

INDEPENDENT AUDITOR'S REPORT

To the Members of SMR Automotive Systems India Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of SMR Automotive Systems India Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, 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 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, 2019, its profit/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.

Information Other than the Financial Statements and Auditor's Report Thereon

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.



Responsibility of Management and Those Charged with Governance with 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 charged with governance 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 system 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.
- 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.

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 account 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 by Companies (Indian Accounting Standards) Rules, 2018;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

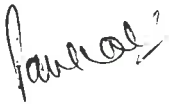


- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (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 31 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 & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Pankaj Chadha**

Partner

Membership Number: 091813



Place of Signature: Noida

Date: May 24, 2019

Annexure 1 referred to in paragraph 1 of under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date

Re: SMR Automotive Systems India Limited (“the Company”)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i) (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (i) (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of automotive, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (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, duty of custom, cess and other statutory dues applicable to it.
- (vii) (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, duty of custom, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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

Name of the statute	Nature of the dues	Amount (Rs in Million)#	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	7.20	2002-03 and 2003-04	Hon'ble High Court of Delhi
Income Tax Act, 1961	Income Tax	23.44*	2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	31.53**	2013-14	Income Tax Appellate Tribunal
Central excise Act, 1944	Excise Duty	0.13	2011-12 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty	1.05	2012-13 to 2015-16	Assistant Commissioner (Central Excise and Service Tax)
Central Excise Act, 1944	Excise duty	0.62	2013-14	Deputy Commissioner, Customs (GST and Central Excise)
Central Excise Act, 1944	Excise duty	44.9	2013-14 to 2017-18	Directorate General of Goods and Services Tax Intelligence
Indian Custom Act, 1962	Custom duty	2.84	2018-19	Deputy Commissioner, Customs
Maharashtra Value Added Tax Act, 2002	VAT Pune	4.87	2012-13	Joint Commissioner, Appeals
Maharashtra Value Added Tax Act, 2002	VAT Pune	0.47	2013-14	Deputy Commissioner, Appeals
The Finance Act, 1994	Service tax	0.68	2013-14	Additional Commissioner

amount as per demand orders including interest and penalty wherever indicated in the demand.

* amount paid under protest Rs. 4.68 million

** amount paid under protest Rs. 6.31 million

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank. The Company did not have any outstanding loans or borrowing dues in respect of a financial institutions or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (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, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations 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 Companies Act, 2013.
- (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 & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**
Partner

Membership Number: 091813



Place of Signature: Noida

Date: May 24, 2019

Annexure 2 To The Independent Auditor's Report Of Even Date On The Ind As Financial Statements Of SMR Automotive Systems India Limited

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 SMR Automotive Systems India Limited ("the Company") as of March 31, 2019 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.



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, 2019, 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 & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**

Partner

Membership Number: 091813



Place of Signature: Noida

Date: May 24, 2019

(All amounts in Rs. Million, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,072.14	1,030.48
Capital work in progress	3	355.76	285.30
Intangible assets	4	6.25	7.06
Intangible assets under development	4	4.88	-
Financial assets			
(i) Investments	7	0.40	0.40
(ii) Loans	5b	6.81	6.06
(iii) Other financial assets	5e	14.96	14.25
Non-current tax assets (net)	17	42.75	34.92
Deferred tax assets (net)	6	-	7.76
Other non-current assets	8	32.18	156.45
Total Non Current Asset		2,536.13	1,542.68
Current Assets			
Inventories	9	482.51	380.71
Financial assets			
(i) Trade receivables	5a	849.42	890.62
(ii) Cash and cash equivalents	5c	43.35	218.77
(iii) Bank balances other than (ii) above	5d	-	50.00
(iv) Loans	5b	3.84	2.93
(v) Other financial assets	5e	165.80	101.40
Other current assets	10	290.43	208.83
Total Current Assets		1,835.35	1,853.26
TOTAL ASSETS		4,371.48	3,395.94
EQUITIES AND LIABILITIES			
Equity			
Equity Share capital	11a	137.00	137.00
Other Equity			
Reserves and surplus	11b	2,426.79	2,037.91
Total Equity		2,563.79	2,174.91
Non Current Liabilities			
Financial liabilities			
(i) Other financial liabilities	12b	11.56	14.20
Provisions	13	5.13	9.43
Employee benefit obligations	14	69.03	47.51
Deferred tax liabilities (net)	6	17.85	-
Government grants	15	11.94	15.49
Total Non Current Liabilities		115.51	86.63
Current Liabilities			
Financial liabilities			
(i) Borrowings	12a	369.78	-
(ii) Trade payables			
Total outstanding dues of micro, small & medium enterprises	12c	10.28	6.06
Total outstanding dues of creditors other than micro small and medium enterprises	12c	1,032.20	892.30
(iii) Other financial liabilities	12b	175.76	78.16
Provisions	13	17.71	14.19
Employee benefit obligations	14	2.09	1.87
Government grants	15	3.55	4.20
Current tax liabilities (net)	17	-	23.75
Other current liabilities	16	80.81	113.87
Total Current Liabilities		1,692.18	1,134.40
Total Liabilities		1,807.69	1,221.03
TOTAL EQUITY and LIABILITIES		4,371.48	3,395.94

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 S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pankaj Chadha
Partner
Membership No. 091813

Date: May 24, 2019



**For and on behalf of the Board of Directors of
SMR Automotive Systems India Limited**

Sanjay Mehta
Director
DIN: 03215388

Rajat Jain
Executive Vice President

Pankaj Kumar Mittal
Director
DIN: 00104931

Rajan Batra
Chief Financial Officer



Ashutosh K. Singh
Company Secretary

Place: Noida
Date: May 24, 2019

SMR Automotive Systems India Limited
CIN No. U74899DL1995PLC074884
Statement of profit and loss for the year ended March 31, 2019

(All amounts in Rs. Million, unless otherwise stated)

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
REVENUE			
Revenue from Contract with Customers	18	6,403.38	6,041.61
Other Income	19	23.02	31.40
Total Income		6,426.40	6,073.01
EXPENSE			
Cost of materials consumed	20a	3,754.20	3,473.34
Purchase of stock in trade		208.03	126.89
Changes in inventories of finished goods, work in progress and stock in trade	20b	(26.32)	15.26
Excise duty		-	71.77
Employee benefit expense	21	663.70	593.69
Depreciation and amortisation expense	22	175.03	134.80
Finance costs	24	15.21	4.98
Other expenses	23	899.22	755.21
Total expenses		5,689.07	5,175.94
Profit before tax		737.33	897.07
Tax expenses			
Current tax	25a	211.11	302.28
Deferred tax expense	25b	27.61	8.40
Total Tax expense		238.72	310.68
Profit for the Year		498.61	586.39
Other comprehensive income			
Items that not to be reclassified to profit or loss:			
Remeasurement of post-employment benefits obligations		(5.69)	2.54
Deferred tax (expense)/ credit on remeasurement of post-employments benefits obligations	6	1.99	(0.88)
Other comprehensive income for the year (net of tax)		(3.70)	1.66
Total comprehensive income for the year (net of tax)		494.91	588.05
Basic and diluted earnings per share	35	36.40	42.80
Nominal value per share of Rs. 10 (Previous year - Rs. 10)			
Summary of significant accounting policies	2		

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

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

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pankaj Chadha

Partner

Membership No. 091813

Place: Noida

Date: May 24, 2019



**For and on behalf of the Board of Directors of
SMR Automotive Systems India Limited**

Sanjay Mehta

Director

DIN: 03215388

Rajat Jain

Executive Vice President

Pankaj Kumar Mital

Director

DIN: 00194931

Rajan Batra

Chief Financial Officer



Ashutosh K. Singh

Company Secretary

Place: Noida

Date: May 24, 2019

Statement of changes in equity

A. Equity share capital			
	Notes	Number of Shares	Total
As at April 1, 2017	11a	13,700,000	137.00
Changes in equity share capital		-	-
As at March 31, 2018	11a	13,700,000	137.00
Changes in equity share capital		-	-
As at March 31, 2019	11a	13,700,000	137.00

B. Other equity				
	Notes	Reserves and surplus		Total
		Retained earnings	General Reserve	
Balance as at April 1, 2017		1,534.65	1.78	1,536.43
Profit for the year	11b	586.39	-	586.39
Other comprehensive income	11b	1.66	-	1.66
Total comprehensive income for the year		588.05	-	588.05
Dividend Paid		(71.93)	-	(71.93)
Tax on Dividend		(14.64)	-	(14.64)
Balance as at March 31, 2018		2,036.13	1.78	2,037.91
Balance as at April 1, 2018		2,036.13	1.78	2,037.91
Profit for the year	11b	498.61	-	498.61
Other comprehensive income	11b	(3.70)	-	(3.70)
Total comprehensive income for the year		494.91	-	494.91
Dividend Paid		(87.95)	-	(87.95)
Tax on Dividend		(18.08)	-	(18.08)
Balance as at March 31, 2019		2,425.01	1.78	2,426.79

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

SMR Automotive Systems India Limited

ICAI Firm Registration Number: 301003E/E300005

Date: May 24, 2019



DIN: 03215388

DIN: 00194931



Company Secretary

Date: May 24, 2019

For the year ended
March 31, 2018

	March 24, 2019	March 24, 2018
A. Cash flow from Operating Activities		
Net profit before tax	737.33	897.07
<u>Adjustments for:</u>		
Depreciation & amortisation expense	175.03	134.80
Loss/(Profit) on sale of property, plant & equipment (net)	(0.01)	(0.01)
Loss/(Profit) on mark to market for derivative instrument	(0.64)	-
Provision on doubtful debts	0.55	(9.55)
Provision for warranty	(0.78)	(1.43)
Interest Income	(7.90)	(7.91)
Amortisation of government grants	(4.20)	(4.20)
Finance costs	14.87	0.47
Unrealised foreign currency loss/ (profit)	(13.71)	7.10
Operating profit before working capital changes	900.54	1,016.34
Change in working Capital:		
Increase/(Decrease) in trade payables	156.52	189.61
(Increase)/Decrease in other financial assets	(65.27)	(14.80)
(Increase)/Decrease in other non-current assets	124.27	(125.75)
(Increase)/Decrease in other current assets	(81.60)	21.64
(Increase)/Decrease in trade receivables	41.96	(97.47)
(Increase)/Decrease in Inventories	(101.80)	(39.85)
(Increase)/Decrease in other receivables	(1.66)	(5.57)
Increase/(Decrease) in other financial liability	7.26	9.44
Increase/(Decrease) in other current liability	(33.02)	(11.85)
Increase/(Decrease) in employee benefit obligations	16.05	13.68
Cash generated from operations	963.25	955.42
- Taxes (Paid) / Received	(242.69)	(309.17)
Net cash generated from operations activities (A)	720.56	646.25
B. Cash flow from Investing activities:		
Purchase of property, plant & equipment/ Intangible Assets/ Intangible Asset under development and capital work in progress	(1,205.20)	(381.57)
Sale of Property, plant & equipment	0.17	0.79
Purchase of long term investments	-	(0.40)
Movement in bank balance not considered as cash and cash equivalents	50.00	(49.64)
Interest received	8.70	7.11
Net cash used in investing activities (B)	(1,146.33)	(423.71)
C. Cash flow from financing activities:		
Dividend paid	(87.95)	(71.93)
Dividend distribution tax	(18.08)	(14.64)
Interest paid	(13.39)	(0.48)
Proceeds from short term borrowings	369.78	-
Net cash generated from/ (used in) financing activities (C)	250.36	(87.05)
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)	(175.42)	135.49
Net Cash and Cash equivalents at the beginning of the year	218.77	83.28
Cash and cash equivalents as at closing of the year	43.35	218.77
Cash and cash equivalents comprise		
Cash on hand	1.32	0.44
Cheques in hand	0.71	-
Balance with Banks	42.07	218.16
	44.10	218.60
Unrealised Gain on foreign currency cash and cash equivalents	(0.75)	0.17
Cash and cash equivalents as per Balance Sheet	43.35	218.77

2

2. Figures in brackets represents cash outflow.

The above Cash flow statement should be read in conjunction with the accompanying notes




Rajat Jain
Executive Vice President


Rajan Batra
Chief Financial Officer

Place: Noida
Date: May 24, 2019

SMR Automotive Systems India Limited
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1. Corporate Information

SMR Automotive Systems India Limited ('the Company') was incorporated on December 22, 1995. The Company manufactures mirrors and other related components for the Automotive industry.

SMR Automotive Technology Holding Cyprus Limited a subsidiary of SMRGHL holds 51% shareholding in the Company and the balance 49% is held by Motherson Sumi Systems Limited (MSSL). Samvardhana Motherson Reflectec Group Holdings Limited ('SMRGHL'), is a 98.45% subsidiary of Samvardhana Motherson Automotive System Group B.V. ('SMRPBV') which is a subsidiary of Samvardhana Motherson Global Holdings Limited (SMGHL). SMGHL is a joint venture between Motherson Sumi Systems Limited ('MSSL') and Samvardhana Motherson International Limited ('SMIL') in the ratio of 51:49. Accordingly, MSSL is the ultimate holding company of the Company.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 24, 2019.

2.1 Significant accounting policies

(a) Basis of preparation

Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of division ii of schedule III to the companies act 2013, (IND AS complaint schedule III).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments, refer Note 26),
- Defined benefit pension plans – plan assets measured at fair value (Refer Note 14 ii b)

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The financial statements are presented in INR and all values are rounded to the nearest millions (INR 000,000), except when otherwise indicated.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments. The Company has monthly review and forecasting procedure in place and CODM reviews the operations of the Company as a whole. (Refer Note 29)

The Company has only one reportable business segment i.e. manufacture and sale of rear vision systems and related products for automobiles and business support services to group entities.

(c) Current versus non-current classification

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



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treated as current when it is:

- Expected to be realised or intended to be 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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(d) Foreign currencies

(i) Functional and presentation currency

The Company's functional currency is Indian Rupee (INR) and the financial statements are presented in Indian Rupee (INR).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Exchange differences arising on settlement of monetary items are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing cost are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments (other than investment in subsidiaries, joint ventures and associates) held at fair value through profit or loss are



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recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments (other than investment in subsidiaries, joint ventures and associates) classified as FVOCI are recognised in other comprehensive income.

(e) Revenue from contracts with customers

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.

Revenue from sale of components

Revenue from sale of components is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment.

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 equipment, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) 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. Contracts for the sale of components provide customers with a customary right of return in case of defects, quality issues etc. The rights of return give rise to variable consideration.

The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in IND AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under IND AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Revenue from development of tools

The Company develops customised tooling for its customers and recognises its revenue over time using an input method to measure progress towards complete satisfaction of the tool development.

The Company recognises revenue from development of tools over time if it can reasonably measure its progress towards complete



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satisfaction of the performance obligation.

Where the Company cannot reasonably measure the outcome of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Company recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation

Determining the timing of satisfaction of tooling development

The Company concluded that revenue for development of tooling is to be recognised over time because the Company's performance does not create asset with an alternative use to the Company since the tools are customised for each customer and the Company has an enforceable right to payment for performance completed to date.

The Company determined that the input method is the best method in measuring progress of the tooling development because there is a direct relationship between the Company's effort (i.e., costs incurred) and the transfer of tooling to the customer. The Company recognises revenue on the basis of the total costs incurred relative to the total expected costs to complete the tool.

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are disclosed in Note 5a

Contract Assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables. The Company's contract assets are disclosed in Note 5 e Unbilled Receivables.

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. Contract Liabilities are disclosed in Note 16 Advances received from customers.

Other income

Interest

Interest is recognised using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.



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Dividend

Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

Duty drawback and export incentives

Income from duty drawback and export incentives is recognized on an accrual basis.

(f) Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in current & non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected useful lives of the related assets and presented within other income.

When government grants relating to 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 and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(g) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



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(h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a Lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities, as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate the lessor for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their respective nature.

(i) 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 Companies 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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. Impairment losses including impairment on inventories, are recognised in the statement of profit and loss

For assets excluding goodwill, 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



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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 and loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the end of the financial year at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

(j) Cash and cash equivalents

Cash and cash equivalent in the Balance sheet comprise cash at Banks and on hand short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value

For the purpose of the statement 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.

(k) Inventories

Raw materials and stores & spares, work in progress, traded and finished goods

Raw materials and stores & spares, work in progress, traded and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material and traded goods comprise cost of purchase and is determined after rebate and discounts. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average basis.

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

(l) 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)



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- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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.

This category is the most relevant to the Company. 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.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.



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Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in statement of Profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) 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:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables under Ind AS 17
- d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

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



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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.

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.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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 trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.



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Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. 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.

This category generally applies to borrowings and other payables.

Derecognition

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 derecognition 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 and loss.

(m) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. 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



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Notes to the financial statements

(All amounts are in Rs. Million, unless otherwise stated)

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.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 2, 26 and 27)
- Quantitative disclosures of fair value measurement hierarchy (note 26)
- Financial instruments (including those carried at amortised cost) (note 7,5, 12a, 26 and 27)

(n) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges and net investment hedges, which is recognised in OCI and later reclassified to statement of profit and loss when the hedge item affects profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value



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or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

The Company has an interest rate swap that is used as a hedge for the exposure of changes in the fair value of its 8.25% fixed rate secured loan.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(o) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation methods and useful lives:

Depreciation is calculated using the straight-line method over estimated useful lives of the assets



SMR Automotive Systems India Limited**Notes to the financial statements***(All amounts are in Rs. Million, unless otherwise stated)*

Assets	Useful life
Leasehold improvements	Over the period of lease
Leasehold land	Over the period of lease or useful life, whichever is lower
Building	30 years
Plant and machinery – Glass Line*	10 years
Plant and machinery – Others*	5 years
Furniture and fittings*	5 years
Motor vehicles*	4 years
Office equipment	5 years
Computer hardware	3 years
Mold and dies	3 years

*Useful life of these assets are lower than the life prescribed under schedule II to the Companies Act, 2013 and those has been determined based on technical evaluation by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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

(p) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful life of intangible assets are as follows:

Asset	Useful lives (years)
Software	4 years

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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale



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(All amounts are in Rs. Million, unless otherwise stated)

- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Currently, research costs incurred by the Company do not meet the recognition criteria and accordingly such research costs are expensed of in the statement of profit and loss as and when these are incurred.

(q) 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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

(r) Provisions and contingent liabilities

Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognized when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.



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Notes to the financial statements

(All amounts are in Rs. Million, unless otherwise stated)

(s) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Provident Fund, NPS & Employee State Insurance

Contribution towards provident fund, NPS and employee state insurance for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. The Company recognizes contribution payable to the scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is funded through annual contributions to Life Insurance Corporation of India (LIC) under its Company's Gratuity Scheme whereas others are not funded.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in income.

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in income.

(t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

(u) Earnings per share

(i) Basic earnings per share:

Basic earnings per share is calculated by dividing:



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Notes to the financial statements

(All amounts are in Rs. Million, unless otherwise stated)

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(v) Changes in Accounting policies

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.



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2.2: Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note 25
- Estimated useful life of intangible asset – Note 4
- Estimation of defined benefit obligation – Note 14
- Estimation of Provision for warranty claims – Note 13

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



(All amounts in Rs. Million, unless other

Note 3 : Property, plant and equipment

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at April 1, 2018	Additions	Disposals/ Adjustments	As at March 31, 2019	As at April 1, 2018	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2019	As at March 31, 2019
Freehold land	152.20	-	-	152.20	-	0.74	-	2.96	152.20
Leasehold land	65.48	-	-	65.48	2.22	17.02	-	46.79	62.52
Buildings	390.16	631.43	-	1,021.59	29.77	8.50	-	14.17	974.80
Leasehold improvements	14.86	18.64	-	33.49	5.66	108.27	-	293.20	19.32
Plant and machinery	577.42	456.75	0.11	1,034.06	185.04	5.25	0.11	10.39	740.86
Furniture and fittings	12.74	28.01	-	40.74	5.14	1.91	-	3.78	30.35
Motor vehicles	7.37	1.44	0.20	8.61	1.92	5.52	0.04	14.32	4.83
Office equipment	30.31	12.32	0.02	42.61	8.82	7.79	0.02	24.23	28.29
Computer hardware	25.76	9.95	-	35.72	16.44	17.74	-	55.67	11.49
Moulds & dies	47.11	56.05	-	103.16	37.92	-	-	-	47.49
Total	1,323.41	1,214.59	0.33	2,537.67	292.93	172.74	0.17	465.50	2,072.14

Capital work-in progress	285.30	1,095.86	1,025.40	355.76	-	-	-	-	355.76
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Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at April 1, 2017	Additions	Disposals/ Adjustments	As at March 31, 2018	As at April 1, 2017	Depreciation charge during the year	Disposals/ Adjustments	As at March 31, 2018	As at March 31, 2018
Freehold land	152.20	-	-	152.20	-	0.74	-	2.22	152.20
Leasehold land	65.48	-	-	65.48	1.48	16.74	-	29.77	63.26
Buildings	378.38	11.98	0.20	390.16	13.03	1.41	-	5.66	360.39
Leasehold improvements	14.42	0.44	-	14.86	4.25	86.61	-	185.04	9.20
Plant and machinery	497.95	82.59	3.12	577.42	101.29	2.52	2.86	5.14	392.38
Furniture and fittings	12.64	0.23	0.13	12.74	2.70	1.13	0.08	1.92	7.60
Motor vehicles	3.58	4.00	0.21	7.37	0.86	4.86	0.07	8.82	5.45
Office equipment	25.03	5.77	0.49	30.31	4.40	5.22	0.44	16.44	21.49
Computer hardware	21.24	4.52	-	25.76	11.22	12.32	-	37.92	9.32
Moulds & dies	46.59	0.60	0.08	47.11	25.60	-	-	-	9.19
Total	1,217.51	110.13	4.23	1,323.41	164.83	131.55	3.45	292.93	1,030.48

a) Refer Note 32 for disclosure on contractual commitments for the acquisition of property, plant and equipment.



(All amounts in Rs. Million, unless otherwise stated)

Note 4 : Intangible Asset under development

	Computer software
As at April 1, 2018	-
Additions	4.88
Disposal	-
Closing gross carrying amount as at March 31, 2019	4.88

Intangible Asset

	Computer software
Year ended March 31, 2018	
Gross carrying amount	
As at April 1, 2017	13.08
Additions	3.94
Disposal	0.00
Closing gross carrying amount	17.02
Accumulated amortisation	
As at April 1, 2017	6.71
Amortisation charge for the year	3.25
Disposal	-
Closing gross carrying amount	9.96
Net carrying amount as at March 31, 2018	7.06
Year ended March 31, 2019	
Gross carrying amount	
As at April 1, 2018	17.02
Additions	1.48
Disposal	-
Closing gross carrying amount	18.50
Accumulated amortisation	
As at April 1, 2018	9.96
Amortisation charge for the year	2.29
Disposal	-
Closing gross carrying amount	12.25
Net carrying amount as at March 31, 2019	6.25



(All amounts in Rs. Million, unless otherwise stated)

Note 5 : Financial assets

5(a) Trade receivables	As at March 31, 2019	As at March 31, 2018
Trade receivables	797.95	835.49
Receivables from related parties (refer note 36)	53.26	56.37
Less: Allowance for credit loss	(1.79)	(1.24)
Total	849.42	890.62
Current portion	849.42	890.62
Non-current portion	-	-
Break-up of Trade Receivables		
Unsecured, considered good	849.42	890.62
Unsecured, considered doubtful	1.79	1.24
Total	851.21	891.86
less: Allowance for credit loss	(1.79)	(1.24)
Total	849.42	890.62

Note : In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on past provision. Past Provision takes in to account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due.

Refer Note 39 for assets pledged/hypothecated as security

5(b) Loans	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to key managerial personnel*	1.01	5.14	0.97	6.06
Loan to employees	2.83	1.68	1.96	-
Total	3.84	6.81	2.93	6.06

* Loan was given in September 2017 complying with the provisions of the Companies Act 2013. The loan was approved as per Company policy and is repayable within a period of Seven years and carries 4% rate of interest.

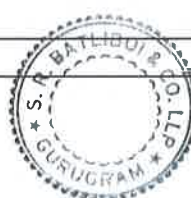
5(c) Cash and cash equivalents	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- in current accounts	3.68	61.45
- in EEFC accounts	37.25	4.04
- Deposit with original maturity of less than 3 months*	0.39	152.84
Cash on hand	1.32	0.44
Funds in transit	0.71	-
Total	43.35	218.77

* Rs. 0.39 million (March 31, 2018: Rs. 0.39 million) held as lien with Sales tax department

Changes in liabilities arising from financing activities

	March 31, 2018	Cash Flow	March 31, 2019
Short term borrowings	-	369.78	369.78
Total liabilities from financing activities	-	369.78	369.78

5(d) Other bank balances	As at March 31, 2019	As at March 31, 2018
- Deposits with residual maturity for more than 3 months but less than 12 months	-	50.00
Total	-	50.00



5(e) Other financial assets	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
(Unsecured, considered good)				
Security deposit to related parties (refer note 36)	38.18	4.71	35.65	5.24
Security deposits others				
Unsecured, considered good	0.88	10.25	0.63	9.01
Unsecured, considered doubtful	1.61	0.06	1.61	0.06
Less: allowances for doubtful deposits	(1.61)	(0.06)	(1.61)	(0.06)
Unbilled revenue	125.84	-	64.20	-
Foreign exchange forward contracts	0.64	-	-	-
Export Incentive Receivable	0.25	-	0.12	-
Interest accrued	-	-	0.80	-
Total	165.80	14.96	101.40	14.25



(All amounts in Rs. Million, unless otherwise stated)

Note 6 : Deferred tax liability (Net)

The balance comprises temporary differences attributable to:	As at March 31, 2019	As at March 31, 2018
Provision for gratuity	12.38	6.51
Provision for compensated absences	12.48	10.58
Allowances for doubtful debts and advances	1.21	2.12
Others	12.90	14.06
Total deferred tax assets	38.97	33.27
Depreciation	56.82	25.51
Total deferred tax liabilities	56.82	25.51
Net deferred tax (liability)/ asset	(17.85)	7.76

Movement in deferred tax assets/(liabilities)	Provision for gratuity	Depreciation	Allowance for doubtful debts and advances	Provision for compensated absences	Other timing differences	Total
As at April 1, 2017	4.13	(17.42)	5.48	9.10	15.74	17.03
(Charged)/credited:						
- to profit or loss	3.26	(8.09)	(3.36)	1.48	(1.68)	(8.39)
- to other comprehensive income	(0.88)	-	-	-	-	(0.88)
As at April 1, 2018	6.51	(25.51)	2.12	10.58	14.06	7.76
(Charged)/credited:						
- to profit or loss	3.88	(31.31)	(0.91)	1.90	(1.16)	(27.61)
- to other comprehensive income	1.99	-	-	-	-	1.99
As at March 31, 2019	12.38	(56.82)	1.21	12.48	12.90	(17.85)



(All amounts in Rs. Million, unless otherwise stated)

Note 7 : Non Current Investment

Investment at FVOCI

	As at March 31, 2019	As at March 31, 2018
Unquoted		
Investment in equity instrument (fully paid up)		
Mytrah Vayu (Manjira) Private Ltd	0.40	0.40
40,000 equity Shares of face value of Rs. 10 each		
Total	0.40	0.40
Aggregate amount of unquoted investments	0.40	0.40



(All amounts in Rs. Million, unless otherwise stated)

Note 8: Other non-current assets	As at	As at
(Unsecured, considered good, unless otherwise stated)	March 31, 2019	March 31, 2018
Capital advances	18.80	129.12
Subsidy receivable*	8.99	18.07
Prepaid Expenses	4.39	9.26
Total	32.18	156.45

* "Package Scheme of Incentive 2007" in respect of unit at Pune

Note 9: Inventories	As at	As at
	March 31, 2019	March 31, 2018
Raw Materials and components (including goods in transit of Rs. 94.13 million (March 31, 2018: Rs. 91.69 million))	387.84	312.36
Work-in-progress	46.29	21.21
Finished Goods (including goods in transit of Rs. 4.25 million (March 31, 2018: Rs. 10.41 million))	48.38	47.14
Total	482.51	380.71

a) Details of Inventory

i) Raw Materials and components	As at	As at
	March 31, 2019	March 31, 2018
Plastic Parts (including Resins)	86.41	31.94
Glass	37.58	36.11
Electrical Items	211.16	195.39
Others*	52.70	48.92
	387.84	312.36

ii) Work-in-progress

Plastic Parts	17.54	5.13
Steel & Cable	0.64	1.56
Glass	5.39	7.55
Electrical Items	19.09	0.63
Others*	3.63	6.34
	46.29	21.21

iii) Finished goods

Mirrors	43.13	35.67
Plastic Parts	2.62	7.70
Others*	2.63	3.77
	48.38	47.14

*No single inventory or component account for more than 10% of total inventory
Refer Note 39 for assets pledged/hypothecated as security

During the year ended March 31, 2019 write down of inventories on account of provision in respect of obsolete/ slow moving items amounted to Rs. 6.54 million (March 31, 2018 Rs. 7.45 million).



(All amounts in Rs. Million, unless otherwise stated)

Note 10: Other current assets (Unsecured, considered good, unless otherwise stated)	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	21.19	31.18
Advances to suppliers		
Considered good	47.37	80.94
Considered doubtful	-	0.44
Less: Allowances for doubtful advances	-	(0.44)
Subsidy receivable*	15.94	6.86
Balances with statutory authorities		
Considered good	205.93	89.85
Considered doubtful	-	2.77
Less: Allowances for doubtful advances	-	(2.77)
Total	290.43	208.83

* "Package Scheme of Incentive 2007" in respect of unit at Pune



(All amounts in Rs. Million, unless otherwise stated)

Note 11: Equity share capital

11(a) Equity share capital	As at March 31, 2019	As at March 31, 2018
Authorised		
20,000,000 equity shares of Rs 10 each	200.00	200.00
Issued:		
13,700,000 equity shares of Rs 10 each	137.00	137.00
Subscribed and fully paid-up		
13,700,000 equity shares of Rs 10 each fully paid up	137.00	137.00

(i) Movements in equity share capital	Number of shares	Amount
As at April 1, 2018	13,700,000	137.00
As at March 31, 2019	13,700,000	137.00

(ii) Terms and rights attached to equity shares

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend if proposed by Board of Directors 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, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Shares of the company held by holding/ultimate holding company	As at March 31, 2019 No. of shares	As at March 31, 2018 No. of shares
SMR Automotive Technology Holding Cyprus Limited, Cyprus (Intermediate holding company and subsidiary of ultimate holding Company)	6,987,000	6,987,000
Motherhood Sumi Systems Limited, India (Ultimate holding company)	6,712,990	6,712,990

(iv) Details of shareholders holding more than 5% of the aggregate shares in the company	As at March 31, 2019 No. of shares	%	As at March 31, 2018 No. of shares	%
SMR Automotive Technology Holding Cyprus Limited, Cyprus (Intermediate holding company and subsidiary of ultimate holding Company)	6,987,000	51%	6,987,000	51%
Motherhood Sumi Systems Limited, India (Ultimate holding company)	6,712,990	49%	6,712,990	49%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



(All amounts in Rs. Million, unless otherwise stated)

11(b) Reserve and Surplus	As at March 31, 2019	As at March 31, 2018
General reserve	1.78	1.78
Retained earnings	2,425.01	2,036.13
Closing balance	2,426.79	2,037.91
Retained earnings	As at March 31, 2019	As at March 31, 2018
Opening balance	2,036.13	1,534.65
Addition during the year	498.61	586.39
Dividend paid pertaining to March 2018	(87.95)	(71.93)
Tax on dividend	(18.08)	(14.64)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation	(5.69)	2.54
- Deferred tax (expense)/ credit on remasurement of post-employment benefits obligations	1.99	(0.88)
Closing balance	2,425.01	2,036.13



Note 12: Financial liabilities

12(a) Current borrowings	As at March 31, 2019	As at March 31, 2018
Secured		
Working capital loan from banks	369.78	-
Total Current borrowings	369.78	-

Notes:-

1. Working Capital facility secured with pari passu charge on present & future inventory and books debts of the Company.
2. The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note 39.
3. Current borrowings carry interest rate ranging from 8.3 % to 9.25% p.a.



(All amounts in Rs. Million, unless otherwise stated)

Note 12- Financial Liabilities

12(b) Other financial liabilities	As at March 31, 2019	As at March 31, 2018
Non-current		
Recovery from employees against leased vehicles	11.56	14.20
Total other non-current financial liabilities	11.56	14.20
Current		
Employee benefits payable	43.80	39.26
Interest accrued but not due on borrowings	1.50	0.02
Capital creditors - payable to related party (refer note 36)	34.36	15.92
Capital creditors - others	81.83	14.05
Recovery from employees against leased vehicles	14.27	8.91
Total other current financial liabilities	175.76	78.16
12(c) Trade payables	As at March 31, 2019	As at March 31, 2018
Current		
Trade payable		
Total outstanding dues of micro, small & medium enterprises (refer note 30)	10.28	6.06
Total outstanding dues of creditors other than micro, small & medium enterprises:	641.71	528.76
Trade payables to related parties (refer note 36)	390.49	363.54
Total	1,042.48	898.36



(All amounts in Rs. Million, unless otherwise stated)

Note 13: Provisions	As at March 31, 2019			As at March 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
Provision for warranties*	17.71	5.13	22.84	14.19	9.43	23.62
Total	17.71	5.13	22.84	14.19	9.43	23.62

* Provision for warranty is recognised based on expected warranty claims on products sold during the last two to three years, based on past experience of level of repairs and returns for each customers. Assumptions used to calculate the provision of warranties based on current sales levels and current information about return based on the two to three year warranty period for all goods sold. The table below gives information about movement in warranty provisions.

Warranty movement

	March 31, 2019	March 31, 2018
At the beginning of the year	23.62	25.05
Arising during the year	2.58	1.66
Utilised during the year	3.37	3.09
At the end of the year	22.84	23.62

Note 14: Employee benefit obligations	As at March 31, 2019			As at March 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
Compensated absences	2.09	33.61	35.70	1.87	28.69	30.56
Gratuity	-	35.42	35.42	-	18.82	18.82
Total employee benefit obligations	2.09	69.03	71.12	1.87	47.51	49.38

i) Compensated Absences

The Compensated Absences cover the Company's liability for earned leave.

The amount of the provision of Rs. 2.09 million (March 31, 2018 – Rs. 1.87 million) is presented as current, basis actuarial report and based on past experience the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid with the next 12 months.

Description	March 31, 2019	March 31, 2018
Current leave obligations expected to be settled with in next 12 months	2.17	1.94

Reconciliation statement of expense in the Statement of Profit and Loss:

Description	March 31, 2019	March 31, 2018
Present value of obligation as at the year end	35.70	30.56
Present value of obligation as at the beginning of the year	30.56	26.31
Benefits Paid	0.93	1.00
Total Expense recognised in Profit and Loss Account	6.07	5.25

ii) Post-employment obligations

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. Gratuity is payable at the time of separation from the company or retirement whichever is earlier. Every employee is entitle to a benefit equivalent to last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Life Insurance Corporation of India (LIC).

The Company's liability is actuary determined (using the Projected Unit Credit method) at the end of each year.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

Past service cost are recognised immediately in the statement of profit and loss.



(All amounts in Rs. Million, unless otherwise stated)

The amount recognised in the balance sheet and the movements in the net defined benefit obligation are as follows;

(a) Present Value of Defined Benefit Obligation

	For the year ended March 31, 2019	For the year ended March 31, 2018
Obligation at year beginning	91.75	79.71
Current service cost	10.79	10.37
Interest expense	6.94	5.69
Total amount recognised in (gain)/ loss	17.73	16.06
Remeasurements		
Actuarial (gain)/loss from change in financial assumptions	-	(4.27)
Experience (gains)/losses	5.13	1.67
Amount recognised in other comprehensive income	5.13	(2.60)
Payment from Plan:		
Benefit payments	(0.84)	(1.41)
Obligations at year end	113.77	91.76

(b) Fair Value of Plan Assets

	For the year ended March 31, 2019	For the year ended March 31, 2018
Plan assets at year beginning, at fair value	72.93	67.78
Interest Income	5.56	4.89
Amount recognised in profit or loss	5.56	4.89
Remeasurements		
Return on plan assets, excluding amounts included in interest income	(0.56)	(0.07)
Amount recognised in other comprehensive income	(0.56)	(0.07)
Payment from Plan:		
Benefit Payments	-	-
Contributions:		
Employers	0.42	0.34
Plan Asset at year end, at fair value	78.35	72.94

(c) Assets and Liabilities recognised in the Balance Sheet

	For the year ended March 31, 2019	For the year ended March 31, 2018
Present value of the defined benefit obligations	113.77	91.76
Fair value of plan assets	(78.35)	(72.94)
Amount Recognised as Liability	35.42	18.82



(d) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Changes in assumption		Impact on defined benefit obligation			
	March 31, 2019	March 31, 2018	Increase in assumption		Decrease in assumption	
			March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount rate	0.50%	0.50%	(5.98)	(4.97)	6.46	5.38
Salary growth rate	0.50%	0.50%	6.55	5.44	(6.12)	(5.08)

The above sensitivity analysis are based on a change in an assumption while holding all other assumption constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(e) The detail of investments of plan assets are as follows:

	March 31, 2019	March 31, 2018
LIC Fund	100%	100%
Total	100%	100%

Note: In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

f) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

The gratuity scheme is a final salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability, voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

(i) **Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.

(ii) **Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.

(iii) **Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

(g) Defined benefit liability and employer contributions

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2019					
Defined benefit obligation:	4.22	4.60	17.08	93.64	119.54
Total	4.22	4.60	17.08	93.64	119.54
March 31, 2018					
Defined benefit obligation:	3.39	3.89	14.40	63.19	84.87
Total	3.39	3.89	14.40	63.19	84.87

(h) Defined benefit obligations cost for the year

	March 31, 2019	March 31, 2018
Service Cost	10.79	10.37
Net interest on net benefit liability/(asset)	1.38	0.80
Actuarial (gains)/ losses recognised in OCI	5.69	(2.54)
Total liability	17.86	8.63

(i) Actuarial assumptions

	March 31, 2019	March 31, 2018
Discount rate per annum	7.60%	7.60%
Future salary increase	8.00%	8.00%

Note: Estimate for future increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply on demand in the employment market.

(j) Amount recognised in current year and previous four years:

	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Defined benefit obligations (DBO)	113.77	91.76	79.71	57.23	41.69
Fair value of plan assets (FVA)	(78.35)	(72.94)	(67.78)	(53.75)	(35.92)
Deficit/(surplus)	35.42	18.82	11.93	3.48	5.77

(k) expected contribution to the fund in next year

	March 31, 2019	March 31, 2018
Gratuity	35.42	20.70

(iii) Defined contribution plans

The company deposit an amount determined at a fixed percentage of basic pay every month to the state administered Provident Fund, National Pension Scheme, Employee State Insurance (ESI) and Social Insurance for the benefit of employees.

The expense recognised during the period towards defined contribution plan is Rs. 35.58 million (March 31, 2018 - Rs. 29.81 million)



(All amounts in Rs. Million, unless otherwise stated)

Note 15: Government grants* (Refer Note 8 & 10)	As at March 31, 2019	As at March 31, 2018
Opening balance	19.69	23.89
Less: Released to profit or loss	(4.20)	(4.20)
Closing balance	15.49	19.69
Current portion	3.55	4.20
Non-current portion	11.94	15.49
	15.49	19.69

* "Package Scheme of Incentive 2007" in respect of unit at Pune

Note 16: Other current liabilities	As at March 31, 2019	As at March 31, 2018
Deferred revenue	23.86	20.75
Statutory dues (including provident fund and tax deducted at Source)	21.33	15.30
Advances recieved from customers	35.62	77.82
Total	80.81	113.87

Note 17: Tax liabilities/ Assets (Net)	As at March 31, 2019	As at March 31, 2018
Tax asset		
Advance Income Tax	42.75	34.92
Total	42.75	34.92
Tax liabilities		
Provision for Income Tax		23.75
Total	-	23.75
Net	42.75	11.17



(All amounts in Rs. Million, unless otherwise stated)

Note 18: Revenue from Contract with Customers	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products (including excise duty)		
Domestic sale		
Finished goods	5,781.90	5,623.17
Tooling sales	259.78	174.53
Exports		
Finished goods	71.62	62.10
Sale of services	268.34	168.18
Other operating revenue		
Export Incentives	15.94	9.02
Scrap sales	5.80	4.61
Total	6,403.38	6,041.61

Goods and Service tax (GST) has been implemented effective July 1, 2017 which has replaced various indirect taxes including excise duty. As per the relevant accounting principles under Ind AS, revenue was required to be reported inclusive of excise duty but net off other indirect taxes. Accordingly, revenue from operations for the first three months of previous year are reported inclusive of excise duty but net off all other taxes, where as in current financial year revenue is reported net off taxes including GST.

Note 19: Other income	Year ended March 31, 2019	Year ended March 31, 2018
Interest income		
- on bank deposits	7.38	7.48
- other	0.52	0.43
Excess provisions / liabilities written back	-	9.55
Group support charges	1.35	0.67
Profit on sale of Property plant & equipments	0.01	0.01
Government grants (Refer Note 15)	4.20	4.20
Miscellaneous income	9.56	9.06
Total	23.02	31.40



(All amounts in Rs. Million, unless otherwise stated)

Note 20(a): Cost of materials consumed	Year ended March 31, 2019	Year ended March 31, 2018
Raw materials at the beginning of the year	312.36	246.86
Add: Purchases (net)	3,829.68	3,538.84
	4,142.04	3,785.70
Less: Raw material at the end of the year	387.84	312.36
Total	3,754.20	3,473.34

Note 20(b): Changes in inventories of finished goods, work-in-progress and stock-in-trade	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock		
Work-in progress	21.21	21.82
Finished goods	47.14	72.18
Excise duty on finished goods	-	(10.39)
Total	68.35	83.61
Closing stock		
Work-in progress	46.29	21.21
Finished goods	48.38	47.14
Total	94.67	68.35
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	(26.32)	15.26



(All amounts in Rs. Million, unless otherwise stated)

Note 21: Employee benefit expense	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	571.66	509.35
Contribution to provident and other fund	35.58	29.81
Gratuity (refer note 14)	11.46	11.22
Compensated Absences (refer note 14)	6.07	5.25
Staff welfare expenses	38.93	38.06
Total	663.70	593.69

Note 22: Depreciation and amortisation expense	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation & amortisation of property, plant and equipment	172.74	131.55
Amortisation of intangible assets	2.29	3.25
Total	175.03	134.80

Note 23: Other expenses	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores and spares	52.70	53.06
Electricity, water and fuel	87.45	67.63
Lease rent (Refer Note 32(b))	84.15	83.27
Repairs and Maintenance	-	-
- Plant and machinery	45.53	45.16
- Building	18.62	6.91
- Others	137.45	63.18
Freight and clearing charges	52.92	75.00
Travelling	77.80	67.59
Communication costs	3.75	4.04
Printing and stationery	3.05	3.27
Insurance	11.72	8.74
Training and recruitment expenses	1.35	2.14
Security charges	18.73	21.92
Legal and professional fees	102.35	79.76
Group charges	134.60	111.41
Payment to Auditors*		
- Audit Fee	2.59	2.59
- Other audit related services	-	0.77
- Other services	0.38	0.36
- Out of pocket expenses	0.30	0.32
Advertisement and sales promotion expenses	0.47	0.17
Warranty	2.58	1.66
Provision on doubtful debts	1.17	-
Testing expenses	9.08	10.92
Office expenses	24.36	21.57
Donations	5.12	4.67
Corporate social responsibility expenditure [refer note 23(a)]	9.12	8.55
Exchange fluctuation (net)	4.27	2.49
Rates and taxes	0.82	1.81
Miscellaneous Expenses	6.80	6.25
Total	899.23	755.21

Note 23(a): Corporate social responsibility expenditure*	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to Swarn Lata Motherson Trust	9.12	8.55
Total	9.12	8.55
Amount required to be spent as per Section 135 of the Act	13.59	8.55
Amount spent during the year	9.12	8.55

*As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company.

Note 24: Finance costs	Year ended March 31, 2019	Year ended March 31, 2018
Interest and finance charges on Borrowings	14.87	0.47
Interest on income tax	-	1.40
Other charges	0.34	3.11
Total	15.21	4.98



(All amounts in Rs. Million, unless otherwise stated)

Note 25: Income tax expense	Year ended March 31, 2019	Year ended March 31, 2018
(a) Income tax expense		
Current tax		
Current tax on profits for the year	232.55	302.28
Adjustments for current tax of prior periods	(21.44)	-
Total current tax expense	211.11	302.28
(b) Deferred tax		
Decrease/ (increase) in deferred tax assets		9.28
(Decrease)/ increase in deferred tax liabilities	25.62	-
Total deferred tax expense/(credit)	25.62	9.28
Deferred tax expense/ (credit) recognised in Statement of Profit and loss	27.61	8.40
Deferred tax expense/ (credit) recognised in Other comprehensive income	(1.99)	0.88
Total	25.62	9.28
(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
	March 31, 2019	March 31, 2018
Profit before income tax expenses	737.33	897.07
Tax at the Indian tax rate of 34.944%	257.65	310.46
Tax effected of amounts which are not deductible (taxable) in calculating taxable income:		
Weighted deduction on research and development expenditure	(3.67)	(3.54)
Amortization of government grant	(1.47)	(1.45)
Donation	1.79	1.62
Corporate Social Responsibility	3.19	2.96
Remeasurement of post-employments benefits obligations	(1.99)	0.88
Adjustment for current tax of prior periods	(21.44)	-
Other items	2.68	0.63
Income tax expenses	236.75	311.56



Note 26 (a) : Fair value measurements

Financial instrument by category	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments	-	0.40	-	-	0.40	-
Trade receivables	-	-	849.42	-	-	890.62
Cash and cash equivalents	-	-	43.35	-	-	218.77
Other bank balances	-	-	-	-	-	50.00
Loans	-	-	10.65	-	-	8.99
Other financial assets	-	-	180.76	-	-	115.65
Total	-	0.40	1,084.16	-	0.40	1,284.03
Financial liabilities						
Borrowings	-	-	369.78	-	-	-
Trade payables	-	-	1,042.48	-	-	898.36
Other financial liabilities	-	-	187.32	-	-	92.36
Total	-	-	1,599.58	-	-	990.72

The carrying amounts of Investment, trade receivables and other receivables, cash and cash equivalents, trade payables and capital creditors are considered to be the same as their fair values, due to their short term nature.

The carrying amounts of loans given, Recovery from employees against leased vehicles are considered to be the same as their fair values as the fair value are not materially different to their carrying amounts.

Note 26 (b) : Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2019

	Level 1	Level 2	Level 3	Total
Financial asset				
Financial Investments at FVOCI				
Unquoted equity investments	-	-	0.04	0.04
Derivative financial assets				
other financial assets	-	-	0.64	0.64
Total	-	-	0.68	0.68
Financial Liabilities				
Borrowings	-	-	369.78	369.78
Other Financial Liabilities	-	-	11.56	11.56
Total	-	-	381.34	381.34

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2018

	Level 1	Level 2	Level 3	Total
Financial asset				
Financial Investments at FVOCI				
Unquoted equity investments	-	-	0.04	0.04
Total	-	-	0.04	0.04
Financial Liabilities				
Borrowings	-	-	-	-
Other Financial Liabilities	-	-	14.20	14.20
Total	-	-	14.20	14.20

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.



Note 27: Financial risk management

The Company in its capacity as an active supplier for the automobile industry is exposed to various risks. The regulations, instructions, implementation rules and, in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks:

The risks listed below are not so material that they would result in extraordinary concentrations of risk:

(A) Credit risk

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian automobile manufacturers (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default. The Company has deposited liquid funds at various banking institutions. Primary banking institutions are major Indian and foreign banks. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.

(B) Liquidity risk

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed in the operating divisions of the Company and aggregated by Company finance. The Company's finance monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

(i) Financing arrangements

The entity had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2019	March 31, 2018
Floating rate		
Expiring within one year (bank overdraft and other facilities)	380.22	575.00
Total	380.22	575.00

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivatives financial liabilities, and
- derivatives financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due more than 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities March 31, 2019	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	369.78	-	-	369.78
Trade payables	1,042.48	-	-	1,042.48
Other financial liabilities	175.76	11.56	-	187.32
Total	1,588.02	11.56	-	1,599.59
Derivatives				
Foreign exchange forward contracts - MTM payable	-	-	-	-
Total	-	-	-	-

Contractual maturities of financial liabilities March 31, 2018	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Trade payables	898.36	-	-	898.36
Other financial liabilities	78.16	14.20	-	92.36
Total	976.52	14.20	-	990.72
Derivatives				
Foreign exchange forward contracts - MTM payable	-	-	-	-
Total	-	-	-	-



(All amounts in Rs. Million, unless otherwise stated)

(C) 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 price. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payable/receivables in foreign currencies.

(f) Foreign currency risk exposure:

The exchange variations in India has mainly impacted the imports but however the Company has arrangements with its customers for passing on the exchange impact on import purchase. The company also does hedging to hedge its risks associated with foreign currency.

(a) Particulars of embedded foreign currency exposure as at the reporting date

	USD	EUR	AUD	JPY	CNY	USD	EUR	AUD	JPY	CNY
	March 31, 2019									
Financial assets										
Trade and other receivables	20.77	42.21	-	-	-	10.75	32.45	0.02	-	-
Bank balance in EFTC accounts	6.03	31.22	-	-	-	0.57	3.47	-	-	-
Net exposure to foreign currency risk - assets	26.80	73.43	-	-	-	11.32	35.92	0.02	-	-
Financial liabilities										
Trade and other payables	281.73	105.49	8.97	34.93	1.90	206.38	119.42	3.55	2.19	-
Derivative liabilities										
Foreign exchange forward contracts	(192.50)	(66.54)	-	(70.69)	-	-	-	-	-	-
Net exposure to foreign currency risk - liabilities	89.23	38.95	8.97	4.24	1.90	206.38	119.42	3.55	2.19	-

(b) Sensitivity

10% increase/decrease in foreign exchange rates will have the following impact on profit before tax.

	Impact on profit before tax			
	March 31, 2019		March 31, 2018	
USD sensitivity				
INR/USD - Increase by 10%	(6.24)	(19.51)		
INR/USD - Decrease by 10%	6.24	19.51		
EUR sensitivity				
INR/EUR - Increase by 10%	3.45	(8.35)		
INR/EUR - Decrease by 10%	(3.45)	8.35		
AUD sensitivity				
INR/AUD - Increase by 10%	(0.90)	(0.35)		
INR/AUD - Decrease by 10%	0.90	0.35		
JPY sensitivity				
INR/JPY - Increase by 10%	(0.42)	(0.22)		
INR/JPY - Decrease by 10%	0.42	0.22		
CNY sensitivity				
INR/CNY - Increase by 10%	(0.19)	-		
INR/CNY - Decrease by 10%	0.19	-		

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from short term borrowing with variable rates which exposes the company to credit from interest rate risk during March 31, 2019 and March 31, 2018, the company's borrowings at variable rate were denominated in Rs.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of reporting period are as follows:

	March 31, 2019	March 31, 2018
Variable rate borrowings	369.78	-
Total borrowings	369.78	-

(b) Sensitivity analysis

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

	Impact on profit before tax	
	March 31, 2019	March 31, 2018
Interest rate increase by 50 basis points*	(1.85)	-
Interest rate decrease by 50 basis points*	1.85	-

* Including all other variable contracts



(All amounts in Rs. Million, unless otherwise stated)

Note 28: Capital management

(a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(b) Loan covenants

The Company was required to comply with the following financial covenants:

(a) Total debts/ Total Net worth (excluding intangible, revaluation Reserve) Should not exceed 1.50 times

(b) Debt service coverage ratio:

[(PAT + Depreciation+Amortisation + Interest) / Interest +Repayment)] not to fall below 1.25 times

(c) Company's majority shareholding to remain with Motherson Sumi group at all times

The Company has complied with these covenants throughout the reporting periods and no debts are outstanding as at March 31, 2019.

(c) Dividends

	March 31, 2019	March 31, 2018
Amount of Dividend paid during the year	87.95	71.93
Dividend per equity share	6.42	5.25



Note 29: Segmental Information

The Company is primarily in the business of manufacture and sale of components to automotive original equipment manufacturers.

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments. The Company has monthly review and forecasting procedure in place and CODM reviews the operations of the Company on the basis of operating segment i.e. manufacture and sale of rear vision systems and related products for automobiles and providing business support services to group entities. The business support services segment result is below the threshold required to qualify as a reportable segment and hence not been disclosed.

The geographical segments considered for disclosure are based on the revenue in India and revenue from exports. The following is the distribution of the Company's sale by geographical market:

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	India	Outside India	India	Outside India
Sale of goods	6,047.49	71.62	5,802.31	62.10
Sale of services	27.20	241.15	26.56	141.61
	<u>6,074.69</u>	<u>312.77</u>	<u>5,828.87</u>	<u>203.71</u>

Revenue from transactions with a single external customer amounting to 10 percent or more of the company's revenue is as follows:

	As at March 31, 2019	As at March 31, 2018
Customer 1	2,049.51	2,059.89
Customer 2	1,495.78	1,347.37
Customer 3	1,033.55	1,035.09
Customer 4	703.90	635.67
	<u>5,282.74</u>	<u>5,078.02</u>

The following is the carrying amount of segment assets as at March 31, 2018 by geographical area in which the assets are located:

	As at March 31, 2019	As at March 31, 2018
India	4,216.45	3,252.71
Outside India	155.02	143.23
	<u>4,371.48</u>	<u>3,395.94</u>

Note 30: Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006:

The Company has identified the Micro and Small enterprises based on the confirmations received from its vendors. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	10.28	6.06
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.92	0.67
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	81.21	74.90
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.25	0.41
Further interest remaining due and payable for earlier years	0.67	0.22



(All amounts in Rs. Million, unless otherwise stated)

Note 31: Contingent liabilities

S.No	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	Income tax matters	54.97	125.64
(ii)	Customs duty matters	2.84	-
(iii)	Service tax matters	0.68	0.68
(iv)	Sales Tax Matters*	4.87	4.87
(v)	Bank Guarantees Outstanding issued in favor of Mahanrishak Nibandhan, Uttar Pradesh	-	3.87

*Against which Company has given Bank Guarantees amounting to 0.05 (March 31, 2018 : 0.2).

- a) It is not practicable for the Company to estimates the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- b) The Company has assessed that it is possible but not probable that outflow of economic resources will be required.
- c) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 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.



(All amounts in Rs. Million, unless otherwise stated)

Note 32: Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	Year ended March, 31 2019	Year ended March, 31 2018
Property, plant and equipment		
Estimated Value of Contracts in Capital Account remaining to be executed, net of advances of Rs.18.80 (March 31, 2018 Rs. 123.98)	210.99	526.26
Total	210.99	526.26

(b) Other Commitments

(i) Non-cancellable operating leases

The Company leases various offices, warehouses and retail stores under non-cancellable operating leases expiring within two to eight years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	Year ended March, 31 2019	Year ended March, 31 2018
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	39.54	18.98
One year to five year	78.41	65.48
More than five year	117.26	118.72
Total	235.21	203.18

Rental expense relating to operating leases

	Year ended March, 31 2019	Year ended March, 31 2018
Lease payment recognised in the Statement of profit and loss account during the year	84.15	83.27
Total	84.15	83.27

Note 33: The following expense incurred on Research and Development is included under respective heads:

	Year ended March, 31 2019	Year ended March, 31 2018
Employee benefit expenses	16.29	15.33
Other expenses of research & development activities	7.95	7.89
Capital Expenditure	1.97	1.21
Total	26.21	24.43



(All amounts in Rs. Million, unless otherwise stated)

Note 34: Events occurring after the reporting period

(a) Dividend not recognised at the end of the reporting period

The directors have recommended the payment of a final dividend of Rs. 5.46 per fully paid equity share (March 31, 2018-Rs. 6.42). Refer to note 28(c) for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

Note 35: Earnings Per Share (EPS)	Year ended 31-Mar-19	Year ended 31-Mar-18
Profit after tax	498.61	586.39
Weighted average number of equity shares in calculating basic and diluted EPS	13,700,000	13,700,000
Earnings per share Basic / Diluted	36.40	42.80
Note: There are no potentially dilutive securities		



Note 36. Related Party Disclosures

I. Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below:

a. Entities with control over the entity

Ultimate Holding Company :

Motherson Sumi Systems Limited (MSSL)

Holding Company :

SMR Automotive Technology Holding Cyprus Ltd.

Relationship where control exists

b. Fellow Subsidiaries of the Company

- 1 MSSL Mauritius Holdings Limited
- 2 Motherson Electrical Wires Lanka Pvt. Ltd.
- 3 MSSL Mideast (FZE)
- 4 MSSL (S) Pte Ltd.
- 5 MSSL Automobile Component Ltd.
- 6 Motherson Polymers Compounding Solutions Ltd.
- 7 Samvardhana Motherson Polymers Ltd.
- 8 MSSL (GB) Limited
- 9 Motherson Wiring System (FZE)
- 10 MSSL GmbH
- 11 MSSL Tooling (FZE)
- 12 Samvardhana Motherson Invest Deutschland GmbH
- 13 MSSL Advanced Polymers s.r.o
- 14 Motherson Techno Precision GmbH
- (formerly Motherson Orca Precision Technology GmbH)
- 15 MSSL s.r.l Unipersonale
- 16 Samvardhana Motherson Polymers Management Germany GmbH
- 17 Motherson Techno Precision México, S.A. de C.V
- 18 MSSL Australia Pty Ltd
- 19 MSSL Ireland Pvt. Ltd.
- 20 Global Environment Management (FZE)
- 22 Motherson Elastomers Pty Limited
- 23 Motherson Investments Pty Limited
- 24 MSSL Global RSA Module Engineering Limited
- 25 MSSL Japan Limited
- 26 Vacuform 2000 (Proprietary) Limited.
- 27 MSSL México, S.A. De C.V.
- 28 MSSL WH System (Thailand) Co., Ltd
- 29 MSSL Korea WH Limited
- 30 MSSL Consolidated Inc.
- 31 MSSL Overseas Wiring System Ltd., U.K.
- (dissolved w.e.f. January 29, 2019)
- 32 MSSL Wiring System Inc., USA
- 33 Alphabet de Mexico, S.A. de C.V.
- 34 Alphabet de Mexico de Monclova, S.A. de C.V.
- 35 Alphabet de Saltillo, S.A. de C.V.
- 36 MSSL Wirings Juarez S.A. de C.V.
- 37 MSSL Manufacturing Hungary Kft
- 38 Motherson Air Travel Pvt. Ltd.
- 39 MSSL Estonia WH OÜ
- 40 Samvardhana Motherson Global Holdings Ltd.
- 41 Samvardhana Motherson Automotive Systems Group B.V.
- 42 Samvardhana Motherson Reflectec Group Holdings Limited
- 43 SMR Automotive Technology Holding Cyprus Ltd.
- 44 SMR Automotive Mirror Parts and Holdings UK Ltd.
- 45 SMR Automotive Holding Hong Kong Limited
- 46 SMR Automotive Systems India Limited
- 47 SMR Automotive Systems France S. A.



- 48 SMR Automotive Mirror Technology Holding Hungary Kft
- 49 SMR Patents S.aR.L.
- 50 SMR Automotive Technology Valencia S.A.U.
- 51 SMR Automotive Mirrors UK Limited
- 52 SMR Automotive Mirror International USA Inc.
- 53 SMR Automotive Systems USA Inc.
- 54 SMR Automotive Beijing Co. Limited
- 55 SMR Automotive Yancheng Co. Limited
- 56 SMR Automotive Mirror Systems Holding Deutschland GmbH
- 57 SMR Holding Australia Pty Limited
- 58 SMR Automotive Australia Pty Limited
- 59 SMR Automotive Mirror Technology Hungary Bt
- 60 SMR Automotive Modules Korea Ltd
- 61 SMR Automotive Beteiligungen Deutschland GmbH
- 62 SMR Hyosang Automotive Ltd.
- 63 SMR Automotive Mirrors Stuttgart GmbH
- 64 SMR Automotive Systems Spain S.A.U.
- 65 SMR Automotive Vision Systems Mexico S.A. de C.V.
- 66 SMR Automotive Servicios Mexico S.A. de C.V.
- 67 SMR Grundbesitz GmbH & Co. KG
- 68 SMR Automotive Brasil LTDA
- 69 SMR Automotive System (Thailand) Limited
- 70 SMR Automotives Systems Macedonia Dooel Skopje
- 71 SMR Automotive Operations Japan K.K.
- 72 SMR Automotive (Langfang) Co. Ltd.
- 73 SMR Automotive Vision System Operations USA INC
- 74 SMR Mirror UK Limited
- 75 Samvardhana Motherson Peguform GmbH
- 76 SMP Automotive Interiors (Beijing) Co. Ltd
- 77 SMP Deutschland GmbH
- 78 SMP Logistik Service GmbH
- 79 SMP Automotive Solutions Slovakia s.r.o
- 80 Changchun Peguform Automotive Plastics Technology Co. Ltd
- 81 Foshan Peguform Automotive Plastics Technology Co. Ltd.
- 82 SMP Automotive Technology Management Services (Changchun) Co. Ltd.
- 83 SMP Automotive Technology Iberica S.L
- 84 Samvardhana Motherson Peguform Barcelona S.L.U
- 85 SMP Automotive Technologies Teruel Sociedad Limitada
- 86 Samvardhana Motherson Peguform Automotive Technology Portugal S.A
- 87 SMP Automotive Systems Mexico S.A. de C.V
- 88 SMP Automotive Produtos Automotivos do Brasil Ltda.
- 89 SMP Automotive Exterior GmbH
- 90 Samvardhana Motherson Innovative Autosystems B.V. & Co. KG
- 91 Samvardhana Motherson Innovative Autosystems Holding Company BV
- 92 SM Real Estate GmbH
- 93 Samvardhana Motherson Innovative Autosystems de México, S.A. de C.V
- 94 SMP Automotive Systems Alabama Inc.
- 95 Motherson Innovations Company Limited, U.K.
- 96 Motherson Innovations Deutschland GmbH
- 97 Samvardhana Motherson Global (FZE)
- 98 SMR Automotive Industries RUS Limited Liability Company
- 99 Celulosa Fabril (Cefa) S.A.
- 100 Modulos Ribera Alta S.L.
- 101 Motherson Innovations Lights GmbH & Co KG
- 102 Motherson Innovations Lights Verwaltungs GmbH
- 103 PKC Group Plc
- 103 PKC Wiring Systems Oy
- 105 PKC Netherlands Holding B.V.
- 106 PKC Group Poland Sp. z o.o.
- 107 PKC Wiring Systems Llc
- 108 PKC Group APAC Limited



- 109 PKC Group Canada Inc.
- 110 PKC Group USA Inc.
- 111 PKC Group Mexico S.A. de C.V.
- 112 Project del Holding S.a.r.l.
- 113 PK Cables do Brasil Ltda
- 114 PKC Eesti AS
- 115 TKV-sarjat Oy
- 116 PKC SEGU Systemelektrik GmbH
- 117 PK Cables Nederland B.V.
- 118 Groclin Luxembourg S.à r.l.
- 119 PKC Vehicle Technology (Suzhou) Co., Ltd.
- 120 AEES Inc.
- 121 PKC Group Lithuania UAB
- 122 PKC Group Poland Holding Sp. z o.o.
- 123 OOO AEK
- 124 Kabel-Technik-Polska Sp. z o.o.
- 125 AEES Power Systems Limited partnership
- 126 T.I.C.S. Corporation
- 127 Fortitude Industries Inc.
- 128 AEES Manufactuera, S. De R.L de C.V.
- 129 Cableodos del Norte II, S. de R.L de C.V.
- 130 Manufacturas de Componentes Electricos de Mexico S. de R.L de C.V.
- 131 Arneses y Accesorios de México, S. de R.L de C.V.
- 132 Asesoria Mexicana Empresarial, S. de R.L de C.V.
- 133 Arneses de Ciudad Juarez, S. de R.L de C.V.
- 134 PKC Group de Piedras Negras, S. de R.L. de C.V.
- 135 PKC Group AEES Commercial S. de R.L de C.V
- 136 Jiangsu Huakai-PKC Wire Harness Co., Ltd.
- 137 PKC Vehicle Technology (Hefei) Co, Ltd.
- 138 Shanjdong Huakai-PKC Wireharness Co. Ltd.
- 139 Shenyang SMP Automotive Plastic Component Co. Ltd.
- 140 Tianjin SMP Automotive Component Company Limited
- 141 SMRC Automotive Holdings B.V.
(formerly Reydel Automotive Holdings B.V.)
- 142 SMRC Automotive Holdings Netherlands B.V.
(formerly Reydel Automotive B.V.)
- 143 SMRC Automotive Interiors Management B.V.
(formerly Reydel Automotive Management B.V.)
- 144 SMRC Automotives Techno Minority Holdings B.V.
(formerly Reydel Automotive Minority Holdings B.V.)
- 145 SMRC Smart Automotive Interior Technologies USA, LLC
(formerly Reydel Automotive USA, LLC)
- 146 SMRC Automotive Modules France SAS
(formerly Reydel Automotive France SAS)
- 147 Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.
(formerly Reydel Automotive Holding Spain , S.L.U)
- 148 SMRC Automotive Interiors Spain S.L.U.
(formerly Reydel Automotive Spain, S.L.U)
- 149 SMRC Automotive Interior Modules Croatia d.o.o
(formerly Reydel Automotive Croatia d.o.o.)
- 150 Samvardhana Motherson Reydel Autotecc Morocco SAS
(formerly Reydel Automotive Morocco SAS)
- 151 SMRC Automotive Technology RU LLC
(formerly Reydel Automotive Rus LLC)
- 152 SMRC Smart Interior Systems Germany GmbH
(formerly Reydel Automotive Germany GmbH)
- 153 SMRC Automotive Interiors Products Poland SA
(formerly Reydel Automotive poland SA) (dormant)
- 154 SMRC Automotive Solutions Slovakia s.r.o.
(formerly Reydel Automotive Slovakia s.r.o.)
- 155 SMRC Automotive Holding South America B.V.



- (formerly Reydel Automotive South America B.V.)
- 156 SMRC Automotive Modules South America Minority Holdings B.V.
(formerly Reydel Automotive South America Minority Holdings B.V.)
- 157 SMRC Automotive Tech Argentina S.A.
(formerly Reydel Automotive Argentina SA)
- 158 SMRC Fabricação e Comércio de Produtos Automotivos do Brasil Ltda
(formerly Reydel Automotive Brazil)
- 159 SMRC Automotive Products India Private Limited
(formerly Reydel Automotive India Pvt. Ltd.)
- 160 SMRC Automotive Smart Interior Tech (Thailand) Ltd.
(formerly Reydel Automotive Thailand Ltd.)
- 161 SMRC Automotive Interiors Japan Ltd.
(formerly Reydel Automotive Japan Ltd.)
- 162 Shanghai Reydel Automotive Technology Consulting Co. Ltd.
- 163 PT SMRC Automotive Technology Indonesia
(formerly PT Reydel Automotive Indonesia)
- 164 Yujin SMRC Automotive Techno Corp.
(formerly Yujin- Reydel Corp.)
- 165 SMRC Automotives Technology Phil Inc.
(formerly Reydel Automotive Phils Inc.)
- 166 MSSL M Tooling Ltd
- 167 Motherson Innovations LLC, USA
- 168 Samvardhana Motherson Corp Management Shanghai Co Ltd.
- 169 Motherson Rolling Stock Systems GB Ltd.

c. Other Related Parties having common control

- 1 Systematic Conscom Limited
- 2 Samvardhana Motherson International Limited
- 3 MSSL GmbH
- 4 SamvardhanaMothersonPeguform
- 5 Motherson Auto Ltd.
- 6 Motherson Lease Solution Limited
- 7 Motherson Sumi Infotech and Designs Limited
- 8 Motherson Air Travel Agencies Ltd.
- 9 Saks Ancillaries Limited
- 10 Motherson Air Travel Agency GmbH
- 11 Anest Iwata Motherson Limited
- 12 Anest Iwata Motherson Coating Equipment Limited
- 13 Motherson Consultancies Service Limited
- 14 Spirited Auto Cars (I) Limited
- 15 Samvardhana Motherson Auto Component Pvt. Ltd.
- 16 Matsui Technologies India Limited
- 17 Kyungshin Industrial Motherson Limited
- 18 Swarnlata Motherson Trust
- 19 Ningbo Huaxiang Electronic Co., Ltd.
- 20 Samvardhana Motherson Automotive Systems Group BV
- 21 Spirited Auto Cars (I) Ltd.
- 22 Motherson Air Travel Agencies Limited
- 23 Samvardhana Motherson Peguform GmbH (Forgu GmbH)
- 24 Samvardhana Motherson Adsys Tech Limited
- 25 SMP Automotive Systems Inc. (USA)
- 26 MSSL Australia Pty. Ltd.
- 27 Samvardhana Motherson Peguform GmbH
- 28 MothersonSumi Infotekk And Designs GmbH
- 29 Motherson Invenzen XLab Pvt. Ltd.
- 30 Motherson Moulds and Diecasting Ltd.
- 31 Matsui Technologies India Ltd.
- 32 Motherson Lease Solution Ltd.

d. Key Managerial Personnel

- 1 Mr. Ashutosh Kumar Singh
- 2 Mr. Rajat Jain
- 3 Mr. Rajan Batra (w.e.f. 20th March 2019)



(All amounts in Rs. Million, unless otherwise stated)

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 36 above:

A) Key management personnel compensation

	31-Mar-19	31-Mar-18
Short-term employee benefits	22.24	21.41
Post-employment benefits	1.48	1.80
Long-term employee benefits	0.55	0.37
Termination benefits	-	-
Total compensation	24.48	23.84

B) Details of transactions, in the ordinary course of business at commercial terms, with related parties:

Nature of Transaction	Ultimate Holding Company & Holding Company		Fellow Subsidiary		Key Managerial Personnel		Other related parties		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Sale of products	-	-	37.94	48.28	-	-	5.19	8.31	37.94	48.28
Sales of services	0.09	11.11	238.32	140.42	-	-	0.96	0.27	243.60	159.94
Group Support Charges - Income	-	-	1.34	0.67	-	-	-	-	2.30	0.94
Group Charges paid	-	-	126.17	111.41	-	-	131.96	156.82	126.17	111.41
Purchase of services	2.49	0.68	30.71	17.21	-	-	93.54	103.60	165.16	174.71
Lease Rent expenses	-	-	908.11	650.63	-	-	707.81	298.33	2,305.87	1,649.45
Purchase of goods and fixed assets	689.95	700.49	8.43	0.15	-	-	12.26	5.91	20.74	6.20
Reimbursement of expenses - paid	0.05	-	-	-	-	-	0.08	0.09	-	0.08
Reimbursement of expenses - received	0.15	-	-	-	-	-	-	-	-	7.50
Loans given during the year to KMP	-	-	-	-	-	-	-	-	-	0.55
Loan Repayment	-	-	-	-	-	-	-	-	-	0.17
Interest Repayment	-	-	-	-	-	-	-	-	-	0.55
Security deposit given	-	-	-	-	-	-	-	-	-	2.59
Security deposit received	-	-	-	-	-	-	-	-	-	0.59
Dividend Paid	87.95	71.93	-	-	-	-	2.59	0.81	87.95	71.93



(All amounts in Rs. Million, unless otherwise stated)

C) Details of transactions balances with related parties:

Nature of Transaction	Ultimate Holding Company & Holding Company		Fellow Subsidiary		Key Managerial Personnel		Other related parties		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Trade payables and other payables*	107.32	116.15	256.42	199.10	-	-	61.11	64.21	424.85	379.46
Trade receivables & other receivables	5.10	13.84	44.90	39.60	-	-	3.28	2.93	53.28	56.37
Loans and advances	-	-	-	-	6.15	7.03	-	-	6.15	7.03
Capital advances	-	0.00	-	-	-	-	17.96	88.17	17.96	88.17
Security deposit	-	-	-	-	-	-	42.89	40.89	42.89	40.89

* other payable includes payable to capital creditors



Note 37 : Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

Ind AS 116 Leases

IND AS 16 will replace the existing leases standard, IND AS 17 Leases. IND AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. IND AS 116 substantially carries forward the lessor accounting requirements in IND AS 17.

The Company will adopt IND AS 116 effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, prospectively using the modified retrospective method as mandated by Para C5(b) and Para C8(c)(ii) of IND AS 116. Accordingly, the Company will not restate comparative information and there will no cumulative effect of initially applying this Standard to be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. The lease liability and right-of-use asset is discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of IND AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements. The Company is also in the process of quantifying the impact of the standard on its balance sheet on the date of initial application.

The Company will recognise with effect from April 1, 2019 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortisation charge for the right- to use asset , and b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

As a lessor, sublease shall be classified an operating lease if the head lease is classified as a short term lease. In all other cases the sublease shall be classified as a finance lease.



(All amounts in Rs. Million, unless otherwise stated)

Note 38 : INDAS 115 Revenue from contracts with Customers

A. The company derives following revenues from its contracts with Customers :

	March 31, 2019	March 31, 2018
Sale of Componentets	5,853.52	5,685.27
Tool Development	259.78	174.53
Total	6,113.30	5,859.80

B. The transaction price allocated to the remaining performance obligations related to tool development(unsatisfied or partially satisfied) are as follows :

	March 31, 2019
Within one year	15.06
More than one year	
Total	15.06

Note: As permitted under the transitional provision in IND AS 115, the transaction price allocated to (partially) unsatisfied performance obligations as of March 31, 2018 is not disclosed.

C. Table below provides information on revenue recognised from :

	March 31, 2019
(i) Amounts included in contract liabilities at the beginning of the year	57.21
(ii) Performance obligations satisfied in previous years (i.e. out of unbilled revenue)	24.46

The table below represents summary of contract assets and liabilities relating to contracts with customers :

	March 31, 2019	March 31, 2018
Receivables	849.42	890.62
Contract assets	125.84	64.20
Contract liabilities	35.53	73.90



(All amounts in Rs. Million, unless otherwise stated)

Note 39: Assets pledged/hypothecated/lien as security

The carrying amounts of assets pledged as security for current borrowings are:

	Notes	March 31, 2019	March 31, 2018
Current			
Financial assets			
<i>First charge</i>			
Trade Receivable ¹	5a	849.42	890.62
		<u>849.42</u>	<u>890.62</u>
Non-financial assets			
<i>First charge</i>			
Inventories ¹	9	482.51	380.71
Total current assets		<u>1,331.93</u>	<u>1,271.33</u>

1. Working Capital facility from banks is secured with first pari passu charge on present & future stock and book debts of the Company.

The accompanying notes are an integral part of the financial statements

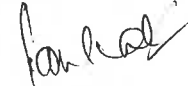
For and on behalf of the Board of Directors of
SMR Automotive Systems India Limited

As per our report of even date

For S.R. Batliboi & CO. LLP

Firm Registration Number: 301003E/E300005

Chartered Accountants



per Pankaj Chadha

Partner

Membership No. 091813

Place: Noida

Date: May 24, 2019





Sanjay Mehta

Director

DIN: 03215388



Rajat Jain

Executive Vice President



Pankaj Kumar Mital

Director

DIN: 00194931



Rajan Batra

Chief Financial Officer





Ashutosh K. Singh

Company Secretary

Place: Noida

Date: May 24, 2019