

SMRC Smart Interior Systems Germany GmbH
Financial Statements
2018-19



ERIC AUZÉPY
Managing Director

SMRC Smart Interior Systems Germany GmbH
Balance sheet

(All amounts in EUR)

	Notes	As At March 31, 2019	As At December 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	67 791	70 829
Capital work-in-progress		-	342 679
Investment property	5	-	-
Goodwill	4	98 828	131 771
Other intangible assets	4	-	-
Intangible assets under development		-	-
Financial assets			
i. Investments	6	-	-
ii. Loans	7	-	-
iii. Trade receivables	10	-	-
iv. Other financial assets	12	-	-
Deferred tax assets (net)	8	407 089	114 296
Non-current tax assets (net)		-	-
Total non-current assets		573 708	659 575
Current assets			
Inventories	9	-	-
Financial assets			
i. Investments	6	-	-
ii. Trade receivables	10	2 601 450	421 725
iii. Cash and cash equivalents	11	3 015 019	4 255 062
iv. Bank balances other than (iii) above		-	-
v. Loans	7	-	-
vi. Other financial assets	12	597 083	622 554
Other current assets	13	83 919	82 871
Total current assets		6 297 470	5 382 212
Total assets		6 871 178	6 041 787
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	-	-
Share application money pending for allotments		-	-
Other equity			
Reserves and surplus	15	(3 324 768)	(2 177 173)
Other reserves	16	-	-
Total equity		(3 324 768)	(2 177 173)
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	17	-	-
ii. Other financial liabilities	19	-	-
Provisions	20	-	-
Employee benefit obligations	21	-	-
Deferred tax liabilities (net)	8	-	-
Other non-current liabilities	22	(9 085)	(12 639)
Total non-current liabilities		(9 085)	(12 639)
Current liabilities			
Financial Liabilities			
i. Borrowings	17	-	-
ii. Trade payables	18	(611 990)	(630 425)
iii. Other financial liabilities	19	-	-
Provisions	20	(2 608 738)	(2 564 737)
Employee benefit obligations	21	(276 792)	(258 697)
Other current liabilities	22	(39 804)	(398 116)
Non-Current tax liabilities (net)		-	-
Total current liabilities		(3 537 325)	(3 851 976)
Total liabilities		(3 546 410)	(3 864 615)
Total equity and liabilities		(6 871 178)	(6 041 787)

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

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SMRC Smart Interior Systems Germany GmbH
Statement of profit and loss

(All amounts in EUR)

	Notes	For the year ended March 31, 2019	For the year ended December 31, 2018
Revenue			
Revenue from contract with customers	23	(4 524 179)	(11 398 903)
Other operating revenue	24	-	(62 741)
Total revenue from operations		(4 524 179)	(11 461 645)
Other income	25	-	-
Total income		(4 524 179)	(11 461 645)
Expenses			
Cost of materials consumed	26	(2 024 358)	(6 553 479)
Change in inventories of finished goods, work-in-progress and stock in trade	27	-	-
Employee benefit expense	28	(997 387)	(3 601 052)
Depreciation and amortisation expense		(35 981)	(179 448)
Finance costs	29	3 643	6 714
Other expenses	30	(230 155)	(906 186)
Total expenses		(3 284 239)	(11 233 451)
Profit before tax		(1 239 940)	(228 193)
Tax expenses			
Current tax	31	(43 592)	(51 088)
Deferred tax expense/ (credit)	31	(48 753)	(50 970)
Total tax expense		(92 345)	(102 058)
Profit for the year		(1 147 595)	(126 135)
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		(1 147 595)	(126 135)

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 Smart Interior Systems Germany GmbH
Statement of changes in equity

(All amounts in EUR)
Notes Amount

A. Share application money pending allotment

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

	Reserves and Surplus	Items of OCI	Total attributable to Owners
	Retained Earnings	Cash flow hedging reserve	
	Notes		
Balance as at April 01, 2017	(126 135)	-	(126 135)
Profit for the year	-	-	-
Other comprehensive income	(126 135)	-	(126 135)
Total comprehensive income for the year	(126 135)	-	(126 135)
Balance at March 31, 2018	(1 147 595)	-	(1 147 595)
Profit for the year	-	-	-
Other comprehensive income	(1 147 595)	-	(1 147 595)
Total comprehensive income for the year	(1 147 595)	-	(1 147 595)
Balance at March 31, 2019	(1 273 731)	-	(1 273 731)

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 Smart Interior Systems Germany GmbH
Consolidated Cash Flow Statement

(All amounts in EUR)

	For the year ended March 31, 2019	For the year ended December 31, 2018
A. Cash flow from operating activities:		
Profit before tax	(1 239 940)	(228 193)
Adjustments for:		
Depreciation and amortisation expense	(35 981)	(179 448)
Finance cost	3 643	6 714
Provision for warranty	-	-
Provision for doubtful debt / advances	-	-
Income on reversal of provision	-	-
Unrealised foreign currency loss/(gain)	-	-
Operating profit before working capital changes	(1 272 278)	(400 928)
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	(1 272 278)	(400 928)
Taxes (paid) / received	-	-
Net cash generated from operating activities	(1 272 278)	(400 928)
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 Smart Interior Systems Germany GmbH
Consolidated Cash Flow Statement

(All amounts in EUR)

	For the year ended March 31, 2019	For the year ended December 31, 2018
Net Increase/(Decrease) in Cash & Cash Equivalents	(1 272 278)	(400 928)
Net Cash and Cash equivalents at the beginning of the year	4 255 062	-
Cash and cash equivalents acquired consequent to acquisition of SMRC (Refer Note 50)	-	-
Cash and cash equivalents as at year end	2 982 784	(400 928)
Cash and cash equivalents comprise		
Cash on hand	-	-
Cheques / drafts on hand		
Balance with Banks	3 015 019	4 255 062
Cash and cash equivalents as per Balance Sheet (restated)	3 015 019	4 255 062
Net foreign exchange difference on balance with banks in foreign currency		
Total	3 015 019	4 255 062
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)

Particulars	Own Assets						Assets Taken on Finance Lease					Total	
	Freehold Land	Leasehold Improvements	Buildings	Plant & Machinery	Furniture & fixtures	Computers	Vehicles	Leasehold land	Plant & Machinery	Furniture & fixtures	Computers		Vehicles
Year ended December 31, 2018													
Gross carrying amount	-	-	-	-	44 406	98 292	-	-	-	-	-	-	142 697
As at January 01, 2018	-	-	-	-	-	15 548	-	-	-	-	-	-	15 548
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / other adjustment	-	-	-	-	44 406	113 840	-	-	-	-	-	-	158 246
Closing gross carrying amount	-	-	-	-	44 406	113 840	-	-	-	-	-	-	158 246
Accumulated depreciation and Impairment													
As at January 01, 2018	-	-	-	-	10 211	55 882	-	-	-	-	-	-	66 092
Depreciation charge during the year	-	-	-	-	4 412	16 912	-	-	-	-	-	-	21 324
Closing accumulated depreciation	-	-	-	-	14 623	72 794	-	-	-	-	-	-	87 417
Net carrying amount													
Year ended March 31, 2019													
Gross carrying amount	-	-	-	-	29 783	41 046	-	-	-	-	-	-	70 829
As at January 01, 2019	-	-	-	-	44 406	113 840	-	-	-	-	-	-	158 246
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	-	-	-	-	44 406	113 840	-	-	-	-	-	-	158 246
Accumulated depreciation													
As at January 01, 2019	-	-	-	-	14 623	72 794	-	-	-	-	-	-	87 417
Depreciation charge during the year	-	-	-	-	868	2 170	-	-	-	-	-	-	3 038
Closing accumulated depreciation	-	-	-	-	15 491	74 964	-	-	-	-	-	-	90 455
Net carrying amount													
	-	-	-	-	28 915	38 876	-	-	-	-	-	-	67 791

3 Property, plant and equipment

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 December 31, 2018			
Unabsorbed depreciation and Tax losses		-	-
Property, plant and equipments		-	-
Provision for Doubtful debts/Advances/Inventory		-	-
Others		109 037	5 259
		<u>109 037</u>	<u>114 296</u>
Year ended March 31, 2019			
Unabsorbed depreciation and Tax losses		-	-
Property, plant and equipments		-	-
Provision for Doubtful debts/Advances/Inventory		-	-
Others		114 296	292 793
		<u>114 296</u>	<u>407 089</u>
(b) Deferred tax liabilities (net)			
		Beginning Balance	Charged to profit or loss
			Closing balance
Year ended December 31, 2018			
Others		-	-
		<u>-</u>	<u>-</u>
Year ended March 31, 2019			
Others		-	-
		<u>-</u>	<u>-</u>

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

		March 31, 2019	December 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	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	2 601 450	421 725
	Trade receivables from related parties	-	-
	Doubt full	-	-
		2 601 450	421 725
	Less: Allowances for credit loss	-	-
		2 601 450	421 725
11 Cash and cash equivalents			
		March 31, 2019	December 31, 2018
	Balances with banks:		
	- in current accounts	3 015 019	4 255 062
	Cash on hand	-	-
		3 015 019	4 255 062
12 Other financial assets			
		March 31, 2019	December 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	597 083	622 554
	Derivatives designated as hedge	-	-
		597 083	622 554
13 Other current Assets			
		March 31, 2019	December 31, 2018
	Advances recoverable	-	-
	Prepaid expenses	83 919	82 871
		83 919	82 871
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	-	-

		March 31, 2019	December 31, 2018
15	Reserves and surplus		
(a)	Retained earnings		
	Opening balance	(152 173)	(26 037)
	Additions during the year	(1 147 595)	(126 135)
	Closing balance	(1 299 768)	(152 173)
(b)	General reserve		
	Opening balance		
	Additions during the year		
	Closing balance	-	-
(c)	Capital reserve		
	Opening balance	(2 025 000)	(2 025 000)
	Additions during the year		
	Closing balance	(2 025 000)	(2 025 000)
	Total reserve and surplus	(3 324 768)	(2 177 173)

Provide brief of each reserve

		March 31, 2019	December 31, 2018
16	Other reserves		
(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.

		March 31, 2019	December 31, 2018
17	Borrowings		
(a)	Non-current		
		-	-
(b)	Current		
	Secured repayable on demand from banks ¹	-	-
		-	-

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

		March 31, 2019	December 31, 2018
18	Trade Payables		
	Total outstanding dues of creditors other than related parties	-	-
	Trade payable to related parties (Refer note 40)	(611 990)	(630 425)
		(611 990)	(630 425)

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

		March 31, 2019	December 31, 2018
20	Provisions		
(a)	Non-current		
	For Warranties		
	For Litigations / disputes		
		-	-
(b)	Current		
	For warranties	(2 608 738)	(2 564 737)
		-	-
	Total	(2 608 738)	(2 564 737)

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 Smart Interior Systems Germany GmbH
 NOTES TO THE FINANCIAL STATEMENTS

(All amounts in EUR)

21 Employee benefit obligations		March 31, 2019	December 31, 2018
(a) Non-current			
	Pension	-	-
	Compensated absences	-	-
		<u>-</u>	<u>-</u>
(b) Current			
	Pension	(276 792)	(258 697)
	Compensated absences	-	-
	Total	<u>(276 792)</u>	<u>(258 697)</u>
22 Other liabilities		March 31, 2019	December 31, 2018
(a) Other non-current liabilities			
	Statutory dues payable	(9 085)	(12 639)
	Other payables	-	-
		<u>(9 085)</u>	<u>(12 639)</u>
(b) Other current liabilities			
	Other current liabilities	(39 804)	(398 116)
	Statutory dues payable & other payables	-	-
		<u>(39 804)</u>	<u>(398 116)</u>

Bracket denotes appropriations / deductions.

SMRC Smart Interior Systems Germany GmbH
 NOTES TO THE FINANCIAL STATEMENTS

(All amounts in EUR)

23	Revenue from contract with customers	For the year ended	
		March 31, 2019	December 31, 2018
	Sales of products	(1 580 254)	(5 031 345)
	Sales of services	(2 943 925)	(6 367 558)
	Total revenue from contract with customers (Refer Note 45)	(4 524 179)	(11 398 903)

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	-	(62 741)
		-	(62 741)
	Total revenue from operation	(4 524 179)	(11 461 645)

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	(2 024 358)	(6 553 479)
	Less: Closing stock of raw materials	-	-
	Total	(2 024 358)	(6 553 479)

SMRC Smart Interior Systems Germany GmbH
NOTES TO THE FINANCIAL STATEMENTS

(All amounts in EUR)

		For the year ended	
		March 31, 2019	December 31, 2018
27	Changes in inventory of finished goods, work in progress and stock in trade		
	(Increase)/ decrease in stocks		
	Stock at the opening of the year:		
	Finished goods	-	-
	Work-in-progress	-	-
	Total A	-	-
	Stock at the end of the year:		
	Finished goods	-	-
	Work-in-progress	-	-
	Total C	-	-
	(Increase)/ decrease in stocks (A+B-C+D)	-	-
28	Employee benefit expense		
	Salary, wages & bonus	(901 221)	(3 138 843)
	Contribution to employee welfare funds, payroll tax and other taxes	1 824	(76 324)
	Staff welfare expenses	(97 990)	(385 885)
	Others	-	-
	Total	(997 387)	(3 601 052)
29	Finance costs		
	Interest on borrowings	3 643	6 714
	Others	-	-
	Total	3 643	6 714
30	Other expenses		
	Electricity, water and fuel	(700)	(10 756)
	Repairs and Maintenance:		
	Machinery	-	-
	Building	(2 392)	(21 821)
	Others	-	-
	Consumption of stores and spare parts	-	-
	Rent	(31 424)	(107 563)
	Rates & taxes	-	-
	Insurance	-	-
	Donation	-	-
	Travelling	(109 377)	(343 452)
	Freight & forwarding	(3 653)	(43 004)
	Provision for doubtful debts/advances	-	-
	Auditors fees and expenses	-	-
	Legal & professional expenses	-	-
	Computer expenses and software charges	-	-
	Fees and subscriptions	(45 448)	-
	Business promotion expenses	-	-
	Communication expenses	-	-
	Miscellaneous expenses	(37 161)	(379 590)
	Total	(230 155)	(906 186)
31	Income tax		
	Current tax	(43 592)	(51 088)
	Deferred tax charged / (reversed)	(48 753)	(50 970)
		(92 345)	(102 058)