

**SMRC Automotive Holding South America
B.V.
Financial Statements
2019-20**

SMRC Automotive Holding South America B.V.
Statement of profit and loss

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

	Notes	For the year ended March 31, 2020 (12 months)	For the year end March 31, 2019 months)
Revenue			
Revenue from contract with customers	23	-	
Other operating revenue	24	-	
Total revenue from operations		-	
Other income	25	10	
Total income		10	
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	394	
Other expenses	30	13	
Total expenses		407	
Profit before tax		(397)	(397)
Tax expenses			
Current tax	31	-	
Deferred tax expense/ (credit)	31	-	
Total tax expense		-	
Profit for the year		(397)	(397)
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		(397)	(397)
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




SMRC Automotive Holding South America B.V.
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	14 250	12 600
ii. Loans	7	-	-
iii. Trade receivables	10	-	-
iv. Other financial assets	12	-	-
Deferred tax assets (net)	8	-	-
Non-current tax assets (net)		0	0
Total non-current assets		14 250	12 600
Current assets			
Inventories	9	-	-
Financial assets			
i. Investments	6	-	-
ii. Trade receivables	10	-	-
iii. Cash and cash equivalents	11	72	683
iv. Bank balances other than (iii) above			
v. Loans	7	1	-
vi. Other financial assets	12	-	-
Other current assets	13	-	-
Total current assets		73	683
Total assets		14 323	13 282
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	0	0
Share application money pending for allotments		7 043	5 393
Other equity			
Reserves and surplus	15	(1 816)	(1 419)
Other reserves	16	-	-
Total equity		5 228	3 975
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	17	8 400	9 000
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		8 400	9 000
Current liabilities			
Financial Liabilities			
i. Borrowings	17	26	22
ii. Trade payables	18	14	27
iii. Other financial liabilities	19	656	259
Provisions	20	-	-
Employee benefit obligations	21	-	-
Other current liabilities	22	-	-
Non-Current tax liabilities (net)		-	-
Total current liabilities		695	308
Total liabilities		9 095	9 308
Total equity and liabilities		14 323	13 282

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





SMRC Automotive Holding South America B.V.
Statement of changes in equity

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

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

B. Other equity	Notes	Reserves and Surplus	Items of OCI	Total attributable to Owners
		Retained Earnings	Cash flow hedging reserve	
Balance as at April 01, 2018		-	-	-
Profit for the year		(302)	-	(302)
Other comprehensive income		-	-	-
Total comprehensive income for the year		(302)	-	(302)
Balance at March 31, 2019		(302)	-	(302)
Profit for the year		(397)	-	(397)
Other comprehensive income		-	-	-
Total comprehensive income for the year		(397)	-	(397)
Balance at March 31, 2020		(700)	-	(700)

Summary of significant accounting policies

2

This is the statement of changes in equity referred to in our report of even date

The above statement of changes in equity should be read in conjunction with the accompanying notes

For and on behalf of the Board




SMRC Automotive Holding South America B.V.
Consolidated Cash Flow Statement

(All amounts in USD'000, unless otherwise stated)
For the year ended For the year ended
March 31, 2020 (12 March 31, 2019 (8 mont
months)

	For the year ended March 31, 2020 (12 months)	For the year ended March 31, 2019 (8 mont months)
A. Cash flow from operating activities:		
Profit before tax	(397)	(3
Adjustments for:		
Depreciation and amortisation expense	-	-
Finance cost	394	2
Provision for warranty	-	-
Provision for doubtful debt / advances	-	-
Income on reversal of provision	-	-
Unrealised foreign currency loss/(gain)	(10)	-
Operating profit before working capital changes	(13)	(
Changes in working capital:		
Increase/(decrease) in trade and other payables	(13)	-
Increase/(decrease) in other financial liabilities	(200)	(2 2
(Increase)/decrease in trade receivables	-	-
(Increase)/decrease in inventories	-	-
(Increase)/decrease in other receivables	-	-
(Increase)/decrease in other financial assets	(2 034)	(1 0
Cash generated from operations	(2 260)	(3 2
Taxes (paid) / received	-	-
Net cash generated from operating activities	(2 260)	(3 2
B. Cash flow from Investing activities:		
Payments for purchase of property, plant & equipment (including capital work-in-progress)	-	-
Net cash (used) in investing activities	-	-
Cash flow from financing activities:		
Interest paid	-	-
Repayment of short term borrowings	-	-
Return of share application money	1 650	-
Net cash (used) in financing activities	1 650	-

SMRC Automotive Holding South America B.V.
Consolidated Cash Flow Statement

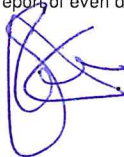
(All amounts in USD'000, unless otherwise stated)

	For the year ended March 31, 2020 (12 months)	For the year ended March 31, 2019 (8 months)
Net Increase/(Decrease) in Cash & Cash Equivalents	(610)	(3 231)
Net Cash and Cash equivalents at the beginning of the year	683	3 914
Cash and cash equivalents acquired consequent to acquisition of SMRC (Refer Note 50)	-	-
Cash and cash equivalents as at year end	73	683
Cash and cash equivalents comprise		
Cash on hand	72	683
Cheques / drafts on hand	-	-
Balance with Banks	-	-
Cash and cash equivalents as per Balance Sheet (restated)	72	683
Net foreign exchange difference on balance with banks in foreign currency	-	-
Total	72	683
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

1 Corporate information

Holding company for South American entities shares

2 Significant accounting policies

(a) Basic of preparation

Compliance with IFRS

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 International Financial Reporting Standards (IFRS) in force at March 31, 2020 as adopted by the European Union.

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

The financial statements are presented in US Dollar 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)

(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		March 31, 2020	March 31, 2019	
(a) Non-current investments				
Investment in subsidiaries:				
SMRC Argentina		6 250	4 600	
SMRC Brazil		8 000	8 000	
		<u>14 250</u>	<u>12 600</u>	
(b) Current investments				
(provide details if applicable)				
		-	-	
7 Loans		March 31, 2020	March 31, 2019	
(a) Non-current investments				
Unsecured, considered good				
Loans to related parties		0	0	
Loans to employees		-	-	
(b) Current investments				
Unsecured, considered good				
Loans to related parties		1	-	
Loans to employees		-	-	
		<u>1</u>	<u>-</u>	
8 Deferred tax				
(a) Deferred tax assets (net)				
		<u>Beginning Balance</u>	<u>Charged to profit or loss</u>	<u>Closing balance</u>
Year ended March 31, 2019				
Unabsorbed depreciation and Tax losses		-	354	354
Property, plant and equipments		-	-	-
Provision for Doubtful debts/Advances/Inventory		-	-	-
Others		-	(354)	(354)
		<u>-</u>	<u>-</u>	<u>-</u>
Year ended March 31, 2020				
Unabsorbed depreciation and Tax losses		354	99	454
Property, plant and equipments		-	-	-
Provision for Doubtful debts/Advances/Inventory		-	-	-
Others		(354)	(99)	(454)
		<u>-</u>	<u>-</u>	<u>-</u>
(b) Deferred tax liabilities (net)				
		<u>Beginning Balance</u>	<u>Charged to profit or loss</u>	<u>Closing balance</u>
Year ended March 31, 2019				
Others		-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
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.

		March 31, 2020	March 31, 2019
9 Inventories			
Raw materials		-	-
Work-in-progress		-	-
Finished goods		-	-
		<u>-</u>	<u>-</u>
Inventory include inventory in transit of:			
Raw materials		-	-
10 Trade Receivable			
		March 31, 2020	March 31, 2019
(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		-	-
Trade receivables from related parties		-	-
Doubt full		-	-
		<u>-</u>	<u>-</u>
Less: Allowances for credit loss		-	-
		<u>-</u>	<u>-</u>
11 Cash and cash equivalents			
		March 31, 2020	March 31, 2019
Balances with banks:			
- in current accounts		-	-
Cash on hand		72	683
		<u>72</u>	<u>683</u>
12 Other financial assets			
		March 31, 2020	March 31, 2019
(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>
13 Other current Assets			
		March 31, 2020	March 31, 2019
Advances recoverable		-	-
Prepaid expenses		-	-
		<u>-</u>	<u>-</u>
14 Share Capital			
		March 31, 2020	March 31, 2019
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		0	0
		<u>0</u>	<u>0</u>

		March 31, 2020	March 31, 2019
15 Reserves and surplus			
(a) Retained earnings			
Opening balance		(1 419)	(1 116)
Additions during the year		(397)	(303)
Closing balance		(1 816)	(1 419)
(b) General reserve			
Opening balance		-	-
Additions during the year		-	-
Closing balance		-	-
(c) Capital reserve			
Opening balance		-	-
Additions during the year		-	-
Closing balance		-	-
Total reserve and surplus		(1 816)	(1 419)

Provide brief of each reserve

16 Other reserves
(a) Cash flow hedging reserve

	March 31, 2020	March 31, 2019
Opening balance	-	-
Additions during the year	-	-
Closing balance	-	-

Cash flow hedging reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast payments. For hedging foreign currency risk, the Company uses foreign currency forward contracts which are designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss.

17 Borrowings

(a) Non-current

	March 31, 2020	March 31, 2019
	8 400	9 000
	8 400	9 000

(b) Current

Secured repayable on demand from banks¹

	26	22
	-	-
	26	22

¹Secured by charge on the inventory and receivables of the Company

18 Trade Payables

Total outstanding dues of creditors other than related parties
Trade payable to related parties (Refer note 40)

	March 31, 2020	March 31, 2019
	14	27
	-	-
	14	27

19 Other current financial liabilities

(a) Non-current

Security deposits
Other liabilities payable in cash and cash equivalent

	March 31, 2020	March 31, 2019
	-	-
	-	-

(b) Current

Interest accrued on borrowings
Interest accrued but not due on borrowings
Employee benefits payable
Accrued expenses

Total

	656	259
	-	-
	-	-
	656	-
	656	259

20 Provisions

(a) Non-current

For Warranties
For Litigations / disputes

	March 31, 2020	March 31, 2019
	-	-
	-	-

(b) Current

For warranties

Total

	-	-
	-	-

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

21 Employee benefit obligations		March 31, 2020	March 31, 2019
(a) Non-current			
Pension		-	-
Compensated absences		-	-
(b) Current			
Pension		-	-
Compensated absences		-	-
	Total	-	-
22 Other liabilities		March 31, 2020	March 31, 2019
(a) Other non-current liabilities			
Statutory dues payable		0	0
Other payables		0	0
(b) Other current liabilities			
Other current liabilities			
Statutory dues payable & other payables		-	-
- Other payables		-	-

Bracket denotes appropriations / deductions.

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 115, '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	-	-
	Total revenue from operation	-	-
25	Other income	For the year ended	
		March 31, 2020	March 31, 2019
	Foreign exchange gain (net)	10	(10)
	Provision for Doubtful Debts written back	-	-
	Total	10	(10)
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	-	-

SMRC Automotive Holding South America B.V.
NOTES TO THE FINANCIAL STATEMENTS

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

	For the year ended	
	March 31, 2020	March 31, 2019
27	Changes in inventory of finished goods, work in progress and stock in trade	
	(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	-
	Others	394
	Total	394
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	16
	Computer expenses and software charges	-
	Fees and subscriptions	-
	Business promotion expenses	-
	Communication expenses	-
	Miscellaneous expenses	(3)
	Total	28
31	Income tax	
	For the year ended	
	March 31, 2020	March 31, 2019
	Current tax	-
	Deferred tax charged / (reversed)	-
		-