

SMRC Automotive Interiors Japan Ltd
Financial Statements
2018-19

SMRC Automotive Interiors Japan Ltd
Balance sheet

	Notes	Currency : JPY'000	
		As At March 31, 2019	As At December 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	8,581	9,252
Capital work-in-progress		-	-
Investment property	5	-	-
Goodwill	4	45,221	45,221
Other intangible assets	4	545	732
Intangible assets under development		-	-
Financial assets			
i. Investments	6	-	-
ii. Loans	7	-	-
iii. Trade receivables	10	-	-
iv. Other financial assets	12	12,565	12,565
Deferred tax assets (net)	8	-	-
Non-current tax assets (net)		-	-
Total non-current assets		66,912	67,770
Current assets			
Inventories	9	-	-
Financial assets			
i. Investments	6	-	-
ii. Trade receivables	10	14,764	20,710
iii. Cash and cash equivalents	11	36,120	41,053
iv. Bank balances other than (iii) above		-	-
v. Loans	7	-	-
vi. Other financial assets	12	7,082	6,875
Other current assets	13	5,658	5,308
Total current assets		63,625	73,946
Total assets		130,537	141,716
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	100,000	-
Share application money pending for allotments		-	-
Other equity			
Reserves and surplus	15	(84,916)	(83,185)
Other reserves	16	-	-
Total equity		15,084	(83,185)
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	17	-	-
ii. Other financial liabilities	19	-	-
Provisions	20	-	-
Employee benefit obligations	21	76,707	76,639
Deferred tax liabilities (net)	8	-	-
Other non-current liabilities	22	-	-
Total non-current liabilities		76,707	76,639
Current liabilities			
Financial Liabilities			
i. Borrowings	17	-	100,000
ii. Trade payables	18	-	-
iii. Other financial liabilities	19	29,912	39,287
Provisions	20	-	-
Employee benefit obligations	21	2,472	6,739
Other current liabilities	22	6,361	2,236
Non-Current tax liabilities (net)		-	-
Total current liabilities		38,745	148,262
Total liabilities		115,452	224,901
Total equity and liabilities		130,536	141,716

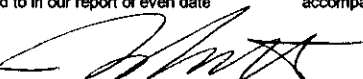
Summary of significant accounting policies

2

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

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

For and on behalf of the Board



SMRC Automotive Interiors Japan Ltd
Statement of profit and loss

Currency : JPY000

	Notes	For the year ended March 31, 2019	For the year ended December 31, 2018
Revenue			
Revenue from contract with customers	23	64,513	317,460
Other operating revenue	24	22	528
Total revenue from operations		64,535	317,987
Other income	25	-	-
Total income		64,535	317,987
Expenses			
Cost of materials consumed	26	-	-
Change in inventories of finished goods, work-in-progress and stock in trade	27	-	-
Employee benefit expense	28	44,224	221,578
Depreciation and amortisation expense		859	4,123
Finance costs	29	935	2,903
Other expenses	30	20,039	82,625
Total expenses		66,057	311,229
Profit before tax		(1,522)	6,758
Tax expenses			
Current tax	31	209	39,586
Deferred tax expense/ (credit)	31	-	-
Total tax expense		209	39,586
Profit for the year		(1,731)	(32,828)
Other comprehensive income			
Items to be reclassified to profit or loss			
Deferred gain / (losses) on cash flow hedges (net of tax)		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		(1,731)	(32,828)

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 Interiors Japan Ltd
Statement of changes in equity

Currency : JPY'000

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		Items of OCI	Cash flow hedging reserve	Total attributable to Owners
		Retained Earnings				
Balance as at April 01, 2017	-	-	-	-	-	-
Profit for the year	-	(32,828)	-	-	-	(32,828)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	(32,828)	-	-	-	(32,828)
Balance at March 31, 2018	-	(32,828)	-	-	-	(32,828)
Profit for the year	-	(1,731)	-	-	-	(1,731)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	(1,731)	-	-	-	(1,731)
Balance at March 31, 2019	-	(34,559)	-	-	-	(34,559)

Summary of significant accounting policies

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

2

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 Interiors Japan Ltd
Consolidated Cash Flow Statement

Currency : JPY'000

	For the year ended March 31, 2019	For the year ended December 31, 2018
A. Cash flow from operating activities:		
Profit before tax	(1,522)	6,758
Adjustments for:		
Depreciation and amortisation expense	859	4,123
Finance cost	935	2,903
Provision for warranty	-	-
Provision for doubtful debt / advances	-	-
Income on reversal of provision	-	-
Unrealised foreign currency loss/(gain)	-	-
Operating profit before working capital changes	272	13,784
Changes in working capital:		
Increase/(decrease) in trade and other payables	-	-
Increase/(decrease) in other financial liabilities	-	-
(Increase)/decrease in trade receivables	-	-
(Increase)/decrease in inventories	-	-
(Increase)/decrease in other receivables	-	-
(Increase)/decrease in other financial assets	-	-
Cash generated from operations	272	13,784
Taxes (paid) / received	-	-
Net cash generated from operating activities	272	13,784
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 Interiors Japan Ltd
Consolidated Cash Flow Statement

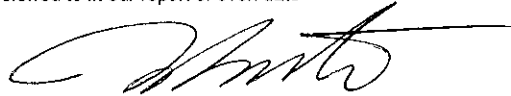
Currency : JPY'000

	For the year ended March 31, 2019	For the year ended December 31, 2018
Net Increase/(Decrease) in Cash & Cash Equivalents	272	13,784
Net Cash and Cash equivalents at the beginning of the year	41,053	36,320
Cash and cash equivalents acquired consequent to acquisition of SMRC (Refer Note 50)	-	-
Cash and cash equivalents as at year end	41,324	50,104
Cash and cash equivalents comprise		
Cash on hand	-	-
Cheques / drafts on hand	-	-
Balance with Banks	36,120	41,053
Cash and cash equivalents as per Balance Sheet (restated)	36,120	41,053
Net foreign exchange difference on balance with banks in foreign currency		
Total	36,120	41,053
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
(brief about company)

2 Significant accounting policies

(a) Basic of preparation

Compliance with IFRS

The financial statements of the Company have been prepared for the financial year beginning April 01, 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 Euro 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)

SMRC Automotive Interiors Japan Ltd
NOTES TO THE FINANCIAL STATEMENTS

Currency : JPY'000
Currency : JPY'000

4 Intangible assets

Particulars	Technical Knowhow Fees	Customer Relationships	Business and commercial	Intellectual Property Rights	Software	Total	Goodwill
Year ended March 31, 2018							
Gross carrying amount	-	-	-	-	9,912	9,912	45,221
As at January 01, 2018	-	-	-	-	-	-	-
Additions	-	-	-	-	(2,100)	(2,100)	-
Disposals / other adjustment	-	-	-	-	-	-	-
Closing gross carrying amount	-	-	-	-	7,812	7,812	45,221
Accumulated amortisation and impairment							
As at January 01, 2018	-	-	-	-	8,429	8,429	-
Decrease for disposals / other adjustment	-	-	-	-	(2,100)	(2,100)	-
Depreciation charge during the year	-	-	-	-	750	750	-
Closing accumulated amortisation and impairment	-	-	-	-	7,079	7,079	-
Net carrying amount							
As at March 31, 2018	-	-	-	-	732	732	45,221
Year ended March 31, 2019							
Gross carrying amount	-	-	-	-	7,812	7,812	45,221
As at January 01, 2019	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Closing gross carrying amount	-	-	-	-	7,812	7,812	45,221
Accumulated amortisation and impairment							
As at January 01, 2019	-	-	-	-	7,079	7,079	-
Depreciation charge during the year	-	-	-	-	188	188	-
Closing accumulated amortisation and impairment	-	-	-	-	7,267	7,267	-
Net carrying amount							
As at March 31, 2019	-	-	-	-	545	545	45,221

5 Investment property		March 31, 2019	December 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	December 31, 2018	
(a) Non-current investments				
Investment in subsidiaries:				
name of subsidiary 1				
number of share held current year (share held during previous year), face value				
name of subsidiary 1				
number of share held current year (share held during previous year), face value				
		-	-	
(b) Current investments (provide details if applicable)				
		-	-	
7 Loans		March 31, 2019	December 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		-	-	-
		-	-	-

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

9 Inventories		March 31, 2019	December 31, 2018
Raw materials		-	-
Work-in-progress		-	-
Finished goods		-	-
		-	-
Inventory include inventory in transit of:			
Raw materials		-	0
10 Trade Receivable		March 31, 2019	December 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		14,764	20,710
Doubt full		-	-
Less: Allowances for credit loss		-	-
		14,764	20,710
		14,764	20,710
11 Cash and cash equivalents		March 31, 2019	December 31, 2018
Balances with banks:			
- in current accounts		36,120	41,053
Cash on hand		-	-
		36,120	41,053
12 Other financial assets		March 31, 2019	December 31, 2018
(a) Non-current:			
Security deposits, unsecured considered good		12,565	12,565
Other advances receivable in cash and cash equivalent			
Derivatives designated as hedge		-	-
		12,565	12,565
(b) Current:			
Security deposits, unsecured considered good		-	-
Other advances receivable in cash and cash equivalent		7,082	6,875
Derivatives designated as hedge		-	-
		7,082	6,875
13 Other current Assets		March 31, 2019	December 31, 2018
Advances recoverable		-	-
Prepaid expenses		5,658	5,308
		5,658	5,308
14 Share Capital		March 31, 2019	December 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		100,000	-
		100,000	-

15 Reserves and surplus

	March 31, 2019	December 31, 2018
(a) Retained earnings		
Opening balance	(83,185)	(50,358)
Additions during the year	(1,731)	(32,628)
Closing balance	(84,916)	(83,185)
(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	(84,916)	(83,185)
Provide brief of each reserve		

16 Other reserves

	March 31, 2019	December 31, 2018
(a) Cash flow hedging reserve		
Opening balance	-	-
Additions during the year	-	-
Closing balance	-	-

Cash flow hedging reserve

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

17 Borrowings

	March 31, 2019	December 31, 2018
(a) Non-current		
	-	-
(b) Current		
Loans from related parties	-	100,000
Secured repayable on demand from banks ¹	-	-
	-	100,000

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

18 Trade Payables

	March 31, 2019	December 31, 2018
Total outstanding dues of creditors other than related parties	-	-
Trade payable to related parties (Refer note 40)	-	-
	-	-

19 Other current financial liabilities

	March 31, 2019	December 31, 2018
(a) Non-current		
Security deposits	-	-
Other liabilities payable in cash and cash equivalent	-	-
	-	-
(b) Current		
Interest accrued but not due on borrowings	-	177
Employee benefits payable	17,853	28,383
Accrued expenses	12,059	10,728
Total	29,912	39,287

Provisions

	March 31, 2019	December 31, 2018
(a) Non-current		
For Warranties	-	-
For Litigations / disputes	-	-
	-	-
(b) Current		
For warranties	-	-
Total	-	-

Warranty

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

SMRC Automotive Interiors Japan Ltd
 NOTES TO THE FINANCIAL STATEMENTS

Currency : JPY'000
 Currency : JPY'000

Employee benefit obligations

	March 31, 2019	December 31, 2018
(a) Non-current		
Pension	76,707	76,639
Compensated absences		
	<u>76,707</u>	<u>76,639</u>
(b) Current		
Pension		
Compensated absences	2,472	6,739
Total	<u>2,472</u>	<u>6,739</u>

Other liabilities

	March 31, 2019	December 31, 2018
(a) Other non-current liabilities		
Statutory dues payable		
Other payables		
	<u>-</u>	<u>-</u>
(b) Other current liabilities		
Other current liabilities	192	37
Statutory dues payable & other payables	6,169	2,198
	<u>6,361</u>	<u>2,236</u>

Bracket denotes appropriations / deductions.

23 Revenue from contract with customers	For the year ended	
	March 31, 2019	December 31, 2018
Sales of products		-
Sales of services	64,513	317,460
Total revenue from contract with customers (Refer Note 45)	64,513	317,460

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	22	528
	22	528
Total revenue from operation	64,535	317,987

25 Other income	For the year ended	
	March 31, 2019	December 31, 2018
Foreign exchange gain (net)	-	-
Provision for Doubtful Debts written back	-	-
Total	-	-

26 Cost of materials consumed	For the year ended	
	March 31, 2019	December 31, 2018
Opening stock of raw materials	-	-
Add : Purchases of raw materials	-	-
Less: Closing stock of raw materials	-	-
Total	-	-

27	Changes in inventory of finished goods, work in progress and stock in trade	For the year ended	
		March 31, 2019	December 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	December 31, 2018
	Salary, wages & bonus	39,243	177,566
	Contribution to employee welfare funds, payroll tax and other taxes	3,157	40,733
	Staff welfare expenses	74	337
	Others	1,751	2,942
	Total	44,224	221,578
29	Finance costs	For the year ended	
		March 31, 2019	December 31, 2018
	Interest on borrowings	308	2,240
	Others	627	664
	Total	935	2,903
30	Other expenses	For the year ended	
		March 31, 2019	December 31, 2018
	Electricity, water and fuel	304	1,347
	Repairs and Maintenance:		
	Machinery	-	-
	Building	-	-
	Others	262	2,261
	Consumption of stores and spare parts	-	-
	Rent	5,437	21,119
	Rates & taxes	107	259
	Insurance	504	2,068
	Donation	-	-
	Travelling	5,368	20,641
	Freight & forwarding	125	452
	Provision for doubtful debts/advances	-	-
	Auditors fees and expenses	-	-
	Legal & professional expenses	5,516	22,669
	Computer expenses and software charges	-	-
	Fees and subscriptions	-	-
	Business promotion expenses	323	2,157
	Communication expenses	1,283	5,814
	Miscellaneous expenses	809	3,838
	Total	20,039	82,625
31	Income tax	For the year ended	
		March 31, 2019	December 31, 2018
	Current tax	209	39,586
	Deferred tax charged / (reversed)	-	-
		209	39,586