------------------------------------|---------------------------------------|
| Continuing Operations | | | |
| Sales | | 54,268,588 | 55,379,919 |
| Cost of Sales | 17 | (41,148,409) | (43,409,260) |
| Gross profit | | <u>13,120,179</u> | <u>11,970,659</u> |
| Selling and distribution costs | 18 | (5,382,024) | (6,763,892) |
| General and administration expenses | 19 | (1,178,379) | (1,100,347) |
| Other income | 20 | 797,326 | 61,413 |
| Operating profit | | <u>7,357,102</u> | <u>4,167,833</u> |
| Loss on sale of investment | | (7,860,000) | - |
| Finance Income | 22 | 7,063,368 | 4,406,644 |
| Finance Costs | 22 | (2,676,302) | (1,931,875) |
| Finance Costs- (Net) | | <u>4,387,066</u> | <u>2,474,769</u> |
| Profit for the year | | <u><u>3,884,168</u></u> | <u><u>6,642,602</u></u> |

These financial statements were approved on August 03,2024 and were signed by:

Place: Sharjah



For and on behalf of the Board

Atul Kumar Agarwal
(Director & Manager)



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MSSL Mideast (FZE)

Notes on pages 7 to 21 are an integral part of these financial statements

Statement of changes in equity for the year ended 31 March 2024

| | Share Capital Euros | General Reserve Euros | Security Premium Euro | Retained Earnings Euros | Total Euros |
|--|---------------------------|-----------------------------|-----------------------------|-------------------------------|---------------------------|
| At 1 April 2022 | 94,216,875 | 1,303,373 | 130,000,000 | 25,942,676 | 251,462,924 |
| Profit/(Loss) for the period | - | - | - | 6,642,602 | 6,642,602 |
| Amount transferred to General Reserve | - | 664,260 | - | (664,260) | - |
| Dividend | - | - | - | (17,000,000) | (17,000,000) |
| At 31 March 2023 | <u>94,216,875</u> | <u>1,967,633</u> | <u>130,000,000</u> | <u>14,921,018</u> | <u>241,105,526</u> |
| At 1 April 2023 | 94,216,875 | 1,967,633 | 130,000,000 | 14,921,018 | 241,105,526 |
| Profit/(Loss) for the period | - | - | - | 3,884,168 | 3,884,168 |
| Amount transferred to General Reserve | - | 388,417 | - | (388,417) | - |
| Dividend | - | - | - | (15,000,000) | (15,000,000) |
| At 31 March 2024 | <u>94,216,875</u> | <u>2,356,050</u> | <u>130,000,000</u> | <u>3,416,769</u> | <u>229,989,694</u> |



MSSL Mideast (FZE)

Notes on pages 7 to 21 are an integral part of these financial statements

Statement of cash flows for the year ended 31 March 2024

| | Notes | Year ended March 31, 2024 Euros | Year ended March 31, 2023 Euros |
|---|-------|---------------------------------------|---------------------------------------|
| <u>Operating activities</u> | | | |
| Profit for the year | | 3,884,168 | 6,642,602 |
| Adjustments for: | | | |
| Depreciation | | 432,453 | 352,406 |
| Depreciation (Right-to-use assets – IFRS 16) | | 14,604 | 15,174 |
| Provision for employees' end of service Benefits | | 181,201 | 193,053 |
| Dividend Income | | (777,923) | (248) |
| Interest expense | 22 | 2,637,161 | 1,880,409 |
| Interest Income | 22 | (7,063,368) | (4,406,644) |
| Profit on sales of fixed assets | | (19403) | (61,165) |
| Loss on sale of Investment | | 7,860,000 | - |
| Unrealised Foreign exchange Loss | | 87,470 | 54,310 |
| Operating profit before working capital changes and payment of employees' end of service benefits | | <u>7,236,363</u> | <u>4,669,897</u> |
| Payment of employees' end of service Benefits | 13 | (154,840) | (139,262) |
| <u>Changes in working Capital:</u> | | | |
| Inventories | | 3,503,382 | (3,706,598) |
| Trade Receivable | | 435,895 | (437,885) |
| Other receivables and prepayments | | (16,989,429) | (441,202) |
| Due from related parties and parent | | 2,403,019 | (333,897) |
| Trade and other payables | | (2,024,997) | 64,546 |
| Due to related parties and parent | | 506,404 | 1,362,827 |
| Net cash (used in)/generated from operating activities | | <u>(5,084,205)</u> | <u>1,038,426</u> |
| <u>Investing activities</u> | | | |
| Proceeds from Sales of Plant & Machinery. | | 19,404 | 61,165 |
| Sale on Investment | | 17,100,000 | - |
| Loan to Subsidiary/Other Related Parties | | (19,594,478) | (22,965,000) |
| Dividend Income | | 777,923 | 248 |
| Repayment of Loan from Subsidiary/Other Related Parties | | 18,300,000 | 45,110,213 |
| Interest Received | | 1,836,864 | 965,582 |
| Net cash generated from Investing Activities | | <u>18,105,049</u> | <u>22,407,092</u> |

Notes on pages 7 to 21 are an integral part of these financial statements



MSSL Mideast (FZE)

Statement of Cash flows for the year ended 31 March 2024 (continued)

| | Year ended March 31, 2024 Euros | Year ended March 31, 2023 Euros |
|--|---------------------------------------|---------------------------------------|
| <u>Financing activities</u> | | |
| Dividend paid | (15,000,000) | (17,000,000) |
| Interest Paid – Subsidiary & related parties | (2,637,161) | (1,880,409) |
| Net cash provided by financing Activities | (7,625,158) | (22,256,420) |
| Net increase in cash and cash Equivalents | 5,395,688 | 1,189,098 |
| Cash and cash equivalents, beginning of the Year | 4,102,329 | 2,913,231 |
| Cash and cash equivalents, end of the year | 9 | 9,498,017 |
| Cash at bank and Cash in hand | 9,498,017 | 4,102,329 |

Notes on pages 7 to 21 are an integral part of these financial statements



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MSSL Mideast (FZE)

Notes to the financial statements for the year ended 31 March 2024

1. General Information

MSSL Mideast FZE ("the Company") was registered as a Free Zone Establishment (FZE) with limited liability in the Sharjah Airport International Free Zone (SAIF Zone) on 27 March 2002. The registered address of the company is P O Box 8510, Sharjah, UAE. Trade License No. is 01262.

The Company is engaged in the manufacture, processing assembly, trade and sale of wiring harness, components and tools. The Company is a wholly owned subsidiary of Samvardhana Motherson International Ltd. (formerly Motherson Sumi Systems Limited) ("the Holding Company"), which is incorporated in India.

The Company owns share capital of:

a) MSSL GB Limited (11.2% share capital owned by MSSL Mideast FZE), a company incorporated in U.K. as a private limited company

MSSL GB has following subsidiaries: -

- 1) Motherson Groups Investments USA Inc. (USA)- MSSL GB holds 100% shareholding.
- 2) Alphabet de Mexico, S.A. de C.V. (Mexico)-MSSL GB holds 100% shareholding.
- 3) Alphabet de Mexico de Monclova, S.A. de C.V. (Mexico)-MSSL GB holds 100% shareholding.
- 4) Alphabet de Saltillo, S.A. de C.V. (Mexico)- MSSL GB holds 100% shareholding.
- 5) MSSL Ireland Pvt. Ltd (Ireland)-MSSL GB holds 100% shareholding
- 6) MSSL s.r.l Unipersonale (Italy)-MSSL GB holds 100% shareholding
- 7) MSSL Wirings Juarez, S.A. de C.V. (Mexico)-MSSL GB hold 100% shareholding.

b) MSSL Tooling (FZE)- MSSL Mideast FZE holds 100% shareholding.

c) Motherson Wiring System (FZE)- MSSL Mideast FZE holds 100% shareholding.

d) Motherson Air Travel Pvt. Ltd. MSSL Mideast FZE holds 100% shareholding.

e) Samvardhana Motherson Electric Vehicle LLC UAE-MSSL Mideast FZE holds 99% shareholding.

f) Yachiyo India Manufacturing Private Limited (India)- -MSSL Mideast FZE holds 100%—6 shares shareholding.

2. Accounting policies

These financial statements are the separate financial statements of MSSL Mideast (FZE) and have been prepared for filing with the regulatory authority by the parent company. The significant accounting policies adopted by the company in the preparation of these financial statements are as follows:



MSSL Mideast (FZE)

2.1 Basis of preparation

The financial statements of MSSL MIDEAST (FZE) have been prepared in accordance with and comply with International Financial Reporting Standards ('IFRS') and IFRIC interpretations. The financial statements have been prepared under the historical cost convention.

Notes to the financial statements for the year ended 31 March 2024(Continued)

The accompanying financial statements have been presented on the basis that the Company will continue as a going concern.

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates. It also requires the management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed under the relevant accounting policies.

2.01 Investment in Subsidiaries

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

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

Where an indication of impairments exists, the recoverable amount of the investment is assessed. Where the recoverable amount of an investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in the income

Details of the Company's subsidiaries are given in Note 6

2.02 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.03 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight line method at rates calculated to reduce the cost of assets to their estimated residual values over their expected useful lives as follows:



MSSL Mideast (FZE)

| | |
|-----------------------------------|-------------|
| Building | 10 years |
| Plant and machinery | 4 -10 years |
| Furniture, fixtures and equipment | 3 - 6 years |
| Motor vehicles | 4 years |

Notes to the financial statements for the year ended 31 March 2024(Continued)

Repairs and renewals are charged to the income statement when the expenditure is incurred.

Assets in the course of construction are carried at cost as capital work-in-progress, and are transferred to building, property, plant and equipment completed or when commissioned as the case may be. No depreciation is charged on such assets until completed or commissioned.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

2.04 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average method. Cost of raw materials represents the landed cost including all attributable import expenses. Cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and an appropriate proportion of production Overheads. It excludes borrowing cost. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.05 Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement within 'selling and distribution costs.

2.06 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and current accounts with banks. The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less on the date of purchase, to be cash equivalents.

2.07 Financial Assets

Loans and receivables are non- derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the balance sheet.



MSSL Mideast (FZE)

2.08 Share Capital

Ordinary shares are classified as equity. Share capital is translated at the historical rate.

Notes to the financial statements for the year ended 31 March 2024(Continued)

2.09 Trade Payables

Trade Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction and the redemption value) is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.11 Provision for Staff Benefits

A provision is made for the estimated liability for employees' entitlement to annual leave as a result of services rendered by the employees up to the balance sheet date. Provision is made for the full amount of the end of service benefits due to employees in accordance with the UAE

Labour Law for their periods of service up to the balance sheet date. The provision relating to annual leave is disclosed as a current liability, while that relating to end of service benefits is disclosed as a non-current liability.

2.12 Revenue Recognition

(i) Sale of Goods

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services net of rebate and discounts. The sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer.

(ii) Interest Income

Interest Income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

3. Financial Risk Management

3.1 FINANCIAL RISK MANAGEMENT



MSSL Mideast (FZE)

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

Risk management is carried out by Central treasury department under policies approved by the Board of directors.

Notes to the financial statements for the year ended 31 March 2024(Continued)

Market Risk

The Company specializes into manufacturing of wiring harness. The Company's revenues are generated through sales in Europe and hence its revenue is dependent upon the growth in their businesses. The Company is part of Motherson Group which is increasing its global presence.

(i) Currency Risk

The Company operates internationally and is exposed to foreign exchange risk primarily with respect to Euro, United State Dollar, Indian Rupee, Sterling Pound and UAE Dirham. Currency risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. As a result, it is subject to foreign currency exchange risk arising from exchange rate movements which will affect the Company's translation of the results and underlying net assets of its foreign subsidiaries.

The Company has loans and advances denominated in Euro and USD to which it is exposed to foreign currency exchange risk. There were no hedging transactions in place as at 31 March, 2024.

During the year, the Company has not hedged the foreign currency exposure.

(ii) Price Risk

The Company's customers as well as the company face competition from low cost countries in view of recent trend of shifting of manufacturing base to such countries. The Company has manufacturing facilities in Sharjah and hence offers good solutions to the customers.

(iii) Concentration of Revenue and Credit Risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers, including outstanding trade and other receivables. For banks and financial institutions, the Company maintains banking relationships with only creditworthy banks which it reviews on an on-going basis. Consequently, the credit risk on the bank balances is not considered material.

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily invoiced in Euros.

The approximate fair value of fixed interest rate borrowing is in line with the borrowing rate for the group.

(iv) Liquidity risk



MSSL Mideast (FZE)

The Company has a positive net working capital position as on 31 March, 2024 and faces no liquidity risk.

(v) Other Risk

The wiring harness business of the Company is highly dependent upon availability of skilled people and hence the Company has challenge to key engineering manpower. Since the Company is a subsidiary of Samvardhana Motherson International Limited, it can draw resources from the group companies for any urgent needs.

Notes to the financial statements for the year ended 31 March 2024(Continued)

3.2 CAPITAL RISK MANAGEMENT

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

CORPORATE INCOME TAX

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to a 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to have been substantively enacted for the purposes of accounting for Income Taxes.

Subsequently, the UAE CT Law has been supplemented by a number of Decisions of the Cabinet of Ministers of the UAE (Decisions). Such Decisions and other interpretive guidance of the UAE Federal Tax Authority provide important details relating to the interpretation of the UAE CT Law and are required to fully evaluate the impact of the UAE CT Law on the Establishment.

The Establishment should be subject to the provisions of the UAE CT Law with effect from 1 April, 2024, and current taxes shall be accounted for as appropriate in the financial statements for the financial year beginning 1 April 2024.

Based on the current provisions of the UAE CT Law (including interpretation based on the Ministerial decisions and related guidance) and in accordance with IAS 12 Income Taxes, no potential deferred tax assets or liabilities have been identified as at the reporting date.



MSSL Mideast (FZE)

Notes to the financial statements for the year ended 31 March 2024(Continued)

4. Property, plant and equipment

| | Building | Plant and Machinery | Furniture, Fixtures and equipment | Vehicles | Total |
|---|--------------------|--------------------------------|--|------------------|--------------------|
| | Euro | Euro | Euro | Euro | Euro |
| Year ended March 31, 2023 | | | | | |
| Opening net book amount | 3,045 | 376,288 | 67,419 | 378,884 | 825,636 |
| Additions | - | 334,586 | 146,184 | 319,289 | 800,059 |
| Sale/Adjustment (Net of Acc. Dep.) | | (28,576) | (255) | (6,111) | (34,942) |
| Depreciation charge | (458) | (166,377) | (31,229) | (154,342) | (352,406) |
| Closing net book amount | <u>2,587</u> | <u>515,921</u> | <u>182,119</u> | <u>537,720</u> | <u>1,238,347</u> |
| At March 31, 2023 | | | | | |
| Cost | 1,125,205 | 3,291,338 | 541,233 | 952,177 | 5,909,953 |
| Accumulated depreciation / Impairment | <u>(1,122,618)</u> | <u>(2,775,417)</u> | <u>(359,114)</u> | <u>(414,457)</u> | <u>(4,671,606)</u> |
| Net book amount | <u>2,587</u> | <u>515,921</u> | <u>182,119</u> | <u>537,720</u> | <u>1,238,347</u> |
| Year ended March 31, 2024 | | | | | |
| Opening net book amount | 2,587 | 515,667 | 182,374 | 537,720 | 1,238,347 |
| Additions | - | 197,322 | 64,931 | 72,413 | 334,666 |
| Depreciation charge | (456) | (157,658) | (72,262) | (202,077) | (432,453) |
| Closing net book amount | <u>2,131</u> | <u>555,331</u> | <u>175,043</u> | <u>408,056</u> | <u>1,140,560</u> |
| | Building | Plant and Machinery | Furniture, Fixtures and | Vehicles | Total |



MSSL Mideast (FZE)

| | equipment | | | | |
|---|--------------------|--------------------|------------------|------------------|--------------------|
| At March 31, 2024 | Euro | Euro | Euro | Euro | Euro |
| Cost | 1,125,205 | 3,367,660 | 606,165 | 1,024,590 | 6,123,619 |
| Accumulated depreciation / Impairment | <u>(1,123,074)</u> | <u>(2,812,329)</u> | <u>(431,122)</u> | <u>(616,534)</u> | <u>(4,983,058)</u> |
| Net book amount | <u>2,131</u> | <u>555,331</u> | <u>175,043</u> | <u>408,056</u> | <u>1,140,560</u> |

Notes to the financial statements for the year ended 31 March 2024(Continued)

5. Right-to-use Assets (IFRS 16)

| | Land (Euro) | Total (Euro) |
|---|---------------|---------------|
| Amount as on 1 st April 2022 | 80,007 | 80,007 |
| Depreciation charge | (15,174) | (15,174) |
| | <u>64,833</u> | <u>64,833</u> |
| Closing net book amount as on 31 st March 2023 | 64,833 | 64,833 |
| Amount as on 1 st April 2023 | 64,833 | 64,833 |
| Depreciation charge | (14,604) | (14,604) |
| | <u>50,229</u> | <u>50,229</u> |
| Closing net book amount as on 31 st March 2024 | 50,229 | 50,229 |

6. Investments

| | As at 31 March 2024 Euros | As at 31 March 2023 Euros |
|---|---------------------------------|---------------------------------|
| Investment in Subsidiaries (Unquoted at cost) | | |
| a) MSSL GmbH 250,000 shares of Euro 1 each (Previous year 250,000 shares of Euro 1 each), Euro 24,710,000 as Capital Reserve | - | 24,960,000 |
| b) MSSL GB Ltd 25,627,500 shares of GBP 1 each (Previous year 25,627,500 shares of GBP 1 each) | 32,138,922 | 32,138,922 |
| c) MSSL Tooling (FZE) 1,500 shares of AED 100 each (Previous year 1,500 Shares of AED 100 each) | 32,504 | 32,504 |
| d) Motherson Wiring System (FZE) 1 share of AED 150,000 each (Previous year 1 share of AED 150,000 each) | 32,100 | 32,100 |



MSSL Mideast (FZE)

| | | |
|--|-------------------|-------------------|
| e) Motherson Air Travel Pvt. Ltd. 1 share of Euro 2,000 (Previous year 1 share of Euro 2,000) | 2,000 | 2,000 |
| f) Yachiyo India Manufacturing Private Ltd 1 share of INR 10/- each. | 0 | - |
| | <u>32,205,526</u> | <u>57,165,526</u> |

During the current year, the company has sold its investment in MSSL GMBH to its parent company and booked a loss on sale on investment for €7,860,000

Notes to the financial statements for the year ended 31 March 2024(Continued)

7. Inventories

| | As at 31 March 2024 Euros | As at 31 March 2023 Euros |
|------------------|---------------------------------|---------------------------------|
| Raw materials | 10,308,254 | 11,607,906 |
| Work in progress | 1,020,784 | 1,508,588 |
| Finished goods | 926,113 | 1,563,992 |
| Goods in Transit | 3,414,060 | 4,492,107 |
| | <u>15,669,211</u> | <u>19,172,593</u> |

8. Trade & Other Receivables

| | As at 31 March 2024 Euros | As at 31 March 2023 Euros |
|--|---------------------------------|---------------------------------|
| Trade Receivables | | |
| - From related parties (refer Note 10) | 1,352,100 | 3,755,119 |
| - Others | 3,625,069 | 3,992,229 |
| Loan to Related Parties (refer Note 10) | 242,162,670 | 240,859,093 |
| Interest Receivable -Related Parties (refer Note 10) | 13,508,339 | 8,281,835 |
| Prepayments | 43,372 | 23,488 |
| Other Receivables | 18,177,891 | 1,299,147 |
| | <u>278,869,441</u> | <u>258,210,911</u> |

9. Cash and Cash equivalents.



| | |
|------------------------|------------------------|
| As at 31 March 2024 | As at 31 March 2023 |
|------------------------|------------------------|

MSSL Mideast (FZE)

| | | |
|--------------------|------------------|------------------|
| | Euros | Euros |
| Cash in hand | 18,257 | 26,099 |
| Balance with Banks | 9,479,760 | 4,076,230 |
| | <u>9,498,017</u> | <u>4,102,329</u> |

Notes to the financial statements for the year ended 31 March 2024(Continued)

10. Related party transactions and balances

Related parties comprise the shareholders and their subsidiaries and associates. During the year, the company entered into the following significant transactions with related parties at agreed

(Amount in Euro)

| Transactions | Parent | | Subsidiary | | Related Parties | |
|-------------------------------|--------------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 |
| Sales | 450,187 | 976,727 | 38,545 | 59,837 | 14,523,600 | 20,294,598 |
| Interest Income | | | 1,531,702 | 1,468,489 | 5,531,666 | 2,958,175 |
| Income from Sale Fixed assets | 19,403 | - | - | - | - | - |
| Dividend Income | - | - | - | - | 777,923 | 248 |
| Purchase of goods & Material | 714,981 | 1,442,052 | 6,577 | 52,817 | 5,351,355 | 7,448,023 |
| Purchase of services & others | 329,097 | 298,994 | - | 55,881 | 1,673,712 | 1,754,889 |



MSSL Mideast (FZE)

| | | | | | | |
|---------------------|---|---|-----------|------------|------------|------------|
| Interest Expenses | - | - | 521,398 | 150,625 | 2,115,763 | 1,730,060 |
| Loans received back | - | - | - | 24,958,284 | 18,300,000 | 20,151,929 |
| Loans Advanced | - | - | 8,494,474 | 4,965,000 | 11,100,000 | 18,000,000 |
| Loans taken | - | - | 7,000,000 | 1,500,000 | 9,700,000 | 2,000,000 |
| Loans repaid | - | - | - | - | 6,700,000 | 7,000,000 |

Notes to the financial statements for the year ended 31 March 2024(Continued)

| | Parent | | Subsidiary | | Related Parties | |
|---------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 |
| Balances | | | | | | |
| Loan Receivable | - | - | 37,012,412 | 66,211,022 | 205,150,258 | 174,648,071 |
| Interest Receivable | - | - | 3,197,897 | 2,477,375 | 10,310,442 | 5,804,460 |
| Trade Receivables | 77,710 | 461,465 | 45,182 | 713,538 | 1,229,208 | 2,580,115 |
| Loan Payables | - | - | 26,378,150 | 19,350,460 | 70,500,000 | 67,500,000 |
| Interest Payables | - | - | 890,939 | 368,781 | 3,316,134 | 1,521,804 |
| Trade Payable | 168,398 | 195,617 | 580 | 1,060,170 | 1,442,378 | 2,166,077 |

11. Share capital

Share capital comprises 1 share of AED 150,000 (equivalent to Euro 46,875) and Share Capital comprises 94,170,000 shares of Euro 1 each.

12. General reserve

In accordance with the Memorandum and Articles of Association of the company, 10% of the profit for the period is to be transferred to a general reserve until such time as the balance in the reserve equals 50% of the equity share capital.



MSSL Mideast (FZE)

13. Retirement benefit obligations

| | As at 31 March 2024 Euros | As at 31 March 2023 Euros |
|--|---------------------------------|---------------------------------|
| Provision for employees' end of service benefits | | |
| At 1 April 2023 | 370,024 | 316,233 |
| Charge for the year | 181,201 | 193,053 |
| Payments during the year | (154,840) | (139,262) |
| | <u>396,385</u> | <u>370,024</u> |
| At the end of the year | | |

Notes to the financial statements for the year ended 31 March 2024(Continued)

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its obligations as at 31 March 2024, in respect of employees' end of service benefits payable under the UAE Labour Law. The level of future salary increments is not expected to exceed the assumed discount rate of 6% per annum. The present value of the company's obligations as at 31 March 2024, based on these assumptions, is not materially different from the provision computed in accordance with the UAE Labour Law.

14. Borrowings

| | As at 31 March 2024 Euros | As at 31 March 2023 Euros |
|---|---------------------------------|---------------------------------|
| Short term borrowings- Related parties (Refer Note 10) | 70,500,000 | 67,500,000 |
| Short term borrowings - Subsidiaries | 26,378,150 | 19,350,460 |
| | <u>96,878,150</u> | <u>86,850,460</u> |

15. Lease Obligation

| | As at 31 March 2024 Euros | As at 31 March 2023 Euros |
|--|---------------------------------|---------------------------------|
| Finance Lease Non-Current (Recog. under IFRS 16) | 17,678 | 59,372 |
| Finance Lease - Current (Recog. under IFRS 16) | 41,948 | 15,701 |
| | <u>59,626</u> | <u>75,073</u> |



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16. Trade and Other payables

| | As at 31 March 2024 Euros | As at 31 March 2023 Euros |
|---|---------------------------------|---------------------------------|
| Trade payables | | |
| -Related parties (Refer Note 10) | 1,611,356 | 3,421,864 |
| - Others | 1,833,410 | 2,924,874 |
| Accrued Expenses | 2,325,174 | 3,246,385 |
| Interest Payable to Related Parties (Refer Note 10) | 4,207,073 | 1,890,161 |
| Other liability | 132,115 | 70,170 |
| | <u>10,109,128</u> | <u>11,553,454</u> |

Notes to the financial statements for the year ended 31 March 2024(Continued)

17. Cost of Sales

| | For the year ended 31 March 2024 Euros | For the year ended 31 March 2023 Euros |
|--|--|--|
| Raw materials consumed | 29,642,705 | 33,501,929 |
| Changes in work-in-progress and finished goods | 1,543,347 | (742,587) |
| Employee Benefit Expense (Refer Note 21) | 7,113,866 | 7,547,042 |
| Depreciation | 172,717 | 218,839 |
| Electricity and water | 247,955 | 292,880 |
| Rent | 820,697 | 840,183 |
| Tools and stores consumed | 486,670 | 580,493 |
| Legal and Professional cost | 18,905 | 16,068 |
| Repair and Maintenance | 334,031 | 367,242 |
| Travelling | 212,032 | 295,211 |
| Insurance | 125,682 | 109,993 |
| | <u>41,148,409</u> | <u>43,409,260</u> |

18. Selling and distribution costs

| | For the year ended 31 March 2024 Euros | For the year ended 31 March 2023 Euros |
|--|--|--|
| Employee Benefit Expense (Refer Note 21) | 537,234 | 543,759 |
| Freight and transportation | 3,548,639 | 4,639,216 |
| Professional services | 1,226,017 | 1,493,951 |
| Travelling | 41,865 | 51,142 |
| | <u>5,382,024</u> | <u>6,763,892</u> |

19. General and administration expenses



MSSL Mideast (FZE)

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| | Euros | Euros |
| Employee Benefit Expense (Refer Note 21) | 9,952 | 7,167 |
| Depreciation | 274,337 | 148,741 |
| Electricity & water | 43,757 | 51,685 |
| Repairs and maintenance | 97,768 | 112,799 |
| Insurance | 22,179 | 19,410 |
| Travelling & Conveyance | 483 | 4,034 |
| Legal & Professional expenses | 801,013 | 432,694 |
| Net foreign exchange transaction losses / (gain) | (106,880) | 213,449 |
| Other Expenses | 35,770 | 110,368 |
| | <u>1,178,379</u> | <u>1,100,347</u> |

Notes to the financial statements for the year ended 31 March 2024(Continued)

20. Other Income

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---------------------------------|-------------------------------------|-------------------------------------|
| | Euros | Euros |
| Dividend Income | 777,923 | 248 |
| Profit/(Loss) on sale of Assets | 19,403 | 61,165 |
| | <u>797,326</u> | <u>61,413</u> |

21. Employee Benefit Expense

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| | Euros | Euros |
| Salaries and wages | 5,778,342 | 6,138,993 |
| Retirement benefit obligations (Refer Note 13) | 181,201 | 193,053 |
| Other staff benefits | 240,050 | 244,976 |
| Staff Welfare | 1,461,454 | 1,520,949 |
| | <u>7,661,051</u> | <u>8,097,971</u> |

Number of employees at 31 March for the Company

732

927

22. Finance Costs

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| | Euros | Euros |
| Borrowing Costs Related Parties (Refer Note 10) | 2,637,161 | 1,880,409 |
| Interest cost on Finance lease (IFRS 16) | 7,446 | 9,491 |



MSSL Mideast (FZE)

| | | |
|---|---------------------------|---------------------------|
| Bank Charges | 31,695 | 41,975 |
| Total Finance Costs | <u>2,676,302</u> | <u>1,931,875</u> |
| Less: Finance Income | | |
| Interest income on loan -Related parties (Refer Note 10) | (7,063,368) | (4,406,644) |
| Total Finance Income | <u>(7,063,368)</u> | <u>(4,406,644)</u> |
| Net Finance Costs | <u>(4,387,066)</u> | <u>(2,474,769)</u> |

Notes to the financial statements for the year ended 31 March 2024(Continued)

23. Fair value

The fair value of the company's financial assets and liabilities at 31 March 2024 approximated their net book amounts as reflected in these financial statements

24. Adoption of Accounts

August 03,2024



مؤسسة النداء لتدقيق الحسابات

AL NEDAA AUDITING
ACCOUNTANTS

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