SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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			Date of appointment
Directors	:	Vivek Chaand Sehgal	24 February 2009
		Bimal Dhar	24 February 2009
		Rishal Tanee	01 October 2016
		Laksh Vaaman Sehgal (Alternate to Vivek Chaand Sehgal)	28 June 2019
		Venkatesen Saminada Chetty	01 April 2021
		Rishikesh Batoosam (Alternate to Rishal Tanee)	08 December 2023

Administrator and Secretary : Ocorian Corporate Services (Mauritius) Limited
Level 6, Tower A
1 Exchange Square
Wall Street, Ebene
Mauritius, 72201

Registered office : Ocorian Corporate Services (Mauritius) Limited
Level 6, Tower A
1 Exchange Square
Wall Street, Ebene
Mauritius, 72201

Auditors : VBS Business Services
1st Floor, Hennessy Court
Pope Henessy Street
Port-Louis
Mauritius

Bankers : HSBC Bank (Mauritius) Limited
HSBC Centre, ICON Ebene
Level 5, Office 1 (West Wing)
Rue de L'institut, 72202, Ebene
Mauritius

Afrasia Bank Limited
3rd Floor, NeXTeracom
Tower III
Ebene
Mauritius

The directors present their report and the financial statements of SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LTD (the "Company") for the year ended 31 March 2024.

Principal activity

The principal activity of the Company is that of investment holding.

Results and dividend

The Company's profit for the year ended 31 March 2024 is **EUR 95,531,004** (2023: EUR 21,218,297).

The directors do not recommend the payment of dividend for the year under review (2023: EUR Nil).

Statement of directors' responsibilities in respect of the financial statements

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act.

The directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these 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.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

Auditors

VBS Business Services have been appointed as auditors of the Company. They have indicated their willingness to continue in office and will be automatically re-appointed at the Annual Meeting.

By order of the Board

DocuSigned by:

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Ocorian Corporate Services (Mauritius) Limited
Corporate Secretary

Date: . 29 July 2024

SECRETARY'S REPORT TO THE MEMBERS OF

SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LIMITED
(Under Section 166(d) of the Mauritius Companies Act)

We confirm, as Secretary of the above-named Company, that based on records and information made available to us by the directors and shareholder of the Company, the Company has filed with the Registrar of Companies, for the year ended 31 March 2024, all such returns as are required of the Company under Section 166 (d) the Mauritius Companies Act.

DocuSigned by:
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Corporate Secretary

Date: .29 July 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LTD

Report on the Audit of Financial Statements

We have audited the financial statements of SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LTD (the "Company"), which comprise of the statement of financial position as at 31 March 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to and forming part of the financial statements, including a summary of material accounting policies, as set out on pages 7 to 33.

In our opinion, these financial statements give a true and fair view of the financial position of SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LTD as at 31 March 2024 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants (IESBA Code) Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with 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 directors are responsible for the other information. The other information comprises of the directors' report and secretary's report.

Our opinion on the financial statements does not cover the other information.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LTD (CONTINUED)

Report on the Audit of Financial Statements (continued)

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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 judgement 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 directors.

- Conclude on the appropriateness of the 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LTD (CONTINUED)

Report on the Audit of Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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 fair presentation.

We communicate with the 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.

Other Matter

This report is made solely to the Company's member in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's member those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

VBS Business Services

S Boodhonee

Sajivsing Boodhonee, FCCA
Licensed by FRC

VBS Business Services
Chartered Certified Accountants

Port Louis, Mauritius

Date: 29 July 2024

SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	**2024 EUR**	2023 EUR
Expenses			
Expected credit loss charge on loan receivable	13 (i)	**1,937,452**	2,010,274
Administration and accountancy fees		**42,744**	26,957
Audit fees		**4,205**	12,650
Sundry expenses		**3,925**	3,650
Directors' fees		**3,375**	2,838
Licence fees		**1,778**	1,960
Secretarial fees		**1,680**	1,680
Bank charges		**997**	1,080
Tax fees		**925**	925
Legal and professional fees		**73**	-
Rent		**-**	2,088
Commission fees		**-**	14,384
		1,997,154	2,078,486
Operating loss for the year		**(1,997,154)**	(2,078,486)
Net finance income	4	**74,526**	237,707
Share of profit of joint venture	6	**97,455,020**	23,061,255
Profit before income tax		**95,532,392**	21,220,476
Income tax expense	5	**(1,388)**	(2,179)
Profit for the year		**95,531,004**	21,218,297
Other comprehensive income			
Share of other reserves of joint venture	6	**(23,363,395)**	(4,873,194)
Total comprehensive income for the year		**72,167,609**	16,345,103

The notes on pages 11 to 33 form part of these financial statements.

SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Notes	2024 EUR	Restated 2023 EUR
ASSETS			
Non-current assets			
Investment in joint venture	6	**578,163,537**	257,583,672
Loan receivables	7	**46,330**	-
Total non-current assets		**578,209,867**	257,583,672
Current assets			
Loan receivables	7	**194,586**	239,798
Other receivables	8	**40,461**	53,762
Cash and cash equivalents		**156,228**	150,441
Total current assets		**391,275**	444,001
TOTAL ASSETS		**578,601,142**	258,027,673
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	9	**4,943,759**	4,943,769
Other reserves	10	**270,095,113**	46,314,145
Retained earnings		**228,021,742**	133,146,861
Total capital and reserves		**503,060,614**	184,404,775
Liabilities			
Non-current liabilities			
Borrowings	11	**75,492,945**	69,414,700
Current liabilities			
Other payables	12	**46,880**	48,264
Borrowings	11	**-**	4,156,722
Tax liability	5	**703**	3,212
Total current liabilities		**47,583**	4,208,198
Total liabilities		**75,540,528**	73,622,898
TOTAL EQUITY AND LIABILITIES		**578,601,142**	258,027,673

Approved by the Board of Directors and authorised for issue on 29 July 2024

Director

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Director

The notes on pages 11 to 33 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Stated capital EUR	Other reserves EUR	Retained earnings EUR	Total EUR
Balance at 01 April 2022	4,943,769	39,887,478	120,174,747	165,005,994
Total comprehensive income for the year				
Profit for the year	-	-	21,218,297	21,218,297
Other comprehensive income	-	(4,873,194)	-	(4,873,194)
Total comprehensive income for the year	-	(4,873,194)	21,218,297	16,345,103
Transaction with owners of the Company				
Movement during the year *	-	11,299,861	(8,246,183)	3,053,678
Total transaction with owners of the Company		11,299,861	(8,246,183)	3,053,678
Balance at 31 March 2023 (As restated) – Note 16	4,943,769	46,314,145	133,146,861	184,404,775
Transactions with owners of the Company				
Adjustment during the year *	**(10)**	**-**	**-**	**(10)**
Movement during the year *	**-**	**247,144,363**	**(656,123)**	**246,488,240**
Total transactions with owners of the Company	**(10)**	**247,144,363**	**(656,123)**	**246,488,230**
Total comprehensive income for the year				
Profit for the year	**-**	**-**	**95,531,004**	**95,531,004**
Other comprehensive income		**(23,363,395)**	**-**	**(23,363,395)**
Total comprehensive income for the year	**-**	**(23,363,395)**	**95,531,004**	**72,167,609**
Balance at 31 March 2024	**4,943,759**	**270,095,113**	**228,021,742**	**503,060,614**

Notes:

1. Other reserves include an amount of EUR 247,144,363 (2023: EUR 11,299,861) which relates to merger reserve amounting to EUR 235,844,502 (2023: EUR 6,795,271) and hyperinflation reserve amounting to EUR 11,299,861 (2023: EUR 4,504,590). The Company's joint venture has subsidiaries in Argentina and Turkey. The Argentina and Turkey economy are considered to be hyperinflationary in accordance with the criteria in IAS 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29").

2. In prior years, stated capital was overstated by EUR 10. During the year under review, the stated capital was adjusted accordingly.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	**2024 EUR**	2023 EUR
Cash flows from operating activities			
Profit before income tax		**95,532,392**	21,220,476
Adjustments for:			
Interest income on loan to related parties	4	**(1,906,056)**	(1,867,004)
Interest expense on borrowings	4	**1,837,174**	1,635,972
Exchange gain	4	**(5,644)**	(6,674)
Share of profit of joint venture	6	**(97,455,020)**	(23,061,255)
Expected credit loss charge on loan receivable	13	**1,937,452**	2,010,274
Working capital adjustments:			
Change in other receivables	8, 13 (vii))	**34,987**	42,680
Change in other payables	12	**(1,384)**	(241,574)
Cash used in operating activities		**(26,099)**	(267,105)
Tax paid	5	**(3,897)**	(27,231)
Net cash used in operating activities		**(29,996)**	(294,336)
Cash flows from investing activities			
Loan refunded by related party	13	**-**	5,375,495
Loan granted to related party	13	**(50,000)**	(150,000)
Interest received on loan granted to related party		**-**	1,158
Net cash (used in)/ generated from investing activities		**(50,000)**	5,226,653
Cash flows from financing activities			
Proceeds from borrowings	14	**4,250,000**	67,858,000
Repayment of borrowings	14	**(4,050,000)**	(72,700,000)
Interest paid on borrowings	14	**(115,651)**	(55,917)
Net cash generated from/ (used in) financing activities		**84,349**	(4,897,917)
Net movement in cash and cash equivalents		**4,353**	34,400
Cash and cash equivalents at the beginning of the year		**150,441**	113,541
Effect of exchange difference on cash and cash equivalents		**1,434**	2,500
Cash and cash equivalents at the end of the year		**156,228**	150,441

The notes on pages 11 to 33 form part of these financial statements.

1. GENERAL INFORMATION

SAMVARDHANA MOTHERSON HOLDING (M) PRIVATE LTD (the "Company") was incorporated as a private company limited by shares in Mauritius on 04 December 2008. The principal activity of the Company is that of investment holding.

The Company has been granted a Global Business Licence by the Financial Services Commission and is governed by the Financial Services Act 2007. The Company operates in an international environment and conducts most of its transactions in foreign currencies. The Euro (EUR) is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company. So, the Company has retained EUR as its functional currency.

The registered office and place of business is situated at Ocorian Corporate Services (Mauritius) Limited, Level 6, Tower A, 1 Exchange Square, Wall Street, Ebene, Mauritius,72201.

2. BASIS OF PREPARATION

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of measurement

The financial statements have been prepared on a historical cost basis, except for financial instruments which are measured at amortised cost.

Functional and presentation currency

The financial statements are presented in Euro (EUR) which is the Company's functional and presentation currency.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

<u>Determination of functional currency</u>

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected.

The Company has made investment in EUR and expects to receive dividend and proceeds from disposal of investment in EUR. In addition, it obtains financing from its shareholder in EUR and all operating activities are conducted in EUR. Thus, EUR is the functional currency as it most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

2. BASIS OF PREPARATION (CONTINUED)

Use of estimates and judgements (continued)

Impairment of financial assets

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 15 under Credit risk section.

Impairment assessment

The directors have assessed the carrying value of the investment in the joint venture at 31 March 2024 as detailed in Note 6. The impairment assessment relies on forecasts and assumptions that are subject to a significant level of uncertainty.

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has access to resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cost significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements will continue to be prepared on a going concern basis.

Foreign currency translation

Transactions in foreign currencies are translated to EUR at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to EUR at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to EUR at foreign exchange rates ruling at the dates the fair values were determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

3. 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, unless otherwise stated.

Application of new and revised International Financial Reporting Standards ("IFRSS")

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 01 April 2023.

New and revised Standards that are effective for the current year

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for the current and prior periods but may affect the accounting treatment for future transactions or arrangements.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Application of new and revised International Financial Reporting Standards ("IFRSS") (continued)

New and revised Standards that are effective for the current year (continued)

IAS 1 Presentation of Financial Statements – Amendments regarding the disclosure of accounting policies

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of accounting estimates

IAS 12 Income Taxes – Amendments regarding deferred tax on leases and decommissioning obligations

IAS 12 Amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes

New and revised Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated below:

IAS 1 Presentation of Financial Statements – Amendments regarding the classification of liabilities (effective 01 January 2024)

IAS 1 Presentation of Financial Statements – Amendments to defer the effective date of the January 2020 amendments (effective 01 January 2024)

IAS 1 Presentation of Financial Statements – Amendments regarding the classification of debt with covenants (effective 01 January 2024)

IAS 7 Statement of Cash Flows Amendments regarding supplier finance arrangements (effective 01 January 2024)

IFRS 7 Financial Instruments: Disclosures- Amendments regarding supplier finance arrangements (effective 01 January 2024)

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (effective 01 January 2024)

IFRS S2 Climate-related Disclosures (effective 01 January 2024)

The directors anticipate that these Standards and Interpretations will be applied on their effective dates in future periods. The directors have not yet assessed the potential impact of the application of these amendments.

Taxation

Income tax on the profit or loss for the year comprises of current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by end of reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from tax losses carried forward. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

With the exception of receivable from related party that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include loan receivables, cash and cash equivalents and other receivables.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(i) Financial assets (continued)

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all receivables. ECLs are based on the difference between the contractual cash flows due and all the cash flows that the Company expects to receive.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include borrowings and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(ii) Financial liabilities (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Company has an interest of 49% in a jointly controlled entity, Samvardhana Motherson Global Holdings Limited, an unquoted company incorporated in Cyprus.

Investment in jointly venture is accounted for under the equity method, as allowed by International Financial Reporting Standard, IFRS 11 –Joint Arrangements and is initially recognised at cost.

The Company's share of the post-acquisition profits and losses of the joint venture is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in retained earnings and other reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment.

When the Company's share of losses in a joint venture equal or exceeds its interest in the joint venture, the Company does not recognise further losses, unless the Company has incurred obligations or made payments on behalf of the joint venture.

Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Stated capital

Ordinary and redeemable preference shares are classified as equity. Incremental costs directly attributable to the issue of these shares are recognised as a deduction from equity, net of any tax effects.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Interest and dividend income

Interest income is recognised in profit or loss on a time proportion basis that takes into account the effective yield on the asset.

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

Net finance income

Net finance income consists of interest on loan receivables, interest on borrowings and exchange differences that are recognised in the statement of profit or loss and other comprehensive income.

Expense recognition

All expenses are accounted for in profit or loss on the accruals basis.

4. NET FINANCE INCOME

	2024	2023
	EUR	EUR
Interest income on loan to related parties (Note 13)	**1,906,056**	1,867,004
Interest expense on borrowings (Note 11)	**(1,837,174)**	(1,635,971)
Exchange gain	**5,644**	6,674
	74,526	237,707

5. INCOME TAX EXPENSE

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of 15%.

The Company is able to claim 80% exemption on specific types of income, subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from partial exemption is taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritian tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

The foregoing is based on current interpretation and practice and is subject to any future changes in Mauritian laws.

As at 31 March 2024, the Company had an income tax liability of **EUR 703** (2023: EUR 3,212).

5. INCOME TAX EXPENSE (CONTINUED)

The income tax expense is made as follows:

	2024 EUR	2023 EUR
Income tax charge	**1,388**	4,156
Overprovision in previous year	**-**	(1,977)
	1,388	2,179

Tax reconciliation:

A reconciliation of the income tax expense based on accounting profit and actual income tax expense is as follows:

	2024	2023
Profit before income tax	**95,532,392**	21,220,476
Less share of profit of joint venture	**(97,455,020)**	(23,061,255)
	(1,922,628)	(1,840,779)
Income tax at 15%	**(288,394)**	(276,117)
Income not subject to tax	**(847)**	(225,042)
Disallowed expenses	**290,629**	505,315
Income tax charge	**1,388**	4,156

A reconciliation between the opening and closing tax liability is shown below:

	2024 EUR	2023 EUR
At start of year	**3,212**	28,264
Income tax charged for the year	**1,388**	4,156
Overprovision in previous year	**-**	(1,977)
Tax paid during the year	**(3,897)**	(27,231)
At end of year	**703**	3,212

6. INVESTMENT IN JOINT VENTURE

	2024 EUR	2023 EUR
At cost:		
At start and end of year	**15,781,620**	15,781,620
1. Results of joint venture:		
(i) Share of profit of joint venture recognised:		
At start of year	**207,541,242**	184,479,987
Movement during the year	**97,455,020**	23,061,255
At end of year	**304,996,262**	207,541,242
(ii) Share of other comprehensive income of joint venture:		
At start of year	**30,048,034**	34,921,228
Movement during the year	**(23,363,395)**	(4,873,194)
At end of year	**6,684,639**	30,048,034
2. Transaction with owners of the Company:		
(i) Share of other reserves		
At start of year	**4,212,776**	1,159,098
Movement during the year	**246,488,240**	3,053,678
At end of year	**250,701,016**	4,212,776
Carrying amount:		
At end of year	**578,163,537**	257,583,672

The investment consists of **981,166** (2023 – 981,166) ordinary shares and **4,900** (2023 – 4,900) preferences shares of EUR 1 each representing a holding of **49%** (2023 – 49%) in Samvardhana Motherson Global Holdings Limited, an unquoted company incorporated in Cyprus. Its principal activity is investment holding. As of 31 March 2024, the directors have assessed the recoverable amount of the above investment and are of the opinion no impairment adjustments are to be provided.

6. INVESTMENT IN JOINT VENTURE (CONTINUED)

Summarised financial information for equity accounted investment is as follows:

	2024 **EUR**	2023 EUR
Current assets	**3,885,628,132**	1,705,852,343
Non-current assets	**3,483,922,456**	2,045,020,456
Current liabilities	**(4,254,573,006)**	(2,212,614,665)
Non-current liabilities	**(1,428,302,172)**	(621,110,362)
Non-controlling interest	**(506,749,824)**	(391,466,808)
Net assets	**1,179,925,586**	525,680,964
Company shares of net assets – 49%	**578,163,537**	257,583,672
Revenue	**9,611,771,000**	6,202,235,000
Profit from continuing operations	**336,454,691**	92,668,334
Other comprehensive income	**(68,554,000)**	(16,617,000)
	267,900,691	76,051,334
Non-controlling interest:		
- Loss from continuing operation	**(137,566,894)**	(45,604,549)
- Other comprehensive income	**20,873,601**	6,671,708
	(116,693,293)	(38,932,841)
Total comprehensive income	**151,207,398**	37,118,493
Company shares of total comprehensive income – 49%	**74,091,625**	18,188,061
Net assets include:		
- Cash and cash equivalents	**686,541,874**	344,111,084
- Current financial liabilities (excluding other payables and provisions)	**1,681,222,680**	503,272,000
- Non-current financial liabilities (excluding other payables and provisions)	**1,369,073,172**	570,241,362

6. INVESTMENT IN JOINT VENTURE (CONTINUED)

	2024 EUR	2023 EUR
Profit from continuing operations include:		
- Depreciation and amortisation	**358,194,000**	241,866,000
- Interest income	**19,031,868**	5,809,520
- Interest expense	**141,155,214**	55,139,349
- Income tax expense	**62,435,000**	41,303,000

7. LOAN RECEIVABLES

	2024 EUR	2023 EUR
Loan to related party (Note 13(v))	**240,916**	239,798
Non-current portion	**46,330**	-
Current portion	**194,586**	239,798
	240,916	239,798

8. OTHER RECEIVABLES

	2024 EUR	2023 EUR
Amount receivable from related parties (Note 13(vii))	**10,388**	42,550
Prepaid expenses	**548**	401
Interest receivable on loan to related party (Note 13(vi))	**29,525**	10,811
	40,461	53,762

9. STATED CAPITAL

	2024 EUR	2023 EUR
Issued and fully paid:		
1,325,714 Ordinary shares of no-par value		
At start of year	**1,388,594**	1,388,594
Adjustment during the year	**(10)**	-
At end of year	**1,388,584**	1,388,594
3,555,175 Preference shares of no-par value		
At start/ end of year	**3,555,175**	3,555,175
Total	**4,943,759**	4,943,769

In prior years, the stated capital was overstated by an amount of EUR 10. During the year under review, the stated capital has been adjusted accordingly.

The ordinary and preference shares of no-par value have the following rights, privileges, restrictions and conditions:

Voting:

The holders of the ordinary shares have the right to attend and to vote at any meeting of shareholders of the Company and shall have one vote per share. Preference shareholders shall have no voting rights.

9. STATED CAPITAL (CONTINUED)

Dividend:

Dividend is payable to all shareholders as may be decided by the board from time to time. However, no dividend shall be payable to ordinary shareholders unless the dividend declared to Preference shareholders have been paid in full.

Redemption:

Ordinary shares shall not be redeemable. Preference shares shall be redeemable at the option of the Company.

Distribution on winding up:

Ordinary shareholders shall be entitled to repayment of capital and any surplus assets after the preference shareholders have been repaid the face value of their capital contribution plus any unpaid preference dividend. Thereafter, the preference shareholders are proportionately entitled to surplus assets with ordinary shareholders.

10. OTHER RESERVES

Other reserves include translation reserves which comprises all foreign exchange differences arising on the results and financial position of subsidiaries of the joint venture whose functional currencies differ from the group reporting currency of the joint venture.

They also include the Company's share in a merger reserve, hyperinflation reserves, a cash flow hedge reserve and a fair value reserve and share premium to which the joint venture is entitled as per its consolidated results.

During the year ended 31 March 2024, an amount of EUR 11,299,861 (2023: 4,504,590) was re-classified from retained earnings to other reserves as it relates to hyperinflation reserves.

	2024 EUR	2023 EUR
At start of year	**46,314,145**	39,887,478
Share of other comprehensive income of joint venture	**(23,363,395)**	(4,873,194)
Hyperinflation reserve	**14,617,342**	6,795,271
Reclassification of hyperinflation reserve from retained earnings	**11,299,861**	4,504,590
Merger reserve	**(456,589,840)**	-
Share premium reserve	**677,817,000**	-
At end of year	**270,095,113**	46,314,145

11. BORROWINGS

	2024 EUR	2023 EUR
(i) Loan from holding entity – Samvardhana Motherson International Ltd:		
At start of year	**4,156,722**	4,117,713
Interest charged for the year	**8,929**	39,009
Interest paid on borrowings	**(115,651)**	-
Repayment of borrowings	**(4,050,000)**	-
At end of year	**-**	4,156,722

The loan due to the holding entity was unsecured, bore an interest rate at 0.95% plus Euribor per annum and was fully repaid during the year under review.

11. BORROWINGS (CONTINUED)

	2024 EUR	2023 EUR
(ii) Axis Bank Limited		
At start of year	-	50,011,459
Interest charged for the year	-	27,083
Repayment of borrowings during the year	-	(50,000,000)
Interest paid during the year		(38,542)
At end of year	-	-

Pursuant to the deed guarantee dated 07 December 2020, the Company had obtained a loan of EUR 50,000,000 from Axis Bank India at an interest rate of 0.75% per annum. The loan was repaid in April 2022.

(iii) SBI Antwerp Term Loan

	2024 EUR	2023 EUR
At start of year	-	22,704,196
Interest charged for the year	-	13,179
Repayment of borrowings during the year	-	(22,700,000)
Interest paid during the year		(17,375)
At end of year	-	-

Pursuant to the deed guarantee dated 24 September 2018, the Company had obtained a loan of EUR 22,700,000 from State Bank of India (SBI) Antwerp Branch, was repayable as at 24 September 2021 and carried an annual interest rate of 0.95% plus libor per annum. The loan and the interest on the loan was paid on 22 April 2022.

(iv) MSSL Mauritius Holdings Ltd

	2024 EUR	2023 EUR
At start of year	**69,414,700**	-
Advanced during the year	**1,300,000**	67,858,000
Interest charged for the year	**1,699,545**	1,556,700
At end of year	**72,414,245**	69,414,700

Pursuant to the loan agreement dated 13 April 2022, the Company had obtained a loan of EUR 67,858,000 from MSSL Mauritius Holdings Ltd which is repayable by 20 April 2025 and carries an annual interest rate of 2.38%.

During the year under review, the Company received an additional loan of EUR 1,300,000 from MSSL Mauritius Holdings Ltd which is repayable by 16 June 2026 and carries an annual interest rate of 5.52% (1 year EURIBOR at 3.82% plus spread of 1.70%).

11. BORROWINGS (CONTINUED)

	2024 EUR	2023 EUR
(v) MSSL Tooling (FZE)		
At start of year	**-**	-
Advanced during the year	**2,950,000**	-
Interest charged for the year	**128,700**	-
At end of year	**3,078,700**	-

Pursuant to the loan agreement dated 01 June 2023, the Company obtained a loan of EUR 2,950,000 from MSSL Tooling (FZE) which is repayable by 13 June 2026 and carries an annual interest of 5.52% (1 year EURIBOR at 3.82% plus spread of 1.70%).

	2024	2023
Total carrying amount at end of year	**75,492,945**	73,571,422
Less: current portion	**-**	(4,156,722)
Non-current portion	**75,492,945**	69,414,700

12. OTHER PAYABLES

	2024 EUR	2023 EUR
Accruals	**46,880**	48,264

13. RELATED PARTY TRANSACTIONS

Other than transactions with its holding entity and entity under common control as disclosed in Note 11, the Company transacted with other related parties during the year ended 31 March 2024. The nature, volume of transactions and balances are as follows:

	2024 EUR	2023 EUR
(i) Loan to Motherson Sintermetal Technology BV. – entity under common control		
<u>*Cost*</u>		
At start of year	**53,256,591**	51,246,317
Loan granted during the year	**50,000**	150,000
Interest charged for the year	**1,887,452**	1,860,274
At end of year	**55,194,043**	53,256,591
<u>*Impairment*</u>		
At start of year	**(53,256,591)**	(51,246,317)
Movement during the year	**(1,937,452)**	(2,010,274)
At end of year	**(55,194,043)**	(53,256,591)
<u>*Carrying amount*</u>	**-**	-
At end of year (Note 7)		

The loan to the entity under common control is unsecured, carries interest in the range 1.30% - 5.90% per annum and is repayable on demand.

13. RELATED PARTY TRANSACTIONS (CONTINUED)

The directors have assessed the recoverability of the loan and the interest receivable and are of the opinion that the company, Motherson Sintermetal Technology BV. does not have enough cash flow to repay the amount advanced. On that basis, the directors have concluded that the loan and interest on loan receivable should be fully impaired as at 31 March 2024.

	2024 EUR	2023 EUR
(ii) Loan to joint venture - Samvardhana Motherson Global Holdings Limited		
At start of year	-	5,329,966
Loan refunded during the year	-	(5,329,966)
At end of year (Note 7)	-	-

The loan to joint venture carried interest at the rate of 4.78% per annum and was repayable not earlier than 26 June 2026 and it was renewable by mutual agreement for a further period. Interest is repayable on demand. The principal amount was fully repaid in 2021.

The remaining balance of interest was fully repaid in April 2022.

	2024 EUR	2023 EUR
(iii) Loan to Samvardhana Motherson Employee Benefit Limited – entity under common control		
At start of year	-	45,170
Loan refunded during the year	-	(45,529)
Exchange difference	-	359
At end of year (Note 7)	-	-

	2024 EUR	2023 EUR
(iv) Interest on loan to Samvardhana Motherson Employee Benefit Limited – entity under common control		
At start of year	-	695
Interest charged for the year	-	482
Exchange difference	-	(19)
Interest refunded during the year	-	(1,158)
At end of year (Note 8)	-	-

The loan receivable from related party - Samvardhana Motherson Employee Benefit Limited was unsecured, bears interest at 1% per annum and is repayable on demand. The loan and the interest on loan was fully repaid in March 2023.

13. RELATED PARTY TRANSACTIONS (CONTINUED)

	2024 EUR	2023 EUR
(v) Loan to Samvardhana Motherson Finance Services Cyprus Ltd. – entity under common control		
At start of year	**239,798**	234,884
Exchange difference	**1,118**	4,914
At end of year (Note 7)	**240,916**	239,798
Non-current portion	**46,330**	-
Current portion	**194,586**	239,798

The loan to related party - Samvardhana Motherson Finance Services Cyprus Ltd is unsecured, bears interest of LIBOR plus 194 – 220 basis point and the loan is repayable as follows:
(a) Loan of USD 210,000 (equivalent to EUR 194,586) – 21 June 2024
(b) Loan of USD 50,000 (equivalent to EUR 46,330) – 20 January 2026

	2024 EUR	2023 EUR
(vi) Interest receivable on loan to Samvardhana Motherson Finance Services Cyprus Ltd. – entity under common control		
At start of year	**10,811**	4,696
Interest charged for the year	**18,604**	6,248
Exchange difference	**110**	(133)
At end of year (Note 8)	**29,525**	10,811

(vii) Amount receivables-expenses paid on behalf of related parties:

	2024 EUR	2023 EUR
(i) Samvardhana Motherson Employees Wealth Trust – entity under common control		
At start of year	**10,339**	6,685
Expense paid on behalf of related party	**-**	3,551
Exchange loss	**49**	103
At end of year	**10,388**	10,339
(ii) Samvardhana Motherson UK. – *entity under common control*		
At start of year	**32,211**	33,603
Amount refunded during the year	**(35,134)**	-
Exchange loss	**2,923**	(1,392)
At end of year	**-**	32,211
Total amount receivable from related parties (Note 8)	**10,388**	42,550

The amount receivables from the above related parties are unsecured, repayable on demand and are interest-free.

13. RELATED PARTY TRANSACTIONS (CONTINUED)

(viii) Amount payable to holding company – Samvardhana Motherson International Ltd:

	2024 EUR	2023 EUR
At start of year	-	(250,000)
Commission paid during the year	-	264,384
Commission charged for the year	-	(14,384)
At end of year	-	-

The amount payable to the holding company was unsecured, interest-free and repayable within 30 days from the date of invoice. The commission fees were on the guarantee on the bank loans. Since the loan has been repaid, the commission fee is no more calculated.

(ix) Ocorian Corporate Services (Mauritius) Ltd - Administrator

	2024	2023
At start of year	**(35,772)**	(36,413)
Under provision	-	7,922
Paid during the year	**46,556**	28,770
Administration fees charged for year	**(52,649)**	(36,051)
At end of year	**(41,865)**	(35,772)

14. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Borrowings EUR	**Interest EUR**	**Total EUR**
At 01 April 2022	80,416,363	(3,582,999)	76,833,364
Interest expense	1,635,972	-	1,635,972
Cash flows			
- Loan repaid	(72,700,000)	-	(72,700,000)
- Loan received	67,858,000	-	67,858,000
- Interest paid	-	(55,917)	(55,917)
At 31 March 2023	77,210,335	(3,638,916)	73,571,419

14. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)

	Borrowings EUR	Interest paid EUR	Total EUR
At 01 April 2023	**77,210,335**	**(3,638,913)**	**73,571,422**
Interest expense	**1,837,174**	-	**1,837,174**
Cash flows			
- Loan repaid	**(4,050,000)**	**-**	**(4,050,000)**
- Loan received	**4,250,000**	**-**	**4,250,000**
- Interest paid	**-**	**(115,651)**	**(115,651)**
At 31 March 2024	**79,247,509**	**(3,754,564)**	**75,492,945**

15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Fair value

The Company's financial assets and liabilities include loan receivables, other receivables, cash and cash equivalents, borrowings and other payables. The basis of measurement in respect of each class of financial asset and financial liability is disclosed in Note 3 of the financial statements.

The carrying amounts of financial assets and liabilities approximate their fair value. The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Company are discussed below.

Credit risk

Credit risk represents the potential loss that the Company would incur if counterparties fail to perform pursuant to the terms of their obligations to the Company. At the reporting date, the credit risk against which the Company was associated was as follows:

	2024 EUR
Loan receivables	**240,916**
Other receivables	**39,913**
Cash and cash equivalents	**156,228**
	437,057

Investment in joint venture **EUR 578,163,537** (2023: EUR 257,583,672) and prepaid expenses amounting to **EUR 548** (2023: EUR 401) have not been included in financial assets**.**

Credit risk arises from cash and cash equivalents, loan receivables and other receivables. For banks and financial institutions, the Company maintain banking relationships with only creditworthy banks, which it reviews on an on-going basis. The credit risk on the bank balance is not considered material.

15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

Credit risk (continued)

The risk of financial loss due to counterparty`s failure to honour its obligations arise principally in relation to transactions where the Company provides funding to its joint venture.

Cash and cash equivalents are kept with reputable institutions so as to minimise associated credit risk.

The loan and amount receivable are from related parties, bears a low risk of default and therefore management is of the opinion that no provision for ECL should be made in the financial statements.

Liquidity risk

This refers to availability of funds for the Company to meet its financial obligations as they fall due. The Company pays out its obligations from finance received from its holding and related entities and loans from financial institutions. The good financial standing enjoyed by the Company with these institutions gives it the ability to raise sufficient funds when required. Liquidity risk is also dependent on the financial support obtained from the holding company as further disclosed in Note 16. As a result, the directors consider that liquidity risk is properly monitored.

Contractual cash flows

The following are the undiscounted contractual maturities of financial liabilities:

Non-derivative financial liabilities	**Carrying amount EUR**	**Due within 1 year EUR**	**Due between 1 – 2 years EUR**	**Due between 2– 5 years EUR**	**Due more than 5 years EUR**
At 31 March 2024					
Borrowings	**75,492,945**	**-**	**75,492,945**	**-**	**-**
Other payables	**46,880**	**46,880**	**-**	**-**	**-**
	75,539,825	**46,880**	**75,492,945**	**-**	**-**
At 31 March 2023					
Borrowings	73,571,422	4,156,722	69,414,700	-	-
Other payables	48,264	48,264	-	-	-
	73,619,686	4,204,986	69,414,700	-	-

Market risk

At the end of the year, a significant portion of the Company's net assets was based in Cyprus, which involves certain considerations and risks not typically associated with investment in other developed countries. Future economic and political developments in Cyprus could adversely affect the liquidity and/or the value of the securities in which the Company has invested.

Interest rate risk

The Company's finance and operating expenses are met by equity finance and advances from its holding and related entities and financial institutions. At the reporting date, the Company is exposed to interest rate risk to the extent that it has interest-bearing financial assets and liabilities.

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Variable rate instruments	**2024 EUR**	2023 EUR
Financial assets		
Loan receivables	**48,458,241**	48,407,123

15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

Market risk (continued)

Interest rate risk (continued)

Sensitivity analysis for variable rate instruments

The following table indicates the approximate change in the Company's profit after tax and equity in response to reasonable possible changes in the interest rates to which the Company has significant exposure at the reporting date:

	Change in interest rates	Effective change in profit after tax and equity	
		2024	2023
Variable rate instrument		**EUR**	EUR
Financial assets			
Loan to related parties	**50 basis points**	**95,303**	93,326

Currency risk

The Company is exposed to currency risk to the extent that it has financial assets and liabilities denominated in a currency other than EUR.

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets 2024 EUR	**Financial liabilities 2024 EUR**	Financial assets 2023 EUR	Financial liabilities 2023 EUR
United States Dollar	**316,515**	**-**	318,162	-
GBP	**-**	**-**	32,211	-
Euro	**120,542**	**75,539,825**	93,227	73,619,686
	437,057	**75,539,825**	443,600	73,619,686

Investment in joint venture **EUR 578,163,537** (2023 – EUR 257,583,672) and prepaid expenses amounting to **EUR 548** (2023 – EUR 401) have not been included in financial assets.

Tax liability amounting to **EUR 703** (2023- EUR 3,212) has not been included in the financial liabilities.

15. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

Market risk (continued)

Currency risk (continued)

Currency sensitivity analysis

The following table indicates the approximate change in the Company's profit after tax and equity in response to a reasonable possible change in the foreign exchange rates of 10% to which the Company has significant exposure at the reporting date.

	Effect on profit after tax and equity	
	2024	2023
	EUR	EUR
United States Dollars	**31,652**	31,816
Great Britain Pound	**-**	3,221

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the reporting date and had been applied to the Company's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

Financial instruments by category	**Amortised cost**
	2024
	EUR
Financial assets	
Loan receivables	**240,916**
Other receivables	**39,913**
Cash and cash equivalents	**156,228**
Total financial assets	**437,057**
Financial liabilities	
Borrowings	**75,492,945**
Other payables	**46,880**
Total financial liabilities	**75,539,825**

	Amortised cost
	2023
	EUR
Financial assets	
Loan receivables	239,798
Other receivables	53,361
Cash and cash equivalents	150,441
Total financial assets	443,600
Financial liabilities	
Borrowings	73,571,422
Other payables	48,264
Total financial liabilities	73,619,686

16. RESTATEMENT

During the year ended 31 March 2023, the Company classified the share of other comprehensive income of the joint venture in retained earnings. During the year under review, the share of other comprehensive income of the joint venture was reclassified from retained earnings to other reserves.

	As previously stated EUR	Adjustments EUR	As restated EUR
Statement of financial position			
As at 31 March 2023			
Other reserves	**45,517,666**	**796,479**	**46,314,145**
Retained earnings	**133,943,340**	**(796,479)**	**133,146,861**
Statement of changes in equity			
As at 31 March 2023			
Other reserves	**45,517,666**	**796,479**	**46,314,145**
Retained earnings	**133,943,340**	**(796,479)**	**133,146,861**

17. CAPITAL MANAGEMENT

The Company actively and regularly reviews and manages its capital position to maintain a balance between its liability and equity level.

The management of the Company’s capital position is undertaken by the management team of its holding company. The management team ensures that the Company is adequately capitalised to meet economic and regulatory requirements. Capital injections and repatriations are executed in a timely fashion, working closely with the business and infrastructure groups. The management team meets on a regular basis and manages capital by taking into account key considerations, which may include business developments, regulatory requirements, gap profitability and market movements such as foreign exchange and interest rate.

18. HOLDING AND ULTIMATE HOLDING COMPANY

The directors consider Samvardhana Motherson International Limited, a limited liability company incorporated in India, as the Company’s holding and ultimate holding company.

19. EVENTS AFTER THE REPORTING DATE

There are no material events after the reporting date which require amendments to or additional disclosures in the financial statements for the year ended 31 March 2024.