

SMR AUTOMOTIVE INTERNATIONAL USA
Financial Statements
2019-20

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2020/05/20

SMM AUTOMOTIVE INTERNATIONAL USA
Balance sheet

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

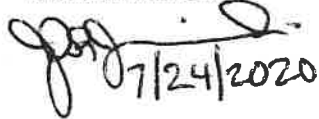
	Notes	As At March 31, 2020	As At March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	95	180
Capital work-in-progress		-	-
Investment property	5	-	-
Goodwill	4	-	-
Other intangible assets	4	-	-
Intangible assets under development		-	-
Financial assets			
i. Investments	6	211,318	211,318
ii. Loans	7	-	-
iii. Trade receivables	10	-	-
iv. Other financial assets	12	-	-
Deferred tax assets (net)	8	-	32
Non-current tax assets (net)		-	-
Total non-current assets		211,413	211,510
Current assets			
Inventories	9	-	-
Financial assets			
i. Investments	8	-	-
ii. Trade receivables	10	329	2,509
iii. Cash and cash equivalents	11	150	100
iv. Bank balances other than (iii) above		-	-
v. Loans	7	690	690
vi. Other financial assets	12	-	-
Other current assets	13	-	-
Total current assets		1,169	3,299
Total assets		212,582	214,809
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	75,791	75,791
Share application money pending for allotments		-	-
Other equity			
Reserves and surplus	15	129,481	131,431
Other reserves	16	-	-
Total equity		205,272	207,222
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	17	350	350
ii. Other financial liabilities	19	-	-
Provisions	20	-	-
Employee benefit obligations	21	-	-
Deferred tax liabilities (net)	8	68	-
Other non-current liabilities	22	-	-
Total non-current liabilities		418	350
Current liabilities			
Financial Liabilities			
i. Borrowings	17	-	-
ii. Trade payables	18	6,882	7,237
iii. Other financial liabilities	19	-	-
Provisions	20	-	-
Employee benefit obligations	21	-	-
Other current liabilities	22	-	-
Non-Current tax liabilities (net)		-	-
Total current liabilities		6,882	7,237
Total liabilities		7,310	7,587
Total equity and liabilities		212,582	214,809

Summary of significant accounting policies 2

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

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

For and on behalf of the Board


7/24/2020


SABR AUTOMOTIVE INTERNATIONAL USA
Statement of profit and loss

	Notes	<i>(All amounts in USD'000, unless otherwise stated)</i>	
		For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue			
Revenue from contract with customers	23	-	-
Other operating revenue	24	1,643	6,957
Total revenue from operations		1,643	6,957
Other income	25	195	29
Total Income		1,838	6,986
Expenses			
Cost of materials consumed	26	-	-
Change in inventories of finished goods, work-in-progress and stock in trade	27	-	-
Employee benefit expense	28	-	-
Depreciation and amortisation expense		65	69
Finance costs	29	14	15
Other expenses	30	1,509	1,224
Total expenses		1,588	1,308
Profit before tax		250	5,678
Tax expenses			
Current tax	31	16	(1,672)
Deferred tax expense/(credit)	31	101	(32)
Total tax expense		117	(1,704)
Profit for the year		133	7,382
Other comprehensive income		-	-
Items to be reclassified to profit or loss		-	-
Deferred gain / (losses) on cash flow hedges (net of tax)		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		133	7,382
Summary of significant accounting policies			
		2	

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

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

For and on behalf of the Board


7/24/2020

SMR AUTOMOTIVE INTERNATIONAL USA
Statement of changes in equity

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

Notes

Amount

A. Share application money pending allotment
As at April 01, 2018 -
As at March 31, 2019 -
Less: Amount refunded to share holder of the company -
As at March 31, 2020 -

	Reserve and Surplus		Items of OCI	Cash flow hedging reserve	Total attributable to Owners
	Retained Earnings	Notes			
Balance as at April 01, 2018	100,234	-	-	-	100,234
Profit for the year	7,382	-	-	-	7,382
Other comprehensive income	23,815	-	-	-	23,815
Total comprehensive income for the year	31,197	-	-	-	31,197
Balance at March 31, 2019	131,431	-	-	-	131,431
Profit for the year	133	-	-	-	133
Other comprehensive income	(2,083)	-	-	-	(2,083)
Total comprehensive income for the year	(1,950)	-	-	-	(1,950)
Balance at March 31, 2020	129,481	-	-	-	129,481

Summary of significant accounting policies
This is the statement of changes in equity referred to in our report of even date

2
The above statement of changes in equity should be read in conjunction with the accompanying notes

For and on behalf of the Board


7/24/2020

SMR AUTOMOTIVE INTERNATIONAL USA
Consolidated Cash Flow Statement

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flow from operating activities:		
Profit before tax	250	5,678
Adjustments for:		
Depreciation and amortisation expense	65	69
Finance cost	14	15
Provision for warranty	-	-
Provision for doubtful debt / advances	-	-
Income on reversal of provision	-	-
Unrealised foreign currency loss/(gain)	-	-
Operating profit before working capital changes	329	5,762
Changes in working capital:		
Increase/(decrease) in trade and other payables	(345)	(2,108)
Increase/(decrease) in other financial liabilities	-	-
(Increase)/decrease in trade receivables	2,178	(2,465)
(Increase)/decrease in inventories	-	-
(Increase)/decrease in other receivables	-	(27,865)
(Increase)/decrease in other financial assets	-	-
Cash generated from operations	2,162	(26,676)
Taxes (paid) / received	(15)	-
Net cash generated from operating activities	2,147	(26,676)
B. Cash flow from investing activities:		
Payments for purchase of property, plant & equipment (including capital work-in-progress)	-	-
Net cash (used) in investing activities	-	-
C. Cash flow from financing activities:		
Interest paid	(14)	(780)
Repayment of short term borrowings	-	-
Return of share application money	(2,063)	27,500
Net cash (used) in financing activities	(2,097)	26,720

SMR AUTOMOTIVE INTERNATIONAL USA
Consolidated Cash Flow Statement

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Increase/(Decrease) in Cash & Cash Equivalents	50	44
Net Cash and Cash equivalents at the beginning of the year	100	56
Cash and cash equivalents acquired consequent to acquisition of SMRC (Refer Note 50)	-	-
Cash and cash equivalents as at year end	150	100
Cash and cash equivalents comprise		
Cash on hand	-	-
Cheques / drafts on hand	-	-
Balance with Banks	150	100
Cash and cash equivalents as per Balance Sheet (restated)	150	100
Net foreign exchange difference on balance with banks in foreign currency	-	-
Total	150	100
Summary of significant accounting policies (Note 2)		

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

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

For and on behalf of the Board

**SMR AUTOMOTIVE INTERNATIONAL USA
NOTES TO THE FINANCIAL STATEMENTS**

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

1 Corporate information

SMR International is a member of a Tier 1 automotive supply group to many major OEMs of rear vision systems, automotive bumpers, panels & spoilers. Our primary market is the North American market, with modest levels of exports of existing products to Canada & South America. The Company operates in four core competencies - Injection Molding, Painting, Assembly and Engineering. Our Marysville facility also operates as a global center for product design services, coordinating Regional Sales & Purchasing activity, and certain corporate functions. Our advanced engineering staff works to develop programs in conjunction with OEM design teams. The SMPUS facility under its ownership is located in Tuscaloosa, AL and operates independent of managerial oversight of SMR International.

2 Significant accounting policies

(a) Basis of preparation

Compliance

The financial statements of the Company have been prepared for the financial year beginning April 01, 2019 and ended on March 31, 2020.

The financial statements are prepared in accordance with the US Generally Accepted Accounting Principles (USGAAP) in force at March 31, 2020.

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

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

(b) Accounting policies for the financial statements

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

(i) Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as revenues and expenses. While actual results could differ from those estimates, management believes that the estimates are reasonable.

Impairment of Long Lived Assets, COVID-19 and Going Concern

All of SMR's subsidiaries were affected by COVID-19 related closures and daily production sales essentially reduced to near zero. The financial impact of the ongoing shutdown on the Company's subsidiaries was a key activity in late March & April to ascertain the impact to the Company. The major working capital impacts were supported by SMR subsidiary securing of the PPP loan critical to maintaining the business during the OEM production stoppage. As of the writing of these financials, all our OEM customers are at various stages of normalizing their production. With the latest inputs to forecast management has evaluated the 12 months going forward and anticipates no impact to itself as a going concern, our inventory valuations or other financial assets.

Regarding impairment, the Company assesses the impairment of its long-lived assets whenever economic events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. Long-lived assets are considered to be impaired when the sum of the expected future operating cash flows, undiscounted and without interest charges, is less than the carrying amounts of the related assets. If estimated undiscounted cash flows are not sufficient to recover the carrying value of the assets, an impairment charge is recorded for the amount by which the carrying value of the assets exceeds the fair value. No long-lived assets were determined to be impaired at March 31, 2020 and 2019.

Income Taxes

Deferred income tax assets and liabilities are recorded for the estimated future tax consequences attributable to the differences between the financial carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be realized. A valuation allowance is recorded for deferred tax assets when the Company is unable to conclude that realization of the deferred tax assets is more likely than not. The benefit of an uncertain tax position is recognized in the financial statements if it meets a minimum recognition threshold. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more-likely-than-not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement. Interest and penalties are recorded in income taxes in the accompanying statements of Income, if any.

SMR AUTOMOTIVE INTERNATIONAL USA
NOTES TO THE FINANCIAL STATEMENTS

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

4 Intangible assets

Particulars	Technical Knowhow Fees	Customer Relationships	Business and commercial rights	Intellectual Property Rights	Software	Total	Goodwill
Year ended March 31, 2019							
Gross carrying amount							
As at April 01, 2018							
Additions							
Disposals / other adjustment							
Closing gross carrying amount							
Accumulated amortisation and impairment							
As at April 01, 2018							
Depreciation charge during the year							
Closing accumulated amortisation and impairment							
Net carrying amount							
Year ended March 31, 2020							
Gross carrying amount							
As at April 01, 2019							
Additions							
Disposals							
Closing gross carrying amount							
Accumulated amortisation and impairment							
As at April 01, 2019							
Depreciation charge during the year							
Closing accumulated amortisation and impairment							
Net carrying amount							

SMR AUTOMOTIVE INTERNATIONAL USA
NOTES TO THE FINANCIAL STATEMENTS

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

		March 31, 2020	March 31, 2019
5 Investment property			
	Opening gross carrying amount	-	-
	Add: Transfers / Additions during the year	-	-
	Less: (Deletions) during the year	-	-
	Gross Block	-	-
	Accumulated depreciation:		
	Opening balance	-	-
	Add: Depreciation for the year	-	-
	Less: Deletions during the year	-	-
	Closing accumulated depreciation	-	-
	Net Investment Properties	-	-
6 Investments			
(a) Non-current investments			
Investment in subsidiaries:			
	SMR USA	82,800	82,800
	SMP USA	128,518	128,518
		<u>211,318</u>	<u>211,318</u>
(b) Current investments (provide details if applicable)			
		-	-
7 Loans			
(a) Non-current investments			
Unsecured, considered good			
	Loans to related parties	-	-
	Loans to employees	-	-
(b) Current investments			
Unsecured, considered good			
	Loans to related parties	690	690
	Loans to employees	600	600

The Company had an investment in its subsidiary SMPUSA which, as of December 28, 2018, was approved by its Board of Directors to convert to equity. The remaining \$500 relates to interest from this original loan that needs to be capitalized in FY2020.

8 Deferred tax

		Beginning Balance	Charged to profit or loss	Closing balance
(a) Deferred tax assets (net)				
Year ended March 31, 2019				
	Unabsorbed depreciation and Tax losses	-	-	-
	Property, plant and equipments	-	29	29
	Provision for Doubtful debts/Advances/Inventory	-	-	-
	Others	-	3	3
		-	<u>32</u>	<u>32</u>
Year ended March 31, 2020				
	Unabsorbed depreciation and Tax losses	-	-	-
	Property, plant and equipments	29	(29)	-
	Provision for Doubtful debts/Advances/Inventory	-	-	-
	Others	3	(3)	-
		<u>32</u>	<u>(32)</u>	<u>-</u>
(b) Deferred tax liabilities (net)				
Year ended March 31, 2019				
	Foreign Exchange	-	-	-
	Property, plant and equipments	-	-	-
	Others	-	-	-
Year ended March 31, 2020				
	Foreign Exchange	-	47	47
	Property, plant and equipments	-	21	21
	Others	-	-	-
		-	<u>68</u>	<u>68</u>

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

**SMR AUTOMOTIVE INTERNATIONAL USA
NOTES TO THE FINANCIAL STATEMENTS**

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

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
8 Inventories		
Raw materials	-	-
Work-in-progress	-	-
Finished goods	-	-
	<u>-</u>	<u>-</u>
Inventory include Inventory in transit of:		
Raw materials	-	0
	<u>-</u>	<u>0</u>
# Trade Receivable		
	<u>March 31, 2020</u>	<u>March 31, 2019</u>
(a) Non-current:		
Unsecured, considered good	-	-
Trade receivables from related parties	-	-
Doubt full	-	-
	<u>-</u>	<u>-</u>
Less: Allowances for credit loss	-	-
	<u>-</u>	<u>-</u>
(b) Current:		
Unsecured, considered good	-	-
Trade receivables from related parties	329	2,509
Doubt full	-	-
	<u>329</u>	<u>2,509</u>
Less: Allowances for credit loss	-	-
	<u>329</u>	<u>2,509</u>
# Cash and cash equivalents		
	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Balances with banks:		
- in current accounts	150	100
Cash on hand	-	-
	<u>150</u>	<u>100</u>
# Other financial assets		
	<u>March 31, 2020</u>	<u>March 31, 2019</u>
(a) Non-current:		
Security deposits, unsecured considered good	-	-
Other advances receivable in cash and cash equivalent	-	-
Derivatives designated as hedge	-	-
	<u>-</u>	<u>-</u>
(b) Current:		
Security deposits, unsecured considered good	-	-
Other advances receivable in cash and cash equivalent	-	-
Derivatives designated as hedge	-	-
	<u>-</u>	<u>-</u>
# Other current Assets		
	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Advances recoverable	-	-
Prepaid expenses	-	-
	<u>-</u>	<u>-</u>
# Share Capital		
	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Authorized:		
Number of equity share capital and face value		
Issued, subscribed and paid up:		
Number of equity share capital and face value for each category of share capital	<u>75,781</u>	<u>75,781</u>
	<u>75,781</u>	<u>75,781</u>

SSR AUTOMOTIVE INTERNATIONAL USA
NOTES TO THE FINANCIAL STATEMENTS

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

# Reserves and surplus	March 31, 2020	March 31, 2019
(a) Retained earnings		
Opening balance	89,516	82,134
Additions during the year	133	7,382
Closing balance	89,649	89,516
(b) General reserve		
Opening balance	-	-
Additions during the year	-	-
Closing balance	-	-
(c) Capital reserve		
Opening balance	81,915	
Additions during the year	(2,063)	81,915
Closing balance	79,852	81,915
Total reserve and surplus	128,481	131,431
Dividends (net)		

# Other reserves	March 31, 2020	March 31, 2019
(a) Cash flow hedging reserve		
Opening balance	-	-
Additions during the year	-	-
Closing balance	-	-
Cash flow hedging reserve		
The Company did not use hedging instruments as part of its management of foreign currency risk in either FY2018 or FY2019.		

# Borrowings	March 31, 2020	March 31, 2019
(a) Non-current	350	350
(b) Current		
Secured repayable on demand from banks ¹	-	-
¹ Secured by charge on the inventory and receivables of the Company		

# Trade Payables	March 31, 2020	March 31, 2019
Total outstanding dues of creditors other than related parties	70	108
Trade payable to related parties (Refer note 40)	6,822	7,131
	6,892	7,237

# Other current financial liabilities	March 31, 2020	March 31, 2019
(a) Non-current		
Security deposits	-	-
Other liabilities payable in cash and cash equivalent	-	-
(b) Current		
Interest accrued but not due on borrowings	-	-
Employee benefits payable	-	-
Accrued expenses	-	-
Total	-	-

# Provisions	March 31, 2020	March 31, 2019
(a) Non-current		
For Warranties	-	-
For Litigations / disputes	-	-
(b) Current		
For warranties	-	-
Total	-	-

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

**BMW AUTOMOTIVE INTERNATIONAL USA
NOTES TO THE FINANCIAL STATEMENTS**

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

# Employee benefit obligations	March 31, 2020	March 31, 2019
(a) Non-current		
Pension	-	-
Compensated absences	-	-
(b) Current		
Pension	-	-
Compensated absences	-	-
Total	-	-
# Other liabilities		
	March 31, 2020	March 31, 2019
(a) Other non-current liabilities		
Statutory dues payable	-	-
Other payables	-	-
(b) Other current liabilities		
Other current liabilities	-	-
Statutory dues payable & other payables	-	-

Bracket denotes appropriations / deductions.

**SMR AUTOMOTIVE INTERNATIONAL USA
NOTES TO THE FINANCIAL STATEMENTS**

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

	For the year ended	
	March 31, 2020	March 31, 2019
23 Revenue from contract with customers		
Sales of products	-	-
Sales of services	-	-
Total revenue from contract with customers (Refer Note 48)	-	-
IFRS 15 Revenue from contracts with customers		
Effective April 1, 2018, the Company has adopted IFRS 115, 'Revenue from Contracts with Customers', with a modified retrospective approach. The management has evaluated the implications of implementation of new standard on its revenue and has made appropriate adjustments to these results where significant.		
24 Other operating revenue:		
Scrap sales	1,643	6,957
Miscellaneous income	1,643	6,957
Total revenue from operation	1,643	6,957
26 Other income		
Foreign exchange gain (net)	195	29
Provision for Doubtful Debts written back	-	-
Total	195	29
26 Cost of materials consumed		
Opening stock of raw materials	-	-
Add: Purchases of raw materials	-	-
Less: Closing stock of raw materials	-	-
Total	-	-

**SMR AUTOMOTIVE INTERNATIONAL USA
NOTES TO THE FINANCIAL STATEMENTS**

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

	For the year ended	
	March 31, 2020	March 31, 2019
27 Changes in inventory of finished goods, work in progress and stock in trade		
(Increase)/ decrease in stocks		
Stock at the opening of the year:		
Finished goods	-	-
Work-in-progress	-	-
Total A	-	-
Stock at the end of the year:		
Finished goods	-	-
Work-in-progress	-	-
Total C	-	-
(Increase)/ decrease in stocks (A+B-C+D)	-	-
28 Employee benefit expense		
	For the year ended	
	March 31, 2020	March 31, 2019
Salary, wages & bonus	-	-
Contribution to employee welfare funds, payroll tax and other taxes	-	-
Staff welfare expenses	-	-
Others	-	-
Total	-	-
29 Finance costs		
	For the year ended	
	March 31, 2020	March 31, 2019
Interest on borrowings	14	15
Others	-	-
Total	14	15
30 Other expenses		
	For the year ended	
	March 31, 2020	March 31, 2019
Electricity, water and fuel	-	-
Repairs and Maintenance:		
Machinery	-	-
Building	-	2
Others	-	-
Consumption of stores and spare parts	-	-
Rent	179	187
Rates & taxes	-	-
Insurance	-	-
Donation	-	-
Travelling	277	161
Freight & forwarding	-	-
Provision for doubtful debts/advances	-	-
Auditors fees and expenses	-	-
Legal & professional expenses	114	13
Computer expenses and software charges	2	15
Fees and subscriptions	2	1
Business promotion expenses	-	-
Communication expenses	29	30
Miscellaneous expenses	906	815
Total	1,509	1,224
31 Income tax		
	For the year ended	
	March 31, 2020	March 31, 2019
Current tax	16	(1,872)
Deferred tax charged / (reversed)	101	(32)
	117	(1,704)

In assessing the realizability of deferred tax assets, management considered whether it is more likely than not some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which these temporary differences become deductible.

**SMR AUTOMOTIVE INTERNATIONAL USA
NOTES TO THE FINANCIAL STATEMENTS**

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

In response to the COVID-19 pandemic many governments have enacted or are contemplating measures to provide aid and economic stimulus. On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferral of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

As of March 31, 2020, there were no material tax impacts resulted from these provisions.

The Company is a member of a group of entities that files consolidated tax returns. For financial reporting purposes, the Company accounts for income taxes on benefits for loss method.

The Company has analyzed filing positions in all of the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions. The periods subject to examination under the statute of limitations are the March 31, 2017 through current tax year for the Company's federal tax returns and the March 31, 2016 through current tax year for the Company's state tax returns.