

**Financial Statements**  
**Rane (Madras) International Holdings B.V.**  
**31 March 2017**

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**Rane (Madras) International Holdings B.V****Balance Sheet as at 31 March 2017**

INR

Description	Note	As at	As at
		31-Mar-2017	31-Mar-2016
<b>EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share capital	1	1,502,000	1,501,835
(b) Reserves and surplus	2	(24,501,671)	(1,537,062)
<b>Total shareholder's funds</b>		<b>(22,999,671)</b>	<b>(35,227)</b>
(2) Non-Current Liabilities	3	<b>155,452,474</b>	-
(3) Current Liabilities			
(a) Short term borrowing	4	66,113,753	133,367,965
(b) Trade payables	5	1,694,834	1,455,732
(c) Other current liabilities	6	10,000,634	894,814
<b>Total Current Liabilities</b>		<b>77,809,221</b>	<b>135,718,511</b>
<b>Total</b>		<b>210,262,024</b>	<b>135,683,284</b>

INR

Description		As at	As at
		31-Mar-2017	31-Mar-2016
<b>ASSETS</b>			
(1) Non- Current Assets			
Non-current investment	7	184,422,540	134,458,129
<b>Total Non-Current Assets</b>		<b>184,422,540</b>	<b>134,458,129</b>
(2) Current assets			
(a)Cash and cash equivalents	8	25,046,793	373,771
(b)Short-term loans and advances	9	792,691	851,383
<b>Total Current Assets</b>		<b>25,839,484</b>	<b>1,225,155</b>
<b>Total</b>		<b>210,262,024</b>	<b>135,683,284</b>

See accompanying notes forming part of the Financial Statements

Date: May 16, 2017

**Rane (Madras) International Holdings B.V**

**Profit and loss account for the year ended 31 March 2017**

**INR**

Description	Note	31-Mar-17	For the Period 22 Jan 2016 to 31 March 2016
<b>Revenue</b>		-	-
<b>Finance cost</b>		10,706,464	894,814
<b>Other Expenses:</b>			
Bank Charges		137,950	-
Professional charges		2,019,975	642,248
Net loss on foreign currency transactions		11,744,394	-
<b>Profit/(Loss) for the year</b>		<b>(24,608,783)</b>	<b>(1,537,062)</b>
Earnings per Equity share (of Euro 1 each)			
Basic (in INR)	11	(1,230.44)	(400.73)
Diluted (in INR)		(1,230.44)	(400.73)

See accompanying notes forming part of the Financial Statements

**Date:** May 16, 2017

<b>Rane (Madras) International Holdings B.V</b>			
<b>Share Capital</b>		INR	INR
Authorised, Issued, Subscribed and Fully Paid Up: ( 20000 Equity shares of Euro 1 each) ( Entire share holding held by Holding Company Rane (Madras) Limited)	1	1,502,000	1,501,835
<b>Reserves and surplus</b>			
Profit and Loss Account	2	(26,145,845)	(1,537,062)
Foreign currency translation reserve		1,644,174	-
		<b>(24,501,671)</b>	<b>(1,537,062)</b>
<b>Long term borrowing (Secured)</b>			
From Exim Bank Limited	3	155,452,474	-
(Foreign Currency Term loan of USD 2.4 Million repayable in 12 equal quarterly instalments commencing from February 2019 after 24 months moratorium from the date of first disbursement with interest at the rate of prevailing USD LIBOR (6 Months) + 375 basis points per annum)			
<b>Short term borrowing (Unsecured)</b>			
From Rane (Madras) Limited	4	66,113,753	133,367,965
(Loan repayable on demand with interest at the rate of prevailing USD LIBOR (6 Months) + 375 points per annum)			
<b>Trade payables</b>			
Creditors	5	1,694,834	1,455,732
<b>Other current liability</b>			
Interest accrued on borrowings	6	10,000,634	894,814
<b>Non-Current Investment</b>			
In Rane Precision Die Casting Inc (Wholly owned subsidiary)	7	184,422,540	134,458,129
<b>Cash and Bank balances</b>			
Bank balance in current accounts-ABN AMRO	8	25,046,793	373,771
<b>Short term loans and advances</b>			
Prepaid Expenses	9	792,691	851,383

## Rane (Madras) International Holdings B.V

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

Amt in INR

Particulars	For the Year Ended 31 March 2017 Rs.Crores	For the Year Ended 31 March 2016 Rs.Crores
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	(24,608,783)	(1,537,062)
<i>Adjustments for:</i>		
Finance Costs	10,706,464	894,814
Foreign currency translation reserve	1,644,339	-
Unrealised Exchange (Gain) / Loss	2,157,410	-
<b>Operating Profit before Working Capital / Other Changes</b>	(10,100,570)	(642,248)
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Short Term Loans and Advances	58,692	(851,383)
<i>Adjustments for increase/(decrease) in operating liabilities:</i>		
Trade Payables	239,102	1,455,731
<b>Cash Generated from Operations</b>	(9,802,776)	(37,900)
Direct Taxes Paid (Net of Refund Received)	-	-
<b>Net Cash Flow From Operations</b>	(9,802,776)	(37,900)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in Wholly Owned Subsidiary	(49,964,411)	(134,458,129)
<b>Net Cash Flow Used in Investing Activities</b>	(49,964,411)	(134,458,129)

## Rane (Madras) International Holdings B.V

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

Amt in INR

Particulars	For the Year Ended 31 March 2017 Rs.Crores	For the Year Ended 31 March 2016 Rs.Crores
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-Term Borrowings	153,988,970	-
Proceeds from Short-Term Borrowings	64,800,000	133,367,965
Repayment of Short-Term Borrowings	(132,667,630)	-
Issue of equity shares	-	1,501,835
Finance Costs	(1,681,131)	-
<b>Net Cash Flow from / (used) in Financing Activities</b>	<b>84,440,209</b>	<b>134,869,800</b>
<b>Net Increase in Cash and Cash Equivalents (A) + (B) + (C)</b>	<b>24,673,022</b>	<b>373,771</b>
Cash and Cash Equivalents at the Beginning of the Year	373,771	-
Cash and Cash Equivalents at the End of the Year (Refer Note 8)	25,046,793	373,771
	<b>24,673,022</b>	<b>373,771</b>

See accompanying notes forming part of the Financial Statements

Date: May 16, 2017

**Rane (Madras) International Holdings B.V**  
**Notes forming part of the Financial Statements**

**Corporate Information**

Rane (Madras) International Holdings B.V, based in Netherlands, was incorporated on 22 January, 2016 to hold strategic overseas investments of the Holding Company (Rane (Madras) Limited).

The Company has invested in Precision Die Casting Inc.(PDC) in USA, engaged in the business of manufacturing high pressure aluminium die casting for automotive applications like steering and compressor related die casting components.

**Note 1 : Significant accounting policies**

**1.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (to the extent notified and applicable). The financial statements have been prepared on accrual basis under the historical cost convention method. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the normal time between the acquisition of the assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non current classification of its assets and liabilities as current and non-current.

**1.2 Use of Estimates**

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles in India requires the Management to make estimates and assumptions that affects the reported amounts of assets and liabilities as of the Balance Sheet date, the reported amount of revenue and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as on the date of the financial statements. Actual results could differ from these estimates and the differences between the actual results and the estimates are recognised in the period in which the results are known / materialise.

**1.3 Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**1.4 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**1.5 Foreign currency transaction and translation**

The transactions in foreign exchange are accounted at the exchange rate prevailing on the date of transactions. Any exchange gains or losses arising out of the subsequent fluctuations are accounted for in the statement of profit and loss.

All the assets and liabilities, both monetary and non-monetary items, are translated into the reporting currency at the exchange rates in effect at the balance sheet date and income and expense items are translated at the average rate applicable for the period. Functional currency of the Company is Euro and the reporting currency, the Indian Rupee (INR).



**Rane (Madras) International Holdings B.V**  
**Notes forming part of the Financial Statements**

**1.6 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**1.7 Investments**

Non-current investments are stated at cost less other than temporary diminution in the value of such investments, if any.

**1.8 Provisions and contingencies**

Provisions are recognised when the Company has a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

**Rane (Madras) International Holdings B.V**  
**Notes forming part of the Financial Statements**

**Note: 10**

**Related Party Disclosures**

	<b>2016-17</b>	<b>2015-16</b>
(a) List of related parties where control exists		
Ultimate Holding Company	Rane (Holdings) Limited	Rane (Holdings) Limited
Holding Company	Rane (Madras) Limited	Rane (Madras) Limited
Subsidiary	Rane Precision Die casting Inc.	Rane Precision Die casting Inc.
(b) Other Related parties		
Fellow Subsidiaries	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAI) Rane Brake Lining Limited (RBL)	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAI) Rane Brake Lining Limited (RBL)
(c) The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the Company		

INR

Description	Holding Company		Subsidiary		Total	
	2017	2016	2017	2016	2017	2016
<b>Transaction during the year</b>						
Equity contribution	-	1,501,835	49,964,411	134,458,129	49,964,411	135,959,964
Term Loan received	64,800,000	132,600,000	-	-	64,800,000	132,600,000
Term Loan repaid	(132,667,630)	-	-	-	(132,667,630)	-
Interest on term loan	8,684,673	894,814	-	-	8,684,673	894,814
Corporate Guarantee	311,088,000	-	-	-	311,088,000	-
<b>Balance as at year end</b>						
Equity	1,502,000	1,501,835	184,422,540	134,458,129	185,924,540	135,959,964
Term Loan payable	66,113,753	133,367,965	-	-	66,113,753	133,367,965
Interest on term loan payable	8,945,999	894,814	-	-	8,945,999	894,814
Corporate Guarantee	311,088,000	-	-	-	311,088,000	-

**Rane (Madras) International Holdings B.V**  
**Notes forming part of the financial statements**

**Note : 11**

**Earnings Per Share**

	<b>31-Mar-2017</b>	<b>31-Mar-2016</b>
Profit after Tax (INR) (A)	(24,608,783)	(1,537,062)
Number of equity shares of Euro 1 each at the beginning of the year	20,000	-
Add:Equity shares issued during the year	-	20,000
Number of equity shares of Euro 1 each at the end of the year	20,000	20,000
Weighted average number of equity shares of Euro 1 each outstanding during the year (B)	20,000	3,836
Earnings per share (Basic and Diluted) - in INR (A/B)	(1,230.44)	(400.73)