

SMR VISION SYSTEM OPERATIONS USA
Financial Statements
2019-20

SMR VISION SYSTEM OPERATIONS USA
Balance sheet

(All amounts in USD'000, unless otherwise stated)

	Notes	As At March 31, 2020	As At March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	-	-
Capital work-in-progress		-	-
Investment property	5	-	-
Goodwill	4	-	-
Other intangible assets	4	-	-
Intangible assets under development		-	-
Financial assets			
i. Investments	6	56,537	56,537
ii. Loans	7	460,800	257,500
iii. Trade receivables	10	-	-
iv. Other financial assets	12	-	-
Deferred tax assets (net)	8	136	2,233
Non-current tax assets (net)		-	-
Total non-current assets		517,473	316,270
Current assets			
Inventories	9	-	-
Financial assets			
i. Investments	6	-	-
ii. Trade receivables	10	13,627	-
iii. Cash and cash equivalents	11	80	18,197
iv. Bank balances other than (iii) above		-	-
v. Loans	7	8,790	2,365
vi. Other financial assets	12	-	-
Other current assets	13	-	-
Total current assets		22,497	20,562
Total assets		539,970	336,832
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	56,538	56,538
Share application money pending for allotments		-	-
Other equity			
Reserves and surplus	15	93,726	36,572
Other reserves	16	-	-
Total equity		150,264	93,110
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	17	357,700	221,000
ii. Other financial liabilities	19	-	-
Provisions	20	-	-
Employee benefit obligations	21	-	-
Deferred tax liabilities (net)	8	-	-
Other non-current liabilities	22	-	-
Total non-current liabilities		357,700	221,000
Current liabilities			
Financial Liabilities			
i. Borrowings	17	8,081	2,238
ii. Trade payables	18	46,679	32,119
iii. Other financial liabilities	19	-	-
Provisions	20	-	-
Employee benefit obligations	21	-	-
Other current liabilities	22	-	-
Non-Current tax liabilities (net)		(22,754)	(11,635)
Total current liabilities		32,006	22,722
Total liabilities		389,706	243,722
Total equity and liabilities		539,970	336,832

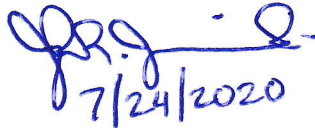
Summary of significant accounting policies

2

This is the Balance Sheet referred to in our report of even date

The above balance sheet should be read in conjunction with the accompanying notes

For and on behalf of the Board


7/24/2020

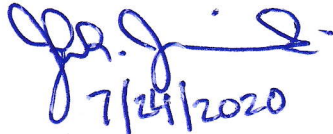
SMR VISION SYSTEM OPERATIONS USA
Statement of profit and loss

		<i>(All amounts in USD'000, unless otherwise stated)</i>	
	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue			
Revenue from contract with customers	23	-	-
Other operating revenue	24	28,430	11,910
Total revenue from operations		28,430	11,910
Other income	25	-	-
Total income		28,430	11,910
Expenses			
Cost of materials consumed	26	-	-
Change in inventories of finished goods, work-in-progress and stock in trade	27	-	-
Employee benefit expense	28	-	-
Depreciation and amortisation expense		-	-
Finance costs	29	22,945	11,444
Other expenses	30	-	-
Total expenses		22,945	11,444
Profit before tax		5,485	486
Tax expenses			
Current tax	31	4,546	123
Deferred tax expense/ (credit)	31	2,084	(2,233)
Total tax expense		6,630	(2,110)
Profit for the year		(1,145)	2,576
Other comprehensive income			
Items to be reclassified to profit or loss			
Deferred gain / (losses) on cash flow hedges (net of tax)		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		(1,145)	2,576
Summary of significant accounting policies	2		

This is the statement of Profit and Loss referred to in our report of even date

The above statement of profit and loss should be read in conjunction with the accompanying notes

For and on behalf of the Board


 7/24/2020

SMF VISION SYSTEM OPERATIONS USA
Statement of changes in equity

(All amounts in USD'000, unless otherwise stated)

	Notes	Amount
A. Share application money pending allotment		
As at April 01, 2018		56,538
As at March 31, 2019		56,538
Less: Amount refunded to share holder of the company		-
As at March 31, 2020		56,538

	Notes	Reserves and Surplus		Items of OCI	Cash flow hedging reserve	Total attributable to Owners
		Retained Earnings				
B. Other equity						
Balance as at April 01, 2018		5,996	-	-	-	5,996
Profit for the year		2,576	-	-	-	2,576
Other comprehensive income		28,000	-	-	-	28,000
Total comprehensive income for the year		30,576	-	-	-	30,576
Balance at March 31, 2019		36,572	-	-	-	36,572
Profit for the year		(1,145)	-	-	-	(1,145)
Other comprehensive income		58,289	-	-	-	58,289
Total comprehensive income for the year		57,154	-	-	-	57,154
Balance at March 31, 2020		93,726	-	-	-	93,726

Summary of significant accounting policies
 This is the statement of changes in equity referred to in our report of even date

For and on behalf of the Board

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 7/24/2020

SMR VISION SYSTEM OPERATIONS USA
Consolidated Cash Flow Statement

(All amounts in USD'000, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flow from operating activities:		
Profit before tax	5,485	466
Adjustments for:		
Depreciation and amortisation expense	-	-
Finance cost	22,945	11,444
Provision for warranty	-	-
Provision for doubtful debt / advances	-	-
Income on reversal of provision	-	-
Unrealised foreign currency loss/(gain)	-	-
Operating profit before working capital changes	28,430	11,910
Changes in working capital:		
Increase/(decrease) in trade and other payables	14,715	31,963
Increase/(decrease) in other financial liabilities	-	-
(Increase)/decrease in trade receivables	(13,627)	5,996
(Increase)/decrease in inventories	-	-
(Increase)/decrease in other receivables	(9,022)	-
(Increase)/decrease in other financial assets	-	-
Cash generated from operations	20,496	49,869
Taxes (paid) / received	(6,943)	18,636
Net cash generated from operating activities	13,553	68,505
B. Cash flow from investing activities:		
Payments for purchase of property, plant & equipment (including capital work-in-progress)	-	-
Net cash (used) in investing activities	-	-
C. Cash flow from financing activities:		
Interest paid	(7,870)	(11,444)
Repayment of short term borrowings	(23,800)	(38,865)
Return of share application money	-	-
Net cash (used) in financing activities	(31,670)	(50,309)

SMR VISION SYSTEM OPERATIONS USA
Consolidated Cash Flow Statement

(All amounts in USD'000, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net increase/(Decrease) in Cash & Cash Equivalents	(18,117)	18,196
Net Cash and Cash equivalents at the beginning of the year	18,197	1
Cash and cash equivalents acquired consequent to acquisition of SMRC (Refer Note 50)	-	-
Cash and cash equivalents as at year end	80	18,197
Cash and cash equivalents comprise		
Cash on hand	-	-
Cheques / drafts on hand		
Balance with Banks	80	18,197
Cash and cash equivalents as per Balance Sheet (restated)	80	18,197
Net foreign exchange difference on balance with banks in foreign currency		
Total	80	18,197
Summary of significant accounting policies (Note 2)		

i) The above Cash flow statement has been prepared under the "Indirect Method"

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of the Board

**SMR VISION SYSTEM OPERATIONS USA
NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in USD'000, unless otherwise stated)

1 Corporate Information

SMR is a Tier 1 automotive supplier to many major OEMs of rear vision systems, almost entirely rear view mirror & camera systems. Our primary market is the North American market, with modest levels of exports of existing products to Canada & South America. The Company operates in four core competencies - Injection Molding, Painting, Assembly and Engineering. Our Marysville facility also operates as a global center for product design services, coordinating Regional Sales & Purchasing activity, and certain corporate functions. Our advanced engineering staff works to develop programs in conjunction with OEM design teams.

2 Significant accounting policies

(a) Basic of preparation

Compliance

The financial statements of the Company have been prepared for the financial year beginning April 01, 2019 and ended on March 31, 2020.

The financial statements are prepared in accordance with the US Generally Accepted Accounting Principles (USGAAP) in force at March 31, 2020.

The financial statements have been prepared on a historical cost basis unless otherwise indicated.

The financial statements are presented in US Dollars and all values are rounded to the nearest thousand (\$000), except when otherwise indicated.

(b) Accounting policies for the financial statements

The general accounting policies of the financial statements are described in this section. Detailed accounting policies and descriptions of decisions based on management's judgement and management's use of estimates are presented later at each item of the financial statements.

(i) Significant Accounting Policies

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as revenues and expenses. While actual results could differ from those estimates, management believes that the estimates are reasonable.

Impairment of Long Lived Assets, COVID-19 and Going Concern

All of SMR's subsidiaries were affected by COVID-19 related closures and daily production sales essentially reduced to near zero. The financial impact of the ongoing shutdown on the Company's subsidiaries was a key activity in late March & April to ascertain the impact to the Company. The major working capital impacts were supported by SMR subsidiary securing of the PPP loan critical to maintaining the business during the OEM production stoppage. As of the writing of these financials, all our OEM customers are at various stages of normalizing their production. With the latest inputs to forecast management has evaluated the 12 months going forward and anticipates no impact to itself as a going concern, our inventory valuations or other financial assets.

Regarding Impairment, the Company assesses the impairment of its long-lived assets whenever economic events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. Long-lived assets are considered to be impaired when the sum of the expected future operating cash flows, undiscounted and without interest charges, is less than the carrying amounts of the related assets. If estimated undiscounted cash flows are not sufficient to recover the carrying value of the assets, an impairment charge is recorded for the amount by which the carrying value of the assets exceeds the fair value. No long-lived assets were determined to be impaired at March 31, 2020 and 2019.

Income Taxes

Deferred income tax assets and liabilities are recorded for the estimated future tax consequences attributable to the differences between the financial carrying amounts of existing assets and liabilities and their respective tax basis. Deferred income tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be realized. A valuation allowance is recorded for deferred tax assets when the Company is unable to conclude that realization of the deferred tax assets is more likely than not. The benefit of an uncertain tax position is recognized in the financial statements if it meets a minimum recognition threshold. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more-likely-than-not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement. Interest and penalties are recorded in income taxes in the accompanying statements of income, if any.

**SWR VISION SYSTEM OPERATIONS USA
NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in USD'000, unless otherwise stated)

4 Intangible assets						
Particulars	Technical Knowhow Fees	Customer Relationships	Business and commercial rights	Intellectual Property Rights	Software	Goodwill
Year ended March 31, 2019						
Gross carrying amount	-	-	-	-	-	-
As at April 01, 2018	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals / other adjustment	-	-	-	-	-	-
Closing gross carrying amount	-	-	-	-	-	-
Accumulated amortisation and impairment						
As at April 01, 2018	-	-	-	-	-	-
Depreciation charge during the year	-	-	-	-	-	-
Closing accumulated amortisation and impairment	-	-	-	-	-	-
Net carrying amount	-	-	-	-	-	-
Year ended March 31, 2020						
Gross carrying amount	-	-	-	-	-	-
As at April 01, 2019	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing gross carrying amount	-	-	-	-	-	-
Accumulated amortisation and impairment						
As at April 01, 2019	-	-	-	-	-	-
Depreciation charge during the year	-	-	-	-	-	-
Closing accumulated amortisation and impairment	-	-	-	-	-	-
Net carrying amount	-	-	-	-	-	-

SMR VISION SYSTEM OPERATIONS USA
NOTES TO THE FINANCIAL STATEMENTS

(All amounts in USD'000, unless otherwise stated)

5 Investment property

	March 31, 2020	March 31, 2019
Opening gross carrying amount	-	-
Add: Transfers / Additions during the year	-	-
Less: (Deletions) during the year	-	-
Gross Block	-	-
Accumulated depreciation:		
Opening balance	-	-
Add: Depreciation for the year	-	-
Less: Deletions during the year	-	-
Closing accumulated depreciation	-	-
Net Investment Properties	-	-

6 Investments

(a) Non-current investments

Investment in subsidiaries:

	March 31, 2020	March 31, 2019
SMR Mirrors UK Ltd. name of subsidiary 1 number of share held current year (share held during previous year), face value	56,537	56,537
	<u>56,537</u>	<u>56,537</u>

(b) Current investments
(provide details if applicable)

-	-
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7 Loans

(a) Non-current investments

Unsecured, considered good
Loans to related parties
Loans to employees

March 31, 2020	March 31, 2019
460,800	257,500
<u>460,800</u>	<u>257,500</u>

(b) Current investments

Unsecured, considered good
Loans to related parties
Loans to employees

8,790	2,365
<u>8,790</u>	<u>2,365</u>

Two loans exist at the company, the first is a \$140M tranche invested when the company was formed on March 31, 2014. This note carries a 6.576% interest rate, payable quarterly, with a maturity date of March 31, 2024. The second loan is a credit line between SMPUS, a related party, and the Company. This credit line carries a maximum of \$150,000,000, at a rate of 5.80%, payable quarterly, with full repayment due June 30, 2020.

8 Deferred tax

(a) Deferred tax assets (net)

	Beginning Balance	Charged to profit or loss	Closing balance
Year ended March 31, 2019			
Unabsorbed depreciation and Tax losses	-	-	-
Property, plant and equipments	-	69	69
Provision for Doubtful debts/Advances/Inventory	-	-	-
Others	-	2,164	2,164
	<u>-</u>	<u>2,233</u>	<u>2,233</u>
Year ended March 31, 2020			
Unabsorbed depreciation and Tax losses	-	-	-
Property, plant and equipments	69	(69)	-
Provision for Doubtful debts/Advances/Inventory	-	-	-
Others	2,164	(2,028)	136
	<u>2,233</u>	<u>(2,097)</u>	<u>136</u>

(b) Deferred tax liabilities (net)

	Beginning Balance	Charged to profit or loss	Closing balance
Year ended March 31, 2019			
Others	-	-	-
Year ended March 31, 2020			
Others	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.

**SMR VISION SYSTEM OPERATIONS USA
NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in USD'000, unless otherwise stated)

		<u>March 31, 2020</u>	<u>March 31, 2019</u>
9 Inventories			
Raw materials		-	-
Work-in-progress		-	-
Finished goods		-	-
		<u>-</u>	<u>-</u>
Inventory include inventory in transit of:			
Raw materials		-	0
# Trade Receivable			
		<u>March 31, 2020</u>	<u>March 31, 2019</u>
(a) Non-current:			
Unsecured, considered good		-	-
Trade receivables from related parties		-	-
Doubt full		-	-
		<u>-</u>	<u>-</u>
Less: Allowances for credit loss		-	-
		<u>-</u>	<u>-</u>
(b) Current:			
Unsecured, considered good		13,627	-
Trade receivables from related parties		-	-
Doubt full		-	-
		<u>13,627</u>	<u>-</u>
Less: Allowances for credit loss		-	-
		<u>13,627</u>	<u>-</u>
# Cash and cash equivalents			
		<u>March 31, 2020</u>	<u>March 31, 2019</u>
Balances with banks:			
- in current accounts		80	18,197
Cash on hand		-	-
		<u>80</u>	<u>18,197</u>
# Other financial assets			
		<u>March 31, 2020</u>	<u>March 31, 2019</u>
(a) Non-current:			
Security deposits, unsecured considered good		-	-
Other advances receivable in cash and cash equivalent		-	-
Derivatives designated as hedge		-	-
		<u>-</u>	<u>-</u>
(b) Current:			
Security deposits, unsecured considered good		-	-
Other advances receivable in cash and cash equivalent		-	-
Derivatives designated as hedge		-	-
		<u>-</u>	<u>-</u>
# Other current Assets			
		<u>March 31, 2020</u>	<u>March 31, 2019</u>
Advances recoverable		-	-
Prepaid expenses		-	-
		<u>-</u>	<u>-</u>
# Share Capital			
		<u>March 31, 2020</u>	<u>March 31, 2019</u>
Authorised:			
Number of equity share capital and face value			
Issued, subscribed and paid up:			
Number of equity share capital and face value for each category of share capital		56,538	56,538
		<u>56,538</u>	<u>56,538</u>

**SMR VISION SYSTEM OPERATIONS USA
NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in USD'000, unless otherwise stated)

		March 31, 2020	March 31, 2019
# Reserves and surplus			
(a) Retained earnings			
Opening balance		8,572	5,996
Additions during the year		(1,145)	2,576
Closing balance		<u>7,427</u>	<u>8,572</u>
(b) General reserve			
Opening balance			
Additions during the year			
Closing balance		<u>-</u>	<u>-</u>
(c) Capital reserve			
Opening balance		58,143	28,000
Additions during the year			
Closing balance		<u>58,143</u>	<u>28,000</u>
Total reserve and surplus		<u>65,570</u>	<u>36,572</u>

Dividends received during the year

		March 31, 2020	March 31, 2019
# Other reserves			
(a) Cash flow hedging reserve			
Opening balance		-	-
Additions during the year		-	-
Closing balance		<u>-</u>	<u>-</u>

Cash flow hedging reserve

The Company did not use hedging instruments as part of its management of foreign currency risk in either FY2018 or FY2019.

		March 31, 2020	March 31, 2019
# Borrowings			
(a) Non-current			
		357,700	221,000
		<u>357,700</u>	<u>221,000</u>
(b) Current			
Secured repayable on demand from banks ¹		-	-
		<u>-</u>	<u>-</u>

Two loans exist at the company, the first is a \$140M tranche invested when the company was formed on March 31, 2014. This note carries a 6.576% interest rate, payable quarterly, with a maturity date of March 31, 2024. The second loan is a credit line between SMRPBV, a related party, and the Company. This credit line carries a maximum of \$150,000,000, at a rate of 5.60%, payable quarterly, with full repayment due June 30, 2020.

		March 31, 2020	March 31, 2019
# Trade Payables			
Total outstanding dues of creditors other than related parties		-	-
Trade payable to related parties (Refer note 40)		46,679	31,983
		<u>46,679</u>	<u>31,983</u>

		March 31, 2020	March 31, 2019
# Other current financial liabilities			
(a) Non-current			
Security deposits			
Other liabilities payable in cash and cash equivalent			
		<u>-</u>	<u>-</u>
(b) Current			
Interest accrued but not due on borrowings		8,081	2,238
Employee benefits payable		-	-
Accrued expenses		-	-
Total		<u>8,081</u>	<u>2,238</u>

		March 31, 2020	March 31, 2019
# Provisions			
(a) Non-current			
For Warranties			
For Litigations / disputes			
		<u>-</u>	<u>-</u>
(b) Current			
For warranties			
Total		<u>-</u>	<u>-</u>

Warranty

A provision is recognized for expected warranty claims on products sold during the last year, based on past experience of the level of repairs and returns. Due to

**SMR VISION SYSTEM OPERATIONS USA
NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in USD'000, unless otherwise stated)

the very nature of such costs, it is not possible to estimate the uncertainties relating to the outflows of economic benefits.

**SMR VISION SYSTEM OPERATIONS USA
NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in USD'000, unless otherwise stated)

# Employee benefit obligations		<u>March 31, 2020</u>	<u>March 31, 2019</u>
(a) Non-current			
Pension		-	-
Compensated absences		-	-
(b) Current			
Pension		-	-
Compensated absences		-	-
	Total	-	-
# Other liabilities		<u>March 31, 2020</u>	<u>March 31, 2019</u>
(a) Other non-current liabilities			
Statutory dues payable		-	-
Other payables		-	-
(b) Other current liabilities			
Other current liabilities		-	-
Statutory dues payable & other payables		-	-

Bracket denotes appropriations / deductions.

**SMR VISION SYSTEM OPERATIONS USA
NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in USD'000, unless otherwise stated)

23	Revenue from contract with customers	For the year ended	
		March 31, 2020	March 31, 2019
	Sales of products		-
	Sales of services	-	-
	Total revenue from contract with customers (Refer Note 45)	-	-
	IFRS 15 Revenue from contracts with customers		
	Effective April 1, 2018, the Company has adopted IFRS 15, 'Revenue from Contracts with Customers', with a modified retrospective approach. The management has evaluated the implications of implementation of new standard on its revenue and has made appropriate adjustments to these results where significant.		
24	Other operating revenue:		
	Scrap sales	-	-
	Miscellaneous income	28,430	11,910
		28,430	11,910
	Total revenue from operation	28,430	11,910
25	Other income	For the year ended	
		March 31, 2020	March 31, 2019
	Foreign exchange gain (net)	-	-
	Provision for Doubtful Debts written back	-	-
	Total	-	-
26	Cost of materials consumed	For the year ended	
		March 31, 2020	March 31, 2019
	Opening stock of raw materials	-	-
	Add : Purchases of raw materials	-	-
	Less: Closing stock of raw materials	-	-
	Total	-	-

**SMR VISION SYSTEM OPERATIONS USA
NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in USD'000, unless otherwise stated)

27	Changes in inventory of finished goods, work in progress and stock in trade	For the year ended	
		March 31, 2020	March 31, 2019
	(Increase)/ decrease in stocks		
	Stock at the opening of the year:		
	Finished goods	-	-
	Work-in-progress	-	-
	Total A	-	-
	Stock at the end of the year:		
	Finished goods	-	-
	Work-in-progress	-	-
	Total C	-	-
	(Increase)/ decrease in stocks (A+B-C+D)	-	-
28	Employee benefit expense	For the year ended	
		March 31, 2020	March 31, 2019
	Salary, wages & bonus	-	-
	Contribution to employee welfare funds, payroll tax and other taxes	-	-
	Staff welfare expenses	-	-
	Others	-	-
	Total	-	-
29	Finance costs	For the year ended	
		March 31, 2020	March 31, 2019
	Interest on borrowings	22,945	11,444
	Others	-	-
	Total	22,945	11,444
30	Other expenses	For the year ended	
		March 31, 2020	March 31, 2019
	Electricity, water and fuel	-	-
	Repairs and Maintenance:		
	Machinery	-	-
	Building	-	-
	Others	-	-
	Consumption of stores and spare parts	-	-
	Rent	-	-
	Rates & taxes	-	-
	Insurance	-	-
	Donation	-	-
	Travelling	-	-
	Freight & forwarding	-	-
	Provision for doubtful debts/advances	-	-
	Auditors fees and expenses	-	-
	Legal & professional expenses	-	-
	Computer expenses and software charges	-	-
	Fees and subscriptions	-	-
	Business promotion expenses	-	-
	Communication expenses	-	-
	Miscellaneous expenses	-	-
	Total	-	-
31	Income tax	For the year ended	
		March 31, 2020	March 31, 2019
	Current tax	4,546	123
	Deferred tax charged / (reversed)	2,084	(2,233)
		6,630	(2,110)

In assessing the realizability of deferred tax assets, management considered whether it is more likely than not some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which these temporary differences become deductible.