

Elgi Rubber Company Holdings BV, Netherlands  
Balance Sheet as at March 31, 2018

| Particulars                          | Notes | March 31, 2018       | March 31, 2017       |
|--------------------------------------|-------|----------------------|----------------------|
|                                      |       | Rs.                  | Rs.                  |
| <b>ASSETS</b>                        |       |                      |                      |
| <b>Non-current assets</b>            |       |                      |                      |
| Property, plant and equipment        | 4     | 1,160,535,303        | 1,065,805,011        |
| Intangible assets                    | 4     | 17,418,051           | 16,826,886           |
| Goodwill on Consolidation            |       | 97,624,150           | 97,624,150           |
| Capital work in progress             | 5     | 197,142,595          | 163,175,855          |
| Deferred tax asset (Net)             | 6     | 60,602,528           | 69,585,454           |
| Other non-current assets             | 7     | 14,518,551           | 25,840,243           |
| <b>Total non-current assets</b>      |       | <b>1,547,841,177</b> | <b>1,438,857,599</b> |
| <b>Current assets</b>                |       |                      |                      |
| Inventories                          | 8     | 318,328,785          | 319,244,850          |
| Financial assets                     |       |                      |                      |
| Trade receivables                    | 9     | 310,665,452          | 302,442,801          |
| Cash and cash equivalents            | 10    | 25,111,638           | 2,652,816            |
| Other current assets                 | 11    | 7,159,848            | 18,566,390           |
| <b>Total current assets</b>          |       | <b>661,265,722</b>   | <b>642,906,857</b>   |
| <b>Total Assets</b>                  |       | <b>2,209,106,900</b> | <b>2,081,764,456</b> |
| <b>EQUITY AND LIABILITIES</b>        |       |                      |                      |
| <b>Equity</b>                        |       |                      |                      |
| Equity share capital                 | 12    | 276,819,629          | 237,764,474          |
| Other equity                         | 13    | 23,494,278           | 27,216,186           |
| <b>Total equity</b>                  |       | <b>300,313,907</b>   | <b>264,980,660</b>   |
| <b>Liabilities</b>                   |       |                      |                      |
| <b>Non-current liabilities</b>       |       |                      |                      |
| Financial liabilities                |       |                      |                      |
| Borrowings                           | 14    | 696,175,116          | 766,593,602          |
| <b>Total non-current liabilities</b> |       | <b>696,175,116</b>   | <b>766,593,602</b>   |
| <b>Current liabilities</b>           |       |                      |                      |
| Financial liabilities                |       |                      |                      |
| Borrowings                           | 15    | 717,519,492          | 477,833,580          |
| Trade payables                       | 16    | 330,843,245          | 493,881,228          |
| Short Term Provisions                | 17    | 29,985,768           | 22,759,939           |
| Other current liabilities            | 18    | 134,269,373          | 55,715,447           |
| <b>Total current liabilities</b>     |       | <b>1,212,617,877</b> | <b>1,050,190,194</b> |
| <b>Total liabilities</b>             |       | <b>1,908,792,992</b> | <b>1,816,783,796</b> |
| <b>Total Equity and Liabilities</b>  |       | <b>2,209,106,899</b> | <b>2,081,764,456</b> |

Significant accounting policies

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The accompanying notes form an integral part of the financial statements

Elgi Rubber Company Holdings BV, Netherlands  
Statement of profit and loss for the year ended March 31, 2018

| Particulars   | Notes | March 31, 2018       | March 31, 2017       |
|---|-------|----------------------|----------------------|
|   |       | Rs.                  | Rs.                  |
| <b>Continuing Operations</b>                          |       |                      |                      |
| <b>A Income</b>                                       |       |                      |                      |
| Revenue from operations                               | 18    | 1,652,452,074        | 1,574,522,652        |
| Other income  | 19    | 21,740,527           | 11,333,835           |
| <b>Total income</b>                                   |       | <b>1,674,192,600</b> | <b>1,585,856,487</b> |
| <b>B Expenses</b>                                     |       |                      |                      |
| Cost of materials consumed                            | 20    | 653,819,989          | 667,589,419          |
| Purchase of stock in trade - Traded goods             | 21    | 32,375,278           | 11,584,374           |
| Changes in inventories of finished goods              | 22    | 18,304,047           | 67,609,417           |
| Employee Benefits Expense                             | 23    | 348,562,328          | 408,446,848          |
| Depreciation and amortisation expense                 | 24    | 87,126,394           | 90,970,228           |
| Other expenses  | 25    | 458,783,328          | 380,482,844          |
| Finance costs   | 27    | 58,505,885           | 56,584,970           |
| <b>Total expenses</b>                                 |       | <b>1,657,477,248</b> | <b>1,683,268,100</b> |
| <b>C Profit before exceptional items and tax</b>      |       | <b>16,715,352</b>    | <b>(97,411,613)</b>  |
| Exceptional items                                     |       | -                    | -                    |
| <b>D Profit before tax from continuing operations</b> |       | <b>16,715,352</b>    | <b>(97,411,613)</b>  |
| Income tax expense                                    |       |                      |                      |
| Current tax   |       | -                    | -                    |
| Deferred tax charge/ (credit)                         |       | 1,823,323            | 2,510,282            |
| <b>Profit for the year</b>                            |       | <b>14,892,029</b>    | <b>(99,921,895)</b>  |
| <b>E Other comprehensive income</b>                   |       |                      |                      |
| Items that will not be reclassified to profit or loss |       |                      |                      |
| Re-measurement of post employment benefit obligations |       | -                    | -                    |
| Income tax relating to these items                    |       | -                    | -                    |
| Other comprehensive income for the year, net of tax   |       | -                    | -                    |
| <b>Total comprehensive income for the year</b>        |       | <b>14,892,029</b>    | <b>(99,921,895)</b>  |

The accompanying notes form an integral part of the financial statements

## Notes to the Financial Statements as at and for the year ended March 31, 2018

(All amounts are in Millions in INR, unless otherwise stated)

### Significant Accounting Policy

#### 1 Company Overview

Elgi Rubber Company Limited ('Company' or 'ERCL') was incorporated on 16th October 2006. ERCL is leading Company providing solutions to Rubber Industry and engaged in the business of manufacture of Reclaimed rubber, Retreading machinery, and Retread rubber.

#### 2 Basis of preparation of financial statements

##### Statement of compliance

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

##### Basis of preparation and presentation

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

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

- a) Derivative financial instruments
- b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

##### Use of estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

##### Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest millions (up to two decimals).

#### 2a Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

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

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

##### Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

## Notes to the Financial Statements as at and for the year ended March 31, 2018

(All amounts are in Millions in INR, unless otherwise stated)

### Deferred tax assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

### Impairment of trade receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

### Impairment of Non-financial assets (PPE/Intangible assets/Investment properties)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

### Defined benefit plans and other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

## 2b Recent accounting pronouncements

### Standards issued but not yet effective

The following standards have been notified by Ministry of Corporate Affairs

- a. Ind AS 115 – Revenue from Contracts with Customers (effective from April 1, 2018)
- b. Ind AS 116 – Leases (effective from April 1, 2019)

The Company is evaluating the requirements of the above standards and the effect on the financial statements is also being evaluated.

## Notes to the Financial Statements as at and for the year ended March 31, 2018

(All amounts are in Millions in INR, unless otherwise stated)

### 3 Significant accounting policies

#### a) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) 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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

#### b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## Notes to the Financial Statements as at and for the year ended March 31, 2018

(All amounts are in Millions in INR, unless otherwise stated)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non-recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

### c) Revenue recognition

#### Sale of goods

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the delivery of the goods.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods including excise duty and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

#### Sale of services

Income from sale of services is recognised when the services are rendered as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

#### Export entitlements

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

#### Interest income

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

#### Rental income

Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease, if the escalation is not a compensation for increase in cost inflation index.

#### Dividend income

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

### d) Property, Plant and Equipment and Capital work-in-progress

#### Deemed cost option for first time adopter of Ind AS

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The Company has elected to consider the previous GAAP carrying amount of the Property, Plant and Equipment as the deemed cost as at the date of transition, viz., 1 April 2016.

## Notes to the Financial Statements as at and for the year ended March 31, 2018

(All amounts are in Millions in INR, unless otherwise stated)

### Presentation

Property, Plant and Equipment and Capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

### Component cost

All material/ significant components have been identified and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

### Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

### Intangible assets

Intangible assets with finite useful lives that are acquired separately, where the cost exceeds Rs. 10,000 and the estimated useful life is two years or more, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities e.g. the design and production of prototypes is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from development phase of internal project) is recognised, if and only if, all of the following have been demonstrated:

- technical feasibility of completing the intangible asset;
- how the intangible asset will generate probable future economic benefit;
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the attributable expenditure during the development stage.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

## Notes to the Financial Statements as at and for the year ended March 31, 2018

(All amounts are in Millions in INR, unless otherwise stated)

### De-recognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

### Impairment of assets

At the end of each reporting period, the Group determines whether there is any indication that its assets (tangible, intangible assets and investments in equity instruments in joint ventures and associates carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets under development are tested for impairment annually at each balance sheet date.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount carried had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### e) Depreciation on Property, Plant and Equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on Written Down Value method, over the useful lives specified in Schedule II to the Companies Act, 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.

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

### f) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average method as follows:

- (i) Raw materials, packing materials, stores and spares: At purchase cost including other cost incurred in bringing materials/ consumables to their present location and condition.
- (ii) Work-in-progress: At material cost, conversion costs and appropriate share of production overheads
- (iii) Finished goods: At material cost, conversion costs, appropriate share of production overheads and Excise Duty. Post implementation of GST from July 1, 2017 no excise duty is included in the closing stock of finished goods as at March 31, 2018.
- (iv) Stock-in-trade and goods in transit: At purchase cost including other cost incurred in bringing materials/consumables to their present location and condition.

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

### g) Financial instruments

#### Financial assets

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.



## Notes to the Financial Statements as at and for the year ended March 31, 2018

(All amounts are in Millions in INR, unless otherwise stated)

### Initial recognition and measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified in four categories:

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

### Debt instruments at amortised cost

The Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

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

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

### Debt instrument at FVTOCI

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

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

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

### Financial instruments other than equity instruments at FVTPL

The Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

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

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in other comprehensive income, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

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

## Notes to the Financial Statements as at and for the year ended March 31, 2018

(All amounts are in Millions in INR, unless otherwise stated)

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

| Classification | Name of the financial asset   |
|----------------|---|
| Amortised cost | Trade receivables, Loans given, deposits, interest receivable, unbilled revenue and other advances recoverable in cash.                   |
| FVTPL          | Other investments in equity instruments, mutual funds, forward exchange contracts (to the extent not designated as a hedging instrument). |

### Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

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

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash

## Notes to the Financial Statements as at and for the year ended March 31, 2018

(All amounts are in Millions in INR, unless otherwise stated)

flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

| Name of the financial asset | Impairment Testing Methodology   |
|-----------------------------|--|
| Trade receivables           | Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.  |
| Other financial assets      | When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. |

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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

#### Financial liabilities at FVTPL

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

## Notes to the Financial Statements as at and for the year ended March 31, 2018

(All amounts are in Millions in INR, unless otherwise stated)

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

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

### Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

### Derivatives fair valued through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## Notes to the Financial Statements as at and for the year ended March 31, 2018

(All amounts are in Millions in INR, unless otherwise stated)

The following table shows various reclassification and how they are accounted for:

| S.No | Original classification | Revised classification | Accounting treatment   |
|------|-------------------------|------------------------|--|
| 1    | Amortised cost          | FVTPL                  | Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.   |
| 2    | FVTPL                   | Amortised Cost         | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.   |
| 3    | Amortised cost          | FVTOCI                 | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.   |
| 4    | FVTOCI                  | Amortised cost         | Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost. |
| 5    | FVTPL                   | FVTOCI                 | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.  |
| 6    | FVTOCI                  | FVTPL                  | Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.  |

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### h) Foreign currency transactions and translations

#### Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

Exchange differences on translation or settlement of long term foreign currency monetary items in respect of loans borrowed before April 1, 2016 at rates different from those at which they were initially recorded or reported in the previous consolidated financial statements, insofar as it relates to acquisition of depreciable assets, are adjusted to the cost of the assets and depreciated over remaining useful life of such assets. In other cases of long term foreign currency monetary items, these are accumulated in "Foreign currency translation reserve" and amortised by recognition as income or expense in each period over the balance term of such items till settlement occurs.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's entities whose functional currency is other than INR are translated into Currency Units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve (and attributed to non-controlling interests as appropriate).

## Notes to the Financial Statements as at and for the year ended March 31, 2018

(All amounts are in Millions in INR, unless otherwise stated)

### i) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

### j) Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

### k) Taxes

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

## Notes to the Financial Statements as at and for the year ended March 31, 2018

(All amounts are in Millions in INR, unless otherwise stated)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **l) Retirement and other employee benefits**

#### **Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

#### **Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and super annuation fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

#### **Defined benefit plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

#### **Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

#### **Other long term employee benefits**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

### **m) Business combinations**

Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the

Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

## Notes to the Financial Statements as at and for the year ended March 31, 2018

(All amounts are in Millions in INR, unless otherwise stated)

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in statement of profit and loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

### n) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash generating unit is determined for each legal entity based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.



## Notes to the Financial Statements as at and for the year ended March 31, 2018

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A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

When there is any objective evidence of impairment, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

### **o) Leases**

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

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

### **p) Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### **q) Provisions, contingent liabilities and contingent asset**

#### **Provisions**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.

## Notes to the Financial Statements as at and for the year ended March 31, 2018

(All amounts are in Millions in INR, unless otherwise stated)

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the management.

### Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

### Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

### r) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

### s) Cash flow statement

Cash flows are presented using indirect method, whereby profit / (loss) before 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.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

### t) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

Elgi Rubber Company Holdings BV, Netherlands  
Notes to Financial Statements for the year ended March 31, 2018

Note 4: Property, plant and equipment

| Particulars                            | Tangible Assets    |                    |                      |                     |                    |                    |                      | Total              | Intangible Assets    | Total Tangible and Intangible Assets |
|--|--------------------|--------------------|----------------------|---------------------|--------------------|--------------------|----------------------|--------------------|----------------------|--------------------------------------|
|  | Land               | Building           | Plant and Machinery  | Office Equipments   | Computer           | Vehicle            |                      |                    |                      |                                      |
| <b>Deemed Cost as at April 1, 2016</b> | 164,011,978        | 711,555,912        | 350,172,828          | 3,991,663           | 5,482,356          | 2,325,504          | 1,237,540,241        | 20,422,904         | 1,257,963,145        |                                      |
| Additions                              | -                  | -                  | 2,919,456            | 317,500             | 1,514,836          | -                  | -                    | -                  | 4,751,792            |                                      |
| Disposals/ Adjustments                 | -                  | (23,475)           | -                    | (648,573)           | -                  | (571,085)          | (1,243,133)          | (3,011,007)        | (4,254,140)          |                                      |
| FCTR                                   | (12,772,079)       | (58,849,032)       | (187,599,248)        | (19,122,518)        | (4,722,107)        | (1,388,015)        | (284,452,999)        | (4,625,550)        | (289,078,549)        |                                      |
| <b>Cost as at March 31, 2017</b>       | <b>151,239,899</b> | <b>652,683,405</b> | <b>165,493,036</b>   | <b>(15,461,928)</b> | <b>2,275,085</b>   | <b>366,404</b>     | <b>956,595,901</b>   | <b>12,786,347</b>  | <b>969,382,248</b>   |                                      |
| Additions                              | -                  | -                  | 5,640,046            | 626,031             | 2,764,132          | 672,389            | 9,702,599            | -                  | 9,702,599            |                                      |
| Disposals/ Adjustments                 | -                  | -                  | -                    | -                   | -                  | -                  | -                    | -                  | -                    |                                      |
| FCTR                                   | 24,842,642         | 114,461,883        | 366,964,751          | 37,506,404          | 9,762,471          | 2,884,459          | 556,422,610          | 9,193,543          | 565,616,154          |                                      |
| <b>Cost as at March 31, 2018</b>       | <b>176,082,541</b> | <b>767,145,288</b> | <b>538,097,834</b>   | <b>22,670,507</b>   | <b>14,801,688</b>  | <b>3,923,252</b>   | <b>1,522,721,110</b> | <b>21,979,890</b>  | <b>1,544,701,000</b> |                                      |
| <b>Depreciation/Amortisation</b>       |                    |                    |                      |                     |                    |                    |                      |                    |                      |                                      |
| Charge for the year                    | -                  | 25,112,117         | 60,616,621           | 974,426             | 2,365,748          | 302,462            | 89,371,374           | 1,598,854          | 90,970,228           |                                      |
| Disposals                              | -                  | (25,683)           | (4,567,233)          | (416,555)           | (353,700)          | (324,638)          | (5,687,809)          | (2,580,480)        | (8,268,289)          |                                      |
| FCTR                                   | -                  | (4,923,616)        | (163,564,409)        | (18,796,204)        | (4,408,893)        | (1,199,553)        | (192,892,675)        | (3,058,884)        | (195,951,559)        |                                      |
| <b>As at March 31, 2017</b>            | <b>-</b>           | <b>20,162,818</b>  | <b>(107,515,021)</b> | <b>(18,238,333)</b> | <b>(2,396,845)</b> | <b>(1,221,729)</b> | <b>(109,209,110)</b> | <b>(4,040,510)</b> | <b>(113,249,620)</b> |                                      |
| Charge for the year                    | -                  | 25,731,401         | 54,244,891           | 1,146,692           | 2,390,804          | 614,870            | 84,128,658           | 2,997,736          | 87,126,394           |                                      |
| Disposals                              | -                  | -                  | -                    | -                   | -                  | -                  | -                    | -                  | -                    |                                      |
| FCTR                                   | -                  | 12,338,381         | 325,964,855          | 37,129,433          | 9,167,662          | 2,665,929          | 387,266,260          | 5,604,641          | 392,870,901          |                                      |
| <b>As at March 31, 2018</b>            | <b>-</b>           | <b>58,232,600</b>  | <b>272,694,725</b>   | <b>20,037,792</b>   | <b>9,161,621</b>   | <b>2,059,070</b>   | <b>362,185,807</b>   | <b>4,561,867</b>   | <b>366,747,675</b>   |                                      |
| <b>Net Block</b>                       |                    |                    |                      |                     |                    |                    |                      |                    |                      |                                      |
| As at April 1, 2016                    | 164,011,978        | 711,555,912        | 350,172,828          | 3,991,663           | 5,482,356          | 2,325,504          | 1,237,540,241        | 20,422,904         | 1,257,963,145        |                                      |
| As at March 31, 2017                   | 151,239,899        | 632,520,587        | 273,008,057          | 2,776,405           | 4,671,930          | 1,588,133          | 1,065,805,011        | 16,826,886         | 1,082,631,868        |                                      |
| As at March 31, 2018                   | 176,082,541        | 708,912,688        | 265,403,109          | 2,632,715           | 5,640,067          | 1,864,182          | 1,160,535,303        | 17,418,051         | 1,177,953,354        |                                      |

(Amount in Rs.)

Elgi Rubber Company Holdings BV, Netherlands  
Notes to Financial Statements for the year ended March 31, 2018

| Note      | Particulars  | March 31, 2018<br>Rs. | March 31, 2017<br>Rs. |
|-----------|--|-----------------------|-----------------------|
| <b>5</b>  | <b>Capital work in progress</b>  |                       |                       |
|           | Capital work in progress   | 197,142,595           | 163,175,855           |
|           |  | <b>197,142,595</b>    | <b>163,175,855</b>    |
| <b>6</b>  | <b>Non-current assets- Deferred tax asset (Net)</b>  |                       |                       |
|           | Carried forward losses   | 60,602,528            | 69,585,454            |
|           | Total A  | <b>60,602,528</b>     | <b>69,585,454</b>     |
|           | Deferred Tax Liabilities attributable to<br>Depreciation                                       | -                     | -                     |
|           | Total B  | -                     | -                     |
|           |  | <b>60,602,528</b>     | <b>69,585,454</b>     |
| <b>7</b>  | <b>Other Non Current Assets</b><br>(Unsecured, considered good)                                |                       |                       |
|           | Capital advance  |                       | 24,865,577            |
|           | Statutory payments/deposits  | 3,406,098             | 974,666               |
|           | Advance recoverable in cash or in kind or for value to be received                             | 11,112,453            |                       |
|           |  | <b>14,518,551</b>     | <b>25,840,243</b>     |
| <b>8</b>  | <b>Inventories</b>   |                       |                       |
|           | Raw Materials  | 185,483,443           | 81,025,601            |
|           | Work-in-progress   | -                     | 2,785,240             |
|           | Finished products  | 99,499,737            | 121,803,200           |
|           | Stock-in-trade (acquired for trading)-Retreading Machinery                                     | 16,537,628            | 9,752,973             |
|           | Stores and spares  | 16,807,977            | 103,877,836           |
|           |  | <b>318,328,785</b>    | <b>319,244,850</b>    |
| <b>9</b>  | <b>Trade receivables</b>   |                       |                       |
|           | Outstanding for a period less than six months from the date they<br>are due for payment        | 310,665,452           | 295,153,667           |
|           | Other debts  | -                     | 7,289,134             |
|           |  | <b>310,665,452</b>    | <b>302,442,801</b>    |
| <b>10</b> | <b>Cash and cash equivalents</b>   |                       |                       |
|           | Cash on hand   | 1,196,542             | 358,966               |
|           | In current accounts  | 23,915,095            | 2,293,850             |
|           |  | <b>25,111,638</b>     | <b>2,652,816</b>      |
| <b>11</b> | <b>Other current assets</b><br>(Unsecured, considered good)                                    |                       |                       |
|           | Balances with Customs, Central Excise, VAT etc.  | 3,320,620             | 18,566,390            |
|           | Other receivables from related parties   | 3,839,228             | -                     |
|           |  | <b>7,159,848</b>      | <b>18,566,390</b>     |
| <b>12</b> | <b>Capital</b>   |                       |                       |
|           | Issued, Subscribed and fully paid up share capital<br>3,433,541 Equity shares of EUR 1.00 each | 276,819,629           | 237,764,474           |
|           |  | <b>276,819,629</b>    | <b>237,764,474</b>    |

| Note      | Particulars  | March 31, 2018<br>Rs. | March 31, 2017<br>Rs. |
|-----------|--|-----------------------|-----------------------|
| <b>13</b> | <b>Other Equity</b>  |                       |                       |
|           | Securities Premium Account                                     | 227,270,561           | 227,270,561           |
|           | General Reserve  | 187,349,212           | 187,349,212           |
|           | Foreign currency translation reserve                           | 24,276,434            | 42,890,363            |
|           | Retained earnings  | (415,401,929)         | (430,293,950)         |
|           |  | <b>23,494,278</b>     | <b>27,216,186</b>     |
|           | a) Securities Premium Account                                  |                       |                       |
|           | Balance at the beginning of the year                           | 227,270,561           | 227,270,561           |
|           | Additions/ (deductions) during the year                        | -                     | -                     |
|           | Balance at the end of the year                                 | 227,270,561           | 227,270,561           |
|           | b) General Reserve   |                       |                       |
|           | Balance at the beginning of the year                           | 187,349,212           | 187,349,212           |
|           | Additions/ (deductions) during the year                        | -                     | -                     |
|           | Balance at the end of the year                                 | 187,349,212           | 187,349,212           |
|           | c) Foreign currency translation reserve                        |                       |                       |
|           | Balance at the beginning of the year                           | 42,890,363            | 8,808,993             |
|           | Additions/ (deductions) during the year                        | (18,613,929)          | 34,081,370            |
|           | Balance at the end of the year                                 | 24,276,434            | 42,890,363            |
|           | d) Retained earnings   |                       |                       |
|           | Balance at the beginning of the year                           | (430,293,950)         | (330,372,055)         |
|           | Add: Profit for the period / transferred from subsidiaries     | 14,892,021            | (99,921,895)          |
|           | Balance at the end of the year                                 | (415,401,929)         | (430,293,950)         |
| <b>14</b> | <b>Long Term Borrowings</b>                                    |                       |                       |
|           | Term Loans (Secured)   |                       |                       |
|           | From banks   | 804,611,975           | 766,593,602           |
|           | Less : Current maturities due within 1 year                    | 108,436,859           | -                     |
|           |  | <b>696,175,116</b>    | <b>766,593,602</b>    |
| <b>15</b> | <b>Current liabilities - Financial Liabilities: Borrowings</b> |                       |                       |
|           | a) Secured   | 644,959,489           | 415,510,740           |
|           | b) Unsecured   | -                     | -                     |
|           | Loans from related parties                                     | 72,560,003            | 62,322,840            |
|           |  | <b>717,519,492</b>    | <b>477,833,580</b>    |
| <b>16</b> | <b>Trade payables</b>  |                       |                       |
|           | Trade payables – Others  | 189,668,564           | 158,419,486           |
|           | Trade payables – related parties                               | 141,174,681           | 335,461,742           |
|           |  | <b>330,843,245</b>    | <b>493,881,228</b>    |
| <b>17</b> | <b>Provisions (Current)</b>                                    |                       |                       |
|           | Provision - others   | 29,985,768            | 22,759,939            |
|           |  | <b>29,985,768</b>     | <b>22,759,939</b>     |
| <b>18</b> | <b>Other current liabilities</b>                               |                       |                       |
|           | Current maturities of long-term debt                           | 108,436,859           | -                     |
|           | Statutory Dues Payable   | 12,715,791            | 7,909,405             |
|           | Other Payable to related party                                 | 13,126,705            | -                     |
|           | Other payables   | -                     | 47,806,042            |
|           | Advance received from related parties                          | (9,982)               | -                     |
|           |  | <b>134,269,373</b>    | <b>55,715,447</b>     |

**Elgi Rubber Company Holdings BV, Netherlands**  
**Notes to Financial Statements for the year ended March 31, 2018**

| <b>Note</b>  | <b>Particulars</b>   | <b>March 31, 2018</b> | <b>March 31, 2017</b> |
|--------------|--|-----------------------|-----------------------|
|              |  | <b>Rs.</b>            | <b>Rs.</b>            |
| <b>19</b>    | <b>Revenue from Operations</b>                             |                       |                       |
|              | Sale of Products   | 1,652,452,074         | 1,574,522,652         |
|              |  | <b>1,652,452,074</b>  | <b>1,574,522,652</b>  |
|              | Sale of products comprise of<br>Finished goods             | 1,652,452,074         | 1,574,522,652         |
|              |  | 1,652,452,074         | 1,574,522,652         |
| <b>20</b>    | <b>Other income</b>  |                       |                       |
|              | Interest Income  | 129,901               | 22,053                |
|              | Other non operating income                                 | 21,610,626            | 11,311,782            |
|              |  | <b>21,740,527</b>     | <b>11,333,835</b>     |
| <b>21(a)</b> | <b>Interest Income</b>                                     |                       |                       |
|              | Interest from Banks  | 129,901               | -                     |
|              | Interest from subsidiary companies                         | -                     | -                     |
|              | Other interest receipts                                    | -                     | 22,053                |
|              |  | 129,901               | 22,053                |
| <b>21(b)</b> | <b>Other Non - Operating Income</b>                        |                       |                       |
|              | Net gain on foreign currency transactions and translations | 605,420               | 2,643,008             |
|              | Miscellaneous income                                       | 21,005,207            | 8,668,774             |
|              |  | 21,610,627            | 11,311,782            |
| <b>22</b>    | <b>Cost of materials consumed</b>                          |                       |                       |
|              | Raw material Consumed                                      |                       |                       |
|              | Opening inventory  | 81,025,601            | 48,864,395            |
|              | Add: Purchase  | 736,509,696           | 683,999,276           |
|              | Add: Carriage Inwards                                      | 21,768,135            | 15,751,349            |
|              | Less: Inventory at the end of the period                   | 185,483,443           | 81,025,601            |
|              |  | <b>653,819,989</b>    | <b>667,589,419</b>    |
| <b>23</b>    | <b>Purchase of stock in trade</b>                          |                       |                       |
|              | Purchase of stock in trade                                 | 32,375,278            | 11,584,374            |
|              |  | <b>32,375,278</b>     | <b>11,584,374</b>     |

| Note      | Particulars  | March 31, 2018<br>Rs. | March 31, 2017<br>Rs. |
|-----------|--|-----------------------|-----------------------|
| <b>24</b> | <b>Changes in inventories of work-in-progress, stock in trade and finished goods</b> |                       |                       |
|           | Opening Balance  |                       |                       |
|           | Work in Process  | 2,785,240             | 7,096,523             |
|           | Finished Goods   | 121,803,200           | 177,186,326           |
|           | Stock in Trade   | 9,752,972             | 17,667,981            |
|           | Scrap  |                       |                       |
|           |  | <b>134,341,412</b>    | <b>201,950,830</b>    |
|           | Closing Balance  |                       |                       |
|           | Work in Process  | -                     | 2,785,240             |
|           | Finished Goods   | 99,499,737            | 121,803,200           |
|           | Stock in Trade   | 16,537,628            | 9,752,973             |
|           | Scrap  |                       |                       |
|           |  | <b>116,037,365</b>    | <b>134,341,413</b>    |
|           |  | <b>18,304,047</b>     | <b>67,609,417</b>     |
| <b>25</b> | <b>Employee benefits expense</b>   |                       |                       |
|           | Salaries, wages and bonus  | 257,541,807           | 304,157,669           |
|           | Contribution to provident and other funds  | 93,849,879            | 96,401,926            |
|           | Staff welfare expenses   | (2,829,357)           | 7,887,253             |
|           |  | <b>348,562,328</b>    | <b>408,446,848</b>    |
| <b>26</b> | <b>Depreciation and amortisation expense</b>   |                       |                       |
|           | Depreciation of property, plant and equipment  | 87,126,394            | 90,970,228            |
|           |  | <b>87,126,394</b>     | <b>90,970,228</b>     |
| <b>27</b> | <b>Other expenses</b>  |                       |                       |
|           | Consumption of stores and spare parts  | (7,783,966)           | 1,799,405             |
|           | Power and fuel   | 100,378,913           | 92,704,514            |
|           | Rent   | 21,226,557            | 16,070,702            |
|           | Labour charges   | 45,278,768            | 27,142,578            |
|           | Repairs and Maintenance – Plant and machinery  | 49,478,943            | 12,184,845            |
|           | Repairs and Maintenance – Building   | 44,406,626            | 13,264,713            |
|           | Repairs and Maintenance – Others   | 8,638,984             | 34,569,602            |
|           | Insurance  | 18,204,596            | 18,301,598            |
|           | Rates and taxes  | 2,639,932             | 2,060,813             |
|           | Travelling and conveyance  | 6,994,659             | 7,872,534             |
|           | Auditors' Remuneration (see note below)  | 1,068,295             | 2,725,588             |
|           | Professional fees  | 3,776,874             | 2,568,428             |
|           | Advertisement and other selling expenses   | 9,540,434             | 5,756,515             |
|           | Freight charges  | 101,888,412           | 101,755,468           |
|           | Loss on account of exchange fluctuation expenses (Net)                               | (1,462,087)           | (45,433)              |
|           | Miscellaneous expenses   | 54,507,388            | 41,750,974            |
|           |  | <b>458,783,328</b>    | <b>380,482,844</b>    |
| <b>28</b> | <b>Finance Cost</b>  |                       |                       |
|           | Interest on Borrowings   |                       |                       |
|           | On borrowings from banks   | 25,102,662            | 50,659,130            |
|           | Others   | 32,200,809            | 5,925,840             |
|           | Financial charges on borrowings  | 1,202,414             | -                     |
|           |  | <b>58,505,885</b>     | <b>56,584,970</b>     |