6th Floor – "A" Block
Tidel Park, No. 4,
Rajiv Gandhi Salai
Taramani, Chennai – 600 113, India
Tel: +91 44 6117 9000

INDEPENDENT AUDITOR'S REPORT

To the Members of SMRC Automotive Products India Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of SMRC Automotive Products India Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Other Information

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

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

SMA

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 SAs 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management'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.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Emphasis of Matter

We draw attention to Note 41 to the Ind AS financial statements, which describes that the extent to which the COVID-19 Pandemic will impact the Company's financial performance, will depend on future developments, which are highly uncertain.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

SMA

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 35(a) to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:101049W/E300004

Balasubrahmanyam

per S Balasubrahmanyam
Partner
Membership Number: 053315
UDIN: 20053315AAAABD8484
Place of Signature: Chennai
Date: 20th May 2020

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management the title deeds of the immovable property included in Property, Plant and equipment was held in the name of the Reydel Automotive Products India Private Limited (the erstwhile name of the Company) till 31st March 2020. As explained to us by the Management, the Company is in the process of registering the title deed in the new name.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given by the management, there are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us during the current year there was a loan given to Associate in respect of which the provisions of sections 185 and 186 of the Companies Act, 1956 have been complied with.

(v) The Company has not accepted any deposits within the section of section of 73 to 76 or any other relevant provision of Companies Act, 2013 and the (Acceptance of Deposits) rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148 (1) of the Act, for the products/services of the company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, customs duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, customs duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

SAA

(c) According to the records of the Company, the dues outstanding of income-tax, sales tax, value added tax, service tax, customs duty, goods and service tax, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs) million	Amount Deposited (Rs) million*	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax	187.5	37.5	FY 2014-15	Commissioner of Income Tax (Appeal)
	Income Tax	11.58	2.3	FY 2015-16	

(viii) Based on our audit procedures and as per the information there were no dues to a financial institution, bank or debenture holder.

(ix) According to the information and explanations given by the Management, the Company has not raised any money by way of initial public offer, further public offer, debt instruments and term loan hence, reporting under clause (ix) is not applicable and not commended upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

(xi) According to the information and explanation given by the Management, the provisions of section 197 read with Schedule V of the Act is not applicable to the company and hence not commented upon.

(xii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 3(xii) is not applicable to the Company.

(xiii) According to the information and explanation given by the management, transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Sections 177 are not applicable to the Company and accordingly reporting under clause 3 (xiii) insofar as it relates to Section 177 of the Act is not applicable to the Company and hence not commented upon.

SLHA

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) According to the information and explanation given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:101049W/E300004

per S Balasubrahmanyam
Partner
Membership Number: 053315
UDIN: 20053315AAAABD8484
Place of Signature: Chennai
Date: 20th May 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SMRC AUTOMOTIVE PRODUCTS INDIA LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SMRC Automotive Products India Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

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Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number:101049W/E300004

Balasubrahmanyam

per S Balasubrahmanyam
Partner
Membership Number: 053315
UDIN: 20053315AAAABD8484
Place of Signature: Chennai
Date: 20th May 2020

SMRC Automotive Products India Limited
(Formerly Known as SMRC Automotive Products India Private Limited)
Balance Sheet as at March 31, 2020
(All amounts are in millions of Indian Rupees, unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property plant and equipment	3(a)	1,342.35	1,484.72
Intangible assets	3(b)	0.54	0.92
Capital work-in-progress	4(a)	38.73	24.47
Right-of-use assets	33	35.75	-
Financial assets			
Other financial assets	5(a)	64.16	21.52
Non-current tax assets	17	40.10	7.39
Other assets	6(a)	41.51	44.14
Total non-current assets		**1,563.14**	**1,583.16**
Current assets			
Inventories	7	88.43	114.32
Contract assets	19	132.06	91.81
Financial assets			
Loans to an associate	8A	300.00	-
Trade receivables	8B	275.53	733.04
Cash and cash equivalents	9	484.92	545.73
Other financial assets	5(b)	327.22	205.01
Other assets	6(b)	16.88	23.41
Investment		-	-
Total current assets		**1,625.04**	**1,713.32**
Total assets		**3,188.18**	**3,296.48**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	1,166.16	1,166.16
Other equity	11	498.59	551.66
Total equity		**1,664.75**	**1,717.82**
Non-current liabilities			
Financial liabilities			
Borrowings	12	-	-
Lease liabilities	33	26.86	
Deferred tax liabilities (net)	13	11.78	30.46
Total Non-current liabilities		**38.64**	**30.46**
Current liabilities			
Contract liabilities	19	353.47	244.97
Financial liabilities			
Trade payables	14A	573.60	733.12
Other payables	14B	418.28	354.67
Lease liabilities	33	11.22	
Other financial liabilities	15	-	47.93
Provisions	16	74.33	48.12
Current tax liabilities	17	24.86	24.86
Other liabilities	18	29.03	94.53
Total current liabilities		**1,484.79**	**1,548.20**
Total equity and liabilities		**3,188.18**	**3,296.48**

The accompanying notes are integral part of the Standalone financial statements

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

per S Balasubrahmanyam
Partner
Membership No.: 053315
Place: Chennai
Date: 20 May 2020

For and on behalf of the Board of Directors of
SMRC Automotive Products India Limited

Sanjay Mehta	Amit Bhakri	Arun Kumar	Himanshu Tyagi
Director	Director	Chief Financial officer	Company Secretary
DIN : 03215388	DIN : 08230325		ACS: 28801
Place: Faridabad	Place: Noida		
Date: 20/05/2020	Date: 20/05/2020		

SMRC Automotive Products India Limited
(Formerly Known as SMRC Automotive Products India Private Limited)
Statement of profit and loss for the year ended March 31, 2020
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Notes	Year Ended 31-Mar-2020	Year Ended 31-Mar-2019
Income			
Revenue from contract with customers	19	4,090.36	4,822.55
Finance income	20	36.47	29.54
Other income	21	72.92	61.59
Total income		**4,199.75**	**4,913.68**
Expenses			
Cost of raw-material and components consumed	22	2,164.58	2,511.92
Cost of tools sold	23	426.31	563.62
(Increase)/ decrease in inventories of finished goods and work-in-progress	24	4.61	9.31
Employee benefits expense	25	548.04	533.78
Depreciation and amortisation expense	4(b)	238.60	284.84
Finance costs	26	8.95	14.10
Other expenses	27	880.99	888.32
Total expenses		**4,272.08**	**4,805.89**
(Loss) / profit before tax		**(72.34)**	**107.79**
Tax expense			
- Income tax expense	28	-	56.58
- Deferred tax	28	(18.88)	(2.17)
		(18.88)	**54.41**
(Loss) / profit after tax (I)		**(53.46)**	**53.38**
Other comprehensive income/(loss):			
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plan		0.60	(5.74)
Income tax effect		(0.21)	1.99
Other comprehensive loss, net of tax (II)		**0.39**	**(3.75)**
Total comprehensive loss, net of tax (I + II)		**(53.07)**	**49.63**
Earnings per share of Rs. 10 each (in Rs.)	29		
Basic, computed on the basis of profit attributable to equity holders		**(0.46)**	**0.46**
Diluted computed on the basis of profit attributable to equity holders		**(0.46)**	**0.46**

The accompanying notes are integral part of the Standalone financial statements

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

Balasubrahmanyam

per S Balasubrahmanyam
Partner
Membership No.: 053315
Place: Chennai
Date: 20 May 2020

For and on behalf of the Board of Directors of
SMRC Automotive Products India Limited

Sanjay Mehta
Director
DIN: 03215388
Place: Faridabad
Date: 20/05/2020

Amit Bhakri
Director
DIN: 08230325
Place: Noida
Date: 20/05/2020

Arun Kumar
Chief Financial officer

Himanshu Tyagi
Company Secretary
ACS: 28801

SMRC Automotive Products India Limited
(Formerly Known as SMRC Automotive Products India Private Limited)
Statement of changes in equity for the year ended March 31, 2020
(All amounts are in millions of Indian Rupees, unless otherwise stated)

a. Equity share capital:

	Number of shares	Amount
Equity shares of Rs. 10/- each issued, subscribed and fully paid		
At March 31, 2019	116,616,312	1,166.16
At March 31, 2020	**116,616,312**	**1,166.16**

b. Other equity

Particulars	Attributable to equity holders		Total other equity
	Reserves and Surplus		
	Securities Premium (Note 11)	Retained Earnings	
As at April 01, 2019	35.50	516.16	551.66
Loss for the year	-	(53.46)	(53.46)
Other comprehensive gain	-	0.39	0.39
As at March 31, 2020	35.50	463.09	498.59

The accompanying notes are integral part of the Standalone financial statements

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

Balasubrahmanyam

per S Balasubrahmanyam
Partner
Membership No.: 053315
Place: Chennai
Date: 20 May 2020

For and on behalf of the Board of Directors of
SMRC Automotive Products India Limited

Sanjay Mehta
Director
DIN : 03215388
Place: Faridabad
Date: 20/05/2020

Amit Bhakri
Director
DIN : 08230325
Place: Noida
Date: 20/05/2020

Arun Kumar
Chief Financial officer

Himanshu Tyagi
Company Secretary
ACS: 28801

SMRC Automotive Products India Limited
(Formerly Known as SMRC Automotive Products India Private Limited)
Cash flow statement for the year ended 31 March 2020
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	March 31, 2020	March 31, 2019
A. Cash flow from / (used in) operating activities:		
Net profit before tax	**(72.34)**	**107.79**
Adjustments for:		
Depreciation and amortisation expense	238.61	284.84
Interest income	(36.47)	(29.54)
Interest expense	5.25	10.33
Loss / (profit) on fixed assets, net	0.25	(0.54)
Provision for doubtful debts	-	2.76
Unrealised foreign exchange loss	0.89	0.15
Liability no longer required written back	(35.97)	(15.62)
Operating profit before working capital changes	**100.22**	**360.17**
Changes in working capital:		
Movements in provisions, gratuity and government grants	(39.29)	78.30
Decrease in trade and other receivables, contract asset and prepayments	258.26	(314.62)
Movement in inventories and others	25.90	(24.18)
Movement in trade and other payables, contract liability and refund liabilities	48.78	226.82
	293.65	**(33.68)**
Cash generated from / (used in) operations	393.87	326.49
Taxes paid (net of refunds)	(32.71)	(40.11)
Net cash flow from / (used in) operating activities	**361.16**	**286.38**
B. Cash flow from / (used in) investing activities:		
Purchase of fixed assets	(87.29)	(109.39)
Payment for capital work in progress including advances and payables	(11.63)	(17.59)
Proceeds from sale of fixed assets	3.20	2.76
Proceeds from Government Grant	-	-
Loans given to an associate	(400.00)	-
Repayment received against loans given to an associate	100.00	-
Interest received	36.61	30.66
Net cash flow from / (used in) investing activities	**(359.11)**	**(93.56)**
C. Cash flow from / (used in) financing activities:		
Interest paid	(1.85)	(11.16)
Payment of lease liabilities	(13.52)	
Repayment of long-term borrowings	(47.50)	(95.00)
Net cash flow from / (used in) financing activities	**(62.87)**	**(106.16)**

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SMRC Automotive Products India Limited
(Formerly Known as SMRC Automotive Products India Private Limited)
Cash flow statement for the year ended 31 March 2020
(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	March 31, 2020	March 31, 2019
Net increase / (decrease) in cash & cash equivalents [A+B+C]	**(60.82)**	**86.66**
Cash and cash equivalents at the beginning of the Year	545.73	459.07
Cash and cash equivalents at the end of the Year	**484.92**	**545.73**
Components of cash and cash equivalents		
Cash on hand	-	-
Bank balances in current accounts	483.92	519.73
Bank balances in demand deposits (less than 3 months maturity)	1.00	26.00
Total cash and cash equivalents (note 9)	**484.92**	**545.73**

The accompanying notes are integral part of the Standalone financial statements

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

per S Balasubrahmanyam
Partner
Membership No.: 053315
Place: Chennai
Date: 20 May 2020

On behalf of the Board of Directors
SMRC Automotive Products India Limited

Sanjay Mehta
Director
DIN : 03215388
Place: Faridabad
Date: 20/05/2020

Amit Bhakri
Director
DIN : 08230325
Place: Noida
Date: 20/05/2020

Arun Kumar
Chief Financial officer

Himanshu Tyagi
Company Secretary
ACS: 28801

1. Corporate information

SMRC Automotive Products India Limited (Formerly known as Reydel Automotive India Private Limited) ("the "Company") was incorporated on May 28, 2013 and is now a wholly owned subsidiary of SMRC Automotive B.V. Netherlands. The registered office of the Company is Plot no G-34, SIPCOT Industrial Park SF no 15FT 16F, Vallam Vadagal A village, Sriperumbudur, Kancheepuram TN 602105, India

The Company is engaged in manufacturing and selling of instrument panel, door trims, and exteriors for passenger cars. The Company has manufacturing facilities at Pune and Chennai.

The Company has changed its legal status from a "Private limited" to "Public Limited" under Sec 18 of the Companies Act, 2013 with effect from May 4, 2020.

The Company's Financial Statements were authorised for issue in accordance with a resolution of the Directors on May 20, 2020.

2. Significant accounting policies

2.1. Basis of preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments) which have been measured at fair value.

The financial statements are presented in INR and all values are rounded to the nearest millions (INR 000,000), except when otherwise indicated.

2.2. Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products / activities, the Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

b) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Material replacement cost is capitalized provided (a) it is probable that future economic benefits associated with the item will flow to the entity and (b) the cost of the item can be measured reliably. When replacement cost is eligible for capitalization, the carrying amount of those parts that are replaced in derecognized.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital Work-in-Progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and attributable interest. Once it has become available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

c) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. Intangible assets acquired separately are measured on initial recognition at cost.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

d) Depreciation and Amortisation

Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of all categories of assets other than buildings and office equipment as provided below, in whose case the life of the assets has been assessed as under, taking into account the nature of the asset, the estimated usage of the asset and the operating conditions of the asset. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation on its fixed assets:

Particulars	Useful life (in years)
(i) Tangible	
Lease Hold Land	Amortized over the lease period
Buildings	30 years
Improvements to Leasehold Buildings	Amortized over the lease period
Plant and Machinery (Including Tools and Trolleys)	
a. Injection Molding Machines	15 years
b. Robots, Welding Machines, Heat Staking Machines and DG Sets	10 years
c. Other Machinery	7.5 years
d. Dunnages	3 years
Office Equipment	5 years
Computers	3 years
Furniture and Fixtures	5 years
Vehicles	5 years
(ii) Intangible	
Computer software	3 years
IT Licence	3 years
Goodwill	5 years

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessee

The Contract applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Building – 3 and 5 years
- Other technical and production related equipment – 7 and 10 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (q) Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included under Financial Liabilities (see Note 33).

Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

f) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

g) Inventories

Raw materials, stores and spare parts are valued at lower of cost and estimated net realisable value. Cost is determined using the first in first out method. Cost includes freight, taxes and duties and is net of credit under GST, VAT and CENVAT scheme, where applicable.

Work-in-progress and finished goods are valued at lower of cost and estimated net realisable value. Cost includes all direct costs and appropriate proportion of overheads to bring the goods to the present location and condition.

Due allowance is made for slow/non-moving items. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 37.

Sale of goods
Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit terms is 30-90 days from the invoice date.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Sale of tools
The Company recognizes revenue from sale of tools over time, using percentage of completion to measure the progress towards complete satisfaction of the performance obligation, because the Company has an enforceable right to payment for performance completed to date.

Variable consideration
If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The rights of return and volume rebates give rise to variable consideration.

Volume rebates
The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Significant financing component
Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company does not receive any long-term advances from customers.

Consideration payable to a customer

Consideration payable to a customer includes cash amounts that an entity pays, or expects to pay, to the customer. The consideration payable to a customer is accounted for as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity.

Contract balances
Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (p) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

i) Foreign currency transactions

The financial statements are presented in Indian Rupees, which is the functional currency of the Company.

Initial recognition: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date the transaction first qualifies for the recognition.

Measurement as at Balance Sheet date: Foreign currency monetary items of the Company outstanding at the Balance Sheet date are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Treatment of Exchange Differences: Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in profit or loss.

j) Government Grants.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy from the Government relates to an expense item, it is recognised as income on a systematic basis in the statement of profit and loss over the period necessary to match them with the related costs, which they are intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value of the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Retirement and Employee benefits

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss account of the year when the contributions to the respective fund is due. There are no other obligations other than the contribution payable to the respective fund.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit method made at the end of each financial year.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

m) Taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and written off 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Appendix had an impact on its financial statements.

Upon adoption of the Appendix C to Ind AS 12, the company considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's related parties' fillies taxes in different jurisdictions which include deductions taken related to such transfer pricing and the treatment of which may be challenged by the Indian tax authorities. The Company determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments will be accepted by the taxation authorities.

n) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is estimated based on historical experience and technical estimates. The estimate of such warranty-related costs is reviewed annually.

o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

p) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

q) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised 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 the Company's 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.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

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, trade and other payables.

Subsequent measurement

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 and loss.

De-recognition

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 de-recognition 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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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

r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

s) Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note 3(a)
Property, plant and equipment (PPE)

Particulars	Leasehold Land*	Building	Plant and machinery**	Computer	Office equipment	Furniture and fixture	Vehicles	Total
Cost								
At April 1, 2018	127.18	486.25	2,096.74	45.08	34.91	15.18	32.76	2,838.10
Additions	-	3.26	82.62	17.71	2.23	1.08	1.95	108.85
Disposals/write off	-	-	(1.97)	-	(0.01)	-	(11.83)	(13.81)
At March 31, 2019	**127.18**	**489.51**	**2,177.39**	**62.79**	**37.13**	**16.26**	**22.88**	**2,933.14**
Additions	1.08	4.62	61.83	11.47	2.12	5.44	0.50	87.06
Disposals/write off	-	-	(14.79)	-	-	-	(6.09)	(20.88)
At March 31, 2020	**128.26**	**494.13**	**2,224.43**	**74.26**	**39.25**	**21.70**	**17.29**	**2,999.32**
Depreciation								
At April 1, 2018	4.60	98.59	1,054.20	31.02	18.63	13.73	17.32	1,238.09
Charge for the year	1.39	24.33	176.23	9.36	5.60	0.35	4.68	221.94
Disposals/write off	-	-	(1.97)	-	(0.01)	-	(9.61)	(11.59)
At March 31, 2019	**5.99**	**122.92**	**1,228.46**	**40.38**	**24.22**	**14.08**	**12.39**	**1,448.44**
Charge for the year	1.28	23.94	178.66	11.69	6.17	1.06	3.16	225.96
Disposals/write off	-	-	(14.35)	-	-	-	(3.08)	(17.43)
At March 31, 2020	**7.27**	**146.86**	**1,392.77**	**52.07**	**30.39**	**15.14**	**12.47**	**1,656.97**
Net Block								
At March 31, 2019	**121.19**	**366.59**	**948.94**	**22.40**	**12.91**	**2.19**	**10.50**	**1,484.72**
At March 31, 2020	**120.99**	**347.27**	**831.66**	**22.19**	**8.86**	**6.56**	**4.82**	**1,342.35**

* The Company has obtained land on lease at Oragadam measuring 8.88 acres from SIPCOT for a period of 99 years. Title deed is pending to be updated in the name of the Company.
** Net block of Plant & Machinery is net of gain on purchase of SHIS Scrips as at March 31, 2020 of Rs. 4.22 million (As at March 31, 2019 - Rs. 5.28 million).

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Note 3(b)
Intangible assets

Particulars	Goodwill	IT Licence	Computer software	Total
Cost				
At April 1, 2018	212.48	58.36	4.36	275.20
Additions	-	0.09	0.45	0.54
Disposals	-	-	-	-
At March 31, 2019	**212.48**	**58.45**	**4.81**	**275.74**
Additions	-	-	0.23	0.23
Disposals	-	-	-	-
At March 31, 2020	**212.48**	**58.45**	**5.04**	**275.97**
Depreciation				
At April 1, 2018	169.98	38.92	3.01	211.91
Charge for the year	42.50	19.45	0.95	62.90
Disposals	-	-	-	-
At March 31, 2019	**212.48**	**58.37**	**3.96**	**274.81**
Charge for the year	-	-	0.62	0.62
Disposals	-	-	-	-
At March 31, 2020	**212.48**	**58.37**	**4.58**	**275.43**
Net Block				
At March 31, 2019	-	**0.08**	**0.85**	**0.93**
At March 31, 2020	-	**0.08**	**0.46**	**0.54**

Note 4(a)
Capital Work-in-progress

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Capital Work-in-progress	38.73	24.47

Capital Work in progress as at March 31, 2020 comprises expenditure for buildings, plant in the course of construction and machineries yet to be installed.

Note 4(b)

Particulars	**As at 31-Mar-2020**	**As at 31-Mar-2019**
Depreciation of tangible assets (note 3a)	225.96	221.94
Amortization of intangible assets (note 3b)	0.62	62.90
Depreciation of Right-of-use assets (note 33)	12.02	-
	238.60	284.84

(All amounts are in millions of Indian Rupees, unless otherwise stated)

	As at 31-Mar-2020	As at 31-Mar-2019
Financial assets		
5 Other financials assets (at amortised cost unless otherwise specified)		
a) Non current		
Unsecured considered good		
Security deposits	64.16	21.52
	64.16	**21.52**
b) Current		
Unsecured considered good		
Security deposits	-	33.39
Advances to vendors	301.18	145.12
Deferred revenue expenditure	16.57	16.08
Advance to employees	9.47	10.28
Interest accrued on fixed deposits	-	0.14
	327.22	205.01
Unsecured, considered doubtful		
Advances to vendors	2.37	2.37
	2.37	2.37
Less: Provision for doubtful advances	(2.37)	(2.37)
	-	-
	327.22	**205.01**
6 Other assets (at amortised cost)		
a) Non current		
Unsecured, considered good		
Capital advances	1.69	4.32
Others*	39.82	39.82
	41.51	**44.14**

*Others includes amount paid under protest pertaining to income tax matters

	As at 31-Mar-2020	As at 31-Mar-2019
b) Current		
Unsecured, considered good		
Prepaid expenses	8.97	14.18
Balances with government authorities	-	9.02
Others	7.91	0.21
	16.88	**23.41**
7 Inventories (valued at lower of cost and net realisable value)		
Raw materials (includes goods in transit as at March 31, 2020: Nil, March 31, 2019: Rs. 4.12)	58.27	79.30
Work-in-progress	10.24	8.57
Finished goods	16.06	22.34
Stores and spares	3.86	4.11
	88.43	**114.32**

(The above inventory values are net of provisions made of Rs. 8.68 million (March 31, 2019: Rs. 5.23 million) for slow moving, obsolete and defective inventory).

(All amounts are in millions of Indian Rupees, unless otherwise stated)

	As at 31-Mar-2020	As at 31-Mar-2019
8A Loans (unsecured, considered good)		
Loans to related party		
Loans given to an associate (refer note 31b)	300.00	
	300.00	-

Included in loans and advance are intercorporate deposits the particulars of which are disclosed below as required by sec186(4) of the companies act 2013.

Name of the loanee	Rate of interest	Due date	Secured / unsecured	As at 31-Mar-2020	As at 31-Mar-2019
SMR Automotive Systems India Limited	7.50%	31/07/2020	unsecured	300.00	-
				300.00	-

	As at 31-Mar-2020	As at 31-Mar-2019
8B Trade receivables		
Receivables from related parties (refer note 31a)	28.91	37.27
Receivable from others	246.62	695.77
	275.53	**733.04**
Breakup for security details:		
Unsecured, considered good	275.53	733.04
Trade Receivables - credit impaired	14.06	15.04
	289.59	748.08
Less: Impairment Allowance (allowance for bad and doubtful debts)	(14.06)	(15.04)
	275.53	**733.04**

Terms and conditions of the above financial liabilities:
No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further, there are no trade or other receivable which are due from firms or private companies respectively in which any director is a partner, a director or a member.
Trade receivables are non-interest bearing and are generally on terms of 30-90 days.

	As at 31-Mar-2020	As at 31-Mar-2019
9 Cash and cash equivalents		
Cash on hand	-	-
Balances with banks:		
– On current accounts	483.92	519.73
– Deposits with original maturity of less than three months	1.00	26.00
	484.92	**545.73**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Changes in liabilities arising from financing activities

Particulars	April 1, 2019	Net cash flows	Others	March 31, 2020
Long term borrowings	47.50	(47.50)	-	-
Interest accrued but not due	-	(1.85)	1.85	-
Total liabilities from financing activities	**47.50**	**(49.35)**	**1.85**	-

	As at 31-Mar-2020	As at 31-Mar-2019
Breakup of total financial assets carried at amortized cost:		
Other financial assets (Refer Note 5)	391.38	226.53
Trade receivables (Refer Note 8)	275.53	733.04
Cash and cash equivalents (Refer Note 9)	484.92	545.73
Total financial assets	**1,151.83**	**1,505.30**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

10 Share capital

	As at March 31, 2020	As at March 31, 2019
Authorised capital		
146,781,849 (March 31, 2019 : 146,781,849) equity shares of Rs. 10/- each	1,467.82	1,467.82
Issued, subscribed and paid-up capital		
116,616,312 (March 31, 2019 : 116,616,312) equity shares of Rs. 10/- each	1,166.16	1,166.16
	1,166.16	**1,166.16**

a) Reconciliation of share capital is given below:

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rs.	No. of Shares	Rs.
Equity shares				
At the beginning of the year	116,616,312	1,166.16	116,616,312	1,166.16
At the end of the year	**116,616,312**	**1,166.16**	**116,616,312**	**1,166.16**

b) Terms/rights attached to class of shares

Equity shares

The Company has only one class of shares referred to as Equity Shares having a par value of Rs.10 each. The holders of equity shares are entitled to one vote per share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding company and/or their fellow subsidiaries/associates

	As at March 31, 2020		As at March 31, 2019	
Name of the shareholder	No. of Shares	Rs.	No. of Shares	Rs.
Equity shares of Rs. 10 each fully paid-up				
(i) SMRC Automotive Holdings Netherlands B.V.	116,616,305	1,166.16	116,616,310	1,166.16
(ii) SMRC Automotives Techno Minority Holdings B.V. - held on behalf of SMRC Automotive Holdings Netherlands B.V.	2	*	2	*
(iii) Samvardhana Motherson Automotive Systems Group B.V. - as nominee of SMRC Automotive Holdings Netherlands B.V.	1	*	-	-
(iv) SMR Automotive Mirror Systems Holding Deutschland GmbH - as nominee of SMRC Automotive Holdings Netherlands B.V.	1	*	-	-
(v) SMRC Automotive modules France SAS - as nominee of SMRC Automotive Holdings Netherlands B.V.	1	*	-	-
(vi) Samvardhana Motherson Reydel Automotive Parts Holding Spain S.L.U - as nominee of SMRC Automotive Holdings Netherlands B.V.	1	*	-	-
(vii) Samvardhana Motherson Peguform GmbH - as nominee of SMRC Automotive Holdings Netherlands B.V.	1	*	-	-

* Value of shares is less than Rs. 10

During the financial year 2019-2020, the Company split share certificate comprising 3059 shares held by SMRC Automotive Holdings Netherlands B.V. and 5 shares were transferred to the above shareholders.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

d) Details of shareholder(s) holding more than 5 percent of equity shares in the company

Name of the shareholder	As at March 31, 2020 No. of Shares	As at March 31, 2020 % of total shares in the class	As at March 31, 2019 No. of Shares	As at March 31, 2019 % of total shares in the class
Equity shares of Rs. 10 each fully paid-up				
SMRC Automotive Holdings Netherlands B.V.	116,616,305	99.99%	116,616,310	99.99%

11 Other equity

	As at March 31, 2020	As at March 31, 2019
Securities premium reserve*	35.50	35.50
Retained earnings	463.09	516.16
	498.59	551.66

* Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

	As at 31-Mar-2020	As at 31-Mar-2019
12 Borrowings		
Non-current borrowings		
Term loan from HDFC bank (secured)*	-	-
Total Non current borrowings	-	-
Current borrowings:		
Current maturities of long term loan		
Term loan from HDFC bank (secured)*	-	47.50
Total secured borrowings	-	**47.50**
Less: Amount clubbed under "other financial liabilities"	-	**(47.50)**
Total borrowings	-	-

* Term loan has been obtained from HDFC Bank aggregating to Rs. 380 million (Sanctioned limit: Rs.380 million). The interest rate per annum is 10.45% and the term loan is secured by an exclusive charge on the entire assets of the Company. The loan is repayable in 16 quarterly equal instalments commencing from November 24, 2015 onwards and last instalment has been paid during the year in August, 2019.

13 Deferred tax liabilities (net)

Nature deferred tax assets / (liabilities)	Balance Sheet		Statement of Profit and Loss	
	As at 31-Mar-2020	As at 31-Mar-2019	As at 31-Mar-2020	As at 31-Mar-2019
Deferred tax liability				
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged in the financials	44.65	53.33	(8.68)	(3.86)
Re-measurement loss on defined benefit plan	0.21	-	0.21	-
Gross deferred tax liability	**44.86**	**53.33**	**(8.48)**	**(3.86)**
Deferred tax assets				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	28.17	17.63	10.54	(1.87)
Provision for doubtful debts	4.91	5.25	(0.34)	0.18
Gross deferred tax asset	**33.08**	**22.88**	**10.20**	**(1.69)**
Net deferred tax liability	**11.78**	**30.45**	**(18.67)**	**(2.17)**

Reconciliation of deferred tax liabilities (net):

	As at 31-Mar-2020	As at 31-Mar-2019
Opening balance as of 1st April	(30.45)	(32.62)
Tax income/(expense) during the period recognised in profit or loss	18.88	2.17
Tax income/(expense) during the period recognised in OCI	(0.21)	-
Closing balance as at 31st March	(11.78)	(30.45)

The Company has tax losses which arose in India of INR 5.59 million (31 March 2019: Nil) that are available for offsetting for a period of eight years against future taxable profits of the Company in which the losses arose.
Deferred tax assets have not been recognised in respect of these losses. If the Company were able to recognise the unrecognised deferred tax assets, the loss would decrease by INR 5.59 million.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

		As at 31-Mar-2020	As at 31-Mar-2019
14A	**Trade payables**		
	Trade payables		
	- Related parties	70.60	53.13
	- Dues to Micro, Small and Medium Enterprises (refer note 34))	16.44	17.95
	- Others	486.56	662.04
		573.60	**733.12**

Terms and conditions of the above financial liabilities:
Trade payables are non interest bearing and carry a credit period generally between 30 and 90 days

14B	**Other payables**		
	Provision for expenses	418.28	354.67
		418.28	**354.67**
15	**Other financial liabilities**		
	At amortised cost		
	Current maturities of long term loan (note 12)	-	47.50
	Interest accrued on term loan	-	0.43
		-	**47.93**
16	**Short term provision**		
	Provision for gratuity	7.03	9.37
	Provision for compensated absences, bonus and others	67.30	38.75
		74.33	**48.12**
17	**Tax liability/(asset)**		
	Tax liabilities:		
	Provision for current tax (net) - current	24.86	24.86
		24.86	**24.86**
	Tax assets		
	Advance income tax (net) - non-current	40.10	7.39
		40.10	**7.39**
18	**Other liabilities**		
	Statutory dues including provident fund and tax deducted at source	29.03	94.53
		29.03	**94.53**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

		March 31, 2020	March 31, 2019
19	**Revenue from contracts with customers**		
	Set out below is the disaggregation of the Company's revenue from contracts with customers:		
	Revenue from operations		
	Sale of automotive parts	3,519.42	4,137.49
	Sale of services	63.08	27.32
	Other operating revenue		
	Sale of tools	507.86	657.74
	Total revenue from contracts with customers	**4,090.36**	**4,822.55**

Contract balances

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Trade receivables	275.53	733.04
Contract assets	132.06	91.81
Contract liabilities	353.47	244.97

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

		March 31, 2020	March 31, 2019
20	**Finance income**		
	Interest income on		
	- Bank deposits	18.59	26.82
	- Loans given to associate	17.88	2.72
		36.47	**29.54**
21	**Other income**		
	Profit on sale of fixed assets	-	0.54
	Recovery of engineering cost	-	3.00
	Liabilities no longer required written back *	35.97	15.62
	Scrap sale	10.07	12.00
	Miscellaneous income	26.88	30.43
		72.92	**61.59**

*Represent payables / provision of prior years written back after completion of supplier reconciliation / customer negotiations or based on an internal review by management.

		March 31, 2020	March 31, 2019
22	**Cost of raw material and components consumed**		
	Inventory at the beginning of the year	79.30	45.30
	Add: Purchases	2,143.55	2,545.92
		2,222.85	**2,591.22**
	Less: Inventory at the end of the year	58.27	79.30
	Cost of raw material and components consumed	**2,164.58**	**2,511.92**
23	**Cost of tools sold**		
	Inventory at the beginning of the year	-	-
	Add: Purchases	426.31	563.62
	Tool development & service cost	426.31	563.62
	Less: Inventory at the end of the year	-	-
	Cost of tools sold	**426.31**	**563.62**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

		March 31, 2020	March 31, 2019
24	**(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods**		
	Inventory at the end of the year		
	Work in progress	10.24	8.57
	Finished goods	16.06	22.34
		26.30	**30.91**
	Inventory at the beginning of the year		
	Work in progress	8.57	7.87
	Finished goods	22.34	32.35
		30.91	**40.22**
		4.61	**9.31**
25	**Employee benefits expense**		
	Salaries, wages and bonus	451.08	437.32
	Contribution to provident and other funds	19.61	24.20
	Gratuity expense (refer Note 30)	6.59	5.86
	Staff welfare expense	70.76	66.40
		548.04	**533.78**
26	**Finance costs**		
	Interest expenses		
	- on term loan	1.41	10.33
	Bank charges	3.70	3.77
	Interest on lease liabilities (note 42)	3.84	-
		8.95	**14.10**
27	**Other expenses**		
	Consumption of stores and spares and consumable tools	30.69	33.94
	Freight charges (outbound)	51.64	57.87
	Power and fuel	117.98	137.74
	Rent	67.51	74.94
	Repairs - plant and machinery	36.54	51.42
	Insurance expense	2.73	7.13
	Rates and taxes	11.65	10.68
	Printing & stationery	4.50	4.36
	Communication expense	2.41	2.00
	Travelling expenses	28.25	32.98
	Site maintenance and purchased services	110.25	141.01
	Administration, information technology and service charges	262.87	228.60
	Corporate social responsibility (refer note A below)	1.75	2.24
	Legal & professional fees	13.15	13.99
	Development and testing charges	119.95	70.44
	Payment to auditors (refer note B below)	3.65	3.65
	Exchange differences (net)	13.82	10.15
	Provision for doubtful debts	-	2.76
	Loss on sale of fixed assets	0.25	-
	Miscellaneous expenses	1.40	2.42
		880.99	**888.32**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

	March 31, 2020	March 31, 2019
A. Corporate social responsibility		
i. Gross amount required to be spent by the company during the	1.75	2.24

ii. Amount spent during the year ended on March 31, 2020

	In Cash	Yet to be paid in Cash	Total
(a) Construction / acquisition of any asset	-	-	-
(b) On purpose other than (i) above			
- in Cash	-	-	-
- through Bank	-	-	-

iii. Amount spent during the year ended on March 31, 2019

	In Cash	Yet to be paid in Cash	Total
(a) Construction / acquisition of any asset	-	-	
(b) On purpose other than (i) above			
- in Cash	-	-	
- through Bank	-	-	-

B. Payment to auditor

	March 31, 2020	March 31, 2019
As auditor :		
Statutory audit	1.20	1.20
Limited reviews of unaudited financial results	0.60	0.60
Tax audit	0.50	0.50
Other services	1.00	1.00
Reimbursement of expenses	0.35	0.35
	3.65	**3.65**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

	March 31, 2020	March 31, 2019
28 Income tax expense		
The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:		
Profit or loss		
Current tax:		
Current income tax charge	-	56.58
Deferred tax:		
Relating to the origination and reversal of temporary differences	(18.88)	(2.17)
Income tax expense reported in the statement of the profit and loss	**(18.88)**	**54.41**
OCI		
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on remeasurements of defined benefit plans	(0.21)	1.99
Income tax charged to OCI	**(0.21)**	**1.99**

Reconciliation of tax expense and the accounting profit multiplied by corporate income tax rate applicable for March 31, 2020 and March 31, 2019

The tax on the company's profit before tax differs from the theoretical amount that would arise on using the standard rate of corporation tax in India (34.608%) as follows:

Accounting profit before income tax	(72.34)	107.79
Profit before tax multiplied by statutory income tax rate in India of 34.944% (March 31, 2019: 34.944%)	(25.28)	37.67
Effects of		
Non-admissible expenses for tax purposes:	6.40	16.74
	(18.88)	**54.41**

29 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

		March 31, 2020	March 31, 2019
Profit / (loss) after tax		(53.46)	53.38
Net profit attributable to equity holder of the Company used in calculating earning per share	(A)	(53.46)	53.38
Weighted average number of equity shares for calculating basic EPS (in million)	(B)	116,616,312	116,616,312
Effect of dilution			
Potential convertible equity shares	(C)	-	-
Weighted average number of equity shares for calculating diluted EPS (in million)	(D=B+C)	116,616,312	116,616,312
- Basic EPS (in Rs.)	(A/B)	(0.46)	0.46
- Diluted EPS (in Rs.)	(A/D)	(0.46)	0.46

(All amounts are in millions of Indian Rupees, unless otherwise stated)

30 Gratuity plan

The Company has a defined gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure equivalent to 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of 6 months. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in the balance sheet for the respective plans.

Statement to profit and loss
Net employee benefit expense (recognized in employee benefit expenses)

Particulars	March 31, 2020	March 31, 2019
Current service cost	5.70	5.11
Interest cost on benefit obligation	0.89	0.75
Past service cost	-	-
Net benefit expense	**6.59**	**5.86**

Amount recognised in the statement of other comprehensive income

Particulars	March 31, 2020	March 31, 2019
Total actuarial (gains)/losses	(0.59)	5.74
Return on plan assets (greater)/less than discount rate	-	-
Actuarial (gains)/ losses recognized in OCI	**(0.59)**	**5.74**

Balance sheet
Benefit liability

Particulars	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	53.55	50.09
Fair value of plan assets	46.54	40.73
Plan liability	**7.01**	**9.36**

Changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2020	March 31, 2019
Net defined benefit asset/ (liability) at end of prior period	50.09	42.79
Current service cost	5.70	5.11
Interest cost	3.98	3.50
Benefit paid	(2.97)	(8.52)
Actuarial (gains) / losses on obligation	(3.25)	7.21
Past service cost	-	-
Closing defined benefit obligation	**53.55**	**50.09**

Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2020	March 31, 2019
Fair value of plan assets at the beginning of the year	40.73	33.94
Expected return on plan assets	3.09	2.75
Contributions	8.35	11.09
Benefits paid	(2.97)	(8.52)
Actuarial gain / (loss) on plan assets	(2.66)	1.47
Fair value of plan assets at the end of the year	**46.54**	**40.73**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	March 31, 2020	March 31, 2019
Investments with the insurer	100%	100%

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Amounts for the current year and previous year are as follows :

Particulars	March 31, 2020	March 31, 2019
Defined benefit obligation	53.55	50.09
Fair value of Plan assets	(46.54)	(40.73)
(Deficit)/ surplus	7.01	9.36
Service cost	5.70	5.11
Defined benefit cost recognised in Profit or loss	6.59	5.86
Remeasurements recognised in Other Comprehensive Income (OCI) Loss/(Gains)	(0.59)	5.74

The principal assumptions used in determining gratuity benefit obligations for the Company's plan are shown below:

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.65%	7.60%
Expected return on plan assets	6.65%	7.60%
Salary escalation	5.50%	8.00%
Employee Turnover	1% - 3%	1% - 3%

The estimates of future salary increases, considered in actuarial valuation, take account of price inflation, regular increments and promotions and other relevant factors, such as supply and demand in the employment market.
The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the
A quantitative sensitivity analysis for significant assumptions is as shown below:
Gratuity

	Impact on defined benefit obligation	
Sensitivity level	**March 31, 2020**	**March 31, 2019**
Defined Benefit Obligation - Discount Rate + 100 basis points	(6.84)	(6.65)
Defined Benefit Obligation - Discount Rate - 100 basis points	8.20	7.01
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	6.73	5.35
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(6.12)	(4.58)

Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	Expected benefit payment March 31, 2020	Expected benefit payment March 31, 2019
Within the next 12 months (next annual reporting period)	1.37	1.17
Between 2 and 5 years	6.24	5.51
Between 5 and 10 years	10.78	9.68
Beyond 10 years	-	-
Total Expected payment	18.39	16.36

31 Related party disclosure

a) Names of related parties and related party relationship

Description of relationship	Name of the party
Ultimate holding company	Motherson Sumi Systems Limited - India
Holding company	SMRC Automotive Holdings Netherlands B.V. - Netherlands
Fellow subsidiaries/body corporates	SMRC Automotives Techno Minority Holdings B.V. - Netherlands SMRC Automotive Interiors Japan Ltd. - Japan SMRC Automotive Technology RU LLC - Russia Samvardhana Motherson Reydel Autotecc Morocco SAS - Morocco Yujin SMRC Automotive Techno Corp.- Korea SMRC Fabricação e Comércio de Produtos Automotivos do Brasil Ltda. - Brazil SMRC Automotive Interior Modules Croatia d.o.o. - Croatia PT SMRC Automotive Technology Indonesia - Indonesia SMRC Automotive Modules France SAS - France SMRC Automotive Smart Interior Tech (Thailand) Ltd. - Thailand Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U. - Spain SMRC Automotive Interiors Products Poland SA - Poland SMRC Smart Interior Systems Germany GmbH - Germany SMRC Smart Automotive Interior Technologies USA, LLC - USA SMRC Automotive Solutions Slovakia s.r.o. - Slovakia SMRC Automotive Interiors Spain S.L.U. - Spain SMRC Automotives Technology Phil Inc. - Philippines SMRC Automotive Tech Argentina S.A. - Argentina SMR Automotive Systems India Limited - India Samvardhana Motherson Innovative Engineering Limited [A unit of MSSL] - India Motherson Auto Limited - India Anest Iwata Motherson Private Limited - India CTM India Limited - India Motherson Automotive Technologies and Engineering [A Division of MSSL] - India
Key management personnel ('KMP')	Mr. Rakesh Satwa - Director Mr. Amit Bhakri - Director Mr. Sanjay Mehta - Director

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b. Details of related party transactions during the year ended March 31, 2020 and March 31, 2019 and balance as at March 31, 2020 and March 31, 2019:

Particulars	Holding / Ultimate holding company		Fellow subsidiaries/body corporate		Key managerial personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Transaction during the year								
SMRC Automotive Interiors Spain S.L.U.	-	-	16.34	18.95	-	-	16.34	18.95
SMRC Automotive Modules France SAS	-	-	32.45	54.12	-	-	32.45	54.12
Yujin SMRC Automotive Techno Corp. - Korea	-	-	0.03	-	-	-	0.03	-
Motherson Automotive Technologies and Engineering [A Division of MSSL] - India	-	-	6.56	0.40	-	-	6.56	0.40
Sales of automotive parts	-	-	**55.38**	**73.47**	-	-	**55.38**	**73.47**
SMRC Automotive Modules France SAS - France	-	-	19.11	-	-	-	19.11	-
PT SMRC Automotive Technology Indonesia - Indonesia	-	-	-	19.94	-	-	-	19.94
SMRC Automotive Smart Interior Tech (Thailand) Ltd. - Thailand	-	-	4.84	-	-	-	4.84	-
Sales of tools	-	-	**23.95**	**19.94**	-	-	**23.95**	**19.94**
SMRC Automotive Holdings Netherlands B.V.	38.26	18.52	-	-	-	-	38.26	18.52
Motherson Automotive Technologies and Engineering [A Division of MSSL] - India	-	-	1.14	-	-	-	1.14	-
Sale of services	**38.26**	**18.52**	**1.14**	-	-	-	**39.40**	**18.52**
SMRC Automotive Smart Interior Tech (Thailand) Ltd.	-	-	-	44.51	-	-	-	44.51
Motherson Sumi Systems Limited	0.05	0.45	-	-	-	-	0.05	0.45
Anest Iwata Motherson Private Limited - India	-	-	0.05	-	-	-	0.05	-
Motherson Automotive Technologies and Engineering [A Division of MSSL] - India	-	-	56.96	64.27	-	-	56.96	64.27
Purchase of automotive parts and spares	**0.05**	**0.45**	**57.01**	**108.78**	-	-	**57.06**	**109.23**
Motherson Automotive Technologies and Engineering [A Division of MSSL] - India	-	-	6.38	-	-	-	6.38	-
CTM India Limited - India	-	-	25.56	-	-	-	25.56	-
Purchase of Tools	-	-	**31.94**	-	-	-	**31.94**	-

(All amounts are in millions of Indian Rupees, unless otherwise stated)

b. Details of related party transactions during the year ended March 31, 2020 and March 31, 2019 and balance as at March 31, 2020 and March 31, 2019:

Particulars	Holding / Ultimate holding company		Fellow subsidiaries/body corporate		Key managerial personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
SMRC Automotive Holdings Netherlands B.V.	252.00	228.60	-	-	-	-	252.00	228.60
Motherson Auto Limited - India	10.87	-	-	-	-	-	10.87	-
Administration, Information Technology and Service Charges	**262.87**	**228.60**	-	-	-	-	**262.87**	**228.60**
Motherson Automotive Technologies and Engineering [A Division of MSSL] - India	-	-	12.65	-	-	-	12.65	-
Samvardhana Motherson Innovative Engineering Limited [A unit of MSSL] - India	-	-	0.47	-	-	-	0.47	-
Yujin SMRC Automotive Techno Corp. - Korea	-	-	6.65	-	-	-	6.65	-
Development and testing charges	-	-	**19.77**	-	-	-	**19.77**	-
SMR Automotive Systems India Limited - India	-	-	17.88	-	-	-	17.88	-
Interest received from loans given to associate	-		**17.88**	-	-	-	**17.88**	-
SMRC Automotives Technology Phil Inc.	-	-	-	-	-	-	-	-
Reimbursement of expenses	-		-	-	-	-	-	-
Short term employee benefit (Including Provident fund paid as employer contribution)	-	-	-	-	-	14.73	-	14.73
Remuneration to KMP #	-	-	-	-	-	**14.73**	-	**14.73**
Motherson Automotive Technologies and Engineering [A Division of MSSL] - India	-	-	24.74	-	-	-	24.74	-
Anest Iwata Motherson Private Limited - India	-	-	0.06	-	-	-	0.06	-
SMRC Automotive Modules France SAS - France	-	-	1.93	-	-	-	1.93	-
Purchase of Capital Goods	-	-	**26.73**	-	-	-	**26.73**	-
PT SMRC Automotive Technology Indonesia	-	-	-	-	-	-	-	-
SMRC Automotive Smart Interior Tech (Thailand) Ltd. - Thailand	-	-	-	18.59	-	-	-	18.59
Advance received against tooling orders	-	-	-	**18.59**	-	-	-	**18.59**

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(All amounts are in millions of Indian Rupees, unless otherwise stated)

b. Details of related party transactions during the year ended March 31, 2020 and March 31, 2019 and balance as at March 31, 2020 and March 31, 2019:

Particulars	Holding / Ultimate holding company		Fellow subsidiaries/body corporate		Key managerial personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
SMRC Automotive Smart Interior Tech (Thailand) Ltd. - Thailand	-	-	18.59	-	-	-	18.59	-
Refund of advance received against tooling orders	-	-	**18.59**	-	-	-	**18.59**	-
CTM India Limited	-	-	43.89	14.82	-	-	43.89	14.82
Samvardhana Motherson Innovative Engineering Limited [A unit of MSSL] - India	-	-	5.73	-	-	-	5.73	-
Motherson Automotive Technologies and Engineering	-	-	-	2.95	-	-	-	2.95
Advance paid to vendors	-	-	**49.62**	**17.77**	-	-	**49.62**	**17.77**
SMR Automotive Systems India Limited - India	-	-	400.00	-	-	-	400.00	-
Loans to an associate	-	-	**400.00**	-	-	-	**400.00**	-
SMR Automotive Systems India Limited - India	-	-	100.00	-	-	-	100.00	-
Repayment received against loans given to an associate	-	-	**100.00**	-	-	-	**100.00**	-
Motherson Automotive Technologies and Engineering	-	-	-	1.32	-	-	-	1.32
Capital advances	-	-	-	**1.32**	-	-	-	**1.32**

Break-up by individuals has not been disclosed on grounds of confidentiality. Also, as the future liability for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, and the amount pertaining to the KMP is not ascertainable and hence not included above.

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b. Details of related party transactions during the year ended March 31, 2020 and March 31, 2019 and balance as at March 31, 2020 and March 31, 2019:

Particulars	Holding / Ultimate holding company		Fellow subsidiaries / body corporate		Key managerial personnel		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance receivable as at the year end:								
SMRC Automotive Modules France SAS	-	-	12.97	24.19	-	-	12.97	24.19
Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.	-	-	1.73	6.75	-	-	1.73	6.75
PT SMRC Automotive Technology Indonesia	-	-	7.12	6.31	-	-	7.12	6.31
SMRC Automotives Technology Phil Inc.	-	-	-	-	-	-	-	-
Yujin SMRC Automotive Techno Corp. - Korea	-	-	0.03	-	-	-	0.03	-
SMR Automotive Systems India Limited - India	-	-	300.00	-	-	-	300.00	-
Motherson Automotive Technologies and Engineering	-	-	7.06	0.02	-	-	7.06	0.02
Total	-	-	**328.91**	**37.27**	-	-	**328.91**	**37.27**
Balance payable as at the year end:								
SMRC Automotive Holdings Netherlands B.V.	39.53	37.63	-	-	-	-	39.53	37.63
SMRC Automotive Modules France SAS	-	-	1.93	-	-	-	1.93	-
SMRC Automotive Smart Interior Tech (Thailand) Ltd.	-	-	0.31	5.77	-	-	0.31	5.77
Anest Iwata Motherson Private Limited	-	-	-	0.29	-	-	-	0.29
Motherson Sumi Systems Limited	-	0.05	-	-	-	-	-	0.05
Motherson Automotive Technologies and Engineering	-	-	28.83	5.12	-	-	28.83	5.12
Total	**39.53**	**37.68**	**31.07**	**11.18**	-	-	**70.60**	**48.86**

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

32 Segment reporting

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture and sale of automotive parts.

As defined in Ind AS 108, the chief operating decision maker (CODM), evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of Ind AS 108 "Operating Segments".

Geographical information

The "Geographical Segments" comprises of domestic sales to customers located in India and overseas sales to customers located outside India.

Particulars	**Domestic**	**Overseas**	**Total**
Revenue from operations			
For the year ended March 31, 2020	**3,744.08**	**346.28**	**4,090.36**
For the year ended March 31, 2019	4,433.98	388.57	4,822.55

33 Leases

Finance lease commitments

Land represents land obtained on finance lease. The lease term is for 99 years and there is no escalation clause in the lease agreement. The lease deed provides for certain restrictions over the usage and subleasing of land, subject to conditions contained therein.

Operating lease: Company as lessee

The Company has lease contracts for various items of building and other equipment used in its operations. Leases of building generally have lease terms between 3 and 5 years, while other equipment generally have lease terms between 7 and 10 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios.

The Company also has certain leases of other equipments with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	**Building**	**Other Equipments**	**Total**
As at April 01, 2019	47.36	0.42	47.78
Additions	-	-	-
Depreciation Expense	11.96	0.07	12.03
As at March 31, 2020	35.40	0.35	35.75

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	**Building**	**Other Equipments**	**Total**
As at April 01, 2019	47.36	0.42	47.78
Accretion of Interest	3.80	0.04	3.84
Rental Expense	13.43	0.09	13.52
As at March 31, 2020	37.73	0.36	38.09

Current	11.22
Non Current	26.86
	38.08

The effective interest rate for lease liabilities is 9.3%, for lease term of 5 years and 9.55%, for lease term of 10 years.

The following are the amounts recognised in profit or loss:

Particulars	**March 31, 2020**
Depreciation expense of right-of-use assets	12.02
Interest expense on lease liabilities	3.84
Variable lease payments (included in other expenses)	-13.52
	2.34

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Changes in accounting policies and disclosures

New and amended standards
Ind AS 116 *Leases*
Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.
Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the company is the lessor.
The company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 April 2019. Instead, the company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

The effect of adoption Ind AS 116 as at 1 April 2019 (increase/(decrease)) is, as follows:

Assets	**April 1, 2019**
Right-to-use assets	47.78
Liability	
Lease Liability	47.78
Total adjustment on equity:	
Retained Earnings	-

The Company has lease contracts for various items of building and other equipment. Before the adoption of Ind AS 116, the company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.
Upon adoption of Ind AS 116, the company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the company.

• Leases previously classified as finance leases
The company did not change the initial carrying amounts of recognised assets at the date of initial application for leases previously classified as finance leases. The requirements of Ind AS 116 were not applied to these leases from 1 April 2019.

•Leases previously accounted for as operating leases
The company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The company also applied the available practical expedients wherein it:
• Used a single discount rate to a portfolio of leases with reasonably similar characteristics
• Relied on its assessment of whether leases are onerous immediately before the date of initial application
• Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
• Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
• Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1 April 2019:
•Right-of -use assets of INR 47.78 million were recognised and presented separately in the balance sheet.
•Additional lease liabilities of INR 47.78 million were recognised.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

34 Information is required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	March 31, 2020	March 31, 2019
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to micro and small enterprises	16.44	17.95
Interest due on above	0.41	0.64
Total	**16.85**	**18.59**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.41	0.64
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act , 2006	1.05	0.64

35 Provisions and contingencies

a) Contingent liabilities (not provided for)

Particulars	March 31, 2020	March 31, 2019
In respect of service tax matters*	-	11.44
In respect of sales tax matters**	1.29	1.77
In respect of Income tax matters***	199.08	199.08
Total	**200.37**	**212.29**

* The Department has denied Cenvat Credit in respect of Service Tax paid on Warehousing services and Goods Transport Agency (GTA) services used for outward transportation of finished goods for the period April 2010 to August 2016 amounting to Rs. 7.04 and has imposed interest and penalty of Rs. 4.40, respectively. The Company has gone on an appeal with CESTAT appeal (Tribunal) and received favourable order on 18th October, 2019.

** The Company has received a sales tax assessment order for financial year 2015-16. As per the order, there are certain disallowances made by the sales tax authorities, who have demanded an amount of Rs. 1.29 (Tax along with the interest). The Company is going for an appeal. Management is confident of succeeding in this litigation by providing the requisite documentation to the relevant authorities.

***

a) The Company has received assessment order for financial year 2014-15 for certain transfer pricing adjustments and disallowances made by the Income tax authorities under section 92CA and section 37 of the Income Tax Act, 1961. The total upward adjustment made amounts to Rs. 367.23 (tax demand amounting to Rs. 187.50), (the Company has paid Rs.37.50 under protest) . The Company has gone on an appeal and the matter is pending with Commissioner of Income tax (Appeals). Management is confident of succeeding in this appeal.

b) The Company has received assessment order for financial year 2014-15 made by the Income tax authorities for certain disallowances under section 37 of the Income tax act, 1961. The total upward adjustment made amounting to Rs. 59.19 (tax demand amounting to Rs. 11.58 (the Company has paid Rs. 2.31 under protest). The Company has gone on appeal and the matter is pending with Commissioner of Income Tax(Appeal). Management is confident of succeeding in this litigation, by providing the requisite documentation to the relevant authorities.

Other matters

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

b) Capital and other commitments

Particulars	March 31, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account, net of advances	22.43	32.48
Total	**22.43**	**32.48**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

36 Financial instruments by category

Fair values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2020:

Particulars	Amortised Cost	Financial assets/liabilities at fair value through profit and loss	Total carrying value	Total fair value
Financial assets				
Trade receivables	275.53	-	275.53	275.53
Other financial assets	391.38		391.38	391.38
Cash and Cash Equivalent	484.92	-	484.92	484.92
Total	**1,151.83**	-	**1,151.83**	**1,151.83**
Financial liabilities				
Borrowings	-	-	-	-
Trade payables	573.60	-	573.60	573.60
Other payables	418.28	-	418.28	418.28
Other financial liabilities	-	-	-	-
Total	**991.87**	-	**991.87**	**991.87**

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2019:

Particulars	Amortised Cost	Financial assets/liabilities at fair value through profit and loss	Total carrying value	Total fair value
Financial assets				
Trade receivables	733.04	-	733.04	733.04
Other financial assets	226.53		226.53	226.53
Cash and Cash Equivalent	545.73	-	545.73	545.73
Total	**1,505.30**	-	**1,505.30**	**1,505.30**
Financial liabilities				
Borrowings	-	-	-	-
Trade payables	733.12	-	733.12	733.12
Other payables	354.67	-	354.67	354.67
Other financial liabilities	47.93	-	47.93	47.93
Total	**1,135.72**	-	**1,135.72**	**1,135.72**

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

37 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Employee benefit plans

The cost of defined benefit gratuity plan and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 30.

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. As at March 31, 2019, the management has assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Provision for inventories

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

Allowance for uncollectible trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

38 Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company does not have derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk relevant for the Company is the currency risk.

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has certain financial assets and financial liabilities in foreign currencies which expose the Company to foreign currency risks. The Company does not take any active steps to hedge the foreign currency exposure since Management believes that there is natural hedge to some extent and balance exposure does not have a significant impact on the Company.

Foreign currency sensitivity

The Company does not take any steps to hedge the foreign currency exposure as mentioned above as the Management believes that there is natural hedge to some extent and balance exposure not really having significant impact on the financial health of the Company.

The following tables demonstrate the sensitivity to a reasonably possible change in EUR and USD exchange rates, with all other variables held constant. The impact on the Company's is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	March 31, 2020		March 31, 2019	
	Change in exchange rate	Effect on profit before tax	Change in exchange rate	Effect on profit before tax
USD against INR	+5%	1.01	+5%	(0.66)
	-5%	(1.01)	-5%	0.66
Euro against INR	+5%	3.00	+5%	1.69
	-5%	(3.00)	-5%	(1.69)

Foreign currency sensitivity

The company uses the sensitivity rate of 5% when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. In the opinion of the management, the sensitivity of increase or decrease against the relevant foreign currencies is not material to the financial statements.

(All amounts are in millions of Indian Rupees, unless otherwise stated)

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. The Company only deals with parties, that have good credit rating based on Company's internal assessment.

The Company has determined the default event on a financial asset to be when the counterparty fails to make contractual payments when they fall due, which are derived based on the Company's historical information.

To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Company considers available reasonable and supportive forwarding-looking information which includes the following indicators:
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtors ability to meet its obligations.
- Significant changes in the expected performance and behaviour of the debtors, including changes in the payment status of debtors in the Company and changes in the operating results of the debtors.

The Company determined that its financial assets are credit-impaired when:
- There is significant difficulty of the issuer or the debtors
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtors will enter bankruptcy or other financial reorganisation.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings.

(c) Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

Particulars	Less than 1 year	More than 1 year	Total
As at March 31, 2020			
Borrowings	-	-	-
Trade Payables	573.60	-	**573.60**
Other payables	418.28	-	**418.28**
Other financial liabilities	-	-	-
	991.87	-	**991.87**
As at March 31, 2019			
Borrowings	-	-	-
Trade Payables	733.12	-	**733.12**
Other payables	354.67	-	**354.67**
Other financial liabilities	47.93	-	**47.93**
	1,135.72	-	**1,135.72**

(All amounts are in millions of Indian Rupees, unless otherwise stated)

39 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and reserves and surplus attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	Note	March 31, 2020	March 31, 2019
Borrowings	12	-	-
Other financials liabilities	15	-	47.93
Less: Cash and cash equivalents		(484.92)	(545.73)
Net debt (A)		(484.92)	(497.80)
Equity attributable to owners of the Company (B)		1,664.75	1,717.82
Capital and net debt - C = (A+B)		1,179.83	1,220.02
Gearing ratio - (A/C)		-41.10%	-40.80%

40 Transfer Pricing

The Company has entered into transactions with related parties during the year. The management confirms that it maintains documents as prescribed by the Income-tax Act, 1961 to prove that these transactions are at arm's length, however, the transfer pricing study is in progress and has not yet been completed. The management believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation for the year ended March 31, 2020. The management has obtained the Accountant's Report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961 for the year ended March 31, 2019.

41 The SARS-CoV—2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization.

On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, contract assets and impairment of Fixed Assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information and economic forecasts. The Company, based on the internal and external evaluation, including sensitivity analysis on the assumptions used and based on current estimates expects that the carrying amount of these assets will be recovered. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

42 There are no adjusting subsequent events that occurred after the reporting period.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

Balasubrahmanyam

per S Balasubrahmanyam
Partner
Membership No.: 053315
Place: Chennai
Date: 20 May 2020

For and on behalf of the Board of Directors of
SMRC Automotive Products India Limited

Sanjay Mehta
Director
DIN: 03215388
Place: Faridabad
Date: 20/05/2020

Amit Bhakri
Director
DIN: 08230325
Place: Noida
Date: 20/05/2020

Arun Kumar
Chief Financial officer

Himanshu Tyagi
Company Secretary
ACS: 28801