Samvardhana Motherson Global Holdings Limited

Report and financial statements
31 March 2024

Contents

Samvardhana Motherson Global Holdings Limited

Board of Directors and other officers

Board of Directors

Vivek Chaand Sehgal
Militsa Symeou
Charita Kyriakou
Maria Marcou
Andreas Heuser
Despina Kaisi (appointed 2 August 2023)
Maria Thrasyvoulou (resigned 2 August 2023)
Gautam Mukherjee (resigned 1 April 2024)

Company Secretary

Cypcosecretarial Limited
4 Pindou street
Engomi
CY-2409, Nicosia
Cyprus

Registered office

3 Themistocles Dervis Street
Julia House
CY-1066, Nicosia
Cyprus

Registration Number

HE242280

Samvardhana Motherson Global Holdings Limited

Management Report

1 The Board of Directors presents its report together with the audited financial statements of the Company for the year ended 31 March 2024.

Principal activities and nature of operations of the Company

2 The principal activity of the Company, which is unchanged from last year, is the holding of investments.

Changes in group structure

3 During the year there were no changes in the structure of the Company. The Company does not intend to proceed with any acquisitions or mergers.

Review of developments, position and performance of the Company's business

4 The Company's financial results and position as at 31 March 2024 are presented on pages 8 and 9 of the financial statements, respectively. The net loss of the Company for the year ended 31 March 2024 was €313.842 (2023: net profit of €95.879). On 31 March 2024 the total assets of the Company were €900.435.891 (2023: €1.157.841.881), the net assets were €890.437.233 (2023: €890.751.075) and the net current liabilities were €4.202.354 (2023: net current assets €1.306.678).

Principal risks and uncertainties

5 The principal risks and uncertainties faced by the Company are disclosed in Note 6 of the financial statements.

Use of financial instruments by the Company

6 The Company's activities expose it to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk and liquidity risk.

7 The Company does not have a formal risk management policy programme. Instead the susceptibility of the Company to financial risks such as foreign exchange risk, interest rate risk, credit risk and liquidity risk is monitored as part of its daily management of the business.

Management Report (continued)

Future developments of the Company

8 The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Company in the foreseeable future.

Results

9 The Company's results for the year are set out on page 8. The loss for the year is carried forward.

Share capital

10 There were no changes in the share capital of the Company.

Board of Directors

11 The members of the Board of Directors at 31 March 2024 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year, except Ms. Despina Kaisi who was appointed on 2 August 2023 and Ms Maria Thrasyvoulou who resigned on the same date.

12 There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Events after the balance sheet date

13 Except from the events disclosed in Note 22 of the financial statements, there were no other material post balance sheet events which have a bearing on the understanding of the financial statements of the Company.

Branches

14 The Company did not operate through any branches during the year.

Samvardhana Motherson Global Holdings Limited

Management Report (continued)

Independent Auditors

15 The Independent Auditors, FINCAP Advisers Ltd, were appointed in replacement of the previous auditors, Ernst & Young Cyprus Ltd, and have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board

DocuSigned by:

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Militsa Symeou
Director

Nicosia,

Independent Auditor's Report

To the Members of Samvardhana Motherson Global Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Samvardhana Motherson Global Holdings Limited (the "Company"), which are presented in pages 8 to 38 and comprise the statement of financial position as at 31 March 2024, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.

- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report. We have nothing to report in this respect.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Comparative figures

The financial statements of the Company for the year ended 31 March 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 10 August 2023.

Angelos Theodorou
Certified Public Accountant and Registered Auditor
for and on behalf of

FINCAP Advisers LTD
Certified Public Accountants and Registered Auditors

Nicosia, 27 May 2024

Samvardhana Motherson Global Holdings Limited

Statement of profit or loss and other comprehensive income for the year ended 31 March 2024

	Note	**2024** €	2023 €
Administrative expenses	9	**(104.496)**	(91.957)
Other income	8	**3.038.868**	7.158.518
Operating profit		**2.934.372**	7.066.561
Net finance costs	10	**(3.248.214)**	(6.955.347)
(Loss)/profit before income tax		**(313.842)**	111.214
Income tax expense	11	**-**	(15.335)
(Loss)/profit and total comprehensive (loss)/income for the year		**(313.842)**	95.879

The notes on pages 12 to 38 are an integral part of these financial statements.

Samvardhana Motherson Global Holdings Limited

Statement of financial position
at 31 March 2024

	Note	**2024** €	2023 €
Assets			
Non-current assets			
Investments in subsidiaries	12	**898.950.759**	898.950.759
		898.950.759	898.950.759
Current assets			
Advance tax		**33.258**	33.258
Financial assets at amortised cost	13	**-**	257.851.779
Cash and cash equivalents	14	**1.451.874**	1.006.085
		1.485.132	258.891.122
Total assets		**900.435.891**	1.157.841.881
Equity and liabilities			
Capital and reserves			
Share capital - ordinary shares	15	**2.002.380**	2.002.380
Share capital - preference shares	15	**10.000**	10.000
Share premium	15	**30.195.620**	30.195.620
Capital contribution reserve	16	**862.153.980**	862.153.980
Accumulated loss		**(3.924.747)**	(3.610.905)
Total equity		**890.437.233**	890.751.075
Non-current liabilities			
Borrowings	17	**4.311.172**	9.506.362
Current liabilities			
Payables	18	**34.332**	13.221
Current income tax liabilities		**11.974**	11.974
Borrowings	17	**5.641.180**	257.559.249
		5.687.486	257.584.444
Total liabilities		**9.998.658**	267.090.806
Total equity and liabilities		**900.435.891**	1.157.841.881

On 27 May 2024 the Board of Directors of Samvardhana Motherson Global Holdings Limited authorised these financial statements for issue.

Militsa Symeou, Director — DocuSigned by: 76EBA368E81B42F...

Maria Marcou, Director — DocuSigned by: Maria Marcou B8D9C215E2BA42E...

The notes on pages 12 to 38 are an integral part of these financial statements.

Samvardhana Motherson Global Holdings Limited

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

	Share capital - ordinary shares €	Share capital - preference shares €	Share premium(1) €	Capital contribution reserve €	Accumulated loss €	Total €
Balance at 1 April 2022	2.002.380	10.000	30.195.620	862.153.980	(3.706.784)	890.655.196
Comprehensive income						
Profit for the year	-	-	-	-	95.879	95.879
Balance at 31 March 2023/1 April 2023	2.002.380	10.000	30.195.620	862.153.980	(3.610.905)	890.751.075
Comprehensive loss						
Loss for the year	-	-	-	-	(313.842)	(313.842)
Balance at 31 March 2024	2.002.380	10.000	30.195.620	862.153.980	(3.924.747)	890.437.233

(1) Share premium is not available for distribution.

The notes on pages 12 to 38 are an integral part of these financial statements.

Samvardhana Motherson Global Holdings Limited

Statement of cash flows
for the year ended 31 March 2024

	Note	2024 €	2023 €
Cash flows from operating activities			
(Loss)/profit before income tax		**(313.842)**	111.214
Adjustments for:			
Dividend income	8	**(260)**	(520)
Interest income	8	**(3.038.608)**	(7.157.998)
Interest expense	10	**3.251.533**	6.950.324
Foreign exchange gains on investing and financing activities		**(1.366)**	(11.441)
		(102.543)	(108.421)
Changes in working capital:			
Increase/(decrease) in Payables	18	**21.111**	(2.782)
Cash used in operations		**(81.432)**	(111.203)
Income tax paid		**-**	(30.278)
Net cash used in operating activities		**(81.432)**	(141.481)
Cash flows from investing activities			
Dividends received	8	**260**	520
Net cash from investing activities		**260**	520
Cash flows from financing activities			
Proceeds from subsidiary for repayment of loan	21	**526.961**	7.290.812
Repayments of loans from related parties	21	**-**	(6.744.634)
Net cash from financing activities		**526.961**	546.178
Net increase in cash and cash equivalents		**445.789**	405.217
Cash and cash equivalents at beginning of year		**1.006.085**	600.868
Cash and cash equivalents at end of year	14	**1.451.874**	1.006.085

The principal non-cash transactions for the current and prior year are described in Note 14.

The notes on pages 12 to 38 are an integral part of these financial statements.

Notes to the financial statements

1 General information

Country of incorporation

The Company is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 3 Themistocles Dervis Street, Julia House, CY-1066 Nicosia, Cyprus.

Principal activities

The principal activity of the Company, which is unchanged from last year, is the holding of investments.

Operating environment of the Company

War between Russia and Ukraine

During 2021, the Russian economy continued to be negatively impacted by the ongoing political tension in the region and international sanctions against certain Russian companies and individuals, with the tension intensifying towards the end of 2021 as a result of further developments of the situation with Ukraine. From late February 2022 the conflict between Russia and Ukraine escalated further and the situation remains highly unstable.

In response to the conflict, a number of sanctions have been imposed on Russian entities to restrict them from having access to foreign financial markets, including removing access of several Russian banks to the international SWIFT system.

The EU, UK and US (amongst others) have also imposed sanctions against the Russian central bank, restricting the access of the Russian state to foreign currency reserves, and introduced further asset freezes against designated individuals/entities and sectoral sanctions.

The situation is still evolving and further sanctions and limitations on business activity of companies operating in the region, as well as consequences on the Russian economy in general, may arise but the full nature and possible effects of these are unknown.

Nonetheless, the Company is not significantly impacted from the conflict, as its operations are not affected by the situation however it will continue monitoring the situation and take action if required.

Israel - Gaza conflict

The Israel-Gaza conflict has escalated significantly after Hamas launched a major attack on 7 October. Companies with material subsidiaries, operations, investments, contractual arrangements or joint ventures in the War area might be significantly exposed. Entities that do not have direct exposure to Israel and Gaza Strip are likely to be affected by the overall economic uncertainty and negative impacts on the global economy and major financial markets arising from the war. This is a volatile period and situation, however, the Company is not directly exposed. Management will continue to monitor the situation closely and take appropriate actions when and if needed.

1 General information (continued)

Operating environment of the Company (continued)

The Company's management has assessed:

1) The impact on the expected credit losses of the Company's financial instruments that are subject to impairment under IFRS 9. IFRS 9 requires forward-looking information (including macro-economic information) to be considered both when assessing whether there has been a significant increase in credit risk and when measuring expected credit losses. As with any economic forecast, however, the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected. Refer to Note 6 for more information on impairment of financial assets.

2) The ability of the Company to continue as a going concern. The factors that indicate the existence of material uncertainty on the ability of the Company to continue as a going concern are disclosed in Note 2.

The future effects of the conflict in the region, the general economic conditions and the effect of the above events and measures on the Cyprus economy, and consequently on the future financial performance, cash flows and financial position of the Company, are difficult to predict and management's current expectations and estimates could differ from actual results. The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current economic environment.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

As of the date of the authorization of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 April 2023 and are relevant to the Company's operations have been adopted by the EU through the endorsement procedure established by the European Commission.

The principal accounting policies applied in the preparation of these financial statements are set out below in Note 4.

These financial statements are the separate financial statements. The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting.

2 Basis of preparation (continued)

The Company is not required by the Companies Law, Cap.113, to prepare consolidated financial statements because the ultimate parent company, Samvardhana Motherson International Limited, publishes consolidated financial statements in accordance with Generally Accepted Accounting Principles in India and the Company does not intend to issue consolidated financial statements for the year ended 31 March 2024. A copy of the consolidated financial statements of Samvardhana Motherson International Limited is available at the Company's website, www.motherson.com, or at their registered office at Unit 705, C Wing, One Bkc, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400051, Maharashtra, India.

Since the EU Accounting Directive permits the preparation of such consolidated financial statements in accordance with the Directive or in a manner equivalent to that Directive and since the Companies Law, Cap.113, provides for the aforementioned exemption, the provisions in IFRS 10 “Consolidated Financial Statements” requiring the preparation of such consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

Going concern

In assessing the Company's status as a going concern the Directors considered the current financial position of the Company as well as the events disclosed in Note 1. The Company incurred a loss of €313.842 for the year ended and had net current liabilities amounting to €4.202.354 at 31 March 2024.

The Company's shareholder has undertaken to provide the Company, if necessary, with financial and other support so as to enable the Company to conduct its operations and meet its obligations as they become due. The Directors therefore consider that the Company will continue as a going concern and that the financial statements are appropriately prepared on a going concern basis.

3 Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning 1 April 2023. This adoption did not have a material effect on the accounting policies of the Company.

4 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented in the financial statements, unless otherwise stated.

Management seeks not to reduce the understandability of these financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

Foreign currency translation

(i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro (€), which is the Company's functional and presentation 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 or valuation where items are re-measured. 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 profit or loss.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

4 Summary of material accounting policies (continued)

Current and deferred income tax (continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.

Uncertain tax positions

The Company's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions, other than interest and fines, are recorded within the income tax charge. Adjustments for uncertain income tax positions in respect of interest and fines are recorded within finance costs and other gains/(losses), net, respectively.

Financial assets

Financial assets - Classification

The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the assets. Management determines the classification of financial assets at initial recognition.

The Company classifies its financial assets at amortised cost ("AC"). Financial assets at amortised cost are held for collection of contractual cash flows and their cash flows represent solely payments of principal and interest. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. The Company's financial assets are measured at amortised cost comprise of cash and cash equivalents and financial assets at amortised cost.

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

4 Summary of material accounting policies (continued)

Financial assets (continued)

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets – impairment – credit loss allowance for expected credit losses

The Company assesses on a forward-looking basis the expected credit losses for debt instruments (including loans) measured at AC. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'net impairment losses on financial assets'.Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments measured at AC are presented in the balance sheet net of the allowance for ECL.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial instrument assessed for impairment. Refer to Note 6, Credit risk section for a description of impairment methodology applied by the Company for calculating expected credit losses for debt instruments measured at AC.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to Note 6, Credit risk section for a description of how the Company determines low credit risk financial assets.

Financial assets - Reclassification

Financial assets are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

4 Summary of material accounting policies (continued)

Financial assets (continued)

Financial assets – modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (eg profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a significant increase in credit risk ("SICR") has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI (Solely Payments of Principal and Interest) criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Classification as cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at AC because they are held for collection of contractual cash flows and those cash flows represent SPPI.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

4 Summary of material accounting policies (continued)

Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the income statement as ''Other income''. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit - impaired financial assets – Stage 3 the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend income

Dividends are received from investments in subsidiaries. Dividends are recognised as “other income” in profit or loss when the right to receive payment is established.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss 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 twelve months after the balance sheet date.

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 capitalised as a prepayment (for liquidity services) and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Payables

Payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Investments in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company 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.

4 Summary of material accounting policies (continued)

Investments in subsidiaries (continued)

Investments in subsidiaries are measured at cost less impairment. Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised through profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss recognised in prior years is reversed where appropriate if there has been a change in the estimates used to determine the recoverable amount.

Transactions with equity owners/subsidiaries

The Company enters into transactions with shareholders and subsidiaries. When consistent with the nature of the transaction, the Company's accounting policy is to recognise (a) any gains or losses with equity holders and other entities which are under the control of the ultimate shareholder, directly through equity and consider these transactions as the receipt of additional capital contributions or the payment of dividends; and (b) any losses with subsidiaries as cost of investment in subsidiaries. Similar transactions with non-equity holders or subsidiaries, are recognised through the profit or loss in accordance with IFRS9, 'Financial Instruments.

Share capital and share premium

Ordinary shares are classified as equity. Preference shares which carry discretionary dividends and are redeemable at the option of the Company, are classified as equity.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

Capital contribution

Capital contribution constitutes contributions made by the Company's shareholders other than for the issue of shares by the Company in their capacity as equity owners of the Company for which the Company has no contractual obligation to repay them. Such contributions are recognised directly in equity as they constitute transactions with equity owners in their capacity as equity owners of the Company.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

5 New accounting pronouncements

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2023, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

6 Financial risk management

(i) Financial risk factors

The Company's activities expose it to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The Company does not have a formal risk management policy programme. Instead the susceptibility of the Company to financial risks such as foreign exchange risk, interest rate risk, credit risk and liquidity risk is monitored as part of its daily management of the business.

- **Market risk**

Foreign exchange risk

Exposure

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency. The exposure of the Company to foreign exchange risk is mainly due to the Company's borrowings that are denominated in US Dollars at 31 March 2024 (Note 17).

Sensitivity

At 31 March 2024, if the Euro had weakened /strengthened by 10% (2023: 10%) against the US dollar with all other variables held constant, pre-tax loss for the year would have been €42.171 (2023: profit of €30.094) lower/higher, mainly as a result of net foreign exchange losses/gains on translation of US dollar-denominated borrowings.

The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Cash flow and fair value interest rate risk

Exposure

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market interest rates. Interest-bearing assets and borrowings at variable rates expose the Company to cash flow interest rate risk. Interest bearing assets and borrowings issued at fixed rates expose the Company to fair value interest rate risk.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Market risk (continued)**

Cash flow and fair value interest rate risk (continued)

The Company's borrowings that carry fixed interest rates are consequently not subject to cash flow interest rate risk. In addition, as these are measured at amortised cost they are not suspectible to fair value interest rate risk either. The Company also has borrowings which carry variable interest rates and expose the Company to fair value interest rate risk. Management assessed that the impact of changes in interest rates on the Company's results would be insignificant.

The Company is also exposed to cash flow interest rate risk in relation to its cash and cash equivalents which carry floating interest rates. Due to the nominal rates earned on the Company's bank balances the management assessed that any sensitivity analysis to demonstrate the impact of changes in interest rates on the Company's results would be insignificant.

Sensitivity

At 31 March 2024, if interest rates on Euro-denominated borrowings had been 1% (2023: 1%) higher/lower with all other variables held constant, loss for the year would have been €20.168 (2023: €372.983) higher/lower, as a result of higher/lower interest expense on floating rate Euro-denominated borrowings.

At 31 March 2024, if interest rates on US dollar-denominated borrowings had been 1 % (2023: 1 %) higher/lower with all other variables held constant, loss for the year would have been €1.449 (2023: €309.470) higher/lower, as a result of higher/lower interest expense on floating rate US dollar-denominated borrowings.

The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

- **Credit risk**

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets at the balance sheet. Credit risk arises from cash and cash equivalents and loans receivable. The Company has a significant concentration of credit risk as at the date of the statement of financial position date in relation to cash and cash equivalents, which are held with a single bank.

(i) Risk management

The Company does not have formal policies and procedures for managing and monitoring credit risk.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- financial assets at amortised cost (loans to subsidiary)
- cash and cash equivalents

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(ii) Impairment of financial assets (continued)

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For all financial assets that are subject to impairment under IFRS 9, the Company applies general approach – three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant increase in credit risk. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the borrower/counterparty.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(ii) Impairment of financial assets (continued)

Low credit risk. The Company has decided to use the low credit risk assessment exemption for investment grade financial assets.

Default. A default on a financial asset is when the counterparty fails to make contractual payments within specified number of days of when they fall due.

Write-off. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. also the Company categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than specified number of days past due. Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company's exposure to credit risk for each class of asset subject to the expected credit loss model is set out below:

Financial assets at amortised cost

The Company assesses, on an individual basis, its exposure to credit risk arising from financial assets at amortised cost. This assessment takes into account, amongst others, the period the loan receivable is past due and history of defaults in the past, adjusted for forward looking information. The Company uses three categories for loans to subsidiary which reflect their credit risk and how the loss provision is determined for each of those categories if any.

A summary of the assumptions underpinning the Company's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing	Counterparties where credit risk is in line with original expectations	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(ii) Impairment of financial assets (continued)

Underperforming	Counterparties for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Stage 2: Lifetime expected losses	Gross carrying amount
Non-performing	Interest and/or principal repayments are 90 days past dueor it becomes probable a customer will enter bankruptcy	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)

The following tables contain an analysis of the credit risk exposure of each class of financial instruments for which an ECL allowance is recognised.

Loans to subsidiary

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 March 2024 and 31 March 2023:

Company internal credit rating	2024 €	2023 €
Performing	-	257.851.779
Total loans to subsidiary	-	257.851.779

Cash and cash equivalents

The Company assesses, on an individual basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

The gross carrying amounts below represent the Company’s maximum exposure to credit risk on these assets as at 31 March 2024 and 31 March 2023:

	Rating	2024 €	2023 €
Moody’s	Ba2	1.451.874	1.006.085
Total cash and cash equivalents		1.451.874	1.006.085

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(ii) Impairment of financial assets (continued)

The estimated loss allowance on cash and cash equivalents as at 31 March 2024 and 31 March 2023 was immaterial. All cash and cash equivalents were performing (Stage 1) as at 31 March 2024 and 31 March 2023.

- **Liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year €	Between 1 and 2 years €	Between 2 to 5 years €
At 31 March 2023			
Borrowings	262.659.494	292.505	7.953.304
Payables	13.221	-	-
	262.672.715	292.505	7.953.304

	Less than 1 year €	Between 1 and 2 years €	Between 2 to 5 years €
At 31 March 2024			
Borrowings	**5.814.084**	**-**	**4.701.174**
Payables	**34.332**	**-**	**-**
	5.848.416	**-**	**4.701.174**

(ii) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including ‘current and non-current borrowings’ as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as ‘equity’ as shown in the balance sheet plus net debt.

6 Financial risk management (continued)

(ii) Capital risk management (continued)

The gearing ratios at 31 March 2024 and 2023 were as follows:

	2024	2023
	€	€
Total borrowings (Note 17)	**9.952.352**	267.065.611
Less: cash and cash equivalents (Note 14)	**(1.451.874)**	(1.006.085)
Net debt	**8.500.478**	266.059.526
Total equity	**890.437.233**	890.751.075
Total capital as defined by management	**898.937.711**	1.156.810.601
Gearing ratio	**1%**	23%

(iii) Fair value estimation

The carrying amounts of payables approximate their fair values due to their short term nature. The carrying amounts of borrowings also approximate their fair values as they carry contractual rates by reference to market-based indices (Euribor/SOFR - Note 17).

7 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

- **Impairment of financial assets at amortised cost**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Note 6 Credit risk section.

7 Critical accounting estimates and judgements (continued)

(i) Critical accounting estimates and assumptions (continued)

- **Initial recognition of related party transactions**

In the normal course of business the Company enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair values. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analyses. The terms of related party borrowings and balances are disclosed in Notes 17 and 21.

- **Impairment of investment in subsidiary**

The Company follows the guidance of IAS 36 in determining when an investment is impaired. The management evaluates at each reporting date whether an investment is other-than-temporarily impaired. This determination requires significant judgment. In making this judgment, the management evaluates, among other factors, the duration and extent to which the recoverable amount/fair value of an investment is less than its cost, whether the recoverable amount of an investment is less than its carrying amount and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology, operational and financing cash flow, business plans and cash flow forecasts.

Due to the inherent uncertainties entailed in the nature of operations and activities of the Company's investee the impairment assessment involves a high degree of judgement and subjectivity. The management assessed that no impairment provisions are necessary in relation to its investment in subsidiary based on a review of the financial position of the subsidiary as well as on a reassessment of the assumptions used in the valuation performed at initial recognition, which the management determined they remained relevant and that there were no adverse developments in the year to warrant any downward revision in them.

8 Other income

	2024	2023
	€	€
Interest income from loans to subsidiary (Note 21(iv))	**3.038.608**	7.157.998
Dividend income	**260**	520
	3.038.868	7.158.518

9 Administrative expenses

	2024 €	2023 €
Directors' remuneration (Note 21(i))	**1.388**	1.088
Accounting and administration expenses	**75.848**	63.558
Auditors' remuneration - current year	**4.000**	6.000
Auditors' remuneration - prior year	**1.753**	1.461
Secretarial fees	**425**	340
Bank signatory fees	**600**	500
Bank charges	**2.360**	3.999
Non-recoverable VAT	**14.260**	12.044
Other expenses	**3.862**	2.967
Total administrative expenses	**104.496**	91.957

10 Net finance costs

	2024 €	2023 €
Interest expense:		
Borrowings from related entities (Note 21(iii))	**3.251.533**	6.950.324
Net foreign exchange (gain)/loss	**(3.319)**	5.023
Net finance costs	**3.248.214**	6.955.347

11 Income tax expense

	2024 €	2023 €
Under provision of prior years' taxes	**-**	15.335
Income tax expense	**-**	15.335

The tax on the Company's (loss)/profit before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	2024 €	2023 €
(Loss)/profit before tax	**(313.842)**	111.214
Tax calculated at the applicable corporation tax rate of 12,5%	**(39.230)**	13.902
Tax effect of expenses not deductible for tax purposes	**778**	1.498
Tax effect of allowances and income not subject to tax	**(447)**	(65)
Tax effect of tax losses for which no deferred tax asset was recognised	**38.899**	-
Income tax charge	**-**	15.335

The Company is subject to income tax on taxable profits at the rate of 12,5%.

Brought forward losses of only five years may be utilized.

Under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate 30%.

In certain cases dividends received from abroad may be subject to special contribution for defence at the rate of 17%. In certain cases dividends received from other Cyprus tax resident companies may also be subject to special contribution for defence.

11 Income tax expense (continued)

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon, etc) are exempt from Cyprus income tax.

12 Investments in subsidiaries

	2024	2023
	€	€
At beginning of year	**898.950.759**	898.950.759
At end of year	**898.950.759**	898.950.759

The Company's investments in subsidiaries, which are unlisted, are as follows:

Name	**Principal activity**	**Country of incorporation**	**2024 % holding**	**2023 % holding**
Samvardhana Motherson Automotive Systems Group B.V (SMRPBV)	Investment holding	Netherlands	69	69
SMP Deutschland GmbH	Investment holding	Germany	5,2	5,2
SM Real Estate GmbH	Investment holding	Germany	5,2	5,2

The carrying value of the investment in SMRPBV in the financial statements of the Company as at 31 March 2024 was €893.466.083 (2023: €893.466.083).

The wholly owned subsidiary of SMRPBV, namely Samvardhana Motherson Peguform GmbH, owns 100% of SMP Automotive Exterior GmbH which in turn owns the remaining 94,8% of SM Real Estate GmbH. Therefore, the Company indirectly controls SM Real Estate GmbH and therefore it has been reclassified as a subsidiary. The direct shareholding of the Company was 5.2% as at 31 March 2023 and 31 March 2024. The Company's indirect shareholding as at 31 March 2024 and 2023 was 65.4%. The carrying value of SM Real Estate GmbH in the financial statements of the Company as at 31 March 2024 was €1.456 (2023: €1.456).

The wholly owned subsidiary of SMRPBV, namely Samvardhana Motherson Peguform GmbH, owns the remaining 94,8% of SMP Deutschland GmbH. Therefore, the Company indirectly controls SMP Deutschland GmbH and therefore it has been classified as a subsidiary. The direct shareholding of the Company was 5.2% as at 31 March 2023 and 31 March 2024. The Company's indirect shareholding as at 31 March 2024 and 2023 was 65.4%

The investment in SMP Deutschland Gmbh with carrying value €5.483.220 (2023: €5.483.220), is pledged as security in relation to the issue of senior secured notes issued by Samvardhana Motherson Automotive Systems Group BV (SMRPBV) as well as in relation to various bank loans obtained by SMRPBV.

Senior Secured Notes ("Notes")

SMRPBV Notes are structured as senior secured obligations and rank ‘pari passu’ in right of payment with all the existing and future senior obligations of SMRPBV, including the obligations under the Revolving Credit Facility. The Notes are guaranteed on a senior secured basis by certain subsidiaries of SMRPBV and are secured by share pledge and security interests granted over certain property and assets of SMRPBV and certain of its subsidiaries. As of 31 March 2024, SMRP BV has in issue the below mentioned notes which were outstanding on the date referred:

12 Investments in subsidiaries (continued)

Principal amount	Coupon rate (fixed)	Maturity
€100 million	3.700%	18 June 2025
€300 million	1.800%	06 July 2024

Bank Loans

During the year ended 31 March 2019, SMRPBV entered into a term loan facility agreement for US$60 million for a period of 59 months maturing August 2023. The term loan is a senior secured obligation and ranks 'pari passu' in right of payment with all the existing and future senior obligations of SMRPBV, including the obligations under the Revolving Credit Facility and the Notes and carry the same security structure as existing Notes and Revolving Credit Facility. This facility was fully utilised as of 31 March 2023.

13 Financial assets at amortised cost

Financial assets at amortised cost include the following:

	2024	2023
	€	€
Current		
Loans to subsidiary (Note 21 (iv))	-	257.851.779
Financial assets at amortised cost - net	-	257.851.779

On 20 December 2018, the Company entered into a Loan Agreement with Samvardhana Motherson Automotive Systems Group B.V. for the principal amount of €150.000.000. Interest was calculated on the principal amount of the loan at a fixed rate of 5,99%. The loan including all accrued interest is repayable on 19 June 2026. On 20 March 2020, the Company entered into an Amendment Agreement to change the interest rate to 5 ,13% effective as of 20 December 2018. On 17 March 2020 the principal amount of €73.500.000 was received. During March 2020 an additional amount of €73.500.000 was drawn down. On 3 April 2020 the principal amount of €25.500.000 was received. During April 2020 an additional amount of €25.500.000 was drawn down. During the year ended 31 March 2023 the amount of €55.000.000 was repaid. As at 31 March 2023 the principal amount of the loan of €NIL was utilised (2022: €95.000.000). Interest charged on this loan during the year amounted to €NIL (2023: €94.050).

On 13 February 2021, the Company entered into a Loan Agreement with Samvardhana Motherson Automotive Systems Group B.V. for the principal amount of $113.000.000 with effective date 17 September 2020. Interest is calculated on the principal amount of the loan at a fixed rate of 3,14%. The loan including all accrued interest is repayable on 07 September 2023 and the full amount was utilised during the year ended 31 March 2021. Interest charged on this loan during the year amounted to $1.567.122 (2023: $3.597.481).

On 13 February 2021, the Company entered into a Loan Agreement with Samvardhana Motherson Automotive Systems Group B.V. for the principal amount of €150.000.000 with effective date 17 September 2020. Interest is calculated on the principal amount of the loan at a fixed rate of 2,38%. The loan including all accrued interest is repayable on 07 September 2023. Interest charged on this loan during the year amounted to €1.576.750 (2023: €3.619.583). The loan was fully utilised during the year ended 31 March 2022.

13 Financial assets at amortised cost (continued)

During the year 2024, the Company and its subsidiary, SMRPBV, agreed for SMRPBV to settle the above-mentioned loans payable to the Company by directly remitting the funds to MSSL Mauritius Holdings Limited, by means of repayment of the Company's outstanding loans payable to MSSL Mauritius Holdings Limited, under the previously signed Tri-Partite Loan Agreement between Company and its two aforementioned related entities. As a result, as at 31 March 2024, the Company's loans receivable from SMRP BV in the amounts of €150.000.000 and $113.000.000 were fully settled against the Company's loans payable to MSSL Mauritius Holdings Limited, in the respective amounts (Note 17).

The carrying amounts of the Company's financial assets at amortised cost are denominated in the following currencies:

	2024	2023
	€	€
Euro - functional and presentation currency	**-**	152.032.916
US Dollar	**-**	105.818.863
	-	257.851.779

(ii) Impairment and risk exposure

Note 6 sets out information about the impairment of financial assets and the Company's exposure to credit risk.

14 Cash and cash equivalents

	2024	2023
	€	€
Cash at bank	**1.451.874**	1.006.085

Cash and cash equivalents are denominated in the following currencies:

	2024	2023
	€	€
Euro - functional and presentation currency	**569.033**	363.990
US Dollar	**882.841**	642.095
	1.451.874	1.006.085

Non-cash transactions

<u>31 March 2023</u>

Borrowings repayment from Samvardhana Motherson Automotive Systems Group B.V. for the amount of €4.663.076 were transferred directly to MSSL Mauritius Holdings Ltd on behalf of the Company, under the loan agreements between the Company and these parties dated 20 December 2018.

Borrowings repayment from Samvardhana Motherson Automotive Systems Group B.V. for the amount of €2.329.453 were transferred directly to MSSL Mauritius Holdings Ltd on behalf of the Company, under the loan agreements between the Company and Samvardhana Motherson Automotive Systems Group B.V. dated 20 December 2018 and MSSL Mauritius Holdings Ltd dated 23 April 2020.

14 Cash and cash equivalents (continued)

Borrowings repayment from Samvardhana Motherson Automotive Systems Group B.V. for the amount of €67.792.147 were transferred directly to MSSL Mauritius Holdings Ltd on behalf of the Company, under the Tri-Partite loan agreements between the Company and Samvardhana Motherson Automotive Systems Group B.V. dated 20 December 2018 and MSSL Mauritius Holdings Ltd dated 6 October 2020 (Notes 13 and 17).

Borrowings repayment from Samvardhana Motherson Automotive Systems Group B.V. for the amount of €5.329.966 were transferred directly to Samvardhana Motherson Holding (M) Private Limited on behalf of the Company, under the Tri-Partite loan agreements between the Company and these parties dated 20 December 2018 (Notes 13 and 17).

31 March 2024

Borrowings repayment from Samvardhana Motherson Automotive Systems Group B.V. for the amount of €153.609.667 were transferred directly to MSSL Mauritius Holdings Ltd on behalf of the Company, under the loan agreements between the Company and Samvardhana Motherson Automotive Systems Group B.V. and MSSL Mauritius Holdings Ltd dated 13 February 2021.

Borrowings repayment from Samvardhana Motherson Automotive Systems Group B.V. for the amount of US$116.336.262 were transferred directly to MSSL Mauritius Holdings Ltd on behalf of the Company, under the loan agreements between the Company and Samvardhana Motherson Automotive Systems Group B.V. and MSSL Mauritius Holdings Ltd dated 13 February 2021.

15 Share capital and share premium

	Share capital - ordinary shares €	Share capital - preference shares €	Share premium €	Total €
At 01 April 2022 / 31 March 2023 / 31 March 2024	2.002.380	10.000	30.195.620	32.208.000

On 13 February 2009 the authorised share capital of the Company of €10.000 consisting of 10 000 ordinary shares of €1 each, was increased to €2.000.000 divided into 2.000.000 ordinary shares of €1 each.

On 30 April 2009, the Company issued 1.998.000 additional shares of nominal value of €1 each at premium of €14,033033 each (total value of €28.038.000).

On 25 February 2010 the Company decided to reduce its share premium account by €1.400.000 to €26.638.000. The relevant court approval was obtained on 29 March 2010.

On 30 March 2010 the Company increased its authorised share capital from €2.000.000 to €2.010.000 divided into 2.000.000 Class A Ordinary shares of €1 each and 10 000 Class B preference shares of €1 each.

On the same date the Company capitalised its share premium as payment for the issue of 10.000 Class B preference shares of €1 each as bonus shares at a premium of €2.662,80 each.

15 Share capital and share premium (continued)

Class B preference shares are Zero Coupon Redeemable Preference Shares. The shares are redeemable at the option of the Company after the expiry of three years (30 March 2013) and the redemption shall be at a premium of 5% or at such premium as to be determined by the Company.

On 18 January 2016 the Company increased its authorised share capital from €2.010.000 to €2.020.000 divided into 2.010.000 Class A Ordinary shares of €1 each and 10.000 Class B preference shares of €1 each.

On 15 March 2016 the Company issued 2 347 additional Class A Ordinary shares of nominal value of €1 each at premium of €1.499 each (total value of €3.520.500).

On 16 February 2018 the Company issued 33 unissued Class A Ordinary shares of nominal value of €1 each at a premium of €1.499 each (total value of €49.500).

16 Capital contribution reserve

	€
At 31 March 2024/ 31 March 2023	862.153.980

The capital contribution reserve resulted from the sale agreement of SMR Jersey, dated 12 June 2014, where the Company transferred its shareholding in SMR Jersey to Samvardhana Motherson Automotive Systems Group B.V. (SMRPBV) in exchange for 45.676 shares in SMRPBV. The difference between the consideration received and the carrying amount of SMR Jersey was recognised as a capital contribution reserve since the transaction falls under the "transfers under common control" rules.

17 Borrowings

	2024	2023
	€	€
Current		
Borrowings from parent entity (Note 21(iii))	**5.641.180**	257.559.249
Non-current		
Borrowings from parent entity (Note 21(iii))	**4.262.958**	9.458.148
Borrowings from related entity (Note 21(iii))	**48.214**	48.214
	4.311.172	9.506.362
Total borrowings	**9.952.352**	267.065.611
Maturity of non-current borrowings		
Between 1 and 2 years	**-**	5.371.416
Between 2 and 5 years	**4.311.172**	4.086.735
	4.311.172	9.506.362

17 Borrowings (continued)

The Company's outstanding borrowings with MSSL Mideast (FZE) Ltd (related entity) as of the year end have the following terms:

On 30 March 2020, the Company entered into a Loan Agreement with MSSL Mideast (FZE) for the principal amount of €73.500.000. During the year ended 31 March 2020, the amount of €48.000.000 was drawn down. Interest is calculated on the principal amount of the loan at a fixed rate of 4,78%. The loan including all accrued interest is repayable on 19 June 2026. During the year ended 31 March 2021, the amount of €47.500.000 was repaid. During the year ended 31 March 2022 the amount of €500.000 was repaid as final settlement on the principal amount. Accrued interest payable as at 31 March 2024 amounted to €48.214 (2023: €48.214).

The Company's outstanding borrowings with MSSL Mauritius Holdings Ltd (parent entity) as of the year end have the following terms:

Loan agreement entered into on 21 June 2011 for the principal amount of €100.000. Interest is calculated on the principal amount of the loan at the rate of EURIBOR plus 250 basis points. The loan was initially repayable on 30 September 2016 but was subsequently extended until 30 September 2024.

Loan agreement entered into on 7 September 2011 for the principal amount of €3.500.000. Interest is calculated on the principal amount of the loan at the rate of EURIBOR plus 250 basis points. The loan was initially repayable on 31 October 2016 but was subsequently extended to 31 October 2024.

Loan agreement entered into on 5 August 2013 for the principal amount of €200.000, out of which €150.000 were drawn down during the year ended. Interest is calculated on the principal amount of the loan at the rate of EURIBOR plus 250 basis points. The loan was initially repayable on 31 December 2016 but was subsequently extended to 31 December 2024.

Loan agreement entered into on 10 February 2013 for the principal amount of US$170.000. Interest is calculated on the principal amount of the loan at the rate of LIBOR plus 250 basis points. The USD Libor rate was phased out and the overnight 12-month US Dollar Libor settings ceased being published at the end of June 2023. Therefore the Company adopted the Secured Overnight Financing (SOFR) rate as of 1 April 2023 plus 3.12513%. The loan was initially repayable on 31 March 2018 but was subsequently extended to 31 March 2025.

Loan agreement entered into on 13 May 2013 for the principal amount of US$170.000. Interest is calculated on the principal amount of the loan at the rate of LIBOR plus 250 basis points. The USD Libor rate was phased out and the overnight 12-month US Dollar Libor settings ceased being published at the end of June 2023. Therefore the Company adopted the Secured Overnight Financing (SOFR) rate as of 1 April 2023 plus 3.12513%. The loan was initially repayable on 31 December 2016 but was subsequently extended to 31 December 2024.

Loan agreement entered into on 22 June 2016 for the principal amount of €50.000. Interest is calculated on the principal amount of the loan at the rate of EURIBOR plus 250 basis points. The loan was initially repayable on 31 May 2017 but was subsequently extended to 31 May 2024.

17 Borrowings (continued)

On 20 December 2018, the Company entered into a Loan Agreement with MSSL Mauritius Holdings Ltd for the principal amount of €40.000.000 out of which €34.500.000 were drawn down during the year ended 31 March 2020. Interest is calculated on the principal amount of the loan at a fixed rate of 4,78%. The loan including all accrued interest is repayable on 19 June 2026. During the year ended 31 March 2022, the loan was fully settled.

On 6 October 2020, the Company entered into a Loan Agreement with MSSL Mauritius Holdings Ltd for the principal amount of €100.000.000. Interest is calculated on the principal amount of the loan at a fixed rate of 4,78%. The loan including all accrued interest is repayable on 19 June 2026. During the years 31 March 2024 and 31 March 2023 no amount was drawn down. No repayments took place during the year ended 31 March 2024 (2023: €67.792.147).

On 13 February 2021, the Company entered into a Loan Agreement with MSSL Mauritius Holdings Ltd for the principal amount of $113.000.000. Interest is calculated on the principal amount of the loan at a fixed rate of 2,92%. The loan including all accrued interest is repayable on 7 September 2023. Accrued interest of $3.345.428 was repaid during the year ended 31 March 2023.

On 13 February 2021, the Company entered into a Loan Agreement with MSSL Mauritius Holdings Ltd for the principal amount of €150.000.000. Interest is calculated on the principal amount of the loan at a fixed rate of 2,19%. The loan including all accrued interest is repayable on 7 September 2023. Accrued interest of €3.330.625 was repaid during the year ended 31 March 2023.

During the year 2024, the Company and its subsidiary, SMRPBV, agreed for SMRPBV to settle the above-mentioned loans payable on behalf of the Company, by remitting the funds directly to MSSL Mauritius Holdings Limited, by means of repayment of the its outstanding loans payable to the Company, under the previously signed Tri-Partite Loan Agreement between Company and its two aforementioned related entities. As a result, as at 31 March 2024, the Company's loans receivable from SMRP BV in the amounts of €150.000.000 and $113.000.000 were fully settled against the Company's loans payable to MSSL Mauritius Holdings Limited, in the respective amounts (Note 13)

<u>The Company's outstanding borrowings with Samvardhana Motherson Holding (M) Private Ltd (49% shareholder) as of the year end have the following terms:</u>

On 20 December 2018, the Company entered into a Loan Agreement with Samvardhana Motherson Holding (M) Private Ltd for the principal amount of €75.000.000 out of which €73.500.000 were drawn down during the year ended 31 March 2019. Interest is calculated on the principal amount of the loan at a fixed rate of 4,78%. The loan including all accrued interest is repayable on 19 June 2026. On 16 March 2020, the loan principal amount of €73.500.000 was repaid. During the year ended 31 March 2023 the accrued interest outstanding was fully repaid.

The carrying amounts of the Company's borrowings are denominated in the following currencies:

	2024	2023
	€	€
Euro - functional and presentation currency	**9.491.221**	160.945.806
US Dollar	**461.131**	106.119.805
	9.952.352	267.065.611

18 Payables

	2024 €	2023 €
Payable to related entity (Note 21(ii))	**500**	500
Other payables and accruals	**33.832**	12.721
Total payables at amortised cost	**34.332**	13.221

The fair value of payables which are due within one year approximates their carrying amount at the reporting date.

The carrying amounts of the Company's payables are denominated in Euro.

19 Contingencies

The Company had no contigent liabilities as at 31 March 2024 and 31 March 2023.

20 Commitments

The Company had no capital or other commitments as at 31 March 2024 and 31 March 2023.

21 Related party transactions

The Company is controlled by MSSL Mauritius Holdings Limited, incorporated in Mauritius, which owns 51% of the Company's shares. Samvardhana Motherson Holdings (M) Private Limited, incorporated in Mauritius, owns the remaining 49% of the shares. The Company's ultimate controlling party is Samvardhana Motherson International Limited (100% shareholder of MSSL Mauritius Holdings Limited), which is incorporated in India and listed in the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

(i) Directors' remuneration (Note 9)

The total remuneration of the Directors was as follows:

	2024 €	2023 €
	1.388	1.088

(ii) Payable to related party (Note 18)

	2024 €	2023 €
Payables to related party (Note 18):		
Samvardhana Motherson Holding (M) Private Limited - shareholder	**500**	500

21 Related party transactions (continued)

(iii) Borrowings from related entities (Note 17)

	2024 €	2023 €
Borrowings from parent entity		
At beginning of year	**267.017.397**	344.847.594
Repayment during the year	**(263.840.949)**	(86.859.276)
Interest charged (Note 10)	**3.251.533**	6.950.324
Foreign exchange loss	**3.476.157**	2.078.755
At end of year	**9.904.138**	267.017.397
Borrowings from related entity		
At beginning of year	**48.214**	48.214
At end of year	**48.214**	48.214

The terms of borrowings with related parties are disclosed in Note 17.

(iv) Loans to subsidiary (Note 13)

	2024 €	2023 €
At beginning of year	**257.851.779**	336.009.039
Interest charged (Note 8)	**3.038.608**	7.157.998
Repaid during the year	**(264.367.910)**	(87.405.454)
Foreign exchange gain	**3.477.523**	2.090.196
At end of year	**-**	257.851.779

The terms of loans to related party are disclosed in Note 13.

(v) Share pledges

As at 31 March 2024 and 2023, the Company's shares in an investee are pledged in favour of commonly controlled entities (Note 12). No loss is expected by the management of the Company in relation to the existing pledge agreements with related parties due to the borrowers' compliance with the relevant loan terms.

22 Events after the reporting date

Depending on the duration of the Russia- Ukraine war, the Israel-Gaza conflict and continued negative impact on economic activity, the Company might experience negative results, and liquidity restraints and incur impairments on its assets in 2024. The exact impact on the Company's activities in 2024 and thereafter cannot be predicted. Yet management is reasonably confident that any impact would be contained.

There were no other material events after the balance sheet date, which have a bearing on the understanding of the financial statements.

Independent Auditor's Report on pages 5 to 7.