

# B S R & Co. LLP

Chartered Accountants

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Rinder India Private Limited

### Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Rinder India Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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.

### **Opinion**

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 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 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Other matter**

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 10 May 2017 and 13 July 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

### **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 in terms of Section 143(11) of the Act, we give in "Annexure A" 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, 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 Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) 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, 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 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.
  - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited financial statements for the period ended 31 March 2017 have been disclosed- refer note 11 to the Ind AS financial statements.

*For B S R & Co. LLP*

*Chartered Accountants*

ICAI Firm registration number: 101248W/W-100022



**Tarun Gupta**

*Partner*

Membership No.: 507892

Place: Gurugram

Date: 10 May 2018

**Annexure A referred to in our Independent Auditor's Report to the members of Rinder India Private Limited on the Ind AS financial statements for the year ended 31 March 2018**

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment and intangible assets).
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this program, certain fixed assets were verified during the year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were observed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of the immovable property is held in the name of the Company.
- (ii) According to the information and explanations given to us, the inventories, except stock lying with third party and goods-in-transit, has been physically verified by the management during the year at reasonable intervals. For stock lying with third parties at the year end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (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 required under Section 189 of the Companies Act, 2013. Accordingly, para 3 (iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the Company has not given any loans, or made any investments, or provided any guarantee, or security as specified under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax,



Sales-tax, Goods and Service Tax ('GST'), Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, GST, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax, Cess and other material statutory dues, to the extent applicable, were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the statute	Nature of the dues	Amount of dispute (Rs.)* crores	Amount deposited under protest	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Service tax	0.09	-	Various years from 2006-07 to 2012-13	Commissioner – GST, Pune
		0.10	-	2011-2012 2012-2013	Commissioner of Central Excise, Pune
Income Tax Act, 1961	Income tax	0.51	-	AY – 2012-13	CIT (A), Pune
		0.57	-	AY – 2013-14	CIT (A), Pune

\*Amount as per demand orders including interest and penalty, whichever indicated in the order.

Note: The above table includes only those amounts on which demand orders have been served and are under dispute

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks and financial institutions. The Company has not taken any loans or borrowings from government and did not have any outstanding debentures during the year.
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instrument) during the year. Further, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with provisions of Section 197 read with Schedule V of the Companies Act, 2013.



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- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable, and the details have been disclosed in the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

*For B S R & Co. LLP*

*Chartered Accountants*

ICAI Firm registration number: 101248W/W-100022



**Tarun Gupta**

*Partner*

Membership No.: 507892

Place: Gurugram

Date : 10 May 2018

**Annexure B to the Independent Auditor's Report of even date on the Ind AS financial statements of Rinder India Private Limited for the year ended 31 March 2018**

**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 statements of Rinder India Private Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS 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 with reference to financial statements 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 ('ICAI'). 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 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 Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 with reference to 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 Company's internal financial controls system with reference to financial statements.



### **Meaning of Internal Financial Controls over Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial statements and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 statements to future periods are subject to the risk that the internal financial control over 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, an adequate internal financial controls system over financial statements and such internal financial controls over financial statements were operating effectively as at 31 March 2018, based on the internal control over financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

*For B S R & Co. LLP*

*Chartered Accountants*

ICAI Firm registration number:101248W/W-100022



**Tarun Gupta**

*Partner*

Membership No.: 507892

Place: Gurugram

Date: 10 May 2018



ASSETS	Note No.	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Non-current assets</b>				
Property, plant and equipment	4A	57.76	54.04	56.16
Capital work-in-progress	4A	4.33	1.53	-
Intangible assets	4B	16.74	19.72	21.00
Intangible assets under development	4B	11.95	-	-
Financial assets				
(i) Loans	5	1.62	1.40	1.47
Deferred tax assets (net)	6	1.53	5.92	3.02
Non-current tax assets	7	6.53	5.48	4.60
Other non-current assets	8	2.82	0.11	0.19
<b>Total non-current assets</b>		<b>103.28</b>	<b>88.20</b>	<b>86.44</b>
<b>Current assets</b>				
Inventories	9	45.34	27.90	25.34
Financial assets				
(i) Trade receivables	10	95.98	70.03	74.14
(ii) Cash and cash equivalents	11	5.74	0.82	1.56
(iii) Bank balances other than cash and cash equivalents	12	0.16	-	0.07
(iv) Loans	13	0.38	0.34	0.21
(v) Other financial assets	14	1.75	0.58	0.24
Other current assets	15	11.53	9.85	11.59
<b>Total current assets</b>		<b>160.88</b>	<b>109.52</b>	<b>113.15</b>
<b>Total assets</b>		<b>264.16</b>	<b>197.72</b>	<b>199.59</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	16	0.85	0.85	0.85
Other equity	17	66.27	52.13	51.64
<b>Total equity</b>		<b>67.12</b>	<b>52.98</b>	<b>52.49</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	18	24.20	19.18	13.62
Provisions	19	1.48	1.09	1.06
Government grant	20	2.19	1.34	1.11
<b>Total non-current liabilities</b>		<b>27.87</b>	<b>21.61</b>	<b>15.79</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	21	61.98	44.33	23.88
(ii) Trade payables	22	-	-	-
Total outstanding dues of micro enterprises and small enterprises		86.60	59.09	78.31
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(iii) Other current financial liabilities	23	15.51	15.28	25.49
Other current liabilities	24	4.22	3.86	3.20
Provisions	25	0.38	0.28	0.18
Government grant	20	0.48	0.29	0.25
<b>Total current liabilities</b>		<b>169.17</b>	<b>123.13</b>	<b>131.31</b>
<b>Total equity and liabilities</b>		<b>264.16</b>	<b>197.72</b>	<b>199.59</b>

**Significant accounting policies**

The notes referred to above form an integral part of these financial statements

As per our report of even date attached

**For BSR & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022



**Tarun Gupta**

Partner

Membership No. 507892

Place: Gurugram

Date: 10 May 2018

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For and on behalf of the Board of Directors of  
**Rinder India Private Limited**



**Xavier Esquibel Sesma**

Director

DIN No. 03548407



**Pradip Kumar Tewari**

Director

DIN No. 00068543

Place: Pune

Date: 10 May 2018

**Rinder India Private Limited**  
**Statement of Profit and Loss for year ended 31 March 2018**  
 (All amounts in Indian ₹ crore, unless otherwise stated)  
 CIN - U31506PN1988PTC045915

	Particular	Note No.	Year ended 31 March 2018	Year ended 31 March 2017
I	<b>Income</b>			
	Revenue from operations	26	450.99	400.16
	Other income	27	0.46	0.21
	<b>Total income</b>		<b>451.45</b>	<b>400.37</b>
II	<b>Expenses</b>			
	Cost of materials consumed	28	295.40	244.46
	Changes in inventory of finished goods and work-in-progress	29	(3.39)	(1.40)
	Excise duty		9.75	35.85
	Employee benefit expenses	30	48.15	39.24
	Finance costs	31	5.17	6.54
	Depreciation and amortization expenses	32	17.72	16.37
	Other expenses	33	57.74	44.82
	<b>Total expenses</b>		<b>430.54</b>	<b>385.88</b>
III	<b>Profit for the year before exceptional items and tax (I-II)</b>		<b>20.91</b>	<b>14.49</b>
IV	<b>Exceptional items</b>	34		14.01
V	<b>Profit for the year before tax (III-IV)</b>		<b>20.91</b>	<b>0.48</b>
	<b>Income tax expense</b>			
	Current tax (including minimum alternate tax)		4.51	2.46
	Deferred tax charge / (credit)		1.25	(1.93)
	Deferred tax charge / (credit) related to earlier years		3.14	(0.96)
	Tax adjustments for earlier years		(2.15)	0.41
	<b>Tax expense</b>		<b>6.75</b>	<b>(0.02)</b>
VII	<b>Profit for the year (V-VI)</b>		<b>14.16</b>	<b>0.50</b>
VIII	<b>Other comprehensive income</b>			
	<b>Items that will not be reclassified subsequently to profit or loss</b>			
	Remeasurements of defined benefit liability (asset)		(0.03)	(0.02)
	Income tax relating to above		0.01	0.01
	<b>Net other comprehensive income not to be classified subsequently to profit or loss</b>		<b>(0.02)</b>	<b>(0.01)</b>
IX	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>14.14</b>	<b>0.49</b>
	<b>Basic and diluted earnings per share (in ₹)</b>	16	<b>1,666</b>	<b>59</b>
	[nominal value of ₹ 100 (Previous year ₹ 100) per share]			

Significant accounting policies

The notes referred to above form an integral part of these financial statements

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**Rinder India Private Limited**



**Tarun Gupta**  
 Partner  
 Membership No. 507892

Place: Gurugram  
 Date: 10 May 2018



**Xabier Esquibel Sesma**  
 Director  
 DIN No. 03548407

Place: Pune  
 Date: 10 May 2018



**Pradip Kumar Tewari**  
 Director  
 DIN No. 00068543

**Rinder India Private Limited**  
**Cash Flow Statement for the year ended 31 March 2018**  
 (All amounts in Indian ₹ crores, unless otherwise stated)  
 CIN:-U31506PN1988PTC045915

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
<b>A. Cash flows from operating activities</b>		
Profit for the year before tax	20.91	0.48
<b>Adjustments for:</b>		
Depreciation and amortization expense	17.39	16.03
Exceptional items	-	14.01
Finance costs	5.17	6.54
Interest income on term deposits and others	(0.07)	(0.07)
Liabilities / provisions no longer required written back	(0.24)	-
Unrealised (gain)/ loss on Foreign currency fluctuations (net)	(0.18)	0.67
Fixed assets scrapped/ written off	-	0.06
Provision for doubtful trade receivables	0.26	0.25
<b>Operating profit before working capital changes</b>	<b>22.33</b>	<b>37.49</b>
	<b>43.24</b>	<b>37.97</b>
<b>Working capital adjustments :</b>		
(Increase)/ decrease in inventories	(17.45)	(2.56)
(Increase)/ decrease in trade receivables	(25.85)	3.49
(Increase)/ decrease in loans	(0.25)	(0.06)
(Increase)/ decrease in other financial assets	(1.15)	(0.39)
(Increase)/ decrease in other assets	(1.85)	1.70
Increase/(decrease) in trade payables	27.75	(19.22)
Increase/(decrease) in other financial liabilities	(0.83)	0.51
Increase / (decrease) in other liabilities	0.33	0.67
Increase / (decrease) in provisions	0.50	0.13
	<b>(18.80)</b>	<b>(15.73)</b>
<b>Cash generated from operations</b>	<b>24.44</b>	<b>22.24</b>
Income tax paid (including tax deducted at source)	(4.17)	(3.74)
<b>Net Cash flows from operating activities (A)</b>	<b>20.27</b>	<b>18.50</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(34.16)	(39.65)
Proceeds from sale of property, plant and equipment	-	0.06
Interest received on term deposit/ other deposits	0.06	0.12
Increase in other bank balances	(0.16)	0.07
<b>Net cash used in investing activities (B)</b>	<b>(34.26)</b>	<b>(39.40)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from/ (repayment of) short term borrowings		
Proceeds from borrowings	35.20	39.02
Repayment of borrowings	(11.01)	(12.56)
Interest paid on borrowings	(5.28)	(6.38)
<b>Net cash used in financing activities (C)</b>	<b>18.91</b>	<b>20.08</b>
<b>Net increase/ (decrease) in cash and cash equivalents(A+B+C)</b>	<b>4.92</b>	<b>(0.82)</b>
Cash and cash equivalents as at opening	0.82	1.64
<b>Cash and cash equivalents as at closing (refer note 11)</b>	<b>5.74</b>	<b>0.82</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>5.74</b>	<b>0.82</b>
Significant accounting policies		
The accompanying notes form an integral part of the financial statements		
<b>Notes to cash flow statement</b>		
<b>I Components of cash and cash equivalents:-</b>		
Cash on hand	0.04	0.04
Balances with banks:		
- current account	3.90	0.78
- in term deposits (with original maturity of less than 3 months)	1.80	-
	<b>5.74</b>	<b>0.82</b>



**Rinder India Private Limited**  
**Cash Flow Statement for the year ended 31 March 2018**  
**(All amounts in Indian ₹ crores, unless otherwise stated)**  
**CIN:-U31506PN1988PTC045915**

- 2 The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, as specified under the section 133 of the Companies Act, 2013.
- 3 Balances with current account includes ₹0.03 crores (31 March 2017 ₹0.04 ) on account of exchange difference on reinstatement of foreign currency.
- 4 Reconciliation of movement of liabilities to cash flows arising from financing activities:


	As at 31 March 2018		As at 31 March 2017	
	Non current borrowings	Current borrowings	Non current borrowings	Current borrowings
Balance at the beginning of the year	26.64	44.33	19.79	23.88
<b>Changes from financing cash flows</b>				
Proceeds from non- current borrowings	15.00	-	15.00	-
Repayment of non-current borrowings	8.45	-	8.15	-
Proceeds from current borrowings	-	20.20	-	24.02
Repayment of current borrowings	-	2.55	-	3.57
<b>Balance at the end of the year</b>	<b>33.19</b>	<b>61.98</b>	<b>26.64</b>	<b>44.33</b>

**4 Amendment to Ind AS 7**

Effective 01 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

As per our report of even date attached

**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022



**Tarun Gupta**  
Partner  
Membership No. 507892

For and on behalf of the Board of Directors of  
**Rinder India Private Limited**



**Xabier Esquibel Sesma**  
Director  
DIN No. 03548407



**Pradip Kumar Tewari**  
Director  
DIN No. 00068543

Place: Gurugram  
Date: 10 May 2018

Place: Pune  
Date: 10 May 2018

## Rinder India Private Limited

### Notes to the financial statements for the year ended 31 March 2018

#### 1. Corporate information

Rinder India Private Limited ("the Company") is a private limited Company incorporated on 18 January 1988 under the Companies Act. The Company is a subsidiary of Minda Industries Limited w.e.f. 3 June 2016. The Company is primarily engaged in the business of manufacturing of Head lamps.

#### 2. Basis of preparation

##### A. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 43.

The financial statements were authorised for issue by the Company's Board of Directors on 10 May 2018.

Details of the Company's accounting policies are included in Note 3.

##### B. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest crores and two decimal thereof, unless otherwise indicated.

##### C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
(a) Net defined benefit (asset)/ liability	Present value of defined benefit obligations
(b) Other financial assets and liabilities	Amortised cost

##### D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.





## **Rinder India Private Limited**

### **Notes to the financial statements for the year ended 31 March 2018**

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

#### **Judgements**

The areas involving critical estimates or judgements are:

- Estimation of income tax (current and deferred) – Note 6
- Estimated useful life of intangible asset – Note 4B
- Estimated useful life and residual value of property, plant and equipment – Note 4A
- Recognition and measurement of provisions and contingencies – Note 35
- Estimation of defined benefit obligation – Note 36

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

#### **E. Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

##### **An asset is classified as current when it is:**

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

##### **A liability is classified as current when:**

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

#### **Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liability as current and non-current.



## **Rinder India Private Limited**

### **Notes to the financial statements for the year ended 31 March 2018**

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### **3. Significant accounting policies**

The accounting policies set out below have been applied consistently to the period presented in these financial statements.

#### **A. Foreign currency transactions**

##### **i. Initial recognition and settlement**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in statement of profit and loss.

##### **ii. Measurement at the reporting date**

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in statement of profit and loss.

#### **B. Measurement of fair values**

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

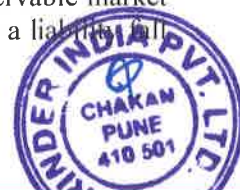
Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall



## **Rinder India Private Limited**

### **Notes to the financial statements for the year ended 31 March 2018**

into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

#### **C. Financial instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity.

##### **i. Recognition and initial measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

##### **ii. Classification and subsequent measurement**

###### **Financial assets**

On initial recognition, a financial asset is classified as measured at

- a) Amortised cost; or
- b) FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

###### **Financial assets: Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.
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**Rinder India Private Limited****Notes to the financial statements for the year ended 31 March 2018**

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on de-recognition is recognised in statement of profit and loss.
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**Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

**iii. Derecognition****Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

**iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**v. Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.





**Rinder India Private Limited****Notes to the financial statements for the year ended 31 March 2018**

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**D. Property, plant and equipment****i. Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use.

Property, plant and equipment under construction are disclosed as capital work-in-progress. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general are included in capital work-in-progress.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

**ii. Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 4A)

**iii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**iv. Depreciation**

Depreciation is provided on written down value method over the useful lives of property, plant and equipment as prescribed under Part C of schedule II of the Companies Act, 2013.

Leasehold land is amortised over the period of lease.

Freehold land is not depreciated.

Depreciation on additions/ (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which asset is ready for use/ (disposed of).

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment and consequent advice, the management





## **Rinder India Private Limited**

### **Notes to the financial statements for the year ended 31 March 2018**

believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Losses arising from retirement or gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognized in the Statement of Profit and Loss.

#### **E. Intangible assets**

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss, if any.

##### **Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

##### **Amortisation**

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the written down value and is included in amortisation expense in statement of profit and loss.

The estimated useful lives are as follows:

- Software	3-6 years
- Technical know-how	10 years
- Trademarks	10 years

Amortisation method, useful life and residual values are reviewed at the end of each financial year and adjusted if appropriate.

##### **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets (refer note 4B).

#### **F. Impairment**

##### **i. Impairment of financial instruments**

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower;
- the breach of contract such as a default or being past due for 90 days or more;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.



## **Rinder India Private Limited**

### **Notes to the financial statements for the year ended 31 March 2018**

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

#### **Measurement of expected credit losses**

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

#### **Presentation of allowance for expected credit losses in the balance sheet**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### **Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### **ii. Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated.



## **Rinder India Private Limited**

### **Notes to the financial statements for the year ended 31 March 2018**

Assets that do not generate independent cash flows are grouped together into cash generating units (CGU).

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **G. Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to statement of profit or loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### **H. Inventories**

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, stores and spares, and loose tools are carried at the lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase (net of recoverable taxes, where applicable), costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The basis of determining costs for various categories of inventories are as follows: -

Raw materials, loose tools, stores and spares	-	Weighted average cost
Work-in-progress and finished goods	-	Material cost plus appropriate share of labour, manufacturing overheads.

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

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.



**Rinder India Private Limited**  
**Notes to the financial statements for the year ended 31 March 2018**

**I. Revenue recognition**

**(i) Sale of goods:**

**Measurement of revenue:**

Revenue is measured at the fair value of the consideration received or receivable. Sales are recognised when the significant risks and rewards of ownership are transferred to the buyer as per the terms of contract and are recognised. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

**Timing of recognition:**

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(ii) **Interest income** is recognised using the effective interest method.

**(iii) Revenue from sales of services**

Sales of services are recognized in the accounting period in which the services are rendered.

**J. Employee benefits**

**(i) Short term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**(ii) Share-based payment transactions**

The Company accounts for equity settled stock options for the parent Company using the fair value method.

**(iii) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards Employee Provident Fund (EPF) and Employees' State Insurance to Government. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**(iv) Defined benefit plan**

**Gratuity**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.



## **Rinder India Private Limited**

### **Notes to the financial statements for the year ended 31 March 2018**

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then- net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### **(v) Other long term employee benefits**

##### **Compensated absences**

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since, the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial gains and losses are recognised in statement of profit and loss in the period in which they arise.





## **Rinder India Private Limited**

### **Notes to the financial statements for the year ended 31 March 2018**

#### **K. Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to the purchase of property, plant and equipment are included in current liabilities and non-current liabilities as deferred income and are credited to statement of profit and loss on a systematic basis over the expected lives of the related assets and presented within other income.

#### **L. Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

#### **M. Provisions and contingencies**

##### **(i) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

##### **Warranty**

A provision for warranties is recognized when the underlying products are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all the possible outcomes by their associated probabilities.

##### **(ii) Contingencies**

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.



## **Rinder India Private Limited**

### **Notes to the financial statements for the year ended 31 March 2018**

#### **N. Income taxes**

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

##### **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

##### **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefits will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

Minimum Alternative tax ('MAT') under the provisions of Income-tax Act, 1961 is recognised as current tax in profit or loss. The credit available under the Act in respect of MAT paid is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.



**N. Earnings per share**

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

**O. Contingent liabilities and contingent assets**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**P. Segment reporting**

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available.

The Company is engaged in the business of manufacturing of Head Lamps. Accordingly, the Company's activities/ business is reviewed regularly by the Company's Board of directors from an overall business perspective, rather than reviewing its products/services as individual standalone components.

Based on the dominant source and nature of risks and returns of the Company, management has identified its business segment as its primary reporting format.

**Q. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above.

**R. Recent accounting pronouncement**

**Standards issued but not yet effective**

**- Ind AS 115, Revenue from Contracts with Customers**

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its Ind AS financial statements. The quantitative



## **Rinder India Private Limited**

### **Notes to the financial statements for the year ended 31 March 2018**

impact of adoption of Ind AS 115 on the Ind AS financial statements in the period of initial application is not reasonably estimable as at present.

#### **(i) Sales of goods**

For the sale of goods, revenue is currently recognised when the goods are delivered, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods. The revenue from these contracts may be recognised as the products are being manufactured.

#### **(ii) Transition**

The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

#### **Ind AS 21, The Effects of Changes in Foreign Exchange Rates**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.



**Rinder India Private Limited**  
**Statement of Changes in Equity for the year ended on 31 March 2018**  
(All amounts in Indian ₹ crore, unless otherwise stated)  
CIN - U31506PN1988PTC045915

**a) Equity share capital**

Particulars	Amount
Balance as at 1 April 2016	0.85
Changes in equity share capital during 2016-17	-
<b>Balance as at 31 March 2017</b>	<b>0.85</b>
Changes in equity share capital during 2017-18	-
<b>Balance as at 31 March 2018</b>	<b>0.85</b>

**b) Other equity**

Particulars	Reserves and surplus				Total equity
	Securities premium	Capital reserves	General reserves	Retained earnings	
Balance as at 1 April 2017	5.27	1.56	4.52	40.78	52.13
Profit for the year	-	-	-	14.16	14.16
Other comprehensive income(net of tax)	-	-	-	(0.02)	(0.02)
<b>Balance as at 31 March 2018</b>	<b>5.27</b>	<b>1.56</b>	<b>4.52</b>	<b>54.92</b>	<b>66.27</b>

Particulars	Reserves and surplus				Total equity
	Securities premium	Capital reserves	General reserves	Retained earnings	
Balance as at 1 April 2016	5.27	1.56	4.52	40.29	51.64
Profit for the year	-	-	-	0.50	0.50
Other comprehensive income(net of tax)	-	-	-	(0.01)	(0.01)
<b>Balance as at 31 March 2017</b>	<b>5.27</b>	<b>1.56</b>	<b>4.52</b>	<b>40.78</b>	<b>52.13</b>

Significant accounting policies 3  
The accompanying notes form an integral part of the financial statements

As per our report of even date attached

**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No: 101248W/W-100022



**Tarun Gupta**  
Partner  
Membership No. 507892

For and on behalf of the Board of Directors of  
**Rinder India Private Limited**



**Xabier Esquibel Sesma**  
Director  
DIN No. 03548407



**Pradip Kumar Tewari**  
Director  
DIN No. 00068543

Place: Gurugram  
Date: 10 May 2018

Place: Pune  
Date: 10 May 2018



## Note 4 A. Property, plant and equipment and capital work-in-progress

Particulars	Land- freehold	Land- leasehold	Buildings	Plant and equipment (refer note (d) and (e) below)	Furniture and fixtures	Vehicles	Office equipment	Computers	Total (A)	Capital work-in- progress (B)	Total (A+B)
Gross carrying value (deemed cost)											
As at 1 April 2016	3.45	1.05	9.88	40.04	1.11	0.07	0.16	0.40	56.16	-	56.16
Additions	-	-	0.54	8.74	0.14	0.03	0.13	0.32	9.90	-	9.90
Deductions/ Adjustments	-	-	-	0.11	-	0.01	0.00	-	0.12	-	0.12
Balance as at 31 March 2017	3.45	1.05	10.42	48.67	1.25	0.09	0.29	0.72	65.94	-	65.94
Balance as at 1 April 2017	3.45	1.05	10.42	48.67	1.25	0.09	0.29	0.72	65.94	-	65.94
Additions	-	-	1.13	13.73	0.37	0.24	0.23	0.18	15.88	-	15.88
Deductions/ Adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	3.45	1.05	11.55	62.40	1.62	0.33	0.52	0.90	81.82	-	81.82
Accumulated depreciation											
Balance as at 1 April 2016	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	0.02	0.91	10.19	0.31	0.02	0.10	0.35	11.90	-	11.90
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	-	0.02	0.91	10.19	0.31	0.02	0.10	0.35	11.90	-	11.90
Balance as at 1 April 2017	-	0.02	0.91	10.19	0.31	0.02	0.10	0.35	11.90	-	11.90
Depreciation for the year	-	0.01	0.96	10.53	0.26	0.07	0.10	0.23	12.16	-	12.16
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	-	0.03	1.87	20.72	0.57	0.09	0.20	0.58	24.06	-	24.06
Carrying amounts (net)											
At 1 April 2016	3.45	1.05	9.88	40.04	1.11	0.07	0.16	0.40	56.16	-	56.16
At 31 March 2017	3.45	1.03	9.51	38.48	0.94	0.07	0.19	0.37	54.04	1.53	55.57
At 31 March 2018	3.45	1.02	9.68	41.68	1.05	0.24	0.32	0.32	57.76	4.33	62.09

## a. Ind AS exemption

The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition.

## b. Security

Carrying amount of property, plant and equipment (shown above) pledged as securities for borrowings to the extent of borrowings limit (refer note 18 and note 21)

## c. Capital work in progress

Capital work in progress consist of building under construction and plant and equipment pending installation.

## d. Government grant

Includes government grant in plant and equipment gross block: ₹ 4.21 crores, accumulated depreciation : ₹ 1.54 crore (31 March 2017: gross block ₹ 2.75 crore, accumulated depreciation ₹ 1.20 crore, 01 April 2016 gross block ₹ 2.23 crore, ₹ 0.87 crore accumulated depreciation).

## e. Also refer note 43



**Rinder India Private Limited**

Notes to the financial statement for the year ended 31 March 2018

(All amounts in Indian ₹ crore, unless otherwise stated)

CIN - U31506PN1988PTC045915

**Note 4 B. Intangible assets**

Particulars	Trade Mark	Technical Know how	Software	Total	Intangible assets under development	Total
<b>Gross carrying value (deemed cost)</b>						
As at 1 April 2016	-	20.48	0.52	21.00	-	21.00
Additions	3.07	13.96	0.17	17.20	-	17.20
Deductions/ Adjustments (refer note c)	-	14.01	-	14.01	-	14.01
<b>Balance as at 31 March 2017</b>	<b>3.07</b>	<b>20.43</b>	<b>0.69</b>	<b>24.19</b>	-	<b>24.19</b>
<b>Balance at 1 April 2017</b>	<b>3.07</b>	<b>20.43</b>	<b>0.69</b>	<b>24.19</b>	-	<b>24.19</b>
Additions	-	0.88	1.70	2.58	-	2.58
Deductions/ Adjustments	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>3.07</b>	<b>21.31</b>	<b>2.39</b>	<b>26.77</b>	-	<b>26.77</b>
<b>Accumulated amortisation</b>						
As at 1 April 2016	-	-	-	-	-	-
Additions	0.66	3.57	0.24	4.47	-	4.47
Deductions/ Adjustments	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>0.66</b>	<b>3.57</b>	<b>0.24</b>	<b>4.47</b>	-	<b>4.47</b>
<b>Balance as at 1 April 2017</b>	<b>0.66</b>	<b>3.57</b>	<b>0.24</b>	<b>4.47</b>	-	<b>4.47</b>
Additions	0.61	4.35	0.60	5.56	-	5.56
Deductions/ Adjustments	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>1.27</b>	<b>7.92</b>	<b>0.84</b>	<b>10.03</b>	-	<b>10.03</b>
<b>Carrying amount (net)</b>						
At 1 April 2016	-	20.48	0.52	21.00	-	21.00
At 31 March 2017	<b>2.41</b>	<b>16.86</b>	<b>0.45</b>	<b>19.72</b>	-	<b>19.72</b>
At 31 March 2018	<b>1.80</b>	<b>13.39</b>	<b>1.55</b>	<b>16.74</b>	<b>11.95</b>	<b>28.69</b>

- a. Intangible asset under development consist of design charges for headlamps and taillamps for various customers ₹ 11.95 crores (31 March 2017: Nil, 1 April 2016: Nil)
- b. The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its intangible assets as its deemed cost as at the date of transition.
- c. During the year ended 31 March 2017, the management has remeasured carrying value of design charges and decided to write off ₹ 14.01 crores (₹ 26.63 crores less accumulated amortisation ₹ 12.61 crores) which has been shown as exceptional items in the statement of profit and loss.



5 Loans  
(unsecured considered good unless otherwise stated)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Loans to employees	0.05	0.02	0.04
Security deposits	1.57	1.38	1.43
	1.62	1.40	1.47

The Company's exposure to the credit risk related to loans to employees and security deposits are disclosed in Note no 37.

6 Deferred tax assets (net)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>a. Amount recognised in statement of profit and loss</b>		
Current tax (including minimum alternate tax )	4.51	2.46
Deferred tax	1.25	(1.93)
Deferred tax charge related to earlier years	3.14	(0.96)
Tax adjustments for earlier years	(2.15)	0.41
Tax expense for the year recognised in statement of profit and loss	6.75	(0.02)

b. Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2018			Year ended 31 March 2017		
	Before tax	Tax (expenses)/ benefit	Net of tax	Before tax	Tax (expenses)/ benefit	Net of tax
Remeasurements of defined benefit plan	(0.03)	0.01	(0.02)	(0.02)	0.01	(0.01)
	(0.03)	0.01	(0.02)	(0.02)	0.01	(0.01)

c. Reconciliation of effective tax rate

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
	Rate %	Amount	Rate %	Amount
Profit before tax		20.91		0.48
Tax using company's domestic tax rate	34.61%	7.24	33.06%	0.16
Effect of:				
Non deductible expenses / (income)	0.43%	0.09	-154.95%	(0.74)
MAT credit entitlement	-7.95%	(1.66)	-	-
Earlier year tax adjustments	4.74%	0.99	116.98%	0.56
Change in tax rate	0.47%	0.10	-	-
Effective tax rate	32.29%	6.75	-4.91%	(0.02)

d. Deferred tax asset/ liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Deferred tax assets :-</b>			
Property, plant and equipment and intangible assets	-	5.37	2.48
Loss allowance on trade receivables	0.09	0.10	0.12
Expenses allowable for tax purpose when paid	0.90	0.45	0.41
Carried forward tax credit	1.98	-	-
Expenditure covered u/s 35 D	-	0.00	0.01
	2.96	5.92	3.02
<b>Deferred tax liabilities</b>			
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	1.42	-	-
	1.42	-	-
<b>Deferred tax assets (net)</b>	1.53	5.92	3.02
<b>Deferred tax (charge)/ created during the year</b>	(4.38)	2.90	-



e. Movement of temporary differences

Net deferred tax assets/ (liabilities)					
Particulars	As at 1 April 2016	Movement in statement of profit and loss	As at 31 March 2017	Movement in statement of profit and loss	As at 31 March 2018
Property, plant and equipment and intangibles assets	2.48	2.89	5.37	(6.80)	(1.42)
Loss allowance for doubtful debts and advances	0.12	(0.02)	0.10	(0.01)	0.09
Expenses allowable for tax purpose when paid	0.41	0.04	0.45	0.45	0.90
Expenditure covered u/s 35 D	0.01	(0.01)	-	-	-
Carry forward tax credits	-	-	-	1.98	1.98
	3.02	2.90	5.92	(4.38)	1.53

Note:

- Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.
- In view of the Company's past financial performance and future profit projections, the Company expects that it shall generate sufficient future taxable income to fully recover the deferred tax assets

7 Non current tax assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non current tax assets (net)	6.53	5.48	4.60
	6.53	5.48	4.60

8 Other non-current assets

(unsecured considered good unless otherwise stated)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital advances			
considered good	2.76	0.07	0.18
considered doubtful	-	-	1.45
Less- provision for doubtful capital advances **	-	-	(1.45)
Prepaid expenses	0.06	0.04	0.01
	2.82	0.11	0.19

\*\* during the previous year, the Company had written off capital advances given for acquisition of plant and equipment in earlier years and reversed the provision for doubtful capital advances, as the same could not be received/ adjusted.

9 Inventories

(Valued at lower of cost or net realisable value)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials [Goods in transit ₹ Nil (31 March 2017 ₹ 1.67 crore.) (as at 1 April 2016 ₹ 0.87 crore)]	24.28	18.41	17.25
Work-in-progress	3.52	2.99	2.79
Finished goods [Goods in transit ₹ 6.04 crore (31 March 2017 ₹ 4.06 crore) (as at 1 April 2016 ₹ Nil )]	9.36	6.50	5.30
Stores and spares	1.42	-	-
Loose tools	6.76	-	-
	45.34	27.90	25.34
Carrying amount of inventories (included in above) hypothecated as securities for borrowings (refer to note no. 21)	45.34	27.90	25.34

Amount recognised in profit or loss:

During the year ended March 31, 2018 write-downs of inventories on account of provision in respect of obsolete / slow moving items amounted to ₹. 0.61 crores (March 31, 2017: ₹ Nil ) (April 01, 2016: ₹ Nil ). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit and loss.

10 Trade receivables

(Unsecured, considered good unless otherwise stated)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured considered good			
From others	93.87	68.41	65.30
From related parties	2.11	1.62	8.84
Doubtful			
From others	0.38	0.30	0.35
From related parties	-	-	-
	96.36	70.33	74.49
Less: loss allowances	0.38	0.30	0.35
	95.98	70.03	74.14

The Company's exposure to credit and currency risks related to the trade receivable is disclosed in Note 37.



**Rinder India Private Limited**  
**Notes to the financial statement for the year ended 31 March 2018**  
**(All amounts in Indian ₹ crore, unless otherwise stated)**

**11 Cash and cash equivalents**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
- Balances with banks			
Current accounts	3.90	0.78	1.52
Demand deposit accounts (with original maturity of 3 months or less)	1.80	-	-
- Cash on hand	5.70	0.78	1.52
	0.04	0.04	0.04
	<b>5.74</b>	<b>0.82</b>	<b>1.56</b>

The disclosure regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited financial statement for the period ended 31 March 2017 has been disclosed below:

Particulars	In absolute ₹		
	SBN's*	Other denomination notes	Total
Closing cash on hand as on 08.11.2016	349,500	349,136	698,636
(+) Permitted receipts	-	548,330	548,330
(-) Permitted payments	-	(316,736)	(316,736)
(-) Amount deposited in Banks	(349,500)	-	(349,500)
Closing cash on hand as on 30.12.2016	-	580,730	580,730

\* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs numbers S.O. 3407(E), dated the 8 November 2016.





**Rinder India Private Limited**  
**Notes to the financial statement for the year ended 31 March 2018**  
(All amounts in Indian ₹ crore, unless otherwise stated)

**12 Bank balances other than cash and cash equivalents**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank deposits (due for realisation within 12 months of the reporting date) *	0.16	-	0.07
	<b>0.16</b>	<b>-</b>	<b>0.07</b>

\* Under lien with excise, sales tax and Haryana State Pollution Board ₹ Nil (31 March 2017 ₹ Nil, 1 April 2016 ₹ .07 crore)

**13 Loans**

(unsecured considered good unless otherwise stated)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits	0.18	0.18	0.04
Loans to employees	0.20	0.16	0.17
	<b>0.38</b>	<b>0.34</b>	<b>0.21</b>

The Company's exposure to the credit risk related to loans to employees and security deposits are disclosed in Note no 37.

**14 Other current financial assets**

(unsecured considered good unless otherwise stated)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Interest accrued on term deposit/ other deposits	0.08	0.06	0.11
Export incentive receivables	1.67	0.52	0.13
	<b>1.75</b>	<b>0.58</b>	<b>0.24*</b>

The Company's exposure to the credit risk related to interest accrued on term deposits/other deposits and export incentive receivables are disclosed in Note no 37.

**15 Other current assets**

(unsecured considered good unless otherwise stated)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Prepaid expenses	0.31	0.22	0.19
Advance to employees	0.04	-	-
Advance to suppliers	5.36	2.06	3.46
Balances with government authorities			
- Considered good	5.82	7.57	7.94
- Considered doubtful	0.16	-	-
Less: loss allowance	(0.16)	-	-
	<b>11.53</b>	<b>9.85</b>	<b>11.59</b>



16 Equity share capital

(a) Authorised share capital

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Equity shares of ₹100/- each with voting rights	295,060	2.95	295,060	2.95	295,060	2.95
	295,060	2.95	295,060	2.95	295,060	2.95

(b) Issued, subscribed and fully paid up

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Equity shares of ₹100/- each with voting rights	84,996	0.85	84,996	0.85	84,996	0.85
	84,996	0.85	84,996	0.85	84,996	0.85

(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
At the beginning of the year	84,996	0.85	84,996	0.85	84,996	0.85
Add: issued	-	-	-	-	-	-
At the end of the year	84,996	0.85	84,996	0.85	84,996	0.85

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹100/- per share. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential assets, in proportion to their shareholding.

(e) Shares held by holding / ultimate holding company

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares held	% holding	Number of shares held	% holding	Number of shares held	% holding
Minda Industries Limited (including nominee shareholders)	84,986	99.99%	84,986	99.99%	-	-
Rinder Industrial S.A. Spain (including nominee shareholders) ***	-	-	-	-	84,986	99.99%

(f) Details of shareholders holding more than 5% shares in the Company:

Name of shareholder	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares held	% holding	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights						
Minda Industries Limited	84,986	99.99%	84,986	99.99%	-	-
Rinder Industrial S.A. Spain***	-	-	-	-	84,986	99.99%

\*\*\* On 4th June 2016, the board of directors has approved transfer of 84986 shares representing 99.99% of total share capital from Rinder Industrial S.A., Spain to Minda Industries Limited, also 10 shares representing 0.01% of total share capital from Corporation Rinder S.L. to Minda Autocomponents Limited.

Due to above share transfer Minda Industries Limited has become wholly owned holding company of Rinder India Private Limited w.e.f. 3rd June 2016.

(g) The Company has not allotted any bonus shares or bought back any shares during the current year or for a period of five years immediately preceding the financial statement date.



**Rinder India Private Limited**
**Notes to the financial statement for the year ended 31 March 2018**

(All amounts in Indian ₹ crore, unless otherwise stated)

**(h) Capital management**

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, consistent with others in the industry. The Company monitors capital using a gearing ratio, which is calculated as:

Net debt (total borrowings net of cash and cash equivalents) divided by "Total equity" (as shown in the Balance Sheet).

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Interest bearing loans and borrowings	95.17	70.97	43.67
Less: Cash and cash equivalents	5.74	0.82	1.56
Less: Bank balances other than cash and cash equivalents	0.16	-	0.07
<b>Total debts</b>	<b>89.27</b>	<b>70.15</b>	<b>42.04</b>
Equity share capital	0.85	0.85	0.85
Other equity	66.27	52.13	51.64
<b>Total equity</b>	<b>67.12</b>	<b>52.98</b>	<b>52.49</b>
<b>Debt to equity ratio</b>	<b>1.33</b>	<b>1.32</b>	<b>0.80</b>

**(i) Earning per share**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit for the year attributable to the equity shareholders	14.16	0.50
Weighted average number of equity shares outstanding	84,996	84,996
Basic and diluted earnings per share (face value ₹ 100 per share) (in ₹)	1.666	59

**17 Other equity**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Securities premium	5.27	5.27	5.27
Capital reserve	1.56	1.56	1.56
General reserve	4.52	4.52	4.52
Retained earnings	54.92	40.78	-
	<b>66.27</b>	<b>52.13</b>	<b>11.35</b>

**(i) Securities premium**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening balance	5.27	5.27	5.27
Addition during the year	-	-	-
Closing balance	<b>5.27</b>	<b>5.27</b>	<b>5.27</b>

**(ii) Capital reserve**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening balance	1.56	1.56	1.56
Addition during the year	-	-	-
Closing balance	<b>1.56</b>	<b>1.56</b>	<b>1.56</b>

**(iii) General reserve**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening balance	4.52	4.52	4.52
Addition during the year	-	-	-
Transfer from other reserve	-	-	-
Closing balance	<b>4.52</b>	<b>4.52</b>	<b>4.52</b>



(iv) Retained earnings

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance	40.78	40.29
Add:- surplus in statement of profit and loss	14.16	0.50
Other comprehensive income (net of tax)	(0.02)	(0.01)
Closing balance	54.92	40.78

The nature of each reserve within other equity is as follows:

- Securities premium: Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Companies Act, 2013.
- Capital reserve: this has been created out of the capital profits. The same would be utilised as per the provisions of the Act.
- General reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

18 Non current borrowings

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Term loans			
Secured			
From banks			
Rupee loan	27.50	15.00	-
Foreign currency loan	2.02	5.82	-
Less: amount included under 'other financial liabilities' (refer note no.23)	6.61	5.31	-
	22.91	15.51	-
From others	3.67	5.82	7.68
Less: amount included under 'other financial liabilities' (refer note no.23)	2.38	2.15	1.79
	1.29	3.67	5.89
Unsecured			
From related parties	-	-	4.96
Less: amount included under 'other financial liabilities' (refer note no.23)	-	-	1.53
	-	-	3.43
From others	-	-	7.16
Less: amount included under 'other financial liabilities' (refer note no.23)	-	-	2.86
	-	-	4.30
	24.20	19.18	13.62

a. Terms and conditions of outstanding borrowings are as follows:

Particulars	Currency	Rate of Interest	Year of Maturity	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured term loan						
From banks						
Axis Bank Limited	INR	MCLR+1%	2023	27.50	15.00	-
ECB From Standard Chartered Bank	EUR	LIBOR+2.3%	2019	2.02	5.82	-
From others						
Bajaj Finance Limited	INR	10%	2019	3.67	5.83	7.68
Total				33.19	26.65	7.68

The Company's exposure to currency, liquidity and interest rate risks related to the above long term borrowings is disclosed in note 37.



**Rinder India Private Limited**
**Notes to the financial statement for the year ended 31 March 2018**
**(All amounts in Indian ₹ crore, unless otherwise stated)**
**b. Secured term loans**

Nature of security (in case of secured loan)	Term of repayment and Interest rate
<b>Axis Bank Ltd.</b> Term loan from Axis Bank is secured by way of First pari- passu charge on present and future movable assets of the Company (primary security) and first charge on equitable mortgage of Land & building situated at Chakan (Pune) and second charge by way of hypothecation of entire current assets of the Company (collateral security).	Total loan sanctioned amounting to ₹30 Crores of which loan of ₹ 15 Crores was availed in current year repayable in 24 quarterly instalments of ₹1.25 crores each starting after 12 months from the date of first disbursement (from December 2017).  Rate of interest : MCLR +1% , currently 8.15% p.a.
<b>Bajaj Finance Ltd.</b> Term loan from Bajaj Finance Limited is secured by exclusive charge by way of equitable mortgage of land and building located at Bahadurgarh (Haryana) of the Company.	Total loan sanctioned amounting to ₹ 9 Crores which was availed in earlier years, repayable in 54 monthly instalments starting from 5 June 2015 to 5 Oct. 2019 of ₹0.22 crores each including interest thereon.  Rate of interest : 10% p.a.
<b>ECB from Standard Chartered Bank</b> External Commercial borrowing from Standard Chartered Bank is secured by first exclusive charge by way of equitable mortgage of immovable property and all present and future movable property, plant and equipment located at Pimpri plant of the Company.	Secured external commercial borrowings from Standard Chartered Bank is repayable in 4 half yearly instalments of Euro 100,000 each starting from 20 Nov 2016 upto 20 March 2018 and 1 Half yearly instalment of Euro 50000 as at 20 May 2019.  Rate of interest : LIBOR +2.30 %

**19 Provisions**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Provision for employee benefits</b>			
Gratuity	0.74	0.50	0.41
Compensated absences	0.74	0.59	0.65
	<b>1.48</b>	<b>1.09</b>	<b>1.06</b>

**20 Government grants**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Export promotion capital grant</b>			
Current portion	0.48	0.29	0.25
Non current portion	2.19	1.34	1.11
	<b>2.67</b>	<b>1.63</b>	<b>1.36</b>
Opening balance	1.63	1.36	
Add: grants received during the year	1.38	0.61	
Less: released to profit or loss (refer note no. 26)	0.34	0.34	
Closing balance	<b>2.67</b>	<b>1.63</b>	-

**21 Current borrowings**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Loans repayable on demand</b>			
Secured *			
from banks			
Rupee loan	12.30	7.39	3.37
from others	6.00	6.00	6.00
<b>Other borrowings</b>			
Secured *			
from banks			
Foreign currency loan from Citi Bank	15.68	10.94	14.51
Unsecured **			
from others	28.00	20.00	-
	<b>61.98</b>	<b>44.33</b>	<b>23.88</b>

The Company's exposure to currency, liquidity and interest rate risks related to the above long term borrowings is disclosed in note 37.





**Rinder India Private Limited**
**Notes to the financial statement for the year ended 31 March 2018**
**(All amounts in Indian ₹ crore, unless otherwise stated)**
**\* Nature of security:**

Bank Name	Nature of facility	Security Details	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Citi Bank N.A.	Working capital and PCFC credit	Borrowings from bank are secured by exclusive charge on all present and future stock and book debts and sole exclusive charge on entire present and future plant and equipment of the Company situated at chakan plant and Bahadurgarh plant, hypothecation on present and future plant & machinery of the Company. (PCFC loan in foreign currency ₹ 15.68 crore and working capital ₹ 4.84 crore (31 March 2017 PCFC loan in foreign currency ₹ 10.94 crore and ₹ 7.39 crore working capital loan, 1 April 2017 PCFC loan in foreign currency ₹ 14.51 crore and ₹ 3.37 crore working capital loan)	20.52	18.33	17.88
Standard Chartered Bank	Working capital	Borrowing from bank are secured by first pari passu charge over current assets of the Company (Rupee loan).	7.46	-	-
Bajaj Finance Ltd.	Working capital	Borrowing is secured by tripartite agreement with Bajaj Auto Limited, Bajaj Finance Limited and the Company.	6.00	6.00	6.00
<b>Total</b>			<b>33.98</b>	<b>24.33</b>	<b>23.88</b>

\*\* The Company has taken unsecured loan from Singhal Fin Cap Limited which is repayable on demand carries interest rate of 8.50%p.a.

**22 Trade payables**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	86.60	59.09	78.31
	<b>86.60</b>	<b>59.09</b>	<b>78.31</b>

The Company's exposure to liquidity and currency risks related to the above trade payable is disclosed in Note 37.

(i) All trade payables are 'current'

(ii) For trade payables to related parties, refer to note 39

(ii) Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 based on the information available with the Company is as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
The amounts remaining unpaid to suppliers as at the end of the year	-	-	-
- Principal	-	-	-
- Interest	-	-	-
The amount of payments made under the Act beyond the appointed day during the year	-	-	-
The amount of interest paid under the act beyond the appointed day during the 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 Act	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
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 the Act	-	-	-



**Rinder India Private Limited**
**Notes to the financial statement for the year ended 31 March 2018**
**(All amounts in Indian ₹ crore, unless otherwise stated)**
**23 Other current financial liabilities**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturities of long-term borrowings (refer note no. 18)	8.99	7.46	6.17
Employee related payables	2.68	3.50	3.00
Interest accrued but not due on borrowings	0.11	0.21	0.05
Payable for property, plant and equipments			
from related parties (refer to note 39)	3.43	2.37	10.02
from others	0.30	1.74	4.14
Book overdraft	-	-	2.11
	<b>15.51</b>	<b>15.28</b>	<b>25.49</b>

The Company's exposure to liquidity, currency and interest rate risks related to the above other financial liabilities is disclosed in note 37.

**24 Other current liabilities**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance from customers	3.09	2.17	1.64
Others			
- Statutory dues	1.13	1.69	1.56
	<b>4.22</b>	<b>3.86</b>	<b>3.20</b>

**5 Provisions**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Provision for employee benefits</b>			
Gratuity	-	-	-
Compensated absences	0.28	0.15	0.18
	0.28	0.15	0.18
<b>Others</b>			
Provision for warranty	0.10	0.13	-
	<b>0.38</b>	<b>0.28</b>	<b>0.18</b>

The provision for warranties relates mainly to Head Lamp, Tail Lamp sold during the years ended 31 March 2018 and 31 March 2017. The provision is based on estimates made from technical evaluation and historical warranty data associated with similar products and services. The Company expects to incur the related expenditure over the next year.

The Company has made a warranty provision on account of sale of products with warranty clause. These provisions are based on management's best estimate and past trends. Actual expenses for warranty are charged directly against the provision. Un-utilised provision is reversed on expiry of the warranty period.

**Provision for warranty :**

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance	0.13	-
Add: Provision made during the year	0.34	0.30
Less: Actual warranty book during the year	0.37	0.17
Closing balance	<b>0.10</b>	<b>0.13</b>



**26 Revenue from operations**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Sale of products (including excise duty)*</b>		
-Finished goods	442.94	394.83
Sale of products	442.94	394.83
Sale of service	1.63	0.64
<b>Other operating revenues</b>		
-Sale of scrap	2.33	2.24
-Export incentive	3.75	2.11
-Government grants	0.34	0.34
	<b>450.99</b>	<b>400.16</b>

\* In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 March 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. Accordingly, Financial statements for the year ended 31 March 2018 and in particular, Sales and ratios in percentage of sales, are not comparable with the figures of the previous year.

**27 Other income**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income on term deposits and others	0.07	0.07
Liabilities / provisions no longer required written back	0.24	-
Miscellaneous income	0.15	0.14
	<b>0.46</b>	<b>0.21</b>

**28 Cost of material consumed**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock of raw materials, components and lose tools	18.41	17.25
Add: Purchases of raw materials, components and lose tools	308.03	245.62
	<b>326.44</b>	<b>262.87</b>
Less: Closing stock of raw materials, components and lose tools	31.04	18.41
	<b>295.40</b>	<b>244.46</b>

**29 Changes in inventories of finished goods and work in progress**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Finished goods and stock in trade</b>		
Closing stock	9.36	6.50
Less: Opening stock	6.50	5.30
	2.86	1.20
<b>Work in progress</b>		
Closing stock	3.52	2.99
Less: Opening stock	2.99	2.79
	0.53	0.20
	<b>3.39</b>	<b>1.40</b>



**Rinder India Private Limited****Notes to the financial statements for the year ended 31 March 2018**

(All amounts in Indian ₹ crore, unless otherwise stated)

**30 Employee benefits expense**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	43.60	36.06
Employee stock option expenses (refer to note 42)	0.38	0.11
Contribution to provident fund and other funds (refer to note 36)	1.72	1.56
Staff welfare expenses	2.45	1.51
	<b>48.15</b>	<b>39.24</b>

**31 Finance cost**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense on borrowings	5.17	6.49
Other finance costs	-	0.05
	<b>5.17</b>	<b>6.54</b>

**32 Depreciation and amortisation**

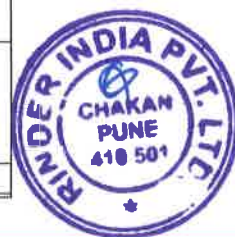
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation on property, plant and equipments	12.16	11.90
Amortisation on other intangible assets	5.56	4.47
	<b>17.72</b>	<b>16.37</b>

**33 Other expenses**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Consumption of stores and spare parts	5.80	2.83
Power and fuel	14.00	12.89
Rent (refer to note 38)	0.95	0.57
Repairs and maintenance:		
Buildings	0.57	0.34
Machinery	4.91	3.65
Others	0.61	1.45
Insurance	0.20	0.42
Rates and taxes	0.02	0.08
Travelling and conveyance	3.66	3.25
Legal and professional	4.33	2.36
Payments to auditors (refer note (i) below)	0.11	0.11
Property, plant and equipment scrapped/ written off	-	0.06
Freight and other distribution overheads	10.94	10.94
Design charges	4.12	-
Inspection and testing fees	1.78	0.77
Net loss on foreign currency fluctuations	0.88	0.61
Housekeeping expenses	0.83	0.75
Security service expenses	0.70	0.59
Warranty expenses	0.34	0.30
Postage and telephone expenses	0.36	0.39
Provision for doubtful trade receivables	0.26	0.25
Sundry balances written off (net)	-	0.30
Miscellaneous	2.37	1.91
	<b>57.74</b>	<b>44.82</b>

**Note (i) :**

	For the year ended 31 March 2018	For the year ended 31 March 2017
Payments to the auditor's comprises :		
As auditors - statutory audit	0.07	0.07
Reimbursement of expenses	0.01	0.01
Other services	0.03	0.03
<b>Total</b>	<b>0.11</b>	<b>0.11</b>



**Rinder India Private Limited****Notes to the financial statements for the year ended 31 March 2018**

(All amounts in Indian ₹ crore, unless otherwise stated)

CIN - U31506PN1988PTC045915

**34 Exceptional items**

During the previous year the Company had reassessed the carrying value of technical knowhow and decided to write off ₹ 14.01 crores (gross block ₹ 26.62 crores less accumulated amortization ₹ 12.61 crores) which has been shown as exceptional item in the statement of profit and loss.

**35 Contingent liabilities and commitments**

(to the extent not provided for)

**Contingent liabilities**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 March 2016
Income tax (refer note (a) below) ##	1.08	0.06	0.11
Service tax (refer note (b) below) ##	0.19	0.45	0.41

- (a) The matters were sub judice and the Company had filed appeals against the order of Assessing Officer for disallowance of design charges and others and the same are pending with ITAT/CIT (A).
- (b) The matters were sub judice and the Company had filed appeals against the order of Assessing Officer for incorrect availment of cenvat credit over various services.
- (c) Liability of Customs duty towards export obligation undertaken by the Company under "Export Promotion Capital Goods Scheme (EPCG)" amounting to ₹ 8.27 crore (31 March 2017: ₹18.33 crores , 1 April 2016: ₹ 9.35 crores). The Company has imported capital goods under EPCG and saved duty on the same. As per the EPCG terms and conditions, the Company needs to export goods amounting to 6 times of duty saved on import of Capital goods on FOB basis within a period of 6 years (Block year 1st to 4th – 50% and 5th to 6th – 50%). If the Company does not export goods in prescribed time, then the Company may have to pay duty on import of capital goods, including interest and penalty thereon.
- (d) The Company has made sales to various customers against C-form issued under Central Sales Tax Act, 1956 on account of which the Company has paid 2% sales tax in place of 14.5%. Total outstanding forms amounting to ₹ 93.08 crore (31 March 2017: ₹ 82.75 crore, 1 April 2016: 7.72 crore). If the Company does not collect the forms in prescribed time, then the Company may have to pay differential tax, including interest and penalty thereon.

## On the basis of current status of the cases and as per legal advice obtained by the Company, the Company believes that the probability of liability devolving on the Company is low.

**Capital commitments (net of advance)**

Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ 9.38 crores (31 March 2017: ₹ 1.24 crores, 1 April 2016: ₹ 1.85 crores ).





### 36 Employee benefits

#### a) Provision for employee benefits

##### Non-current

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Gratuity	0.74	0.50	0.41
Compensated absences	0.74	0.59	0.65
	<b>1.48</b>	<b>1.09</b>	<b>1.06</b>

##### Current

Gratuity	-	-	-
Compensated absences	0.28	0.15	0.18
Total employee benefit liabilities	<b>0.28</b>	<b>0.15</b>	<b>0.18</b>

##### Total

	<b>1.76</b>	<b>1.24</b>	<b>1.24</b>
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#### b) Defined benefit plan - Gratuity

The Company has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

The above defined benefit plan exposes the Company to following risks:

##### Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

##### Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

##### Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

#### Funding

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

#### Reconciliation of the net defined benefit (asset) / liability

##### - Reconciliation of present value of defined benefit obligation

	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	1.44	1.14
Current service cost	0.26	0.22
Past service cost	0.02	-
Interest cost	0.10	0.09
Benefits paid	(0.10)	(0.04)
Actuarial gain (loss) recognised in other comprehensive income		
- change in demographic assumptions	(0.08)	-
- experience adjustments	0.17	(0.04)
- changes in financial assumptions	(0.08)	0.07
<b>Balance at the end of the year</b>	<b>1.73</b>	<b>1.44</b>



**Rinder India Private Limited**
**Notes to the financial statements for the year ended 31 March 2018**

(All amounts in Indian ₹ crore, unless otherwise stated)

**- Reconciliation of fair value of plan assets**

Fair value of plan assets as at the beginning	
Investment income	
Employer's contribution	
Employee's contribution	
Benefits paid	
Return on plan assets, excluding amount recognised in net interest expense	
<b>Fair value of plan assets as at the end</b>	

As at 31 March 2018	As at 31 March 2017
0.94	0.73
0.06	0.06
0.10	0.20
	(0.02)
(0.10)	(0.04)
(0.01)	0.01
<b>0.99</b>	<b>0.94</b>

**- Reconciliation of defined benefit obligation & fair value of plan assets**

Present value of defined benefit obligation	
Fair value of plan assets	
<b>Net defined benefit obligation recognised in financial statement</b>	

As at 31 March 2018	As at 31 March 2017
1.73	1.44
0.99	0.94
<b>0.74</b>	<b>0.50</b>

**Expense recognised in statement of profit and loss**

Current service cost	
Interest cost	
Past service cost	

As at 31 March 2018	As at 31 March 2017
0.26	0.22
0.03	0.03
0.02	-
<b>0.31</b>	<b>0.25</b>

**Remeasurements recognised in other comprehensive income**

Actuarial (gain) / loss arising during the year	
Return on plan assets (greater) / less than discount rate	

(0.02)	(0.03)
(0.01)	0.01
<b>(0.03)</b>	<b>(0.02)</b>

**Defined benefit obligations**
**Actuarial assumptions**

Discount rate (per annum)	
Future salary growth rate (per annum)	

As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
7.80%	6.90%	7.80%
8% for the first five year and 6% thereafter	8% for the first five year and 6% thereafter	8% for the first five year and 6% thereafter
Mortality rate (% of IALM 06-08)	100.00%	100.00%
Attrition rate		
upto 30 years	15.00%	15.00%
from 31 - 44 years	10.00%	15.00%
above 44 years	3.00%	15.00%

As at 31 March 2018, the weighted average duration of the defined benefit obligation was 25 years.

Expected employer's contribution for the year ending 31 March 2019 is ₹ 1.03 crore.



**Rinder India Private Limited**
**Notes to the financial statements for the year ended 31 March 2018**

(All amounts in Indian ₹ crore, unless otherwise stated)

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	As at 31 March 2018		As at 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	1.59	1.89	1.36	1.52
Future salary growth rate (1% movement)	1.88	1.59	1.52	1.36
Attrition rate (50% of attrition rates)	1.76	1.66	1.41	1.43
Mortality rate (10% of mortality rates)	1.73	1.73	1.44	1.44

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

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

**Expected benefit payments**

Undiscounted amount of expected benefit payments for next 10 years are as follows:

	As at 31 March 2018	As at 31-Mar-17
Within 1 year	0.17	
2-5 years	0.69	
6-10 years	0.77	Not available
More than 10 years	2.40	

The major categories of plan assets of the fair value of the total plan assets are as follows:-

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments with insurer	100%	100%	100%

Information relating to certain disclosures, other than disclosed above, as required by Indian Accounting Standard – 19 'Employee Benefits' is not available with the Company.

**c) Defined contribution plans**

The Company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The Company has recognised ₹ 1.38 crores (31 March 2017 ₹ 1.30 crores) during the year as expense towards contribution to these plans.

	As at 31 March 2018	As at 31 March 2017
Provident fund	1.09	1.10
Employees' state insurance scheme	0.29	0.19
	1.38	1.29



37 Financial instruments - fair values and risk management

a. Financial instruments by category and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy-

	Level of hierarchy	Note No.	31 March 2018		31 March 2017		1 April 2016	
			Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>								
<i>(not measured at fair value)</i>								
<b>Non-current</b>								
Loans		5	1.62	-	1.40	-	1.47	-
<b>Current</b>								
Trade receivables		10	95.98	-	70.03	-	74.14	-
Cash and cash equivalents		11	5.74	-	0.82	-	1.56	-
Bank balances other than cash and cash equivalents		12	0.16	-	-	-	0.07	-
Loans		13	0.38	-	0.34	-	0.21	-
Other financial assets		14	1.75	-	0.58	-	0.24	-
			<b>105.63</b>	<b>-</b>	<b>73.17</b>	<b>-</b>	<b>77.69</b>	<b>-</b>
<b>Financial liabilities</b>								
<b>Non-current</b>								
Borrowings	3	18	24.20	24.20	19.18	19.18	13.62	13.62
<b>Current</b>								
Borrowings		21	61.98	61.98	44.33	44.33	23.88	23.88
Trade payables		22	86.60	-	59.09	-	78.31	-
Other financial liabilities		23	15.51	-	15.28	-	25.49	-
			<b>188.29</b>	<b>86.18</b>	<b>137.88</b>	<b>63.51</b>	<b>141.30</b>	<b>37.50</b>

Assets and liabilities which are measured at amortised cost

1. Fair value of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, current loans, other current financial assets, trade payables, other current financial liabilities and borrowings approximate their carrying amount, largely due to the short-term nature of these instruments.
2. Interest rates on long term borrowings (including current maturities) are equivalent to the market rate of interest. Accordingly, the carrying value of such borrowings approximates fair value. The fair value of long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.
3. Fair value of all other non-current assets have not been disclosed as the change from carrying amount is inconsequential.
4. There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2018 and 31 March 2017.



Financial instruments - fair values and risk management (Contd.)

b. Financial risk management

The Company, as active suppliers for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The Company's management structure with the main activities make necessary organised risk management system. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks:

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customers. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian automobile manufacturers (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default.

The Company's review also includes due diligence by external agency, financial statements, industry information, promoter's background and in some cases bank references.

Expected credit loss on trade receivable :

The Company's expected probability of default is Nil and all major payments are received on due dates without any significant delays. Based on internal assessment which is driven by historical experience/ current facts available in relation to default in collection thereof, the expected credit loss for trade receivables is estimated to be in the range of 0.35% to 0.45%. While the amount of total allowance for credit loss is disclosed in Note no. 10, the movement thereof during the years ended 31 March 2018 and 31 March 2017 is tabulated below:

	31 March 2018	31 March 2017
Opening provisions	0.30	0.35
Add: Provision provided during the year	0.26	0.25
Less: Utilised during the year	0.18	0.30
<b>Closing provision</b>	<b>0.38</b>	<b>0.30</b>

The Company's exposure to credit risk for trade receivable by the type of customers as at respective year ends is as follows:

	Carrying amount		
	31 March 2018	31 March 2017	1 April 2016
OEM	86.34	63.00	66.70
Non OEM	9.64	7.03	7.45
<b>Total</b>	<b>95.98</b>	<b>70.03</b>	<b>74.15</b>

Ageing in respect of trade receivables is as follows:

31 March 2018	Less than 3 months	3-12 months	1-5 years	Carrying amount
OEM	83.07	3.16	0.11	86.34
Non OEM	9.06	0.52	0.06	9.64
<b>Total</b>	<b>92.13</b>	<b>3.68</b>	<b>0.17</b>	<b>95.98</b>

31 March 2017	Less than 3 months	3-12 months	1-5 years	Carrying amount
OEM	60.61	2.31	0.08	63.00
Non OEM	6.61	0.38	0.04	7.03
<b>Total</b>	<b>67.22</b>	<b>2.69</b>	<b>0.12</b>	<b>70.03</b>

1 April 2016	Less than 3 months	3-12 months	1-5 years	Carrying amount
OEM	64.17	2.44	0.09	66.70
Non OEM	7.00	0.40	0.05	7.45
<b>Total</b>	<b>71.17</b>	<b>2.84</b>	<b>0.14</b>	<b>74.15</b>





**Financial instruments - fair values and risk management (Contd.)**

Loans and other financial assets

a) The Company has given security deposits to Government departments and vendors for securing services from them. As these are well established organisations and have strong capacity to meet the obligations, risk of default is negligible or nil.

b) The Company provides loans to employees for their personal needs and repayment by deduction from the salary of the employees. Loans are given only to those employees who have served a minimum period as per the approved policy of the Company. The expected probability of default is negligible or nil.

c) All the export incentives are receivable from Government and therefore expected probability of default is negligible or nil.

The Company's exposure to credit risk for loans and other financial assets is as follows:

	Carrying amount		
	31 March 2018	31 March 2017	1 April 2016
Security deposits	1.75	1.55	1.47
Loans to employees	0.25	0.17	0.21
Interest accrued on deposits	0.08	0.06	0.11
Bank balances other than cash and cash equivalents	0.16	-	0.07
Export incentive receivable	1.67	0.52	0.13
	<b>3.91</b>	<b>2.30</b>	<b>1.99</b>

Cash and cash equivalents

Credit risk on cash and cash equivalents and bank balances other than cash and cash equivalents is limited as the Company generally invests in deposits with international and domestic banks with high repute.



**Rinder India Private Limited****Notes to the financial statements for the year ended 31 March 2018**

(All amounts in Indian ₹ crore, unless otherwise stated)

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**Financial Instruments - Fair Values And Risk Management (Contd.)****(ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities, when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Long term cash flow requirement is monitored through long term plans. In the line of long term planning, short term plans are reviewed on quarterly basis and compared with actual position on monthly basis to assess the performance of the Company and liquidity position.

The Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. In addition to this, the Company maintains the following line of credit:

- The Company is having credit limit from banks on account of borrowings, working capital, cash credit etc., of Rs. 123 crores

Exposure to liquidity risk

The following are the remaining undiscounted contractual maturities of financial liabilities including interest at the reporting date:

**31 March 2018****Non derivative financial liabilities**

Foreign currency loan from banks
Rupee loan from banks
Rupee loan from others
Employee related payables
Interest accrued on borrowings
Payable for property, plant and equipment
Trade payables

	Contractual cash flow					Carrying amount
	On Demand	Less than 3 months	3 -12 months	1-5 years	More than 5 years	
-	-	8.79	8.50	0.40	-	17.69
12.30	12.30	1.25	3.75	22.50	-	39.80
28.00	28.00	6.57	1.81	1.29	-	37.67
-	-	0.48	2.20	-	-	2.68
-	-	0.11	-	-	-	0.11
-	-	3.73	-	-	-	3.73
-	-	86.60	-	-	-	86.60
40.30	40.30	107.53	16.26	24.19	-	188.28

**31 March 2017****Non derivative financial liabilities**

Foreign currency loan from banks
Rupee loan from banks
Rupee loan from financial institution & others
Employee related payables
Interest accrued on borrowings
Payable for property, plant and equipment
Trade payables

	Contractual cash flow					Carrying amount
	On Demand	Less than 3 months	3 -12 months	1-5 years	More than 5 years	
-	-	3.27	11.72	1.76	-	16.75
7.39	7.39	-	1.25	13.75	-	22.39
20.00	20.00	0.52	7.63	3.67	-	31.82
-	-	1.59	1.91	-	-	3.50
-	-	0.21	-	-	-	0.21
-	-	4.11	-	-	-	4.11
-	-	59.09	-	-	-	59.09
27.39	27.39	68.79	22.51	19.18	-	137.87

**1 April 2016****Non derivative financial liabilities**

Foreign currency loan from banks
Foreign currency loan from financial institution & others
Rupee loan from banks
Rupee loan from financial institution & others
Employee related payables
Interest accrued on borrowings
Payable for property, plant and equipment
Trade payables
Book overdraft

	Contractual cash flow					Carrying amount
	On Demand	Less than 3 months	3 -12 months	1-5 years	More than 5 years	
-	-	1.77	12.74	-	-	14.51
-	-	0.76	3.63	7.73	-	12.12
3.37	3.37	-	-	-	-	3.37
-	-	6.00	1.79	5.90	-	13.69
-	-	1.20	1.80	-	-	3.00
-	-	0.05	-	-	-	0.05
-	-	14.16	-	-	-	14.16
-	-	78.31	-	-	-	78.31
-	-	2.11	-	-	-	2.11
3.37	3.37	104.36	19.96	13.63	-	141.32



**Rinder India Private Limited**

Notes to the financial statements for the year ended 31 March 2018

(All amounts in Indian ₹ crore, unless otherwise stated)

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**Financial Instruments - Fair Values And Risk Management (Cond.)**

**Financial risk management (contd.)**

**(iii) Market risk**

Market risk is the risk that changes in market prices - such as pricing, currency risk and interest rate risk- will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Company.

**Price risk**

Fluctuation in commodity price in market affects directly and indirectly the price of raw material and components used by the Company. The key raw material for the Company's is plastic and LED. There is substantial fluctuations in prices of plastic. The Company has arrangements with its major customers for passing on the price impact.

**Currency risk**

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings which are denominated and functional currency of the Company, i.e. INR (₹). The currencies in which these transactions are primarily denominated are US dollar, Japanese Yen and Euro.

**A. Exposure to currency risk**

Amount in ₹ crores

**31 March 2018**

	USD	JPY	EUR
Borrowings	(8.01)	-	(9.68)
Trade payables	(1.33)	(0.29)	(2.62)
Other financial liabilities	-	-	(3.43)
Less:			
Trade receivable	11.73	-	3.60
Cash and cash equivalent	1.60	-	1.16
<b>Net exposure of recognised financial assets/(liabilities)</b>	<b>3.99</b>	<b>(0.29)</b>	<b>(10.97)</b>

**31 March 2017**

	USD	JPY	EUR
Borrowings	(10.74)	-	(5.84)
Trade payables	(0.44)	-	(2.23)
Other financial liabilities	-	-	(2.37)
Less:			
Trade receivable	8.76	-	2.75
Cash and cash equivalent	0.05	-	0.34
<b>Net exposure of recognised financial assets/(liabilities)</b>	<b>(2.37)</b>	<b>-</b>	<b>(7.34)</b>

**1 April 2016**

	USD	JPY	EUR
Borrowings	(14.51)	-	-
Trade payables	(0.79)	-	(32.55)
Other financial liabilities	-	-	(10.02)
Less:			
Trade receivable	10.60	-	8.33
Cash and cash equivalent	0.22	-	0.13
<b>Net exposure of recognised financial assets/(liabilities)</b>	<b>(4.48)</b>	<b>-</b>	<b>(34.11)</b>

The following significant exchange rates were applied at the year end:

Particulars	Year end rates		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
JPY/ INR	0.62	0.58	0.59
USD/INR	65.04	64.81	67.07
EUR/ INR	80.62	70.58	76.33



**Rinder India Private Limited**
**Notes to the financial statements for the year ended 31 March 2018**
**(All amounts in Indian ₹ crore, unless otherwise stated)**
**CIN - U31506PN1988PTC045915**
**Financial Instruments - Fair Values And Risk Management (Cond.)**
**Financial risk management (contd.)**
**B. Sensitivity analysis**

A reasonably possible strengthening/ (weakening) of USD, JPY and EURO against INR (₹) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit / (Loss) before tax		₹ in Crores Profit / (Loss) after tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2018</b>				
USD (5% movement)	(0.20)	0.20	(0.13)	0.13
JPY (5% movement)	0.01	(0.01)	0.01	(0.01)
EURO (5% movement)	0.55	(0.55)	0.36	(0.36)
	<b>0.36</b>	<b>(0.36)</b>	<b>0.24</b>	<b>(0.24)</b>
<b>31 March 2017</b>				
USD (5% movement)	0.12	(0.12)	0.08	(0.08)
JPY (5% movement)	-	-	-	-
EURO (5% movement)	0.37	(0.37)	0.24	(0.24)
	<b>0.49</b>	<b>(0.49)</b>	<b>0.32</b>	<b>(0.32)</b>
<b>1 April 2016</b>				
USD (5% movement)	0.22	(0.22)	0.15	(0.15)
JPY (5% movement)	-	-	-	-
EURO (5% movement)	1.71	(1.71)	1.12	(1.12)
	<b>1.93</b>	<b>(1.93)</b>	<b>1.26</b>	<b>(1.26)</b>

USD: US Dollar, JPY: Japanese Yen, EUR: Euro

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company tries to manage the risk partly by entering into fixed-rate instruments and partly by borrowing at a floating rate.

**A. Exposure to Interest rate risk**

The Company has the following exposure in interest bearing borrowings as on reporting date:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fixed interest borrowings	28.00	20.00	-
Variable interest borrowings	67.16	50.98	43.69

The Company's fixed rate borrowings are carried at amortised cost. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Variable interest borrowings include rupee loan from banks which carry MCLR, LIBOR based interest rate.

**B. Sensitivity analysis**

A reasonably possible change of 0.5% in interest rate at the reporting date, would have affected profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Year ended	Profit / (Loss)	
	0.5% increase	0.5% decrease
31 March 2018	(0.34)	0.34
31 March 2017	(0.25)	0.25



**Rinder India Private Limited****Notes to the financial statements for the year ended 31 March 2018**

(All amounts in Indian ₹ crore, unless otherwise stated)

CIN - U31506PN1988PTC045915

**38 Operating Leases****Leases as lessee**

The Company's significant operating lease arrangements are in respect of premises (factory building, warehouse and guest houses etc.). The lease term for these leases ranges from 11 months to 5 years which includes a lock in period and in certain cases are renewable by mutual consent on mutually agreeable terms. Some of the significant terms and conditions for the arrangements are:

- agreements may generally be terminated by either party by serving one to three month's notice / mutual consent.
- the lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.
- no subletting of the premises or any part thereof is permissible without the prior written consent of lessor.

	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Amount recognised in profit or loss:		
Rental expenses for the year	0.95	0.57
(b) Future minimum lease payment in case of non-cancellable lease		
- not later than 1 year	0.61	-
- later than 1 year and not later than five years	1.15	-
- later than 5 years	-	-
(c) There is no contingent rent in the lease agreements.		





**Rinder India Private Limited**

Notes to the financial statements for the year ended 31 March 2018

(All amounts in Indian ₹ crore, unless otherwise stated)

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**39 Related parties**

Related party and nature of related party relationship where control exists:-

<b>A) Ultimate holding company :</b>	Corporation Rinder, S.L (upto 2 June 2016)
<b>B) Holding company :</b>	Rinder Industrial S.A. (upto 2 June 2016) Minda Industries Limited, India (w.e.f 3 June 2016)

**C) Other related parties with whom transactions have taken place during the year/previous period:-****Fellow subsidiaries**

- 1 Light & System Techinal Center, S. L., Spain
- 2 Minda Distribution & Services Ltd. (w.e.f. 3 June 2016)
- 3 Lampsys Light Systems, S.L (upto 2 June 2016)
- 4 Rinder Trading S.L (upto 2 June 2016)
- 5 Minda Katolec Electronics Services Pvt Ltd (w.e.f 3 April 2017)

**Joint venture of the holding company**

- 1 Minda Emer Technologies Ltd. (w.e.f 3 June 2016)
- 2 Rinder Riduco SAS

**C) Key management personnel**

- |                             |  |
|-----------------------------|--|
| 1 Mr. Xavier Esquibel Sesma | Director                                     |
| 2 Mr. Sudhir Jain           | Director (w.e.f 4 June 2016)                 |
| 3 Mr. Pradeep Kumar Tewari  | Director (w.e.f 4 June 2016)                 |
| 4 Mr. Satish Sekhri         | Independent director (w.e.f 26 October 2016) |
| 5 Mrs. Apurva Pradeep Joshi | Independent director (w.e.f 1 December 2016) |

**Transactions with related parties****A. Ultimate holding company****Corporation Rinder, S.L (upto 2 June 2016)**

	Year ended 31 March 2018	Year ended 31 March 2017
a) Other expenses		
Legal and professional	-	0.22

**Holding company****Minda Industries Limited**

	Year ended 31 March 2018	Year ended 31 March 2017
a) Purchase of property, plant and equipment	0.06	0.12
b) Purchase of raw material and parts	6.15	1.77
c) Sale of goods	0.90	0.03
d) Purchase of intangible assets	1.51	-
e) Employee benefit expenses	2.31	1.68
f) Borrowings received	-	22.40
g) Borrowings repaid	-	22.40
h) Interest on loan paid	-	1.55
h) Other expenses		
Legal and professional	2.29	1.67
Travel and conveyance	0.15	-
i) Sales of services	0.15	0.10

**Rinder Industrial S.A. (upto 2 June 2016)**

	Year ended 31 March 2018	Year ended 31 March 2017
a) Purchase of raw material	-	0.10
b) Sale of finished goods (absolute ₹ 18,995)	-	0.00
c) Interest expense	-	0.02
d) Other expenses	-	
design/ training charges	-	0.05



### C. Fellow subsidiaries

#### Light and Systems Technical Centre, S.L

a) Purchase of raw material and parts	0.09	0.86
b) Sale of goods		0.02
c) Other expenses		
Traveling expenses		0.05
Inspection and testing expenses		0.73
Legal and professional	1.71	-
d) Design charges (intangible assets)	16.29	13.72
e) Sale of raw material and parts	0.32	-

#### Lampsys Light System, S.L (upto 02 June 2016)

a) Purchase of raw material and parts	-	0.07
b) Sale of goods	-	0.94
c) Other expenses		
Inspection and testing expenses	-	0.02
design/ training charges	-	0.03

#### Rinder Trading, S.L. (upto 02 June 2016)

a) Sale of goods	-	0.53
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#### Minda Distribution and Services Limited

a) Sale of goods	4.77	1.27
b) Sale of services	-	0.06
c) Reimbursement of salaries and wages	0.02	-

### D. Joint venture of the holding company

#### Minda Emer Technologies Limited

a) Sale of services	0.23	0.15
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#### Rinder Riduco SAS

a) Sale of goods	3.47	1.92
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### E. Key managerial personnel \*

#### Managerial remuneration

Xaiber Eskibel Sesma \$

Salaries and wages (short term)	0.58	0.49
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\* Does not include provisions/ contributions towards gratuity, compensated absences, as applicable as such provisions/ contributions are for the Company as a whole.

\$ Employee stock options expense in statement of profit and loss is ₹ .38 crores (31 March 2017 ₹ 0.11 crores) recharged by Minda Industries Limited.

### E. Balances as at year end

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 1 April 2016
<b>i) Ultimate holding company</b>			
<b>Corporation Rinder, S.L (upto 2 June 2016)</b>			
Trade receivable	-	-	2.49
Trade payable	-	-	25.35
<b>ii) Holding company</b>			
<b>Rinder Industrial S.A.</b>			
Trade payable	-	-	5.71
<b>Minda Industries Limited</b>			
Trade receivable	0.06	0.02	-
Trade payable	5.16	0.97	-



iii) Fellow subsidiaries

**Light & System Techinal Center, S. L., Spain**

Payable for property, plant and equipments	3.43	2.37	10.02
Trade receivable	-	0.01	0.82

**Minda Distribution & Services Ltd.**

Trade receivable	1.11	0.61	-
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**Lampsys Light Systems, S.L**

Trade receivable	-	-	3.22
Trade payable	-	-	4.20

**Rinder Trading S.L**

Trade receivable	-	-	0.19
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**Minda Katolec Electronics Services Pvt Ltd**

Trade payable	0.05	-	-
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iv) Joint ventures of the holding compay

**Minda Emer Technologies Ltd.**

Trade Payable	0.02	-	-
Trade Receivable	-	0.02	-

**Rinder Riduco SAS**

Trade receivable	1.76	0.96	2.13
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**Rinder India Private Limited****Notes to the financial statements for the year ended 31 March 2018**

(All amounts in Indian ₹ crore, unless otherwise stated)

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**40 Operating Segments****a. Basis for segmentation**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

The Company is engaged in the business of manufacturing of Head Lamp which constitute a single business segment accordingly, disclosure requirement if Ind AS-108 "Operating Segment" are not required to be given. Result of the company are reviewed regularly by the Company's Board of Director to assess the performance of the Company and to make decision accordingly.

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Details of Turnover</b>		
Sale of goods	442.94	394.82
Sale of services	1.63	0.64

**Major customer**

Revenue from three major customers which individually constitute more than 10% of the Company's total revenue is 65 %.

**c. Segment Reporting -Geographical segment**

The analysis of geographical segment is based on geographical location of the Company.

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Revenue</b>		
India	391.06	332.70
Outside India	53.51	62.78
	<b>444.57</b>	<b>395.47</b>
<b>Non Current Assets \$\$</b>		
India	93.60	75.40
Outside India	-	-
	<b>93.60</b>	<b>75.40</b>
<b>Trade receivables</b>		
India	80.65	58.52
Outside India	15.33	11.51
	<b>95.98</b>	<b>70.03</b>

\$\$ excluding financial instruments and tax assets

- 41 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under Sections 92-92F of the Income-tax Act, 1961. Since, the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation to determine whether the transactions entered into with the associated enterprises during the financial year on an arm's length basis. The management is of the opinion that such transactions are at arm's length so 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.



**Rinder India Private Limited****Notes to the financial statements for the year ended 31 March 2018**

(All amounts in Indian ₹ crore, unless otherwise stated)

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**42 Share-based compensation**

The Company had participated in the Minda Industries Limited Employee Stock Option Scheme 2016 and during the year ended 31 March 2017, the Nomination & Remuneration Committee of Minda Industries Limited ('the Parent Company') had approved the grant of 50,000 equity shares of face value of Rs. 2/- to certain employees in terms of the Employee Stock Option Scheme 2016. The scheme is monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors of Minda Industries Limited in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

The parent company accounts for accounts for Equity Stock Options as per the accounting treatment prescribed by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended from time to time) and the Ind AS - 102 on Share Based Payment. Accordingly, the exposure pertaining to the Company is recharged by the parent company.

The terms and conditions related to the grant of the share options are as follows:

Scheme	Year	Date of Grant	Number of options	Vesting conditions	Exercise period	Exercise price (₹) per share
Minda Employee Stock Option Scheme 2016	2016-17	23-Nov-16	50,000	Achieving target of market capitalization of parent Company on or before 31 March, 2018	1 Year from the date of vesting	180

The number of share options under stock benefit plan is as follows:

Scheme	Year	Outstanding at the beginning of the year 01.04.2017	Granted during the year	Forfeited/lapsed/expired during the year	Exercised during the year	Exercisable at the end of the year 31.03.2018	Outstanding at the end of the year 31.03.2018
Minda Employee Stock Option Scheme 2016	2016-17	50,000	-	-	10,000	40,000	40,000

**Fair valuation**

The parent company has provided the fair value of Share based payment cost that have been done by an independent valuer on the date of grant using the Black-Scholes Model.

The following assumptions were used for calculation of fair value of grants:

Particulars	As at 31 March 2018	As at 31 March 2017
Risk-free interest rate (%)	6.13%- 6.15 %	6.13%- 6.15 %
Expected life of options (years) [(year of vesting) +(contractual option term)/2]	1.53 year - 1.85 years	1.53 year - 1.85 years
Expected volatility (%)	27.92% - 43.62 %	27.92% - 43.62 %
Dividend yield	4.61%- 6.90%	4.61%- 6.90%

The risk free interest rates are determined based on the zero-coupon yield curve for Government Securities or Government bonds with maturity equal to the expected term of the option. Volatility calculation is based on annualized standard deviation of the continuously compounded rate of return of the stock over a period of time. The historical period taken into account to match the expected life of the option. Dividend yield has been arrived by dividing the dividend for the period with the current market price.

The above disclosure is based on the information, to the extent available with the Company.

Expense recognised in statement of profit and loss account

Year ended 31 March 2018	Year ended 31 March 2017
0.38	0.11





**Rinder India Private Limited**

**Notes to the financial statements for the year ended 31 March 2018**

**(All amounts in Indian ₹ crore, unless otherwise stated)**

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#### **43 EXPLANATION OF TRANSITION TO IND AS**

As stated in Note 2 (A), these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its financial statements in accordance with companies (Accounting Standards) Rules, 2006, notified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act ('previous GAAP'). All applicable Ind AS have been applied consistently and retrospectively, wherever, required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Indian GAAP as of the transition date are recognized directly in equity (retained earnings) at the date of transition to Ind AS.

The accounting policies set out in note 3 have been applied in preparing these financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows. In preparing these financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101.

##### **Optional exemptions availed**

###### **Property, plant and equipment and intangible assets**

As permitted by Ind AS 101, the Company has elected to continue with carrying value under previous GAAP for all items of property, plant and equipment and intangible assets. The carrying values of property, plant and equipment and intangible assets as aforesaid have been adjusted for making adjustments relating to site restoration costs, business combination of entities under common control and government grants.

##### **Mandatory exceptions**

###### **Estimates**

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS or as at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is a objective evidence that those estimates were in error. However the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of comparative period, as the case may be.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are as follows:

- Determination of discounted value for financial instruments carried at amortised cost.

###### **Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.



**Rinder India Private Limited**
**Notes to the financial statements for the year ended 31 March 2018**
**(All amounts in Indian ₹ crore, unless otherwise stated)**
**CIN - U31506PN1988PTC045915**
**EXPLANATION OF TRANSITION TO IND AS (continued)**
**a. Reconciliation of equity**

a. Reconciliation of equity		Note	As at the date of transition 1 April 2016			As at 31 March 2017		
			Previous GAAP *	Ind AS adjustments	Ind AS	Previous GAAP *	Ind AS adjustments	Ind AS
<b>Non-current assets</b>								
Property, plant and equipment	(a)		54.80	1.36	56.16	53.01	1.03	54.04
Capital work in progress			-	-	-	1.53	-	1.53
Intangible assets			21.00	-	21.00	19.71	-	19.72
Financial assets								
Loans			1.47	-	1.47	1.40	-	1.40
Deferred tax assets (net)			3.02	-	3.02	5.92	-	5.92
Non-current tax assets(net)			4.60	-	4.60	5.48	-	5.48
Other non-current assets			0.19	-	0.19	0.11	-	0.11
<b>Total non-current assets</b>			<b>85.08</b>	<b>1.36</b>	<b>86.44</b>	<b>87.16</b>	<b>1.03</b>	<b>88.20</b>
<b>Current assets</b>								
Inventories			25.34	-	25.34	27.90	-	27.90
Financial assets								
Trade receivables			74.14	-	74.14	70.03	-	70.03
Cash and cash equivalents			1.56	-	1.56	0.82	-	0.82
Bank Balances other than cash and cash equivalents			0.07	-	0.07	-	-	-
Loans			0.21	-	0.21	0.34	-	0.34
Other financial assets			0.24	-	0.24	0.58	-	0.58
Other current assets			11.59	-	11.59	9.86	-	9.85
<b>Total current assets</b>			<b>113.15</b>	<b>-</b>	<b>113.15</b>	<b>109.53</b>	<b>-</b>	<b>109.52</b>
<b>TOTAL ASSETS</b>			<b>198.23</b>	<b>1.36</b>	<b>199.59</b>	<b>196.69</b>	<b>1.03</b>	<b>197.72</b>

\* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**EXPLANATION OF TRANSITION TO IND AS (continued)**
**Reconciliation of equity (continued)**

Reconciliation of equity (continued)		Note	As at the date of transition 1 April 2016			As at 31 March 2017		
			Previous GAAP *	Ind AS adjustment	Ind AS	Previous GAAP *	Ind AS adjustment	Ind AS
<b><u>EQUITY AND LIABILITIES</u></b>								
<b>Equity</b>								
Equity share capital			0.85	-	0.85	0.85	-	0.85
Other equity			51.64	-	51.64	52.85	(0.72)	52.13
<b>Total equity</b>			<b>52.49</b>	<b>-</b>	<b>52.49</b>	<b>53.70</b>	<b>(0.72)</b>	<b>52.98</b>
<b>Non- current liabilities</b>								
Financial liabilities								
Borrowings			13.62	-	13.62	19.18	-	19.18
Provisions			1.06	-	1.06	1.09	-	1.09
Government grants	(a)		-	1.11	1.11	-	1.34	1.34
<b>Total non-current liabilities</b>			<b>14.68</b>	<b>1.11</b>	<b>15.79</b>	<b>20.27</b>	<b>1.34</b>	<b>21.61</b>



**Current liabilities**

Financial liabilities						
Borrowings	23.88	-	23.88	44.33	-	44.33
Trade payables	78.31	-	78.31	59.09	-	59.09
Other financial liabilities	25.49	-	25.49	15.28	-	15.28
Other Current Liabilities	3.20	-	3.20	3.86	-	3.86
Provisions	0.18	-	0.18	0.16	0.12	0.28
Government grants	(a)	0.25	0.25	-	0.29	0.29
<b>Total current liabilities</b>	<b>131.06</b>	<b>0.25</b>	<b>131.31</b>	<b>122.72</b>	<b>0.41</b>	<b>123.13</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>198.23</b>	<b>1.36</b>	<b>199.59</b>	<b>196.69</b>	<b>1.03</b>	<b>197.72</b>

\* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**Rinder India Private Limited****Notes to the financial statements for the year ended 31 March 2018**

(All amounts in Indian ₹ crore, unless otherwise stated)

CIN - U31506PN1988PTC045915

**b. Reconciliation of total equity as at 31 March 2017 and 1 April 2016**

Particulars	Notes to first-time adoption	As at 1 April 2016	As at 31 March 2017
Total equity (shareholder's funds) as per previous GAAP		52.49	53.70
Impact on account of exchange differences arising from translation of long term foreign currency monetary items	(b )	-	(0.73)
Depreciation on EPCG assets		-	(0.33)
Amortisation of government grant		-	0.33
Tax impact on above		-	0.01
Total equity as per Ind AS		<b>52.49</b>	<b>52.98</b>

**Cash flow statement**

Other than effect of certain reclassifications due to difference in presentation, there was no material effect of cash flow from operating, financing, investing activities for all periods presented.



**Rinder India Private Limited**

Notes to the financial statements for the year ended 31 March 2018

(All amounts in Indian ₹ crore, unless otherwise stated)

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**EXPLANATION OF TRANSITION TO IND AS (continued)****Reconciliation of total comprehensive income for the year ended 31 March 2017**

	Note	Year ended 31 March 2017		
		Previous GAAP *	Ind AS adjustments	Ind AS
Revenue from operations	(a), (c)	363.97	36.19	400.16
Other income		0.21	-	0.21
<b>TOTAL REVENUE</b>		<b>364.18</b>	<b>36.19</b>	<b>400.37</b>
<b>EXPENSES</b>				
Cost of materials consumed		244.46	-	244.46
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(1.40)	-	(1.40)
Excise duty		-	35.85	35.85
Employee benefits expense	(d)	39.26	(0.02)	39.24
Finance costs		6.54	-	6.54
Depreciation and amortization expense	(a), (b)	16.04	0.33	16.37
Other expenses	(b)	44.09	0.73	44.82
<b>TOTAL EXPENSES</b>		<b>348.99</b>	<b>36.89</b>	<b>385.88</b>
Profit before tax and exceptional items		15.20	(0.70)	14.50
Exceptional Items		(14.01)	-	(14.01)
Profit before tax		1.19	(0.70)	0.49
Tax expense:		(0.01)	(0.01)	(0.02)
Profit for the year		1.20	(0.69)	0.51
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not to be reclassified subsequently to statement of profit or loss</b>				
Re-measurement gains / (losses) on defined benefit plans	(f)	-	(0.02)	(0.02)
Income tax effect		-	0.01	0.01
Net other comprehensive income not to be reclassified subsequently to statement of profit or loss		-	(0.01)	(0.01)
<b>Total comprehensive income for the year, net of tax</b>		<b>1.20</b>	<b>(0.70)</b>	<b>0.49</b>

\* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



**Rinder India Private Limited**

**Notes to the financial statements for the year ended 31 March 2018**

(All amounts in Indian ₹ crore, unless otherwise stated)

CIN - U31506PN1988PTC045915

**EXPLANATION OF TRANSITION TO IND AS (continued)**

**Notes to the reconciliation (continued)**

**Export promotion capital goods scheme (EPCG)**

Under Ind AS, Government grants relating to the purchase of property, plant and equipment shall be presented in the balance sheet by setting up the grant as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

**(b) Exchange differences arising from translation of long term foreign currency monetary items**

Under previous GAAP the exchange differences arising from translation of long term foreign currency monetary items were recognised in property, plant and equipment related to such acquisition. However, as per IND AS 101, exchange difference arising from translation of long term foreign currency monetary items on borrowings taken after the transition date is to be recognised in statement of profit and loss.

**(c) Excise duty**

Under previous GAAP, revenue from sale of goods was presented net of excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented as an expense in statement of profit and loss. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2017. The total comprehensive income for the year ended and the equity as at 31 March 2017 has remained unchanged.

**(d) Remesurement of post-employment benefit obligations**

Under Ind AS, remesurement i.e. actuarial gains and losses and the return on plan assets, excluding amount included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss. Under the previous GAAP, these remesurements were forming part of statement of profit and loss for the year.

As per our report of even date attached:

**For B S R & Co. LLP**

*Chartered Accountants*

Firm Registration No.: 101248W/W-100022



**Tarun Gupta**

Partner

Membership No. : 507892

Place: Gurugram

Date: 10 May 2018

For and on behalf of the Board of Directors of  
**Rinder India Private Limited**



**Xabier Esquibel Sesma**

Director

DIN No. 03548407



Place: Pune

Date:



**Pradip Kumar Tewari**

Director

DIN No. 00068543