

**SMRC Automotive Holding South America
B.V.
Financial Statements
2018-19**

SMRC Automotive Holding South America B.V.
Balance sheet

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

	Notes	As At March 31, 2019	As At July 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	-	-
Capital work-in-progress		-	-
Investment property	5	-	-
Goodwill	4	-	-
Other intangible assets	4	-	-
Intangible assets under development		-	-
Financial assets			
i. Investments	6	12 600	11 600
ii. Loans	7	-	-
iii. Trade receivables	10	-	-
iv. Other financial assets	12	-	-
Deferred tax assets (net)	8	-	-
Non-current tax assets (net)		-	-
Total non-current assets		12 600	11 600
Current assets			
Inventories	9	-	-
Financial assets			
i. Investments	6	-	-
ii. Trade receivables	10	-	-
iii. Cash and cash equivalents	11	683	3 914
iv. Bank balances other than (iii) above		-	-
v. Loans	7	-	-
vi. Other financial assets	12	-	-
Other current assets	13	-	-
Total current assets		683	3 914
Total assets		13 283	15 514
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	-	-
Share application money pending for allotments		5 393	5 393
Other equity			
Reserves and surplus	15	(1 418)	(1 116)
Other reserves	16	-	-
Total equity		3 975	4 277
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	17	9 000	-
ii. Other financial liabilities	19	-	-
Provisions	20	-	-
Employee benefit obligations	21	-	-
Deferred tax liabilities (net)	8	-	-
Other non-current liabilities	22	-	-
Total non-current liabilities		9 000	-
Current liabilities			
Financial Liabilities			
i. Borrowings	17	22	11 237
ii. Trade payables	18	27	-
iii. Other financial liabilities	19	259	-
Provisions	20	-	-
Employee benefit obligations	21	-	-
Other current liabilities	22	-	-
Non-Current tax liabilities (net)		-	-
Total current liabilities		308	11 237
Total liabilities		9 308	11 237
Total equity and liabilities		13 283	15 514

Summary of significant accounting policies 2

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

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

For and on behalf of the Board


R.M.T. de Cuba


J.M. Buit

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

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

	Notes	For the year ended March 31, 2019 (8 months)	For the year ended July 31, 2018
Revenue			
Revenue from contract with customers	23	-	-
Other operating revenue	24	-	-
Total revenue from operations		-	-
Other income	25	-	-
Total income		-	-
Expenses			
Cost of materials consumed	26	-	-
Change in inventories of finished goods, work-in-progress and stock in trade	27	-	-
Employee benefit expense	28	-	-
Depreciation and amortisation expense		-	-
Finance costs	29	274	-
Other expenses	30	28	-
Total expenses		302	-
Profit before tax		(302)	-
Tax expenses			
Current tax	31	-	-
Deferred tax expense/ (credit)	31	-	-
Total tax expense		-	-
Profit for the year		(302)	-
Other comprehensive income			
Items to be reclassified to profit or loss			
Deferred gain / (losses) on cash flow hedges (net of tax)		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		(302)	-
Summary of significant accounting policies	2		

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

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

For and on behalf of the Board

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

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

A. Share application money pending allotment		Notes	Amount
As at April 01, 2017			-
As at March 31, 2018			-
Less: Amount refunded to share holder of the company			-
As at March 31, 2019			-

B. Other equity	Notes	Reserves and Surplus Retained Earnings	Items of OCI Cash flow hedging reserve	Total attributable to Owners
Balance as at April 01, 2017		-	-	-
Profit for the year		-	-	-
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	-	-
Balance at March 31, 2018		-	-	-
Profit for the year		(302)	-	(302)
Other comprehensive income		-	-	-
Total comprehensive income for the year		(302)	-	(302)
Balance at March 31, 2019		(302)	-	(302)

Summary of significant accounting policies

2

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

The above statement of changes in equity should be

read in conjunction with the accompanying notes

For and on behalf of the Board

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

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

	For the year ended March 31, 2019 (8 months)	For the year ended July 31, 2018
A. Cash flow from operating activities:		
Profit before tax	(302)	-
Adjustments for:		
Depreciation and amortisation expense	-	-
Finance cost	274	-
Provision for warranty	-	-
Provision for doubtful debt / advances	-	-
Income on reversal of provision	-	-
Unrealised foreign currency loss/(gain)	-	-
Operating profit before working capital changes	(28)	-
Changes in working capital:		
Increase/(decrease) in trade and other payables	-	-
Increase/(decrease) in other financial liabilities	(2 203)	-
(Increase)/decrease in trade receivables	-	-
(Increase)/decrease in inventories	-	-
(Increase)/decrease in other receivables	-	-
(Increase)/decrease in other financial assets	(1 000)	-
Cash generated from operations	(3 231)	-
Taxes (paid) / received	-	-
Net cash generated from operating activities	(3 231)	-
B. Cash flow from Investing activities:		
Payments for purchase of property, plant & equipment (including capital work-in-progress)	-	-
Net cash (used) in investing activities	-	-
C. Cash flow from financing activities:		
Interest paid	-	-
Repayment of short term borrowings	-	-
Return of share application money	-	-
Net cash (used) in financing activities	-	-

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

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

	For the year ended March 31, 2019 (8 months)	For the year ended July 31, 2018
Net Increase/(Decrease) in Cash & Cash Equivalents	(3 231)	-
Net Cash and Cash equivalents at the beginning of the year	3 914	-
Cash and cash equivalents acquired consequent to acquisition of SMRC (Refer Note 50)	-	-
Cash and cash equivalents as at year end	683	-
Cash and cash equivalents comprise		
Cash on hand	683	3 914
Cheques / drafts on hand	-	-
Balance with Banks	-	-
Cash and cash equivalents as per Balance Sheet (restated)	683	3 914
Net foreign exchange difference on balance with banks in foreign currency	683	3 914
Total	683	3 914
Summary of significant accounting policies (Note 2)		

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

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

For and on behalf of the Board

1 Corporate information

Holding company for South American entities shares

2 Significant accounting policies

(a) Basic of preparation



Compliance with IFRS

The financial statements of the Company have been prepared for the financial year beginning August 01, 2018 and ended on March 31, 2019.

The financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) in force at March 31, 2019 as adopted by the European Union.

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

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

(b) Accounting policies for the financial statements

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

(i)



Date: 28 May 2019

To the Management Board of:

SMRC Automotive Holdings B.V.

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Strawinskylaan 3127
1077 ZX Amsterdam
The Netherlands

SMRC Automotive Holdings Netherlands B.V.

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SMRC Automotive South America B.V.

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SMRC Automotive Modules South America Minority Holdings B.V.

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SMRC Automotive Techno Minority Holdings B.V.

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Amsterdam, The Netherlands

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www.vistra.com

Trade register number 30091120

RE: Audit of accounts for the period ended March 31, 2019

Dear Sirs,

As you are aware, **SMRC Automotive Holdings B.V., SMRC Automotive Holdings Netherlands B.V., SMRC Automotive South America B.V.; SMRC Automotive Modules South America Minority Holdings B.V. and SMRC Automotive Techno Minority Holdings B.V.** (together also referred to as the "**Companies**" and each a "**Company**") entered into a services agreement with **Vistra B.V. (Vistra)** as of August 2, 2018 (the "**Services Agreement**").

In accordance with the Services Agreement and applicable general terms and conditions Vistra provides or makes available to the Companies, among other services, accounting services. In this respect, Vistra prepared the companies' accounts for the financial year ending as of March 31, 2019. These have been drawn up by Vistra in accordance with the Dutch Accounting Standards to the best of its knowledge and abilities on the basis of the information provided to us by the companies or its affiliates.

Yours sincerely,

On behalf of Vistra B.V.



D.M.A. Spreuwers
Proxy Holder A



L.A. Hammink
Proxy Holder B

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

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

5 Investment property		March 31, 2019	July 31, 2018	
Opening gross carrying amount		-	-	
Add: Transfers / Additions during the year				
Less: (Deletions) during the year				
Gross Block		-	-	
Accumulated depreciation:				
Opening balance		-	-	
Add: Depreciation for the year				
Less: Deletions during the year				
Closing accumulated depreciation		-	-	
Net Investment Properties		-	-	
6 Investments		March 31, 2019	July 31, 2018	
(a) Non-current investments				
Investment in subsidiaries:				
SMRC Argentina		4 600	4 600	
SMRC Brazil		8 000	7 000	
		12 600	11 600	
(b) Current investments (provide details if applicable)				
		-	-	
7 Loans		March 31, 2019	July 31, 2018	
(a) Non-current investments				
Unsecured, considered good				
Loans to related parties				
Loans to employees				
		-	-	
(b) Current investments				
Unsecured, considered good				
Loans to related parties				
Loans to employees				
		-	-	
8 Deferred tax				
(a) Deferred tax assets (net)		Beginning Balance	Charged to profit or loss	Closing balance
Year ended March 31, 2018				
Unabsorbed depreciation and Tax losses		-	-	-
Property, plant and equipments		-	-	-
Provision for Doubtful debts/Advances/Inventory		-	-	-
Others		-	-	-
Year ended March 31, 2019				
Unabsorbed depreciation and Tax losses		-	-	-
Property, plant and equipments		-	-	-
Provision for Doubtful debts/Advances/Inventory		-	-	-
Others		-	-	-
(b) Deferred tax liabilities (net)		Beginning Balance	Charged to profit or loss	Closing balance
Year ended March 31, 2018				
Others		-	-	-
Year ended March 31, 2019				
Others		-	-	-
Year ended March 31, 2019				
Others		-	-	-

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

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

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

	March 31, 2019	July 31, 2018
9 Inventories		
Raw materials	-	-
Work-in-progress	-	-
Finished goods	-	-
	-	-
Inventory include inventory in transit of:		
Raw materials	-	0
10 Trade Receivable		
	March 31, 2019	July 31, 2018
(a) Non-current:		
Unsecured, considered good	-	-
Trade receivables from related parties	-	-
Doubt full	-	-
	-	-
Less: Allowances for credit loss	-	-
	-	-
(b) Current:		
Unsecured, considered good	-	-
Trade receivables from related parties	-	-
Doubt full	-	-
	-	-
Less: Allowances for credit loss	-	-
	-	-
11 Cash and cash equivalents		
Balances with banks:		
- in current accounts	-	-
Cash on hand	683	3 914
	683	3 914
12 Other financial assets		
	March 31, 2019	July 31, 2018
(a) Non-current:		
Security deposits, unsecured considered good	-	-
Other advances receivable in cash and cash equivalent	-	-
Derivatives designated as hedge	-	-
	-	-
(b) Current:		
Security deposits, unsecured considered good	-	-
Other advances receivable in cash and cash equivalent	-	-
Derivatives designated as hedge	-	-
	-	-
13 Other current Assets		
	March 31, 2019	July 31, 2018
Advances recoverable	-	-
Prepaid expenses	-	-
	-	-
14 Share Capital		
	March 31, 2019	July 31, 2018
Authorised:		
Number of equity share capital and face value	-	-
Issued, subscribed and paid up:		
Number of equity share capital and face value for each category of share capital	-	-

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

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

15 Reserves and surplus		March 31, 2019	July 31, 2018
(a) Retained earnings			
Opening balance		(1 116)	(1 116)
Additions during the year		(302)	
Closing balance		<u>(1 418)</u>	<u>(1 116)</u>
(b) General reserve			
Opening balance			
Additions during the year			
Closing balance			
(c) Capital reserve			
Opening balance			
Additions during the year			
Closing balance			
Total reserve and surplus		<u>(1 418)</u>	<u>(1 116)</u>

Provide brief of each reserve

16 Other reserves		March 31, 2019	July 31, 2018
(a) Cash flow hedging reserve			
Opening balance		-	-
Additions during the year		-	-
Closing balance		<u>-</u>	<u>-</u>

Cash flow hedging reserve

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

17 Borrowings		March 31, 2019	July 31, 2018
(a) Non-current			
		9 000,00	0,000
(b) Current			
Secured repayable on demand from banks ¹		22,00	11 237,000
		<u>22</u>	<u>11 237</u>

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

18 Trade Payables		March 31, 2019	July 31, 2018
Total outstanding dues of creditors other than related parties		27	-
Trade payable to related parties (Refer note 40)		-	-
		<u>27</u>	<u>-</u>

19 Other current financial liabilities		March 31, 2019	July 31, 2018
(a) Non-current			
Security deposits			
Other liabilities payable in cash and cash equivalent			
(b) Current			
Interest accrued but not due on borrowings		259	-
Employee benefits payable		-	-
Accrued expenses		-	-
Total		<u>259</u>	<u>-</u>

## Provisions		March 31, 2019	July 31, 2018
(a) Non-current			
For Warranties			
For Litigations / disputes			
(b) Current			
For warranties			
Total		<u>-</u>	<u>-</u>

Warranty

A provision is recognized for expected warranty claims on products sold during the last year, based on past experience of the level of repairs and returns. Due to the very nature of such costs, it is not possible to estimate the uncertainties relating to the outflows of economic benefits.

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

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

## Employee benefit obligations		<u>March 31, 2019</u>	<u>July 31, 2018</u>
(a) Non-current			
Pension		-	-
Compensated absences		-	-
(b) Current			
Pension		-	-
Compensated absences		-	-
Total		-	-
## Other liabilities		<u>March 31, 2019</u>	<u>July 31, 2018</u>
(a) Other non-current liabilities			
Statutory dues payable		-	-
Other payables		-	-
(b) Other current liabilities			
Other current liabilities		-	-
Statutory dues payable & other payables		-	-

Bracket denotes appropriations / deductions.

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

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

23	Revenue from contract with customers	For the year ended	
		March 31, 2019	July 31, 2018
	Sales of products		-
	Sales of services	-	-
	Total revenue from contract with customers (Refer Note 45)	-	-
	IFRS 15 Revenue from contracts with customers		
	Effective April 1, 2018, the Company has adopted IFRS 115, 'Revenue from Contracts with Customers', with a modified retrospective approach. The management has evaluated the implications of implementation of new standard on its revenue and has made appropriate adjustments to these results where significant.		
24	Other operating revenue:		
	Scrap sales	-	-
	Miscellaneous income	-	-
	Total revenue from operation	-	-
25	Other income		
	Foreign exchange gain (net)	-	-
	Provision for Doubtful Debts written back	-	-
	Total	-	-
26	Cost of materials consumed		
	Opening stock of raw materials	-	-
	Add : Purchases of raw materials	-	-
	Less: Closing stock of raw materials	-	-
	Total	-	-

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

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

27	Changes in inventory of finished goods, work in progress and stock in trade	For the year ended	
		March 31, 2019	July 31, 2018
	(Increase)/ decrease in stocks		
	Stock at the opening of the year:		
	Finished goods	-	-
	Work-in-progress	-	-
	Total A	-	-
	Stock at the end of the year:		
	Finished goods	-	-
	Work-in-progress	-	-
	Total C	-	-
	(Increase)/ decrease in stocks (A+B-C+D)	-	-
28	Employee benefit expense	For the year ended	
		March 31, 2019	July 31, 2018
	Salary, wages & bonus	-	-
	Contribution to employee welfare funds, payroll tax and other taxes	-	-
	Staff welfare expenses	-	-
	Others	-	-
	Total	-	-
29	Finance costs	For the year ended	
		March 31, 2019	July 31, 2018
	Interest on borrowings	264	-
	Others	10	-
	Total	274	-
30	Other expenses	For the year ended	
		March 31, 2019	July 31, 2018
	Electricity, water and fuel	-	-
	Repairs and Maintenance:		
	Machinery	-	-
	Building	-	-
	Others	-	-
	Consumption of stores and spare parts	-	-
	Rent	-	-
	Rates & taxes	-	-
	Insurance	-	-
	Donation	-	-
	Travelling	-	-
	Freight & forwarding	-	-
	Provision for doubtful debts/advances	-	-
	Auditors fees and expenses	-	-
	Legal & professional expenses	27	-
	Computer expenses and software charges	-	-
	Fees and subscriptions	-	-
	Business promotion expenses	-	-
	Communication expenses	-	-
	Miscellaneous expenses	1	-
	Total	28	-
31	Income tax	For the year ended	
		March 31, 2019	July 31, 2018
	Current tax	-	-
	Deferred tax charged / (reversed)	-	-