

***MSSL MAURITIUS HOLDINGS LTD
FINANCIAL STATEMENTS
FOR YEAR ENDED 31st MARCH 2018***

*MSSL MAURITIUS HOLDINGS LTD***FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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MSSL MAURITIUS HOLDINGS LTD**COMPANY INFORMATION**

		Date of appointment	Date of resignation
DIRECTORS	:		
		Vivek Chaand Sehgal	20 August 2001
		Bimal Dhar	20 August 2001
		Venkatesen Saminada Chetty	23 October 2007
		Veronique Magny-Antoine (alternate to Venkatesen Saminada Chetty)	6 October 2008
		Rishal Tanee	1 October 2016
		Thiery Gilles Marie Adolphe (Alternate to Mr. Rishal Tanee and Venkatesen S Chetty)	1 October 2016
ADMINISTRATOR AND SECRETARY	:		
		Abax Corporate Services Ltd 6 th Floor, Tower A 1, CyberCity, Ebène Mauritius	
REGISTERED OFFICE	:		
		c/o Abax Corporate Services Ltd 6 TH Floor, Tower A 1, CyberCity, Ebène Mauritius	
AUDITOR	:		
		Ernst & Young 9 th Floor, NeXTeracom Tower 1 Cybercity, Ebene Mauritius	
BANKERS	:		
		SBI (Mauritius) Ltd. 7 th Floor, SBI Tower Mindspace 45, Cybercity, Ebene Mauritius	

MSSL MAURITIUS HOLDINGS LTD**DIRECTORS' REPORT**

The directors present their report and the audited financial statements of the MSSL MAURITIUS HOLDINGS LTD (the "Company") for the year ended 31 March 2018.

PRINCIPAL ACTIVITY

The principal activity of the Company is to hold investments.

REVIEW OF BUSINESS

The Company's profit for the year is **EUR 5,787,008** (2017 – EUR 8,473,081).

The directors do not recommend the payment of any dividend for the year under review.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the requirements of the Mauritian Companies Act 2001 applicable to a company holding a Category 1 Global Business Licence, as described in note 2 to the financial statements. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

The auditor, Ernst & Young, has indicated its willingness to continue in office and will be automatically re-appointed at the Annual Meeting.

By Order of the Board


 PAMELA MAUREMOTOO FCIS
 FOR
 ABAX CORPORATE
 SERVICES LTD

SECRETARY

Dated **29 August 2018**

**SECRETARY'S CERTIFICATE
TO THE SOLE MEMBER OF MSSL MAURITIUS HOLDINGS LTD**

UNDER SECTION 166 (d) OF THE MAURITIAN COMPANIES ACT 2001

We certify, as secretary of the Company, that based on records and information made available to us by the Directors and the Sole Shareholder of the Company, the Company has filed with the Registrar of Companies for the year ended 31 March 2018, all such returns as are required of the Company under the Mauritian Companies Act 2001.

Dated **29 August 2018**



**ABAX CORPORATE SERVICES LTD
SECRETARY**

**PAMELA MAUREMOTOO FCIS
FOR
ABAX CORPORATE
SERVICES LTD**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MSSL MAURITIUS HOLDINGS LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MSSL Mauritius Holdings Ltd (the "Company") set out on pages 8 to 23 which comprise the statement of financial position as at 31 March 2018, 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 the financial statements, including significant accounting policies.

In our opinion, the financial statements of the Company are prepared in all material respects, in accordance with the basis of accounting described in note 2 to the financial statements and the requirements of the Companies Act 2001 applicable to a company holding a Category 1 Global Business Licence.

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' Code of Ethics for Professional Accountants (IESBA Code), 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 the directors' report and the secretary's report as required by the Companies Act 2001, 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 on the other information obtained prior to the date of this auditor's report, 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 Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2001 applicable to a company holding a Category 1 Global Business Licence, as described in note 2 to the financial statements 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MSSL MAURITIUS HOLDINGS LTD (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

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 judgement and maintain professional scepticism 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 director's 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MSSL MAURITIUS HOLDINGS LTD (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.


Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor and dealings in the ordinary course of business.

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.



ERNST & YOUNG
Ebène, Mauritius



ANDRE LAI WAN LOONG, F.C.A
Licensed by FRC

Date: **29 AUG 2018**

MSSL MAURITIUS HOLDINGS LTD**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

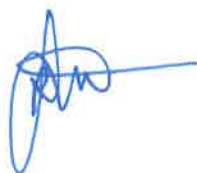
	31-Mar-18 EUR	31-Mar-17 EUR
Revenue		
Dividend income	5,250,000	5,250,000
Profit on disposal of investment in subsidiary(Note 8)	-	250,000
	<u>5,250,000</u>	<u>5,500,000</u>
Expenses		
Impairment loss on loan to joint venture (Note 9)	(124,633)	-
General and administrative expenses (Note 4)	(39,886)	(60,144)
	<u>(164,519)</u>	<u>(60,144)</u>
Operating profit	<u>5,085,481</u>	<u>5,439,856</u>
Finance income (Note 5)	1,790,215	3,709,980
Finance costs (Note 5)	(820,528)	(414,255)
Finance income, net (Note 5)	<u>969,687</u>	<u>3,295,725</u>
Profit before income tax	<u>6,055,168</u>	<u>8,735,581</u>
Income tax expense (Note 7)	(268,160)	(262,500)
Profit for the year	<u>5,787,008</u>	<u>8,473,081</u>
Other comprehensive income	-	-
Total comprehensive income for the year	<u><u>5,787,008</u></u>	<u><u>8,473,081</u></u>

The notes on pages 12 to 23 are an integral part of these financial statements.

MSSL MAURITIUS HOLDINGS LTD**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018**

	31-Mar-18	31-Mar-17
	EUR	EUR
ASSETS		
Non-current assets		
Investment in joint venture (Note 6)	16,426,385	16,400,885
Investments in subsidiaries (Note 8)	8,779,969	8,779,969
Other receivables (Note 9)	4,075,952	11,248,623
	<u>29,282,306</u>	<u>36,429,477</u>
Current assets		
Other receivables (Note 9)	15,083,152	8,122,193
Cash and cash equivalents (Note 10)	6,663,415	4,954,286
Current tax assets (Note 7)	-	26,558
	<u>21,746,567</u>	<u>13,103,037</u>
Total assets	<u>51,028,873</u>	<u>49,532,514</u>
EQUITY		
Capital and reserves attributable to the equity holder		
Share capital (Note 11)	37,820,080	37,820,080
Retained earnings	13,199,515	7,412,507
Total equity	<u>51,019,595</u>	<u>45,232,587</u>
Current liabilities		
Borrowings (Note 12)	-	4,131,843
Other payables (Note 13)	9,278	168,084
	<u>9,278</u>	<u>4,299,927</u>
Total Equity and Liabilities	<u>51,028,873</u>	<u>49,532,514</u>

Authorised for issue by the Board of directors on 29 August 2018
and signed on its behalf by




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DIRECTORS

*MSSL MAURITIUS HOLDINGS LTD*STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Share capital	Retained earnings	Total Equity
	EUR	EUR	EUR
Balance as at 01 April 2016	37,820,080	(1,060,574)	36,759,506
Profit/total comprehensive income for the year	-	8,473,081	8,473,081
Balance as at 31 March 2017	37,820,080	7,412,507	45,232,587
Profit/total comprehensive income for the year	-	5,787,008	5,787,008
Balance as at 31 March 2018	37,820,080	13,199,515	51,019,595

The notes on pages 12 to 23 are an integral part of these financial statements.

MSSL MAURITIUS HOLDINGS LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	31-Mar-18 EUR	31-Mar-17 EUR
<i>Cash flow from operating activities</i>		
Profit before taxation	6,055,168	8,735,581
Adjustments for:		
Interest income	(1,388,216)	(1,417,361)
Interest expense	50,754	146,724
Dividend income	(5,250,000)	(5,250,000)
Impairment loss on loan to Joint Venture	124,633	-
Unrealised foreign exchange loss/(gain)	367,775	(2,025,088)
Profit on disposal of investment in subsidiary	-	(250,000)
Cash flow before changes in working capital	(39,886)	(60,144)
(Decrease)/increase in trade and other payables	(9,172)	5,836
Acquisition of investments	(25,500)	(1,957,633)
Proceeds on disposal of investment	-	300,000
Interest received from related party	1,156,204	1,092,858
Dividend received	5,250,000	5,250,000
Loans to joint venture	-	(193,262)
Tax paid (Note 7)	(241,602)	(285,885)
<i>Net cash generated from operating activities</i>	6,090,044	4,151,770
<i>Cash flow from investing activities</i>		
Interest received	26	15
Net cash from generated from investing activities	26	15
<i>Cash flow from financing activities</i>		
Interest paid to related party	(150,357)	-
Repayment of loan to related party	(3,780,598)	-
Net cash flow used in financing activities	(3,930,955)	-
Net increase in cash and cash equivalents	2,159,115	4,151,785
Cash and cash equivalents at beginning of year	4,954,286	680,231
Effect of exchange difference on balance with banks in foreign currency	(449,986)	122,270
Cash and cash equivalents at end of year	6,663,415	4,954,286

The notes on pages 12 to 23 are an integral part of these financial statements.

MSSL MAURITIUS HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018

1 INCORPORATION AND ACTIVITIES*Incorporation*

MSSL MAURITIUS HOLDINGS LTD (the 'Company') is a private company with limited liability incorporated on 10 July 2001 and domiciled in Mauritius. The registered address of the Company is c/o Abax Corporate Services Ltd, 6th Floor, Tower A, 1, CyberCity, Ebène, Mauritius. The Company holds a Category 1 Global Business Licence under the Financial Services Act 2007 and is regulated by Financial Services Commission.

Activities

The principal activity of the Company is to hold investments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritian Companies Act 2001 for companies holding a Category 1 Global Business License ("IFRS as modified by the Mauritius Companies Act 2001"). These financial statements have been prepared under the historical cost convention.

The preparation of the financial statements in conformity with IFRS as modified by the Mauritius Companies Act 2001 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Critical accounting estimates and judgements in applying accounting policies

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of investments

The Company tests annually whether investments in joint ventures and subsidiaries have suffered any impairment. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. The Company follows the guidance of IAS 36 to determine when investment in joint ventures and subsidiaries are impaired. IAS 36 requires impairment of an asset when its carrying amount exceeds its recoverable amount. In making this judgement, the Company evaluates and determines the recoverable amount of the interests in joint ventures and subsidiaries in accordance with IAS 36. In determining value in use, the Company estimates future cash flows from the asset on the basis of continuing use of the asset and its ultimate disposal by the joint ventures and subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New standards, amendments and interpretations adopted by the Company

A number of new standards, amendments and interpretations are effective for the first time for the financial year beginning on 1 April, 2017. None of these is expected to have a significant effect on the financial statements of the Company.

New standards, amendments and interpretations that are not yet effective and have not been early adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2017, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company, except the following set out below:

IFRS 9 – Financial Instruments (effective for accounting periods beginning on or after 1 January 2018)

IFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Company is yet to assess IFRS 9's full impact.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to be relevant and have a significant impact on the Company.

Investments in subsidiaries and joint arrangements

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are recognised at cost and subsequently measured at cost less impairment.

A joint arrangement is an arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement. The Company has assessed that all their joint arrangements are joint ventures.

MSSL MAURITIUS HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018 (CONTINUED)**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in subsidiaries and joint arrangements (Continued)

Investments in joint ventures are recognised and subsequently measured at cost less impairment.

Where an indication of impairment exists, the recoverable amount of the investment in the joint venture and/or in the subsidiary is assessed. Where the recoverable amount of an investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in profit or loss.

Consolidated financial statements

The Company holds investments in joint ventures and subsidiaries as disclosed in Notes 6 and 8 to the financial statements. The investments in joint ventures and subsidiaries are accounted for at cost and the Company has not consolidated the results of subsidiaries and joint ventures. The Company has taken advantage of the exemption provided by the Mauritian Companies Act 2001 allowing a wholly owned or virtually owned parent company holding a Category 1 Global Business Licences not to present consolidated financial statements.

Foreign currency translation

- Functional and presentation currency

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

- Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

Cash and cash equivalents

Cash and cash equivalents include cash at bank.

Share capital

The Company has two classes of shares, being ordinary shares and redeemable preference shares. Par value of each class of share outstanding is EUR 1 and both are classified as equity. No redeemable preference shares have been issued to date.

Trade payables

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

*MSSL MAURITIUS HOLDINGS LTD***NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***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 redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period in the countries where the Company's subsidiaries and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income 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. However, the 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 the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Income recognition

Interest income is recognised using the effective interest method.

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

Dividend and interest income are shown gross of withholding taxes.

3 FINANCIAL RISK MANAGEMENT

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

MSSL MAURITIUS HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018 (CONTINUED)****3 FINANCIAL RISK MANAGEMENT (Continued)**

Risk management is carried out by the Board of Directors.

(i) Market risk*Foreign exchange risk*

The reporting currency of the Company is Euro and the Company has given loans denominated in ZAR and USD and has taken a loan denominated in USD for which it is exposed to foreign exchange risk.

Currency risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign companies. As a result, it is subject to foreign currency exchange risk arising from exchange rate movements.

There were no hedging transactions in place as at 31 March, 2018.

Currency profile	Financial assets		Financial liabilities	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
EUR	4,583,713	4,700,442	9,278	18,450
USD	321,812	359,965	-	4,281,477
ZAR	20,917,193	19,121,433	-	-
AUD	-	143,262	-	-
	25,822,718	24,325,102	9,278	4,299,927

As at 31 March 2018, if the ZAR had strengthened / weakened by 15% against EUR with all other variables held constant, pre-tax profit for the year would have been higher/lower by **EUR 3,137,564** (2017 - EUR 2,180,612) and if the USD had strengthened / weakened by 5% against EUR with all other variables held constant, pre-tax profit for the year would have been lower/higher by **EUR 16,091** (2017 - EUR 188,485).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk is limited to its bank balance, loan given and loan received. Interest thereon is based on market interest rates.

As at 31 March 2018, if the interest rates on ZAR denominated advances had been higher/lower by 100 basis points with all other variables held constant, pre-tax profit and equity for the year would have been higher/lower by **EUR 266,738** (2017 - EUR 133,133), if the interest rates on USD denominated loans had been higher/lower by 100 basis points with all other variables held constant, pre-tax profit and equity for the year would be lower/higher by **EUR 2,215** (2017 - EUR 38,655) and if the interest rates on EUR denominated advances had been higher/lower by 100 basis points with all other variables held constant, pre-tax profit and equity for the year would be higher/ lower by **EUR 17,282** (2017 - EUR 38,414).

MSSL MAURITIUS HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018 (CONTINUED)****3 FINANCIAL RISK MANAGEMENT (Continued)****(ii) Credit risk**

Credit risk arises from cash and cash equivalents and other receivables only. 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. Other receivables represents balances recoverable from group companies, accordingly no credit risk arises on these balance.

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 subsidiaries.

The maximum exposure to credit risk regarding financial assets is the carrying amount as disclosed in the statement of financial position.

(iii) Liquidity risk

The Company is in a net current assets position as of 31 March 2018 and faces no liquidity risk.

All financial liabilities are repayable on demand.

(iv) Fair values

The fair value of the Company`s financial assets and liabilities at 31 March 2018 approximated their net book amounts as reflected in the financial statements.

3 FINANCIAL RISK MANAGEMENT (Continued)**(v) Capital risk management**

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

4 GENERAL AND ADMINISTRATIVE EXPENSES

	31 March 2018 EUR	31 March 2017 EUR
Legal & professional fees	28,374	39,689
Audit fee	6,000	13,856
Rent expense	3,814	4,145
Miscellaneous expense	1,698	2,454
	39,886	60,144

MSSL MAURITIUS HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018 (CONTINUED)

5	FINANCE INCOME/EXPENSE			31 March 2018 EUR	31 March 2017 EUR		
	Finance income:						
	Exchange gain on bank balances			-	122,270		
	Exchange gain on interest income			-	2,170,349		
	Exchange gain on interest expense			401,999	-		
	Bank interest			26	15		
	Loan to related party (Note 14)			1,388,190	1,417,346		
				<u>1,790,215</u>	<u>3,709,980</u>		
	Finance expense:						
	Loan from related party (Note 14)			(50,754)	(146,724)		
	Exchange loss on bank balances			(450,185)	-		
	Exchange loss on interest income			(318,866)	-		
	Exchange loss on interest expense			(723)	(267,531)		
				<u>(820,528)</u>	<u>(414,255)</u>		
6	INVESTMENTS IN JOINT VENTURES						
		31-Mar-18			31-Mar-17		
		Equity	Advance against equity	Total	Equity	Advance against equity	Total
		EUR	EUR	EUR	EUR	EUR	EUR
	At beginning of year						
	Gross investment at cost	18,369,616	1,431,166	19,800,782	18,369,616	1,431,166	19,800,782
	Less : impairment provision	(1,968,731)	(1,431,166)	(3,399,897)	(1,968,731)	(1,431,166)	(3,399,897)
	Net investment	<u>16,400,885</u>	<u>-</u>	<u>16,400,885</u>	<u>16,400,885</u>	<u>-</u>	<u>16,400,885</u>
	During the year						
	Additions	25,500	-	25,500	-	-	-
	At closing of year						
	Gross investment at cost	18,395,116	1,431,166	19,826,282	18,369,616	1,431,166	19,800,782
	Less : Impairment Provision	(1,968,731)	(1,431,166)	(3,399,897)	(1,968,731)	(1,431,166)	(3,399,897)
	Net investments	<u>16,426,385</u>	<u>-</u>	<u>16,426,385</u>	<u>16,400,885</u>	<u>-</u>	<u>16,400,885</u>

The investments in joint ventures consist of:

- (i) The Company holds 50.07% (2017: 50.07%) of shares denominated in AED and 78.82% (2017: 78.82%) of shares denominated in AUD equivalent to amounts of AED 75,100 and AUD 6,041,542 (aggregating to EUR 1,968,731) in Global Environment Management (FZC), a joint venture, registered on 21 June 2005, based on Heads of Agreement (HOA) entered between the Company and E-compost Pty Ltd (EC). Under the terms of the HOA all significant operating decisions need positive affirmation by the nominees of the Company and EC. Therefore, the Company's investment in GEM (FZC) is accounted for as an investment in a joint venture.

Global Environment Management (FZC) is engaged in the trading of Aerobin home composting and on site household and garden waste containment systems. The Company, pursuant to the HOA has been assigned the Intellectual property i.e. the patents, trademark registrations and applications, designs and design applications and patents and patent applications relating to the above products by EC.

MSSL MAURITIUS HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018 (CONTINUED)****6 INVESTMENTS IN JOINT VENTURES (Continued)**

Further, Global Environment Management (FZC) owns 100% shares in Global Environment Management Australia Pty Ltd, registered as a proprietary company limited by shares under the Corporations Act, 2001 in Victoria, Australia on January 16, 2007. The Company is engaged in the marketing of Aerobin home composting and on site household and garden waste containment systems.

During the previous periods, the Company had given advance against equity of AUD 275,000 equivalent to EUR 221,209. The Company had impaired the value of investment determined based on value in use.

(ii) The Company holds 51% (2017: 51%) in Samvardhana Motherson Global Holdings Limited (SMGHL) incorporated in Cyprus, a joint venture between the Company and Samvardhana Motherson Holding (M) Private Limited. The Company had invested EUR 14,605,380 in the joint venture and held 1,020,000 ordinary shares of EUR 1 each at a premium of EUR 13.319 each. The Company received 1,197 ordinary shares of EUR 1 each at a premium of EUR 1,499 each upon conversion of loan of EUR 1,795,500 into equity by the joint venture company during financial year 2015-16. During the year ended 31 March 2018, the Company invested Euro 25,500 in Samvardhana Motherson Global Holdings Limited (SMGHL) by way of 17 equity shares of Euro 1 each at a premium of EUR 1,499 per share. As at 31 March 2018 the Company held 1,021,214 (2017: 1,021,197) ordinary shares of Euro 1 and 5,100 (2017: 5,100) preference shares of Euro 1 each.

(iii) The Company holds 51% (2017: 51%) in Vacuform 2000 (Pty) Ltd, incorporated in Republic of South Africa. The Company is engaged in the business of manufacturing vacuum-forming and blow moulding components majorly for the automotive industry and has its manufacturing location at Rosslyn, Pretoria, Republic of South Africa.

The Company has invested ZAR 51 equivalent to Euro 5 in the joint venture and holds 51 shares of ZAR 1 each.

The directors have reviewed the carrying amounts of the above investments and the financial position of the investee companies at 31 March 2018 and are of the opinion that no impairment is required, except for Global Environment Management (FZC) which has already been fully impaired in previous years.

7 INCOME TAX

The Company is subject to income tax in Mauritius on its net income, as adjusted for tax purposes at 15%. It is entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and 80% of the Mauritius tax payable on its foreign source income. There is no capital gains tax in Mauritius.

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

	31-Mar-18	31-Mar-17
	EUR	EUR
<i>Income tax liability/(asset) :</i>		
At beginning of year	(26,558)	(3,173)
Tax refund received	20,898	-
Charge for the year	268,160	262,500
Amount paid during the year	(262,500)	(285,885)
At end of year	<u>-</u>	<u>(26,558)</u>

MSSL MAURITIUS HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018 (CONTINUED)****7 INCOME TAX (Continued)**

Reconciliation between the actual tax and the applicable income tax is as follows:

	31-Mar-18 EUR	31-Mar-17 EUR
Profit before income tax	6,055,168	8,735,581
Tax calculated at 15%	908,275	1,310,337
Expenses not deductible for tax purposes	448,290	39,710
Income not subject to tax	-	(336,356)
Foreign tax credit	(1,356,565)	(1,013,691)
Income tax charge	-	-
Withholding tax	268,160	262,500
Total income tax charge	<u>268,160</u>	<u>262,500</u>

8 INVESTMENTS IN SUBSIDIARIES

Company	31 March 2018 EUR	31 March 2017 EUR
<i>Unquoted, at cost:</i>		
At beginning of the year	8,779,969	6,872,336
Addition during the year	-	1,957,633
Disposal during the year	-	(50,000)
At end of the year	<u>8,779,969</u>	<u>8,779,969</u>

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Face value	Number of Shares	Equity interest	Cost EUR 2018	Cost EUR 2017
MSSL Global RSA Module Engineering Limited	Republic of South Africa	1 ZAR	60,000,000	100%	6,822,336	6,822,336
MSSL Australia Pty Ltd (Preference Shares: 8,000 Equity Shares: 2,792,000)	Australia	1 AUD	2,800,000	80%	1,957,633	1,957,633
					<u>8,779,969</u>	<u>8,779,969</u>

- (i) MSSL Ireland Pvt. Limited – During the year ended 31 March 2017, the company disposed its investment for a consideration of Euro 300,000 and recognised profit on sale of investment of Euro 250,000.
- (ii) MSSL Global RSA Module Engineering Limited (Formerly Golden Dividend 629 Limited): Its principal activity is the manufacturing of automobile components.
- (iii) MSSL Australia Pty Ltd – The Company is a holding company and act as a corporate office providing support to the Australian group entities. During the year ended 31 March 2017, the Company purchased the 2,792,000 Equity shares of AUD 1 and 8,000 Preference shares of AUD 1 for a consideration of EUR 1,957,633.

The directors have reviewed the carrying amounts of the above investments and the financial position of the subsidiaries at 31 March 2018 and are of the opinion that the investments in subsidiaries should not be impaired.

MSSL MAURITIUS HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018 (CONTINUED)****9 OTHER RECEIVABLES**

	31 March 2018 EUR	31 March 2017 EUR
Loan to related parties (Note 14)	16,948,894	17,393,515
Interest from related parties (Note 14)	2,210,210	1,977,301
	<u>19,159,104</u>	<u>19,370,816</u>
Non-current portion	4,075,952	11,248,623
Current portion	15,083,152	8,122,193
	<u>19,159,104</u>	<u>19,370,816</u>

- (i) The Company has given loans totalling ZAR 160,750,000 (equivalent to EUR 11,027,665) ((2017: ZAR 160,750,000 (equivalent to EUR 11,248,623)) to MSSL Global RSA Module Engineering Limited, at an interest rate of 6 month JIBAR plus 250 basis points. Total interest income of ZAR 16,624,668 (equivalent to EUR 1,103,301) (2017: ZAR 16,967,018 (equivalent to EUR 1,126,443)) was booked during the year on the said loan. At 31 March 2018, the loans are receivable in 2018-19.
- (ii) The Company has given loans totalling ZAR 26,900,000 (equivalent to EUR 1,845,376) ((2017: ZAR 26,900,000 (equivalent to EUR 1,882,351)) to Vacuform 2000 Pty Limited, at an interest rate of Prime Lending Rate. Total interest income of ZAR 2,816,281 (equivalent to EUR 186,995) ((2017: ZAR 2,863,729 (equivalent to EUR 190,064)) was booked during the year on the said loan.
- (iii) The Company has given loan of EUR 3,800,000 (2017: EUR 3,800,000) to Samvardhana Motherson Group Holdings Limited., at an interest rate of 6 month EURIBOR plus 250 basis points. Total interest income of EUR 86,412 (2017: EUR 89,605) was booked during the year on the said loan.
- (iv) The Company has given loans totalling USD 340,000 (equivalent to EUR 275,952) ((2017: USD 340,000 (equivalent to EUR 319,279)) to Samvardhana Motherson Group Holdings Limited, at an interest rate of 6 month LIBOR plus 250 basis points. Total interest income of USD 13,643 (equivalent to EUR 11,482) ((2017: USD 12,194 (equivalent to EUR 11,234)) was booked during the year on the said loan. At 31 March 2018, the loans are receivable in 2018-19.
- (v) The Company had given interest free loan of AUD 200,000 (equivalent to EUR 124,633) to Global Environment Management (FZC), which was impaired during the current year.

10 CASH AND CASH EQUIVALENTS

	31 March 2018 EUR	31 March 2017 EUR
Balances with bank	<u>6,663,415</u>	<u>4,954,286</u>

MSSL MAURITIUS HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018 (CONTINUED)

11 SHARE CAPITAL (Par Value of Euro 1 Each)

<i>Issued and fully paid</i>	31 March 2018		31 March 2017	
	Number	EUR	Number	EUR
At beginning of the year	37,820,080	37,820,080	37,820,080	37,820,080
At end of the year	37,820,080	37,820,080	37,820,080	37,820,080

12 BORROWINGS

The Company had an outstanding loan as at 31st March 2017 amounting USD 4,400,000 (equivalent to EUR 4,131,843) from Motherson Electrical Wires Lanka Pvt. Ltd., carried an interest rate of 6 months USD Libor plus 250 basis points. Total interest expenses of USD 58,500 (equivalent to EUR 50,754) ((2017: USD 159,228 (equivalent to EUR 146,724)) were charged during the year on the said loan. The loan was fully repaid during current year.

13 OTHER PAYABLES

	31 March 2018	31 March 2017
	EUR	EUR
Accruals	8,641	17,997
TDS payable	637	453
Interest on loan	-	149,634
	<u>9,278</u>	<u>168,084</u>

14 RELATED PARTY TRANSACTIONS & BALANCES

The Company is wholly owned by Motherson Sumi Systems Limited, a company incorporated in India. During the year ended 31 March 2018, the Company transacted with related entities. The nature, volume of transactions and balances with the related parties are as follows:

March 2017	Joint Ventures	Subsidiaries	Other related parties
	EUR	EUR	EUR
Interest expense	-	-	146,724
Interest income	290,903	1,126,443	-
Loan given during the year	193,262	-	-
Loan receivable	6,144,892	11,248,623	-
Loan payable	-	-	4,131,843
Interest income receivable	1,453,251	524,050	-
Interest expenses payable	-	-	149,634
Interest received	-	1,092,858	-
Dividend income	-	5,250,000	-

MSSL MAURITIUS HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018 (CONTINUED)**

14 RELATED PARTY TRANSACTIONS & BALANCES (Continued)

March 2018	Joint Ventures EUR	Subsidiaries EUR	Other related parties EUR
Interest expense	-	-	50,754
Interest income	284,889	1,103,301	-
Loan repaid during the year	-	-	4,332,231
Loan receivable	5,921,229	11,027,665	-
Interest income receivable	1,722,585	487,725	-
Interest received	-	1,156,204	-
Dividend income	-	5,250,000	-

The total remuneration of the directors for the year ended 31 March 2018 was EUR 1,981 (2017 - EUR 1,981).

15 PARENT AND ULTIMATE CONTROLLING PARTY

The directors consider Motherson Sumi Systems Limited, a company incorporated in India as the Company's parent and ultimate controlling party. Motherson Sumi Systems Limited is also listed on the Bombay, Delhi and Ahmedabad stock exchanges.

16 SUBSEQUENT EVENTS

There is no reportable subsequent event occurred after 31st March 2018.