

**INDEPENDENT AUDITOR'S REPORT**

To the Members of SMRC Automotive Products India Private Limited (formerly known as Reydel Automotive India Private Limited)

**Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of SMRC Automotive Products India Private Limited (formerly known as Reydel Automotive India Private 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 ("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 including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

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

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 for the Ind AS Financial Statements**

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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;
  - (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;



# **S.R. BATLIBOI & ASSOCIATES LLP**

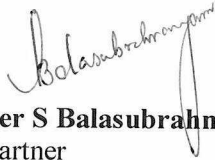
Chartered Accountants

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (g) The provisions of Section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 35(a) to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per S Balasubrahmanyam**

Partner

Membership Number: 053315

UDIN no. 19053315AAAAAQ4432

Place of Signature: Chennai

Date: July 22, 2019





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

Re: SMRC Automotive Products India Private Limited (formerly known as Reydel Automotive India Private Limited ('the Company'))

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Property, Plant and Equipment were physically verified by the management during the year in accordance with its plan of verification in a phased manner and no material discrepancies were identified on such verification.
- (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 old name of the company. Due to the change in the name of the Company in the current year, the Company is in the process of registering the title deed in the new name.
- (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) 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 Act. 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 Act 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) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues applicable to it. However, there have been a few delays in case of provident fund and tax deducted at source.
- (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.



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

Name of Statute	Nature of Dues	Forum where it is pending	Period to which it relates	Amount involved	Amount unpaid
Finance Act, 1994	Service Tax	CESTAT	FY 2010-2014	6.29	6.29
			FY 2014 - 2016	5.15	5.15
Income Tax Act, 1961	Income Tax	Commissioner of Income tax (Appeal)	FY 2014-15	187.50	150.00
Income Tax Act, 1961	Income Tax	Commissioner of Income tax (Appeal)	FY 2015-16	11.58	9.27
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner	FY 2014-15	0.82	0.77
Central Sales Tax Act, 1956	Sales Tax	Joint commissioner	FY 2014-15	0.95	0.91

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to any bank. The Company did not have any dues in respect of loans and borrowing payable to government, debenture holder or financial institutions.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer, further public offer, debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for 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 and no 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 provisions of Section 197 read with schedule V of the Act are not applicable to the Company and hence not commented upon.
- (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.



# **S.R. BATLIBOI & ASSOCIATES LLP**

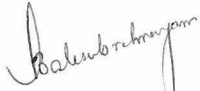
Chartered Accountants

- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to Section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) According to the information and 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 the Act.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per S Balasubrahmanyam**

Partner

Membership Number: 053315

UDIN no. 19053315AAAAAQ4432

Place of Signature: Chennai

Date: July 22, 2019



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SMRC AUTOMOTIVE PRODUCTS INDIA PRIVATE 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 SMRC Automotive Products India Private Limited (formerly known as Reydel Automotive India Private 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



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

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.

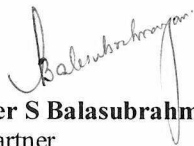
## **Opinion**

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 & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per S Balasubrahmanyam**

Partner

Membership Number: 053315

UDIN no. 19053315AAAAAQ4432

Place of Signature: Chennai

Date: July 22, 2019



**SMRC Automotive Products India Private Limited**  
*(Formerly Known as Reydel Automotive India Private Limited)*  
**Balance Sheet as at March 31, 2019**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property Plant and Equipment	4(a)	1,484.72	1,600.03	1,545.79
Intangible assets	4(b)	0.92	63.28	126.57
Capital Work-in-Progress		24.47	4.76	27.92
Financial assets				
Other financial assets	5(a)	21.52	55.45	50.66
Non-current tax assets	17	7.39	21.86	21.86
Other assets	6(a)	44.14	6.45	51.88
<b>Total Non Current Assets</b>		<b>1,583.16</b>	<b>1,751.83</b>	<b>1,824.68</b>
<b>Current Assets</b>				
Inventories	7	114.32	90.14	84.31
Contract assets	19	91.81	52.19	53.92
Financial Assets				
Trade receivables	8	733.04	514.32	574.27
Cash and cash equivalents	9	545.73	459.07	269.39
Other financial assets	5(b)	205.01	148.30	167.89
Other assets	6(b)	23.41	34.48	104.92
<b>Total Current Assets</b>		<b>1,713.32</b>	<b>1,298.50</b>	<b>1,254.70</b>
<b>Total Assets</b>		<b>3,296.48</b>	<b>3,050.33</b>	<b>3,079.38</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	10	1,166.16	1,166.16	1,166.16
Other Equity	11	551.66	502.03	421.37
<b>Total Equity</b>		<b>1,717.82</b>	<b>1,668.19</b>	<b>1,587.53</b>
<b>Non-Current Liabilities</b>				
Financial Liabilities				
Borrowings	12	-	47.50	142.50
Deferred tax liabilities (net)	13	30.46	32.63	26.66
<b>Total Non-Current Liabilities</b>		<b>30.46</b>	<b>80.13</b>	<b>169.16</b>
<b>Current Liabilities</b>				
Contract liabilities	19	244.97	214.18	202.26
Financial Liabilities				
Trade payables	14A	733.12	675.36	704.51
Other payables	14B	354.67	227.04	234.04
Other financial liabilities	15	47.93	96.26	97.19
Provisions	16	48.12	54.01	53.31
Current tax liabilities	17	24.86	24.86	22.97
Other liabilities	18	94.53	10.30	8.41
<b>Total Current Liabilities</b>		<b>1,548.20</b>	<b>1,302.01</b>	<b>1,322.69</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,296.48</b>	<b>3,050.33</b>	<b>3,079.38</b>

See accompanying notes forming part of the financial statements

As per our report of even date

**For S. R. Batliboi & Associates LLP**

**Chartered Accountants**

ICAI Firm Registration number: 101049W/E300004

per S Balasubrahmanyam

Partner

Membership No.: 053315

Place: Chennai

Date: JULY 22, 2019

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

Director *Sanjay Menla*

DIN: 03215388

Place: Chennai

Date: JULY 22, 2019

Director *Anil Bhabu*

DIN: 08230325

Place: Chennai

Date: JULY 22, 2019

Company Secretary  
*(Himanshu Tyagi)*

ACS - 28801





**SMRC Automotive Products India Private Limited**  
*(Formerly Known as Reydel Automotive India Private Limited)*  
**Statement of profit and loss for the year ended March 31, 2019**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

Particulars	Notes	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
<b>Income</b>			
Revenue from contract with customers	19	4,822.55	4,500.83
Finance Income	20	29.54	15.96
Other income	21	61.54	79.22
<b>Total income</b>		<b>4,913.68</b>	<b>4,596.01</b>
<b>Expenses</b>			
Cost of raw-material and components consumed	22	2,511.92	2,383.10
Cost of tools sold	23	563.62	325.47
(Increase)/ decrease in inventories of finished goods and work-in-progress	24	9.31	(4.97)
Excise duty on sale of goods	19	-	123.73
Employee benefits expense	25	533.78	506.66
Depreciation and amortisation expense	4(a) & 4(b)	284.84	277.09
Finance costs	26	14.10	23.33
Other expenses	27	888.32	817.49
<b>Total expenses</b>		<b>4,805.84</b>	<b>4,451.90</b>
<b>Profit before tax</b>		<b>107.79</b>	<b>144.11</b>
<b>Tax expense</b>			
- Income tax expense	28	56.58	57.08
- Deferred tax	28	(2.17)	5.97
		<b>54.41</b>	<b>63.05</b>
<b>Profit after tax (I)</b>		<b>53.38</b>	<b>81.06</b>
<b>Other comprehensive income/(loss):</b>			
<b>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement loss on defined benefit plan		(5.74)	(0.61)
Income tax effect		1.99	0.21
<b>Other comprehensive loss, net of tax (II)</b>		<b>(3.75)</b>	<b>(0.40)</b>
<b>Total comprehensive income, net of tax (I + II)</b>		<b>49.63</b>	<b>80.66</b>
<b>Earnings per share of Rs. 10 each (in Rs.)</b>	29		
Basic, computed on the basis of profit attributable to equity holders		0.46	0.70
Diluted computed on the basis of profit attributable to equity holders		0.46	0.70

See accompanying notes forming part of the financial statements

As per our report of even date

**For S. R. Batliboi & Associates LLP**

**Chartered Accountants**

ICAI Firm Registration number: 101049W/E300004

per **S Balasubrahmanyam**

Partner

Membership No.: 053315

Place: Chennai

Date: July 22, 2019



**For and on behalf of the Board of Directors of**

**SMRC Automotive Products India Private Limited**

Director **Sanjay Mehta**

DIN : 03215388

Place: Chennai

Date: JULY 22, 2019

Director **Amit Shakti**

DIN : 08230325

Place: Chennai

Date: JULY 22, 2019

Company Secretary  
(**Himanshu Tyagi**)

ACS - 22801



**SMRC Automotive Products India Private Limited**  
*(Formerly Known as Reydel Automotive India Private Limited)*  
**Statement of changes in equity for the year ended March 31, 2019**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

**a. Equity Share Capital:**

Equity shares of Rs. 10/- each issued, subscribed and fully paid

At April 01, 2017

At March 31, 2018

At March 31, 2019

Number of shares	Amount
116,616,312	1,166.16
116,616,312	1,166.16
<b>116,616,312</b>	<b>1,166.16</b>

**b. Other equity**

Particulars	Attributable to equity holders		Total equity
	Reserves and Surplus		
	Securities Premium (Note 11)	Retained Earnings	
As at April 01, 2017	35.50	385.87	421.37
Profit for the year	-	81.06	81.06
Other comprehensive loss	-	(0.40)	(0.40)
As at April 01, 2018	35.50	466.53	502.03
Profit for the year	-	53.38	53.38
Other comprehensive loss	-	(3.75)	(3.75)
As at March 31, 2019	35.50	516.16	551.66

See accompanying notes forming part of the financial statements

As per our report of even date

**For S. R. Batliboi & Associates LLP**

**Chartered Accountants**

ICAI Firm Registration number: 101049W/E300004

per **S Balasubrahmanyam**

Partner

Membership No.: 053315

Place: Chennai

Date: July 22, 2019



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

Director **Sanjay Mehta**

DIN : 03215388

Place: Chennai

Date: July 22, 2019

Director **Amit Bhakri**

DIN : 08230325

Place: Chennai

Date: July 22, 2019



**Company Secretary**  
**(Himanshu Tyagi)**

ACS- 28801

**SMRC Automotive Products India Private Limited**  
*(Formerly Known as Reydel Automotive India Private Limited)*  
**Cash flow statement for the year ended 31 March 2019**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

Particulars	March 31, 2019	March 31, 2018
<b>A. Cash flow from / (used in) Operating activities:</b>		
Net profit before tax	107.79	144.11
Adjustments for:		
Depreciation / Amortisation	284.84	277.09
Re-measurement loss on defined benefit obligations	(5.74)	(0.61)
Interest income	(29.54)	(15.96)
Interest expense	10.33	20.21
(Profit) / Loss on fixed assets, net	(0.54)	0.72
Provision for doubtful debts	2.76	6.79
Unrealised foreign exchange loss	0.15	-
Liability no longer required written back	(15.62)	(10.79)
<b>Operating profit before working capital changes</b>	<b>354.43</b>	<b>421.55</b>
<b>Changes in working capital:</b>		
- (Increase) / Decrease in inventories	(24.18)	(5.83)
- (Increase) / Decrease in trade receivables	(222.40)	53.16
- (Increase) / Decrease in other financial assets and contract assets	(62.40)	16.54
- (Increase) / Decrease in other assets	(29.82)	75.41
- Increase / (Decrease) in other trade payables	127.63	(7.00)
- Increase / (Decrease) in trade payables	74.14	(18.36)
- Increase / (Decrease) in contract liabilities	30.79	11.92
- Increase / (Decrease) in other liabilities and provisions	78.30	2.60
	<b>(27.94)</b>	<b>128.44</b>
<b>Cash generated from / (used in) operations</b>	<b>326.49</b>	<b>550.00</b>
Taxes paid (net of refunds)	(40.11)	(54.98)
<b>Net cash flow from / (used in) operating activities</b>	<b>286.38</b>	<b>495.02</b>
<b>B. Cash flow from / (used in) Investing activities:</b>		
Purchase of fixed assets	(109.39)	(276.33)
Payment for capital work in progress including advances and payables	(17.59)	68.59
Proceeds from sale of fixed assets	2.76	3.84
Interest received	30.66	14.70
<b>Net cash flow from / (used in) investing activities</b>	<b>(93.56)</b>	<b>(189.20)</b>
<b>C. Cash flow from / (used in) financing activities:</b>		
Interest paid	(11.16)	(21.13)
Repayment of long-term borrowings	(95.00)	(95.00)
<b>Net cash flow from / (used in) financing activities</b>	<b>(106.16)</b>	<b>(116.13)</b>



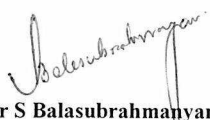
**SMRC Automotive Products India Private Limited**  
*(Formerly Known as Reydel Automotive India Private Limited)*  
**Cash flow statement for the year ended 31 March 2019**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

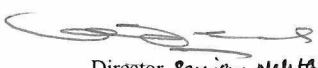
Particulars	March 31, 2019	March 31, 2018
Net increase / (decrease) in cash & cash equivalents [A+B+C]	86.66	189.68
Cash and cash equivalents at the beginning of the Year	459.07	269.39
<b>Cash and cash equivalents at the end of the Year</b>	<b>545.73</b>	<b>459.07</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	-	-
Bank balances in current accounts	519.73	277.57
Bank balances in demand deposits (less than 3 months maturity)	26.00	181.50
<b>Total cash and cash equivalents (note 9)</b>	<b>545.73</b>	<b>459.07</b>


See accompanying notes forming part of the financial statements

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


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

  
**per S Balasubrahmanyam**  
Partner  
Membership No.: 053315  
Place: Chennai  
Date: JULY 22, 2019

  
Director **Sanjay Nehra**  
DIN : 03215388  
Place: Chennai  
Date: JULY 22, 2019

  
Director **Amit Bhalerao**  
DIN : 00230325  
Place: Chennai  
Date: JULY 22, 2019



  
**Company Secretary**  
**(Himanshu Tyagi)**  
**ACS-28801**



**SMRC Automotive Products India Private Limited**

(Formerly Known as Reydel Automotive India Private Limited)

**Notes to financial statements for the year ended March 31, 2019**

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

**Note 4(a)**

**Property, Plant and Equipment (PPE)**

Particulars	Leasehold Land*	Building	Plant and machinery**	Computer	Office equipment	Furniture and fixture	Vehicles	Total
<b>Cost</b>								
At April 1, 2017	130.92	476.76	1,943.86	47.52	32.00	15.29	35.26	2,681.61
Additions	-	9.48	257.53	1.77	2.91	0.88	2.74	275.31
Disposals/write off/transfer	(3.73)	-	(104.64)	(4.21)	-	(0.99)	(5.24)	(118.81)
<b>At March 31, 2018</b>	<b>127.19</b>	<b>486.24</b>	<b>2,096.75</b>	<b>45.08</b>	<b>34.91</b>	<b>15.18</b>	<b>32.76</b>	<b>2,838.11</b>
Additions	-	3.26	82.62	17.71	2.23	1.08	1.95	108.85
Disposals/write off/transfer	-	-	(1.97)	-	(0.01)	-	(11.83)	(13.81)
<b>At March 31, 2019</b>	<b>127.19</b>	<b>489.50</b>	<b>2,177.40</b>	<b>62.79</b>	<b>37.13</b>	<b>16.26</b>	<b>22.88</b>	<b>2,933.15</b>
<b>Depreciation</b>								
At April 1, 2017	3.42	75.95	986.31	27.25	12.51	14.04	16.34	1,135.82
Charge for the year	1.19	22.63	168.37	7.99	6.12	0.67	5.82	212.79
Disposals/write off/transfer	-	-	(100.48)	(4.21)	-	(0.99)	(4.85)	(110.53)
<b>At March 31, 2018</b>	<b>4.61</b>	<b>98.58</b>	<b>1,054.20</b>	<b>31.03</b>	<b>18.63</b>	<b>13.72</b>	<b>17.31</b>	<b>1,238.08</b>
Charge for the year	1.39	24.33	176.23	9.36	5.60	0.35	4.68	221.94
Disposals/write off/transfer	-	-	(1.97)	-	(0.01)	-	(9.61)	(11.59)
<b>At March 31, 2019</b>	<b>6.00</b>	<b>122.91</b>	<b>1,228.46</b>	<b>40.39</b>	<b>24.22</b>	<b>14.07</b>	<b>12.38</b>	<b>1,448.43</b>
<b>Net Block</b>								
At April 1, 2017	127.50	400.81	957.55	20.27	19.49	1.25	18.92	1,545.79
At March 31, 2018	122.58	387.66	1,042.55	14.05	16.28	1.46	15.45	1,600.03
At March 31, 2019	121.19	366.59	948.94	22.40	12.91	2.19	10.50	1,484.72

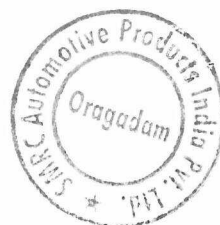
\* The Company has obtained land on lease at Oragadam measuring 8.88 acres from SIPCOT for a period of 99 years. Title deed is pending to be updated in the name of the Company.

\*\* Net block of Plant & Machinery is net of gain on purchase of SHIS Scrips as at March 31, 2019 of Rs. 5.28 million (As at March 31, 2018 - Rs. 6.37 million)



**SMRC Automotive Products India Private Limited***(Formerly Known as Reydel Automotive India Private Limited)***Notes to financial statements for the year ended March 31, 2019***(All amounts are in millions of Indian Rupees, unless otherwise stated)***Note 4(b)****Intangible Assets**

Particulars	Goodwill	IT Licence	Computer software	Total
<b>Cost</b>				
At April 1, 2017	212.48	58.36	3.34	274.18
Additions	-	-	1.01	1.01
Disposals	-	-	-	-
At March 31, 2018	212.48	58.36	4.35	275.19
Additions	-	0.09	0.45	0.54
Disposals	-	-	-	-
At March 31, 2019	212.48	58.45	4.80	275.73
<b>Depreciation</b>				
At April 1, 2017	127.48	17.86	2.27	147.61
Charge for the year	42.50	21.07	0.73	64.30
Disposals	-	-	-	-
At March 31, 2018	169.98	38.93	3.00	211.91
Charge for the year	42.50	19.45	0.95	62.90
Disposals	-	-	-	-
At March 31, 2019	212.48	58.38	3.95	274.81
<b>Net Block</b>				
At April 1, 2017	85.00	40.50	1.07	126.57
At March 31, 2018	42.50	19.43	1.35	63.28
At March 31, 2019	-	0.07	0.85	0.92





**SMRC Automotive Products India Private Limited**  
*(Formerly Known as Reydel Automotive India Private Limited)*  
**Notes to financial statements for the year ended March 31, 2019**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
<b>Financial assets</b>			
<b>5 Other financial assets (at amortised cost unless otherwise specified)</b>			
a) Non current			
Unsecured considered good			
Security deposits	21.52	55.45	50.66
	<b>21.52</b>	<b>55.45</b>	<b>50.66</b>
b) Current			
Unsecured considered good			
Security deposits	33.39	-	-
Advances to vendors	145.12	131.91	160.40
Deferred revenue expenditure	16.08	9.00	2.00
Advance to employees	10.28	6.13	5.49
Interest accrued on fixed deposits	0.14	1.26	0.00
	<b>205.01</b>	<b>148.30</b>	<b>167.89</b>
Unsecured, Considered doubtful			
Advances to vendors	2.37	2.37	2.37
	<b>2.37</b>	<b>2.37</b>	<b>2.37</b>
Less: Provision for doubtful advances	(2.37)	(2.37)	(2.37)
	<b>-</b>	<b>-</b>	<b>-</b>
	<b>205.01</b>	<b>148.30</b>	<b>167.89</b>
<b>Breakup of total financial assets carried at amortized cost:</b>			
Other financial assets (Refer Note 5)	226.53	203.75	218.55
Trade receivables (Refer Note 8)	733.04	514.32	574.27
Cash and cash equivalents (Refer Note 9)	545.73	459.07	269.39
<b>Total financial assets</b>	<b>1,505.30</b>	<b>1,177.14</b>	<b>1,062.21</b>
<b>6 Other assets (at amortised cost)</b>			
a) Non current			
Unsecured, Considered good			
Capital advances	4.32	6.45	51.88
Others*	39.82	-	-
	<b>44.14</b>	<b>6.45</b>	<b>51.88</b>
*Others includes amount paid under protest pertaining to income tax matters			
b) Current			
Unsecured, Considered good			
Prepaid expenses	14.18	13.51	19.22
Balances with government authorities	9.02	13.18	85.38
Others	0.21	7.79	0.32
	<b>23.41</b>	<b>34.48</b>	<b>104.92</b>
<b>7 Inventories (Valued at lower of cost and net realisable value)</b>			
Raw Materials (includes goods in transit as at March 31, 2019 of Rs. 4.12, March 31, 2018: Rs. 4.99, April 1, 2017: Rs Nil)	79.30	45.30	44.90
Work-in-Progress	8.57	7.87	5.01
Finished Goods	22.34	32.35	30.24
Stores and Spares	4.11	4.62	4.16
	<b>114.32</b>	<b>90.14</b>	<b>84.31</b>

(The above inventory values are net of provisions made of Rs. 5.23 million (March 31, 2018: Rs. 3.92 million, April 1, 2017: Rs. 2.30 million) for slow moving, obsolete and defective inventory).



**SMRC Automotive Products India Private Limited**  
*(Formerly Known as Reydel Automotive India Private Limited)*  
**Notes to financial statements for the year ended March 31, 2019**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
<b>8 Trade Receivables</b>			
Receivables from other related parties (refer Note 31)	37.27	15.29	26.34
Receivable from others	695.77	499.03	547.93
	<b>733.04</b>	<b>514.32</b>	<b>574.27</b>
<b>Breakup for security details:</b>			
Unsecured, Considered good	733.04	514.32	574.27
Unsecured, Consider doubtful	15.04	12.28	6.51
	<b>748.08</b>	<b>526.60</b>	<b>580.77</b>
Less: Provision for doubtful receivables	(15.04)	(12.28)	(6.51)
	<b>733.04</b>	<b>514.32</b>	<b>574.27</b>

**Terms and conditions of the above financial liabilities:**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further, there are no trade or other receivable which are due from firms or private companies respectively in which any director is a partner, a director or a member.

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

**9 Cash and Cash Equivalents**

Cash on hand	-	-	-
Balances with banks:			
– On current accounts	519.73	277.57	158.39
– Deposits with original maturity of less than three months	26.00	181.50	111.00
	<b>545.73</b>	<b>459.07</b>	<b>269.39</b>

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

**For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:**

Cash on hand	-	-	-
Balances with banks:			
– On current accounts	519.73	277.57	158.39
– Deposits with original maturity of less than three months	26.00	181.50	111.00
	<b>545.73</b>	<b>459.07</b>	<b>269.39</b>

**Changes in liabilities arising from financing activities**

Particulars	April 1, 2018	Net cash flows	Others	March 31, 2019
Long term borrowings	142.50	(95.00)	-	47.50
Interest accrued but not due	-	(11.16)	11.16	-
<b>Total liabilities from financing activities</b>	<b>142.50</b>	<b>(106.16)</b>	<b>11.16</b>	<b>47.50</b>

Particulars	April 1, 2017	Net cash flows	Others	March 31, 2018
Long term borrowings	237.50	(95.00)	-	142.50
Interest accrued but not due	-	(21.13)	21.13	-
<b>Total liabilities from financing activities</b>	<b>237.50</b>	<b>(116.13)</b>	<b>21.13</b>	<b>142.50</b>



**10 Share Capital**

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>Authorised Capital</b>			
146,781,849 (March 31, 2018 : 146,781,849) equity shares of Rs. 10/- each	1,467.82	1,467.82	1,467.82
<b>Issued, Subscribed and Paid-up Capital</b>			
116,616,312 (March 31, 2018 : 116,616,312) equity shares of Rs. 10/- each	1,166.16	1,166.16	1,166.16
	<u>1,166.16</u>	<u>1,166.16</u>	<u>1,166.16</u>

**a) The Reconciliation of shares capital is given below:**

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	No. of Shares	No. of Shares	No. of Shares
<b>Equity Shares</b>			
At the beginning of the year	116,616,312	116,616,312	116,616,312
At the end of the year	<u>116,616,312</u>	<u>116,616,312</u>	<u>116,616,312</u>

**b) Terms/Rights attached to class of shares**

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

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

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	No. of Shares	No. of Shares	No. of Shares
<b>Name of the shareholder</b>			
<b>Equity shares of Rs. 10 each fully paid-up</b>			
(i) SMRC Automotive Holdings Netherlands B.V.	116,616,310	116,616,310	116,616,310
(ii) SMRC Automotives Techno Minority Holdings B.V. - held on behalf of SMRC Automotive Holdings Netherlands B.V.	2	2	2
	*	*	*

\* Value of shares is less than Rs. 10

**d) Details of Shareholder(s) holding more than 5 percent of Equity Shares in the Company**

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	No. of Shares	% of total shares in the class	No. of Shares
<b>Name of the shareholder</b>			% of total shares in the class

<b>Equity shares of Rs. 10 each fully paid-up</b>			
SMRC Automotive, BV	116,616,310	99.99%	116,616,310
<b>Other Equity</b>			

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>Securities premium reserve*</b>	35.50	35.50	35.50
<b>Retained earnings</b>	516.16	466.53	385.87
	<u>551.66</u>	<u>502.03</u>	<u>421.37</u>

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



**SMRC Automotive Products India Private Limited**  
*(Formerly Known as Reydel Automotive India Private Limited)*  
**Notes to financial statements for the year ended March 31, 2019**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
<b>12 Borrowings</b>			
<b>Non-Current borrowings</b>			
Term loan from HDFC bank (secured)*	-	47.50	142.50
<b>Total Non current borrowings</b>	-	47.50	142.50
<b>Current borrowings:</b>			
<b>Current maturities of long term loan</b>			
Term loan from HDFC bank (secured)*	47.50	95.00	95.00
<b>Total secured borrowings</b>	47.50	95.00	95.00
Less: Amount clubbed under "Other financial liabilities"	(47.50)	(95.00)	(95.00)
<b>Total borrowings</b>	-	-	-

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

**13 Deferred tax liabilities (net)**

	Balance Sheet			Statement of Profit and Loss	
Nature deferred tax assets / (liabilities)	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017	As at 31-Mar-2019	As at 31-Mar-2018
<b>Deferred tax liability</b>					
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged in the financials	53.33	57.19	46.83	(3.86)	10.36
<b>Gross deferred tax liability</b>	53.33	57.19	46.83	(3.86)	10.36
<b>Deferred tax assets</b>					
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	17.62	19.49	17.23	(1.87)	2.26
Provision for doubtful debts	5.25	5.07	2.94	0.18	2.13
<b>Gross deferred tax asset</b>	22.87	24.56	20.17	(1.69)	4.39
<b>Net deferred tax liability</b>	30.46	32.63	26.66	(2.17)	5.97

**14A Trade payables**

Trade payables			
- Related parties	53.13	155.79	214.34
- Dues to Micro, Small and Medium Enterprises (refer note 34))	17.95	19.91	16.54
- Others	662.04	499.66	473.63
	<b>733.12</b>	<b>675.36</b>	<b>704.51</b>

**Terms and conditions of the above financial liabilities:**

Trade payables are non interest bearing and carry a credit period generally between 30 and 90 days

**14B Other Payables**

Other Payables	354.67	227.04	234.04
	<b>354.67</b>	<b>227.04</b>	<b>234.04</b>



**SMRC Automotive Products India Private Limited**  
*(Formerly Known as Reydel Automotive India Private Limited)*  
**Notes to financial statements for the year ended March 31, 2019**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
<b>15 Other financial liabilities</b>			
<b>At amortised cost</b>			
Current maturities of long term loan	47.50	95.00	95.00
Interest accrued on term loan	0.43	1.26	2.19
	<b>47.93</b>	<b>96.26</b>	<b>97.19</b>
<b>16 Short term provision</b>			
Provision for gratuity	9.37	8.85	1.93
Provision for compensated absences, bonus and others	38.75	45.16	51.38
	<b>48.12</b>	<b>54.01</b>	<b>53.31</b>
<b>17 Tax liability/(asset)</b>			
<b>Tax liabilities:</b>			
Provision for current tax (net) - current	24.86	24.86	22.97
	<b>24.86</b>	<b>24.86</b>	<b>22.97</b>
<b>Tax assets</b>			
Advance income tax (net) - non-current	7.39	21.86	21.86
	<b>7.39</b>	<b>21.86</b>	<b>21.86</b>
<b>18 Other liabilities</b>			
Statutory dues including provident fund and tax deducted at source	94.53	10.30	8.41
	<b>94.53</b>	<b>10.30</b>	<b>8.41</b>



*(This space has been kept intentionally blank)*



**SMRC Automotive Products India Private Limited***(Formerly Known as Reydel Automotive India Private Limited)***Notes to financial statements for the year ended March 31, 2019***(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	March 31, 2019	March 31, 2018
<b>19 Revenue from contracts with customers</b>		
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
<b>Revenue from operations</b>		
Sale of automotive parts	4,137.49	4,095.90
Sale of services	27.32	18.61
<b>Other operating revenue</b>		
Sale of tools	657.74	386.32
<b>Total revenue from contracts with customers</b>	<b>4,822.55</b>	<b>4,500.83</b>

Sale of automotive parts and tools includes excise duty collected from customer of Rs. Nil (March 31, 2018: Rs. 123.73). Sale of automotive parts and tools net of excise duty is Rs. 4,818.31 (March 31, 2018: Rs. 4,358.49). Revenue from operations for previous periods up to June 30, 2017 includes excise duty. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The group collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended March 31, 2019 is not comparable March 31, 2018.

**Contract balances**

Particulars	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Trade receivables	733.04	514.32	574.27
Contract assets	91.81	52.19	53.92
Contract liabilities	244.97	214.18	202.26

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

Contract assets are initially recognised for revenue earned from Sale of tools as receipt of consideration is conditional on successful acceptance and signing off of Part submission warrant. Upon sign off and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The outstanding balances of these accounts increased in 2017-18 due to the continuous increase in the Company's customer base.

Contract liabilities include short-term advances received from customer as well as amount billed in advance for manufacture of tools. The outstanding balances of these accounts increased in 2017-18 due to the continuous increase in the Company's customer base.

**20 Finance Income**

Interest income on		
- Bank deposits	26.82	15.96
- Others	2.72	-
	<b>29.54</b>	<b>15.96</b>

**21 Other income**

Profit on sale of fixed assets	0.54	-
Recovery of engineering cost	3.00	32.00
Liabilities no longer required written back *	15.62	10.79
Exchange differences (net)	-	4.32
Scrap sale	12.00	6.26
Other income	30.43	25.85
	<b>61.59</b>	<b>79.22</b>

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





**SMRC Automotive Products India Private Limited**  
*(Formerly Known as Reydel Automotive India Private Limited)*  
**Notes to financial statements for the year ended March 31, 2019**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	March 31, 2019	March 31, 2018
<b>22 Cost of raw material and components consumed</b>		
Inventory at the beginning of the year	45.30	44.90
Add: Purchases	2,545.92	2,383.50
	<b>2,591.22</b>	<b>2,428.40</b>
Less: Inventory at the end of the year	79.30	45.30
Cost of raw material and components consumed	<b>2,511.92</b>	<b>2,383.10</b>
<b>23 Cost of tools sold</b>		
Inventory at the beginning of the year	-	-
Add: Purchases	563.62	325.47
<b>Tool development &amp; service cost</b>	563.62	325.47
Less: Inventory at the end of the year	-	-
Cost of tools sold	<b>563.62</b>	<b>325.47</b>
<b>24 (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods</b>		
<b>Inventory at the end of the year</b>		
Work in progress	8.57	7.87
Finished goods	22.34	32.35
	<b>30.91</b>	<b>40.22</b>
<b>Inventory at the beginning of the year</b>		
Work in progress	7.87	5.01
Finished goods	32.35	30.24
	<b>40.22</b>	<b>35.25</b>
	<b>9.31</b>	<b>(4.97)</b>
<b>25 Employee benefits expense</b>		
Salaries, wages and bonus	437.32	409.93
Contribution to provident and other funds	24.20	22.41
Gratuity expense (refer Note 30)	5.86	12.87
Staff welfare expense	66.40	61.45
	<b>533.78</b>	<b>506.66</b>
<b>26 Finance costs</b>		
Interest expenses		
- on term loan	10.33	20.21
Bank charges	3.77	3.12
	<b>14.10</b>	<b>23.33</b>



**SMRC Automotive Products India Private Limited***(Formerly Known as Reydel Automotive India Private Limited)***Notes to financial statements for the year ended March 31, 2019***(All amounts are in millions of Indian Rupees, unless otherwise stated)*

	March 31, 2019	March 31, 2018
<b>27 Other expenses</b>		
Consumption of stores and spares and consumable tools	33.94	31.17
Freight charges (outbound)	57.88	53.41
Power and fuel	137.74	135.56
Rent	74.94	76.33
Repairs - plant and machinery	51.42	58.82
Insurance expense	7.13	8.22
Rates and taxes	10.68	10.74
Printing & stationery	4.36	2.75
Communication expense	2.00	1.38
Travelling expenses	32.98	32.48
Site maintenance and purchased services	141.01	107.87
Administration, information technology and service charges	228.60	211.36
Corporate social responsibility (refer note A below)	2.24	1.39
Legal & professional fees	13.99	14.44
Development and testing charges	70.44	36.21
Provision for engineering cost settlement for earlier years	-	23.23
Payment to auditors (refer note B below)	3.65	3.71
Exchange differences (net)	10.15	-
Provision for doubtful debts	2.76	6.79
Loss on sale of fixed assets	-	0.72
Miscellaneous expenses	2.42	0.91
	<b>888.32</b>	<b>817.49</b>

**A. Corporate Social Responsibility**

<b>i. Gross amount required to be spent by the Company during the year</b>	2.24	4.07
--	------	------

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

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

**iii. Amount spent during the year ended on March 31, 2018**

	In Cash	Yet to be paid in Cash	Total
(a) Construction / acquisition of any asset	-	-	-
(b) On purpose other than (i) above			
- in Cash	-	-	-
- through Bank	1.39	2.68	4.07

**B. Payment to auditor**

As auditor :

Statutory audit	1.20	3.00
Limited reviews of unaudited financial results	0.60	-
Tax audit	0.50	0.50
Other services	1.00	-
Reimbursement of expenses	0.35	0.21
	<b>3.65</b>	<b>3.71</b>



**SMRC Automotive Products India Private Limited**

(Formerly Known as Reydel Automotive India Private Limited)

**Notes to financial statements for the year ended March 31, 2019**

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

	March 31, 2019	March 31, 2018
<b>28 Income Tax Expense</b>		
The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:		
<b>Profit or loss</b>		
Current Tax:		
Current income tax charge	56.58	57.08
<b>Deferred Tax:</b>		
Relating to the origination and reversal of temporary differences	(2.17)	5.97
<b>Income Tax expense reported in the statement of the profit and loss</b>	<b>54.41</b>	<b>63.05</b>
<b>OCI</b>		
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on remeasurements of defined benefit plans	1.99	0.21
<b>Income tax charged to OCI</b>	<b>1.99</b>	<b>0.21</b>

**Reconciliation of tax expense and the accounting profit multiplied by Corporate income tax rate applicable for March 31, 2019 and March 31, 2018**

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

Accounting Profit before income tax	107.79	144.11
Profit before tax multiplied by statutory income tax rate in India of 34.944% (March 31, 2018: 34.608%)	37.67	49.87
<b>Effects of</b>		
Non-admissible expenses for tax purposes:	16.74	13.18
	<b>54.41</b>	<b>63.05</b>

**29 Earnings Per Share (EPS)**

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

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

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

		Year Ended March 31, 2019	Year Ended March 31, 2018
Profit after tax		53.38	81.06
Net profit attributable to equity holder of the Company used in calculating earning per share (A)		53.38	81.06
Weighted average number of equity shares for calculating basic EPS (in million) (B)		116,616,312	116,616,312
<b>Effect of dilution</b>			
Potential convertible equity shares (C)		-	-
Weighted average number of equity shares for calculating diluted EPS (in million) (D=B+C)		116,616,312	116,616,312
- Basic EPS (in Rs.) (A/B)		0.46	0.70
- Diluted EPS (in Rs.) (A/D)		0.46	0.70



(This space has been intentionally left blank)



**SMRC Automotive Products India Private Limited***(Formerly Known as Reydel Automotive India Private Limited)***Notes to financial statements for the year ended March 31, 2019***(All amounts are in millions of Indian Rupees, unless otherwise stated)***30 Gratuity plan**

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

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

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

Particulars	March 31, 2019	March 31, 2018
Current service cost	5.11	3.96
Interest cost on benefit obligation	0.75	(0.06)
Past service cost	-	8.96
<b>Net benefit expense</b>	<b>5.86</b>	<b>12.87</b>

**Amount recognised in the statement of other comprehensive income**

Particulars	March 31, 2019	March 31, 2018
Total actuarial (gains)/losses	5.74	0.61
Return on plan assets (greater)/less than discount rate	-	-
<b>Actuarial (gains)/ losses recognized in OCI</b>	<b>5.74</b>	<b>0.61</b>

**Balance sheet****Benefit liability**

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Present value of defined benefit obligation	50.09	42.79	30.34
Fair value of plan assets	40.73	33.94	28.41
<b>Plan liability</b>	<b>9.36</b>	<b>8.85</b>	<b>1.93</b>

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

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Net defined benefit asset/ (liability) at end of prior period	42.79	30.34	25.43
Current service cost	5.11	3.96	3.87
Interest cost	3.50	2.33	2.08
Benefit paid	(8.52)	(2.97)	(3.99)
Actuarial (gains) / losses on obligation	7.21	0.17	2.95
Past service cost	-	8.96	-
<b>Closing defined benefit obligation</b>	<b>50.09</b>	<b>42.79</b>	<b>30.34</b>

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

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Fair value of plan assets at the beginning of the year	33.94	28.41	20.81
Expected return on plan assets	2.75	2.39	1.66
Contributions	11.09	6.56	4.78
Benefits paid	(8.52)	(2.97)	(3.99)
Actuarial gain / (loss) on plan assets	1.47	(0.45)	5.15
<b>Fair value of plan assets at the end of the year</b>	<b>40.73</b>	<b>33.94</b>	<b>28.41</b>

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

	March 31, 2019	March 31, 2018	April 01, 2017
Investments with the insurer	100%	100%	100%



**SMRC Automotive Products India Private Limited***(Formerly Known as Reydel Automotive India Private Limited)***Notes to financial statements for the year ended March 31, 2019***(All amounts are in millions of Indian Rupees, unless otherwise stated)***Amounts for the current year and previous year are as follows :**

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Defined benefit obligation	50.09	42.79	30.34
Fair value of Plan assets	(40.73)	(33.94)	(28.41)
(Deficit)/ surplus	9.36	8.85	1.93
Service cost	5.11	3.96	3.87
Defined benefit cost recognised in Profit or loss	5.86	12.87	4.29
Remeasurements recognised in Other Comprehensive Income (OCI) Loss/(Gains)	5.74	0.61	(2.19)

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

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Discount rate	7.60%	7.80%	7.29%
Expected return on plan assets	7.60%	7.80%	7.29%
Salary escalation	8.00%	8.00%	8.00%
Employee Turnover	1% - 3%	1% - 3%	1% - 3%

The estimates of future salary increases, considered in actuarial valuation, take account of price inflation, regular increments and promotions and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

A quantitative sensitivity analysis for significant assumptions is as shown below:

**Gratuity**

Sensitivity level	Impact on defined benefit obligation	
	March 31, 2019	March 31, 2018
Defined Benefit Obligation - Discount Rate + 100 basis points	(6.65)	(5.19)
Defined Benefit Obligation - Discount Rate - 100 basis points	7.01	5.91
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	5.35	5.08
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(4.58)	(4.57)

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

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

Particulars	Expected benefit payment March 31, 2019	Expected benefit payment March 31, 2018
Within the next 12 months (next annual reporting period)	1.17	1.08
Between 2 and 5 years	5.51	4.76
Between 5 and 10 years	9.68	11.02
Beyond 10 years	-	-
Total Expected payment	16.37	16.85



**SMRC Automotive Products India Private Limited***(Formerly Known as Reydel Automotive India Private Limited)***Notes to financial statements for the year ended March 31, 2019***(All amounts are in millions of Indian Rupees, unless otherwise stated)***31 Related party disclosure****a) Names of related parties and related party relationship**

Description of relationship	Name of the party
Ultimate Holding Company	Motherson Sumi Systems Limited - India (w.e.f August 1, 2018)
Holding Company	SMRC Automotive Holdings Netherlands B.V. - Netherlands
Fellow subsidiaries / body corporates / other related party	SMRC Automotives Techno Minority Holdings B.V. - Netherlands SMRC Automotive Interiors Japan Ltd. - Japan SMRC Automotive Technology RU LLC - Russia Samvardhana Motherson Reydel Autotecc Morocco SAS - Morocco Yujin SMRC Automotive Techno Corp. - Korea SMRC Fabricação e Comércio de Produtos Automotivos do Brasil Ltda. - Brazil SMRC Automotive Interior Modules Croatia d.o.o. - Croatia PT SMRC Automotive Technology Indonesia - Indonesia SMRC Automotive Modules France SAS - France SMRC Automotive Smart Interior Tech (Thailand) Ltd. - Thailand Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U. - Spain SMRC Automotive Interiors Products Poland SA - Poland SMRC Smart Interior Systems Germany GmbH - Germany SMRC Smart Automotive Interior Technologies USA, LLC - USA SMRC Automotive Solutions Slovakia s.r.o. - Slovakia SMRC Automotive Interiors Spain S.L.U. - Spain SMRC Automotives Technology Phil Inc. - Philippines SMRC Automotive Tech Argentina S.A. - Argentina Anest Iwata Motherson Private Limited - India (w.e.f August 1, 2018) CTM India Limited - India (w.e.f August 1, 2018) Motherson Automotive Technologies and Engineering (a division of Motherson Sumi Systems Limited) - India (w.e.f August 1, 2018)
Key Management Personnel ('KMP')	Mr. Anand Thiagarajan - Director (up to August 20, 2018) Mr. Naresh Varadan - Director (up to December 14, 2018) Mr. Rakesh Satwa - Director (from December 12, 2018) Mr. Amit Bhakri - Director (from December 12, 2018) Mr. Sanjay Mehta - Director (from December 12, 2018)





**SMRC Automotive Products India Private Limited**

(Formerly Known as Reydel Automotive India Private Limited)

**Notes to financial statements for the year ended March 31, 2019**

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

**b. Details of related party transactions during the year ended March 31, 2019 and March 31, 2018 and balance as at March 31, 2019, March 31, 2018 and April 01, 2017:**

Particulars	Holding / Ultimate holding company		Fellow subsidiaries/body corporate		Key Managerial Personnel		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
<b>Transaction during the year</b>								
SMRC Automotive Interiors Spain S.L.U.	-	-	18.95	22.65	-	-	18.95	22.65
SMRC Automotive Modules France SAS	-	-	54.12	55.20	-	-	54.12	55.20
Motherson Automotive Technologies and Engineering - (a division of Motherson Sumi Systems Limited)	-	-	0.40	-	-	-	0.40	-
<b>Sales of automotive parts</b>								
PT SMRC Automotive Technology Indonesia - Indonesia	-	-	73.47	77.85	-	-	73.47	77.85
<b>Sales of tools</b>								
SMRC Automotive Smart Interior Tech (Thailand) Ltd.	-	-	19.94	-	-	-	19.94	-
Motherson Sumi Systems Limited	0.45	-	19.94	-	-	-	19.94	-
Motherson Automotive Technologies and Engineering - (a division of Motherson Sumi Systems Limited)	-	-	19.94	-	-	-	19.94	-
<b>Purchase of automotive parts</b>								
SMRC Automotive Holdings Netherlands B.V.	0.45	-	44.51	-	-	-	44.51	-
<b>Sale of services</b>								
PT SMRC Automotive Technology Indonesia	19.19	18.61	-	-	-	-	19.19	18.61
<b>Advance received against tooling orders</b>								
CTM India Limited	19.19	18.61	108.78	-	-	-	19.19	18.61
Motherson Automotive Technologies and Engineering - (a division of Motherson Sumi Systems Limited)	-	-	-	11.78	-	-	-	11.78
<b>Advance paid to vendors</b>								
Motherson Automotive Technologies and Engineering - (a division of Motherson Sumi Systems Limited)	-	-	14.82	11.78	-	-	-	11.78
<b>Capital advances</b>								
	-	-	2.95	-	-	-	2.95	-
	-	-	17.77	-	-	-	17.77	-
	-	-	1.32	-	-	-	1.32	-
	-	-	1.32	-	-	-	1.32	-



**SMIRC Automotive Products India Private Limited**

(Formerly Known as Reydel Automotive India Private Limited)

Notes to financial statements for the year ended March 31, 2019

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

b. Details of related party transactions during the year ended March 31, 2019 and March 31, 2018 and balance as at March 31, 2019, March 31, 2018 and April 01, 2017

Particulars	Holding / Ultimate holding company		Fellow subsidiaries/body corporate		Key Managerial Personnel		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
SMIRC Automotive Holdings Netherlands B.V.	247.79	211.36	-	-	-	-	247.79	211.36
Administration, Information Technology and Service Charges	247.79	211.36	-	-	-	-	247.79	211.36
SMIRC Automotives Technology Phil Inc.	-	-	-	3.37	-	-	-	3.37
Reimbursement of expenses	-	-	-	3.37	-	-	-	3.37
Short term employee benefit (Including Provident fund paid as employer contribution)	-	-	-	-	14.73	18.44	-	-
Salaries, allowances and perquisites #	-	-	-	-	14.73	18.44	14.73	18.44

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



## Notes to financial statements for the year ended March 31, 2019

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

## b. Details of related party transactions during the year ended March 31, 2019 and March 31, 2018 and balance as at March 31, 2019, March 31, 2018 and April 01, 2017:

Particulars	Holding / Ultimate holding company		Fellow subsidiaries/body corporate			Key Managerial Personnel			Total	
	March 31, 2019	March 31, 2018	April 01, 2017	March 31, 2019	March 31, 2018	April 01, 2017	March 31, 2019	March 31, 2018	April 01, 2017	March 31, 2018
<b>Balance receivable as at the year end:</b>										
SMRC Automotive Modules France SAS	-	-	-	24.19	4.38	22.16	-	-	-	4.38
Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.	-	-	-	6.75	7.54	4.18	-	-	-	7.54
PT SMRC Automotive Technology Indonesia	-	-	-	6.31	-	-	-	-	-	-
SMRC Automotive Technology Phil Inc.	-	-	-	-	3.37	-	-	-	-	3.37
Motherson Automotive Technologies and Engineering - (a division of Motherson Sumi Systems Limited)	-	-	-	0.02	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>37.27</b>	<b>15.29</b>	<b>26.34</b>	-	-	-	<b>15.29</b>
<b>Balance payable as at the year end:</b>										
SMRC Automotive Holdings Netherlands B.V.	37.63	155.79	214.34	-	-	-	37.63	155.79	214.34	-
SMRC Automotive Smart Interior Tech (Thailand) Ltd.	-	-	-	5.77	-	-	5.77	-	-	-
Anest Iwata Motherson Private Limited	-	-	-	0.29	-	-	0.29	-	-	-
Motherson Sumi Systems Limited	0.05	-	-	-	-	-	0.05	-	-	-
Motherson Automotive Technologies and Engineering - (a division of Motherson Sumi Systems Limited)	-	-	-	9.39	-	-	9.39	-	-	-
<b>Total</b>	<b>37.68</b>	<b>155.79</b>	<b>214.34</b>	<b>15.45</b>	-	-	<b>53.13</b>	<b>155.79</b>	<b>214.34</b>	<b>155.79</b>

## Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: Nil and April 1, 2017: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



**SMRC Automotive Products India Private Limited***(Formerly Known as Reydel Automotive India Private Limited)*

Notes to financial statements for the year ended March 31, 2019

*(All amounts are in millions of Indian Rupees, unless otherwise stated)***32 Segment reporting**

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

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

**Geographical information**

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

Particulars	Domestic	Overseas	Total
<b>Revenue from operations</b>			
<b>For the year ended March 31, 2019</b>	<b>4,433.99</b>	<b>388.57</b>	<b>4,822.55</b>
For the year ended March 31, 2018	4,329.36	171.47	4,500.83

**33 Leases****Finance lease commitments**

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

**Operating lease: Company as lessee**

The Company has taken certain premises under cancellable and non-cancellable operating leases. Lease rentals in respect of assets taken on these operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Future minimum lease payments under the non-cancellable operating lease are as

**Particulars****In cases of assets taken on operating lease**

Lease payment (net) charged during the period to the Statement of profit and loss

**Total**

March 31, 2019	March 31, 2018
----------------	----------------

74.94	76.33
-------	-------

<b>74.94</b>	<b>76.33</b>
--------------	--------------

Future lease payments payable under above lease (during contract period) is as follows (only non-cancellable lease):

**Particulars**

Not later than one year

Later than one year but not later than five years

Later than five years

**Total**

March 31, 2019	March 31, 2018
----------------	----------------

38.51	46.22
-------	-------

-	38.51
---	-------

-	-
---	---

<b>38.51</b>	<b>84.73</b>
--------------	--------------



**SMRC Automotive Products India Private Limited**

(Formerly Known as Reydel Automotive India Private Limited)

**Notes to financial statements for the year ended March 31, 2019**

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

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

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year:			
Principal amount due to micro and small enterprises	17.95	19.91	16.54
Interest due on above	0.64	-	-
<b>Total</b>	<b>18.59</b>	<b>19.91</b>	<b>16.54</b>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.64	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	0.64	-	-

**35 Provisions and contingencies**

**a) Contingent liabilities (not provided for)**

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
In respect of service tax matters*	11.44	11.44	11.44
In respect of sales tax matters**	1.77	-	-
In respect of Income tax matters***	199.08	1.27	-
<b>Total</b>	<b>212.29</b>	<b>12.71</b>	<b>11.44</b>

\* The Department has denied Cenvat Credit in respect of Service Tax paid on Warehousing services and Goods Transport Agency (GTA) services used for outward transportation of finished goods for the period April 2010 to August 2016 amounting to Rs. 7.04 and has imposed interest and penalty of Rs. 4.40, respectively. The Company has gone on an appeal and the matter is currently pending with CESTAT appeal (Tribunal). Management is confident of succeeding in this litigation, by providing the requisite documentation to the relevant authorities.

\*\* The Company has received a sales tax assessment order for financial year 2014-15. As per the order, there are certain disallowances made by the sales tax authorities, who have demanded an amount of Rs. 0.94 along with the interest of Rs. 0.83. In respect of the tax demand and interest thereon, the Company has paid an amount of Rs. 0.094 under protest. The Company has gone on appeal and the matter is currently pending with the Joint Commissioner of Sales tax. Management is confident of succeeding in this litigation by providing the requisite documentation to the relevant authorities.

\*\*\*

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

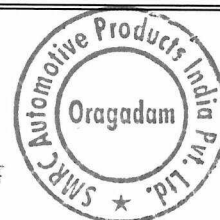
b) The Company has received assessment order for financial year 2014-15 made by the Income tax authorities for certain disallowances under section 37 of the Income tax act, 1961. The total upward adjustment made amounting to Rs. 59.19 (tax demand amounting to Rs. 11.58 (the Company has paid Rs. 2.31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

**Other matters**

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

**b) Capital and other commitments**

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Estimated amount of contracts remaining to be executed on capital account, net of advances	32.48	13.93	46.43
<b>Total</b>	<b>32.48</b>	<b>13.93</b>	<b>46.43</b>



**SMRC Automotive Products India Private Limited**  
*(Formerly Known as Reydel Automotive India Private Limited)*  
**Notes to financial statements for the year ended March 31, 2019**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

**36 Financial instruments by category**

**Fair values**

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

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

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2018:

Particulars	Amortised Cost	Financial assets/liabilities at fair value through profit and loss	Total carrying value	Total fair value
<b>Financial assets</b>				
Trade receivables	514.32	-	514.32	514.32
Other financial assets	203.75	-	203.75	203.75
Cash and Cash Equivalent	459.07	-	459.07	459.07
<b>Total</b>	<b>1,177.14</b>	<b>-</b>	<b>1,177.14</b>	<b>1,177.14</b>
<b>Financial liabilities</b>				
Borrowings	47.50	-	47.50	47.50
Trade payables	675.36	-	675.36	675.36
Other payables	227.04	-	227.04	227.04
Other financial liabilities	96.26	-	96.26	96.26
<b>Total</b>	<b>1,046.16</b>	<b>-</b>	<b>1,046.16</b>	<b>1,046.16</b>

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of April 01, 2017:

Particulars	Amortised Cost	Financial assets/liabilities at fair value through profit and loss	Total carrying value	Total fair value
Trade receivables	574.27	-	574.27	574.27
Other financial assets	218.55	-	218.55	218.55
Cash and Cash Equivalent	269.39	-	269.39	269.39
<b>Total</b>	<b>1,062.21</b>	<b>-</b>	<b>1,062.21</b>	<b>1,062.21</b>
<b>Financial liabilities</b>				
Borrowings	142.50	-	142.50	142.50
Trade payables	704.51	-	704.51	704.51
Other payables	234.04	-	234.04	234.04
Other financial liabilities	97.19	-	97.19	97.19
<b>Total</b>	<b>1,178.24</b>	<b>-</b>	<b>1,178.24</b>	<b>1,178.24</b>

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



**SMRC Automotive Products India Private Limited**

*(Formerly Known as Reydel Automotive India Private Limited)*

**Notes to financial statements for the year ended March 31, 2019**

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

**37 Significant accounting judgements, estimates and assumptions**

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

**Judgements**

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

**Employee benefit plans**

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

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

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

Further details about gratuity obligations are given in Note 30.

**Provision and contingent liability**

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

**Useful lives of depreciable assets**

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

**Provision for inventories**

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

**Allowance for uncollectible trade receivables**

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



**SMRC Automotive Products India Private Limited**  
*(Formerly Known as Reydel Automotive India Private Limited)*  
**Notes to financial statements for the year ended March 31, 2019**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

**38 Financial instruments risk management objectives and policies**

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

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

**(a) Market risk**

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

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

**Foreign currency risk**

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

**Foreign currency sensitivity**

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

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

Foreign currency exposure	As at March 31, 2019		As at March 31, 2018	
	Foreign currency monetary assets	Foreign currency monetary liabilities	Foreign currency monetary assets	Foreign currency monetary liabilities
USD	0.05	0.06	0.02	0.13
EURO	0.02	-	0.01	-

**Foreign currency sensitivity**

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





**SMRC Automotive Products India Private Limited***(Formerly Known as Reydel Automotive India Private Limited)***Notes to financial statements for the year ended March 31, 2019***(All amounts are in millions of Indian Rupees, unless otherwise stated)***(b) Credit risk**

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

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

To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Company considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtors ability to meet its obligations.
- Significant changes in the expected performance and behaviour of the debtors, including changes in the payment status of debtors in the group and changes in the operating results of the debtors.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the debtors
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtors will enter bankruptcy or other financial reorganisation.

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

**Financial instruments and cash deposits**

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

**(c) Liquidity risk**

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

**Maturity profile of financial liabilities:**

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

Particulars	Less than 1 year	More than 1 year	Total
<b>As at March 31, 2019</b>			
Borrowings	-	-	-
Trade Payables	733.12	-	733.12
Other payables	354.67	-	354.67
Other financial liabilities	47.93	-	47.93
	<b>1,135.72</b>	<b>-</b>	<b>1,135.72</b>
<b>As at March 31, 2018</b>			
Borrowings	-	47.50	47.50
Trade Payables	675.36	-	675.36
Other payables	227.04	-	227.04
Other financial liabilities	96.26	-	96.26
	<b>998.66</b>	<b>47.50</b>	<b>1,046.16</b>
<b>As at April 1, 2017</b>			
Borrowings	-	142.50	142.50
Trade Payables	704.51	-	704.51
Other payables	234.04	-	234.04
Other financial liabilities	97.19	-	97.19
	<b>1,035.74</b>	<b>142.50</b>	<b>1,178.24</b>



**SMRC Automotive Products India Private Limited**

*(Formerly Known as Reydel Automotive India Private Limited)*

**Notes to financial statements for the year ended March 31, 2019**

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

**39 First time adoption of Ind AS**

As stated in note 2, these are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS statement of financial position as at April 01, 2017 (the Company's date of transition).

These financial statements, for the year ended March 31, 2019, are the first financial statement which Company has prepared in accordance with Ind AS. In preparing these financial statements, Company's opening statement of financial position was prepared as at April 01, 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the statement of financial position as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

In preparing its opening Ind AS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP. An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out below.

**a) Exemptions availed under Ind AS 101**

In preparing these financial statements, the Company has availed itself of certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

**(i) Deemed cost - Property, plant and equipment**

The Company has elected to continue with the carrying value for all its property, plant and equipment including Intangible assets as recognised in its Indian GAAP financials as deemed cost at the transition date.

**(ii) Business Combination**

Ind AS 103 Business Combination has not been applied to transactions that have occurred before April 1, 2017. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the transition.

**b) Estimates**

The estimates at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation.



**SMRC Automotive Products India Private Limited***(Formerly Known as Reydel Automotive India Private Limited)***Notes to financial statements for the year ended March 31, 2019***(All amounts are in millions of Indian Rupees, unless otherwise stated)***Explanation of transition to Ind AS**

The below mentioned reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101 for the following:

- equity as at 1 April 2017;
- equity as at 31 March 2018 and
- profit for the year ended 31 March 2018

**Reconciliation of Equity as at April 1, 2017 (Date of transition to Ind AS)**

	Notes	Indian GAAP	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property Plant and Equipment		1,545.79	-	1,545.79
Intangible assets		126.57	-	126.57
Capital Work-in-Progress		27.92	-	27.92
Financial assets				
Other financial assets		50.66	-	50.66
Non-current tax assets		21.86	-	21.86
Income tax assets (net)		-	-	-
Other assets		51.88	-	51.88
<b>Total Non Current Assets</b>		<b>1,824.68</b>	<b>-</b>	<b>1,824.68</b>
<b>Current Assets</b>				
Inventories	39.5	138.23	(53.92)	84.31
Contract assets	39.5	-	53.92	53.92
Financial Assets				
Trade receivables		574.27	-	574.27
Other financial assets		167.89	-	167.89
Cash and cash equivalents		269.39	-	269.39
Other assets	39.6	102.92	2.00	104.92
<b>Total Current Assets</b>		<b>1,252.70</b>	<b>2.00</b>	<b>1,254.70</b>
<b>Total Assets</b>		<b>3,077.38</b>	<b>2.00</b>	<b>3,079.38</b>

**EQUITY AND LIABILITIES**

<b>Equity</b>				
Equity Share Capital		1,166.16	-	1,166.16
Other Equity		401.91	19.46	421.37
<b>Total Equity</b>		<b>1,568.07</b>	<b>19.46</b>	<b>1,587.53</b>
<b>Non-Current Liabilities</b>				
Other liabilities				-
Borrowings		142.50	-	142.50
Deferred tax liabilities (net)		26.66	-	26.66
<b>Total Non-Current Liabilities</b>		<b>169.16</b>	<b>-</b>	<b>169.16</b>
<b>Current Liabilities</b>				
Contract liabilities		202.26	-	202.26
Financial Liabilities				-
Borrowings		-	-	-
Trade payables		704.51	-	704.51
Other payables	39.6	251.50	(17.46)	234.04
Other financial liabilities		97.19	-	97.19
Short term provisions		53.31	-	53.31
Current tax liabilities		22.97	-	22.97
Other liabilities		8.41	-	8.41
<b>Total Current Liabilities</b>		<b>1,340.15</b>	<b>(17.46)</b>	<b>1,322.69</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,077.38</b>	<b>2.00</b>	<b>3,079.38</b>



**SMRC Automotive Products India Private Limited**
*(Formerly Known as Reydel Automotive India Private Limited)*
**Notes to financial statements for the year ended March 31, 2019**
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*
**Reconciliation of Equity as at March 31, 2018**

	Notes	Indian GAAP	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property Plant and Equipment		1,600.03	-	1,600.03
Intangible assets		63.28	-	63.28
Capital Work-in-Progress		4.76	-	4.76
Financial assets				
Other financial assets		55.45	-	55.45
Non-current tax assets		21.86	-	21.86
Other assets		6.45	-	6.45
<b>Total Non Current Assets</b>		<b>1,751.83</b>	<b>-</b>	<b>1,751.83</b>
<b>Current Assets</b>				
Inventories	39.5	176.64	(86.50)	90.14
Contract assets	39.5	-	52.19	52.19
Financial Assets				
Trade receivable		514.32	-	514.32
Other financial assets		148.30	-	148.30
Cash and cash equivalents		459.07	-	459.07
Other assets	39.6	27.48	7.00	34.48
<b>Total Current Assets</b>		<b>1,325.81</b>	<b>(27.31)</b>	<b>1,298.50</b>
<b>Total Assets</b>		<b>3,077.64</b>	<b>(27.31)</b>	<b>3,050.33</b>

**EQUITY AND LIABILITIES**

<b>Equity</b>				
Equity Share Capital		1,166.16	-	1,166.16
Other Equity		488.77	13.26	502.03
<b>Total Equity</b>		<b>1,654.93</b>	<b>13.26</b>	<b>1,668.19</b>
<b>Non-Current Liabilities</b>				
Other liabilities			-	-
Borrowings		47.50		47.50
Deferred tax liabilities (net)		32.63		32.63
Other financial liabilities				-
<b>Total Non-Current Liabilities</b>		<b>80.13</b>	<b>-</b>	<b>80.13</b>
<b>Current Liabilities</b>				
Contract liabilities	39.5	248.49	(34.31)	214.18
Financial Liabilities				
Borrowings			-	-
Trade payables		675.36	-	675.36
Other payables	39.6	233.30	(6.26)	227.04
Other financial liabilities		96.26	-	96.26
Short term provisions		54.01	-	54.01
Current tax liabilities		24.86		24.86
Other liabilities		10.30	-	10.30
<b>Total Liabilities</b>		<b>1,342.58</b>	<b>(40.57)</b>	<b>1,302.01</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,077.64</b>	<b>(27.31)</b>	<b>3,050.33</b>



**SMRC Automotive Products India Private Limited**  
*(Formerly Known as Reydel Automotive India Private Limited)*  
**Notes to financial statements for the year ended March 31, 2019**  
*(All amounts are in millions of Indian Rupees, unless otherwise stated)*

**Reconciliation of profit or loss for the year ended 31 March 2018**

	Notes	Indian GAAP	Adjustments	Ind AS
<b>Revenue from operations</b>				
Revenue from contract with customers	39.3 & 39.5	4,277.33	223.49	4,500.83
Finance Income		15.96	-	15.96
Other income		79.22	-	79.22
		<b>4,372.51</b>	<b>223.49</b>	<b>4,596.01</b>
<b>Expenses</b>				
Cost of raw-material and components consumed		2,383.10	-	2,383.10
Cost of tools sold	39.5	238.97	86.50	325.47
Changes in inventories of finished goods, work-in-progress and traded goods		(4.97)	-	(4.97)
Excise duty on sale of goods	39.3	-	123.73	123.73
Employee benefits expense	39.2 & 39.4	507.27	(0.61)	506.66
Depreciation and amortisation expense		277.09	-	277.09
Finance costs		23.33	-	23.33
Other expenses		817.49	-	817.49
<b>Total expense</b>		<b>4,242.28</b>	<b>209.62</b>	<b>4,451.90</b>
<b>Profit before exceptional items and tax</b>		<b>130.23</b>	<b>13.87</b>	<b>144.11</b>
<b>Tax expenses</b>				
- Income tax for current year	39.1	56.87	0.21	57.08
- Tax pertaining to earlier years		-	-	-
- Deferred tax expense (net)		5.97	-	5.97
		<b>62.84</b>	<b>0.21</b>	<b>63.05</b>
<b>Profit after tax (I)</b>		<b>67.38</b>	<b>13.66</b>	<b>81.06</b>
<b>Other comprehensive income:</b>				
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>				
Re-measurement gains and (losses) on defined benefit obligations (net)	39.2 & 39.4	-	(0.61)	(0.61)
Income tax effect	39.1	-	0.21	0.21
<b>Other comprehensive income/(loss), net of tax (II)</b>		<b>-</b>	<b>(0.40)</b>	<b>(0.40)</b>
<b>Total comprehensive income, net of tax (I + II)</b>		<b>67.38</b>	<b>13.26</b>	<b>80.66</b>

In the reconciliations mentioned above, certain reclassifications have been made to Indian GAAP financial information to align with the Ind AS presentation.

Footnotes to reconciliation of equity as at April 1, 2017 and March 31, 2018 and statement of profit or loss for the year ended March 31, 2018:

**39.1. Deferred Tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for deferred tax on such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction in retained earnings for the Ind AS adjustments pertaining to the opening balance sheet and in the statement of profit or loss of OCI for the subsequent period.



**SMRC Automotive Products India Private Limited**

*(Formerly Known as Reydel Automotive India Private Limited)*

**Notes to financial statements for the year ended March 31, 2019**

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

**39.2. Defined benefit obligation**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind AS, remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to OCI. Thus the employee benefit cost is reduced by Rs. 0.61 for the year ended March 31, 2018.

**39.3. Sale of goods**

a) Under previous GAAP, revenue from sale of goods was presented net of the excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the revenue from contract with customers and expenses for the year ended March 31, 2018 by an amount of Rs. 123.73. The total comprehensive income for the year ended and equity as at March 31, 2018 has remained unchanged.

b) Under previous GAAP, nomination fees paid/provision created was reduced from the revenue. Under Ind AS, nomination fees paid/provision would be amortised over the program life. Thus the revenue from contract with customer and retained earnings (other equity) has increased by Rs. 13.26 for March 31, 2018.

**39.4. Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP loss to profit as per Ind AS. Further, Indian GAAP loss is reconciled to total comprehensive income as per Ind AS.

**39.5. Sale of tools/Contract assets/Tooling Inventory**

Under the Indian GAAP, the Company recognised tooling revenue only when the project is fully complete, until which the Company records the costs incurred for the tools received from the vendor under Inventory. Under Ind AS, the Company has recognised tooling revenue on a percentage of completion basis. Hence, revenue and tooling cost have increased by Rs. 86.50 for March 31, 2018. Consequently, in the balance sheet, inventory has been reduced by 86.50 as of March 31, 2018 and 53.92 as of April 1, 2017. A contract asset has been created net off amount billed in advance amounting to Rs. 52.19 as of March 31, 2018 and 53.92 as of April 1, 2017. The amount billed in advance which was shown under Contract liability has been netted off with Contract asset amounting to Rs. 34.31 as of March 31, 2018.

**39.6. Other assets and other payable**

b) Under previous GAAP, nomination fees provision would be created and the same would be reduced from the revenue. Under Ind AS, nomination fees paid/provision would be amortised over the program life and hence, the provision recorded has been reversed appropriately. Thus, other payable and other assets have increased by Rs. 6.26 and Rs. 7.00 for March 31, 2018 and Rs. 17.46 and Rs. 2.00 for April 1, 2017.

**39.7. Statement of cashflows**

The transition from Indian GAAP to Ind AS did not have a material impact on the statement of cashflows.



**SMRC Automotive Products India Private Limited***(Formerly Known as Reydel Automotive India Private Limited)***Notes to financial statements for the year ended March 31, 2019***(All amounts are in millions of Indian Rupees, unless otherwise stated)***40 Recent accounting pronouncements having an impact on the Company****Standards issued but not 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 the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

**Ind AS 116 Leases**

Ind AS 116 Leases was notified by MCA on 30th March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1st April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1st April 2019. The Company has established an implementation team to implement Ind AS 116 and it continues to evaluate the changes to accounting systems and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 116 on financial statements will only be possible once the implementation project has been completed.

**Ind AS 12 – Uncertainty in Tax Treatment**

Appendix C in Ind AS 12 is effective from 1st April 2019 and it set out the principles on recognition and measurement principle when there is uncertainty over income tax treatments. An entity shall evaluate whether it is probable that the tax authority shall accept an uncertain tax treatment. If it is probable, the tax base shall be consistent with that of the items used in its income tax filings. If not probable, the company shall reflect the effect of uncertainty by using either the most likely amount method or expected value method. If the uncertain tax treatment affects current and deferred tax, the entity shall make consistent judgement and estimates for current and deferred tax.

The amendments are effective only from April 1, 2019. The Company is in the process of evaluating the changes and reliable estimate of the quantitative impact will be possible on completion of the study.

**41 Capital management**

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

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

Particulars	Note	March 31, 2019	March 31, 2018
Borrowings	12	-	47.50
Other financial liabilities	15	47.93	96.26
Less: Cash and cash equivalents		(545.73)	(459.07)
<b>Net debt (A)</b>		<b>(497.80)</b>	<b>(315.31)</b>
<b>Equity attributable to owners of the Company (B)</b>		<b>1,717.82</b>	<b>1,668.19</b>
<b>Capital and net debt - C = (A+B)</b>		<b>1,220.02</b>	<b>1,352.88</b>
<b>Gearing ratio - (A/C)</b>		<b>-40.80%</b>	<b>-23.31%</b>



**SMRC Automotive Products India Private Limited**

(Formerly Known as Reydel Automotive India Private Limited)

**Notes to financial statements for the year ended March 31, 2019**

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

**42 Transfer Pricing**

The Company has entered into transactions with related parties during the year. The management confirms that it maintains documents as prescribed by the Income-tax Act, 1961 to prove that these transactions are at arm's length, however, the transfer pricing study is in progress and has not yet been completed. The management believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation for the year ended March 31, 2019. The management has obtained the Accountant's Report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961 for the year ended March 31, 2018.


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

As per our report of even date

**For S. R. Batliboi & Associates LLP**

**Chartered Accountants**

ICAI Firm Registration number: 101049W/E300004

  
per S Balasubrahmanyam

Partner

Membership No.: 053315

Place: Chennai

Date: JULY 22, 2019



**For and on behalf of the Board of Directors of**

**SMRC Automotive Products India Private Limited**



Director Sanjay Mehta

DIN: 03215388

Place: Chennai

Date: JULY 22, 2019



Director Amit Bhakshi

DIN: 08230325

Place: Chennai

Date: JULY 22, 2019





Company Secretary  
(Himanshu Tyagi)

ACS-28801