

# **BIMETAL BEARINGS LIMITED**

CIN : L29130TN1961PLC004466

## **CONSOLIDATED FINANCIAL STATEMENTS**

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of Bimetal Bearings Limited**

#### **Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements**

1. We have audited the accompanying consolidated Ind AS financial statements of Bimetal Bearings Limited ("hereinafter referred to as the Company") and its jointly controlled entity and associate company (refer Note 1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

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

2. The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Company including its associate and jointly controlled entity in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The Board of Directors of the Company and of its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its associate and jointly controlled entity respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company, as aforesaid.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### **Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Company, its associate and jointly controlled entity as at March 31, 2017, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

## Emphasis of Matter

8. We draw your attention to the emphasis of matter paragraph included in the audit report on standalone financial statements of IPL Green Power Limited, an associate of the Company issued by an independent firm of Chartered Accountants vide its Report dated May 22, 2017 reproduced by us as under:

“Without qualifying our report, we draw attention that the financial statements of the Company have been prepared not on a going concern basis in view of Company’s contemplation to withdraw the application made to Government on the current project and to consider other viable projects in the same/ similar industry in future. Accordingly, all the assets have been written down to their net realizable value, non-current assets/ liabilities have been reclassified as current assets/ liabilities and provision has been made for all the accrued liabilities and future costs as estimated by the Management.”

Our opinion is not qualified in respect of this matter.

## Other Matter

9. The consolidated Ind AS financial statements also include the Company’s share of total comprehensive loss (comprising of loss and other comprehensive income) of INR 15.70 lakhs and INR 126.28 lakhs for the year ended March 31, 2017 as considered in the consolidated Ind AS financial statements, in respect of the associate company and the jointly controlled entity respectively whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these associate company and jointly controlled entity and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid associate and jointly controlled entity, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

10. The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 26, 2016 and May 30, 2015 respectively. The adjustments to those consolidated financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Comparative financial information for the year ended March 31, 2016 of an associate and a jointly controlled entity reflecting Company’s share of total comprehensive loss (comprising of loss and other comprehensive income) of INR 11.61 lakhs and INR 52.01 lakhs respectively and the transition opening balance sheet of the aforesaid entities as at April 1, 2015 reflecting share of total net assets of INR 35.15 lakhs and INR. 625.28 lakhs included in the comparative figures of the group in the consolidated financial statements has been audited by another firm of chartered accountants.

Our opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
  - In our opinion, proper books of account as required by law maintained by the Company, its associate company and jointly controlled entity incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Company and the reports of the other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Company, associate company and jointly controlled entity incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.
  - In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2017 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate company and jointly controlled entity incorporated in India, none of the directors of the Company, its associate company and jointly controlled entity incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, associate company and jointly controlled entity incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Company, its associate and jointly controlled entity – Refer Note 38 and 40 to the consolidated Ind AS financial statements.
  - (ii) The Company, its associate and jointly controlled entity did not have any long-term contracts including derivative contracts as at March 31, 2017 for which there were material foreseeable losses.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate company and jointly controlled company incorporated in India during the year ended March 31, 2017.
  - (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company, its associate company and jointly controlled company incorporated in India and as produced to us by the Management– Refer Note 44.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

**Baskar Pannerselvam**  
Partner  
Membership Number : 213126

Place : Chennai  
Date : May 26, 2017

## **Annexure A to Independent Auditors' Report**

### **Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Bimetal Bearings Limited on the consolidated financial statements for the year ended March 31, 2017**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Bimetal Bearings Limited (hereinafter referred to as "the Company") and its associate company and jointly controlled company, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Company, its associate company and jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company, its associate company and jointly controlled company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to associate company and jointly controlled company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

**Baskar Pannerselvam**  
Partner  
Membership Number : 213126

Place : Chennai  
Date : May 26, 2017

CONSOLIDATED ACCOUNTS

# BIMETAL BEARINGS LIMITED

## Consolidated Balance Sheet as at March 31, 2017

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

|  | Notes  | March 31, 2017   | March 31, 2016   | March 31, 2015   |
|--|--------|------------------|------------------|------------------|
| <b>ASSETS</b>  |        |                  |                  |                  |
| <b>Non-current assets</b>  |        |                  |                  |                  |
| Property, plant and equipment  | 3      | 3,475.33         | 3,186.99         | 3,389.59         |
| Capital work-in-progress   | 3(iii) | 315.67           | 414.47           | 127.53           |
| Other Intangible assets  | 4      | 82.69            | 106.64           | 141.09           |
| Intangible assets under development  |        | 9.41             | 9.41             | 9.41             |
| Investment accounted for using the equity method   | 38(a)  | 752.21           | 937.49           | 678.46           |
| <b>Financial Assets</b>  |        |                  |                  |                  |
| (i) Investments  | 5      | 2,973.94         | 2,433.27         | 2,638.18         |
| (ii) Other financial assets  | 6      | 537.86           | 497.84           | 591.27           |
| Employee benefit assets  | 21     | 92.80            | -                | -                |
| Current tax assets (Net)   | 7      | 345.58           | 607.66           | 459.06           |
| Other non-current assets   | 8      | 54.77            | 33.33            | 16.08            |
| <b>Total non-current assets</b>  |        | <b>8,640.26</b>  | <b>8,227.10</b>  | <b>8,050.67</b>  |
| <b>Current assets</b>  |        |                  |                  |                  |
| Inventories  | 9      | 4,560.37         | 4,429.24         | 5,073.33         |
| <b>Financial Assets</b>  |        |                  |                  |                  |
| (i) Investments  | 10     | 153.12           | 212.94           | 143.39           |
| (ii) Trade receivables   | 11     | 3,749.13         | 3,527.60         | 3,537.84         |
| (iii) Cash and cash equivalents  | 12     | 501.39           | 479.33           | 625.29           |
| (iv) Bank balances other than (iii) above  | 13     | 89.18            | 89.00            | 48.45            |
| (v) Loans  | 14     | 4.56             | 5.31             | 6.25             |
| (vi) Other financial assets  | 6      | 865.40           | 488.29           | 478.45           |
| Other current assets   | 15     | 935.19           | 810.40           | 342.76           |
| <b>Total current assets</b>  |        | <b>10,858.34</b> | <b>10,042.11</b> | <b>10,255.76</b> |
| <b>Total Assets</b>  |        | <b>19,498.60</b> | <b>18,269.21</b> | <b>18,306.43</b> |
| <b>EQUITY and LIABILITIES</b>  |        |                  |                  |                  |
| <b>Equity</b>  |        |                  |                  |                  |
| Equity share capital   | 16     | 382.50           | 382.50           | 382.50           |
| Other equity   | 17     | 15,984.18        | 15,474.86        | 15,468.23        |
| <b>Total equity</b>  |        | <b>16,366.68</b> | <b>15,857.36</b> | <b>15,850.73</b> |
| <b>Liabilities</b>   |        |                  |                  |                  |
| <b>Non-current liabilities</b>   |        |                  |                  |                  |
| Deferred tax liabilities (Net)   | 18     | 387.70           | 354.02           | 339.79           |
| Employee benefit obligations   | 21     | 107.13           | 120.00           | 101.33           |
| <b>Total non-current liabilities</b>   |        | <b>494.83</b>    | <b>474.02</b>    | <b>441.12</b>    |
| <b>Current liabilities</b>   |        |                  |                  |                  |
| <b>Financial liabilities</b>   |        |                  |                  |                  |
| (i) Trade payables   | 19     |                  |                  |                  |
| (a) Total outstanding dues of micro enterprises and small enterprises                      |        | 110.90           | 97.26            | 73.54            |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises |        | 2,035.22         | 1,313.43         | 1,426.11         |
| (ii) Other financial liabilities   | 20     | 112.52           | 78.78            | 78.64            |
| Employee benefit obligations   | 21     | 201.97           | 253.89           | 257.22           |
| Other current liabilities  | 22     | 176.48           | 194.47           | 123.27           |
| Provisions   | 23     | -                | -                | 55.80            |
| <b>Total current liabilities</b>   |        | <b>2,637.09</b>  | <b>1,937.83</b>  | <b>2,014.58</b>  |
| <b>Total liabilities</b>   |        | <b>3,131.92</b>  | <b>2,411.85</b>  | <b>2,455.70</b>  |
| <b>Total Equity and Liabilities</b>  |        | <b>19,498.60</b> | <b>18,269.21</b> | <b>18,306.43</b> |

The accompanying notes are an integral part of these financial statements.

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

### For Price Waterhouse Chartered Accountants LLP

Firm Registration No : 012754N/N500016

Chartered Accountants

BASKAR PANNERSELVAM

Partner

Membership Number : 213126

Place : Chennai

Date : May 26, 2017

### For and on behalf of the Board

A.KRISHNAMOORTHY (DIN 00001778)

Managing Director

P.M. VENKATASUBRAMANIAN (DIN 00124505)

Director

K.VIDHYA SHANKAR

Company Secretary

Place : Chennai

Date : May 26, 2017

S. NARAYANAN (DIN 03564659)

Whole-time Director

N.VENKATARAMANI (DIN 00001639)

Director

N.VENKATARAMAN

Chief Financial Officer



# BIMETAL BEARINGS LIMITED

## Consolidated Statement of Profit and Loss for the Year Ended March 31, 2017

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

|  | Notes | March 31, 2017   | March 31, 2016   |
|--|-------|------------------|------------------|
| <b>Income</b>  |       |                  |                  |
| Revenue from operations  | 24    | 15,975.53        | 15,795.43        |
| Other income   | 25    | 507.22           | 280.97           |
| <b>Total Income</b>  |       | <b>16,482.75</b> | <b>16,076.40</b> |
| <b>Expenses</b>  |       |                  |                  |
| Cost of materials consumed   | 26    | 7,646.57         | 6,747.10         |
| Purchases of stock-in-trade  |       | 82.72            | 98.48            |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress  | 27    | (191.82)         | 288.54           |
| Employee benefit expense   | 28    | 2,275.49         | 2,289.97         |
| Finance costs  | 29    | 15.68            | 19.69            |
| Depreciation and amortisation expense  | 30    | 406.96           | 395.48           |
| Excise duty expenses   |       | 1,591.28         | 1,589.22         |
| Other expenses   | 31    | 4,021.67         | 3,928.82         |
| <b>Total expenses</b>  |       | <b>15,848.55</b> | <b>15,357.30</b> |
| <b>Profit before exceptional items, share of net profits of investments accounted for using equity method and tax</b>        |       | <b>634.20</b>    | <b>719.10</b>    |
| Share of net profit/(loss) of associates and joint ventures accounted for using the equity method                            | 38    | (139.16)         | (63.80)          |
| Exceptional items  | 32    | 77.91            | (18.12)          |
| <b>Profit before tax</b>   |       | <b>572.95</b>    | <b>637.18</b>    |
| Tax expense :  | 33    |                  |                  |
| Current tax  |       | 158.00           | 190.06           |
| MAT Credit entitlement   |       | (74.00)          | –                |
| Deferred tax   |       | 81.33            | 24.82            |
| <b>Profit for the year</b>   |       | <b>407.62</b>    | <b>422.30</b>    |
| <b>Other comprehensive income</b>  |       |                  |                  |
| <b>A. Items that will not be reclassified to profit or loss</b>  |       |                  |                  |
| Remeasurement of post employment benefit obligations   |       | 76.14            | (30.61)          |
| Change in fair value of FVOCI equity instruments   |       | 398.90           | (50.52)          |
| Income tax relating to items that will not be reclassified to profit or loss   |       | (26.35)          | 10.59            |
| Share of other comprehensive income/(loss) of associate and joint venture accounted for using the equity method (net of tax) |       | (1.71)           | 0.15             |
| <b>Other comprehensive income/(loss) for the year, net of tax</b>  |       | <b>446.98</b>    | <b>(70.39)</b>   |
| <b>Total comprehensive income for the year</b>   |       | <b>854.60</b>    | <b>351.91</b>    |
| Earnings per equity share (Face value of INR 10 each)  |       |                  |                  |
| Basic  | 43    | 10.66            | 11.04            |
| Diluted  | 43    | 10.66            | 11.04            |

The accompanying notes are an integral part of these financial statements.

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

### For Price Waterhouse Chartered Accountants LLP

Firm Registration No : 012754N/N500016

Chartered Accountants

BASKAR PANNERSELVAM

Partner

Membership Number : 213126

Place : Chennai

Date : May 26, 2017

### For and on behalf of the Board

A.KRISHNAMOORTHY (DIN 00001778)

Managing Director

P.M. VENKATASUBRAMANIAN (DIN 00124505)

Director

K.VIDHYA SHANKAR

Company Secretary

Place : Chennai

Date : May 26, 2017

S. NARAYANAN (DIN 03564659)

Whole-time Director

N.VENKATARAMANI (DIN 00001639)

Director

N.VENKATARAMAN

Chief Financial Officer

**BIMETAL BEARINGS LIMITED**  
**Statement of Changes in Equity for the year ended March 31, 2017**  
*(All amounts are in INR Lakhs, unless otherwise stated)*

|  | Notes        | Amounts                |                             |                          |                                   |                  |
|--|--------------|------------------------|-----------------------------|--------------------------|-----------------------------------|------------------|
| <b>I. Equity Share Capital</b>                               |              |                        |                             |                          |                                   |                  |
| Balance as at April 1, 2015                                  |              | 382.50                 |                             |                          |                                   |                  |
| Changes in equity share capital during the year              | 16           | -                      |                             |                          |                                   |                  |
| <b>Balance as at March 31, 2016</b>                          |              | <b>382.50</b>          |                             |                          |                                   |                  |
| Changes in equity share capital during the year              | 16           | -                      |                             |                          |                                   |                  |
| <b>Balance as at March 31, 2017</b>                          |              | <b>382.50</b>          |                             |                          |                                   |                  |
| <b>II. Other equity</b>                                      |              |                        |                             |                          |                                   |                  |
|  |              |                        | <b>Reserves and Surplus</b> |                          | <b>Other Reserves</b>             |                  |
|  | <b>Notes</b> | <b>General Reserve</b> | <b>Capital Reserve</b>      | <b>Retained Earnings</b> | <b>FVOCI - Equity Instruments</b> | <b>Total</b>     |
| <b>Balance as at April 1, 2015</b>                           |              | 13,150.00              | 3.81                        | 925.26                   | 1,389.16                          | 15,468.23        |
| Profit for the period  | 17           | -                      | -                           | 422.30                   | -                                 | 422.30           |
| Other comprehensive income                                   | 17           | -                      | -                           | (19.87)                  | (50.52)                           | (70.39)          |
| Transfer to general reserve                                  | 17           | 200.00                 | -                           | (200.00)                 | -                                 | -                |
| <b>Transactions with owners in their capacity as owners:</b> |              |                        |                             |                          |                                   |                  |
| Dividends paid including dividend distribution tax           | 17           | -                      | -                           | (345.28)                 | -                                 | (345.28)         |
| <b>Balance as at March 31, 2016</b>                          |              | <b>13,350.00</b>       | <b>3.81</b>                 | <b>782.41</b>            | <b>1,338.64</b>                   | <b>15,474.86</b> |
| Profit for the period  | 17           | -                      | -                           | 407.62                   | -                                 | 407.62           |
| Other comprehensive income                                   | 17           | -                      | -                           | 48.08                    | 388.90                            | 446.98           |
| Transfer to general reserve                                  | 17           | 150.00                 | -                           | (150.00)                 | -                                 | -                |
| <b>Transactions with owners in their capacity as owners:</b> |              |                        |                             |                          |                                   |                  |
| Dividends paid including dividend distribution tax           | 17           | -                      | -                           | (345.28)                 | -                                 | (345.28)         |
| <b>Balance as at March 31, 2017</b>                          |              | <b>13,500.00</b>       | <b>3.81</b>                 | <b>742.83</b>            | <b>1,737.54</b>                   | <b>15,984.18</b> |

The accompanying notes are an integral part of these financial statements.

This is the Statement of changes in equity referred to in our report of even date.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration No : 012754N/NS000016  
Chartered Accountants

BASKAR PANNERSELVAM  
Partner  
Membership Number : 213126

Place : Chennai  
Date : May 26, 2017

**For and on behalf of the Board**

A. KRISHNAMOORTHY (DIN 00001778)  
Managing Director

P. M. VENKATASUBRAMANIAN (DIN 00124505)  
Director

K. VIDHYA SHANKAR  
Company Secretary

Place : Chennai  
Date : May 26, 2017

S. NARAYANAN (DIN 03564659)  
Whole-time Director

N. VENKATARAMANI (DIN 00001639)  
Director

N. VENKATAPAMAN  
Chief Financial Officer

# BIMETAL BEARINGS LIMITED

## Consolidated Statement of Cash Flows for the year ended March 31, 2017

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

|  | Notes       | 31 March 2017   | 31 March 2016   |
|--|-------------|-----------------|-----------------|
| <b>Cash Flow from Operating Activities</b>                                     |             |                 |                 |
| Profit before income tax   |             | 572.95          | 637.17          |
| Adjustments for  |             |                 |                 |
| Share of Loss from associate and joint venture                                 | 38          | 139.16          | 63.80           |
| Depreciation and amortisation expense  | 30          | 406.96          | 395.48          |
| Insurance settlement pertaining to damage to property, plant and equipment     | 32          | (118.55)        | –               |
| (Gain)/loss on disposal of property, plant and equipment                       | 25, 31      | (0.59)          | 5.39            |
| (Gain)/loss on sale of investments   | 25          | (28.14)         | (1.69)          |
| Changes in fair value of financial assets at fair value through profit or loss | 25, 31      | (81.50)         | 17.50           |
| Dividend and interest income classified as investing cash flows                | 25          | (227.69)        | (142.43)        |
| Provision for impairment of investment   | 32          | 27.13           | –               |
| Rates and taxes pertaining to investing activity                               | 34          | 2.92            | 6.31            |
| Finance costs  | 29          | 15.68           | 19.69           |
| <b>Change in operating assets and liabilities</b>                              |             |                 |                 |
| (Increase)/Decrease in trade receivables                                       | 11          | (221.53)        | 10.24           |
| (Increase)/Decrease in inventories   | 9           | (131.13)        | 644.09          |
| Increase/(Decrease) in trade payables  | 19          | 735.43          | (88.96)         |
| (Increase)/Decrease in other financial assets                                  | 6           | (430.68)        | 3.63            |
| (Increase)/Decrease in other non-current assets                                | 8           | 4.57            | (4.57)          |
| Increase in other current assets   | 15          | (124.79)        | (467.64)        |
| Decrease in loans to employees   | 14          | 0.75            | 0.94            |
| Increase/(Decrease) in other financial liabilities                             | 20          | 0.79            | (13.59)         |
| Increase/(Decrease) in other current liabilities                               | 22          | (17.99)         | 71.20           |
| Decrease in provisions   | 23          | –               | (55.80)         |
| Decrease in employee benefit obligations                                       | 21          | (81.45)         | (15.27)         |
| <b>Cash generated from operations</b>  |             | <b>442.30</b>   | <b>1,085.49</b> |
| Income taxes paid/(refund received)  | 7, 33       | (104.08)        | 338.66          |
| <b>Net cash inflow from operating activities</b>                               |             | <b>546.38</b>   | <b>746.83</b>   |
| <b>Cash flows from investing activities</b>                                    |             |                 |                 |
| Payments for property, plant and equipment                                     | 3, 4, 8, 20 | (567.69)        | (461.16)        |
| Payments for purchase of investments   | 5, 10, 25   | (1,159.62)      | (1,490.21)      |
| Payments for investments in inter corporate deposits                           | 6           | (626.13)        | (203.00)        |
| (Increase)/Decrease in other bank balances                                     | 13          | (0.18)          | 0.45            |
| Proceeds from sale of investments  | 5, 10, 25   | 1,187.31        | 1,204.50        |
| Proceeds from maturity of inter corporate deposits                             | 6           | 762.13          | 228.00          |
| Dividend received from joint venture   | 38          | 14.35           | 25.76           |
| Interest and dividend received   | 25, 6       | 223.80          | 156.39          |
| Proceeds from sale of property, plant and equipment                            | 3, 25, 31   | 3.63            | 11.91           |
| <b>Net cash outflow from investing activities</b>                              |             | <b>(162.40)</b> | <b>(527.36)</b> |

## BIMETAL BEARINGS LIMITED

### Consolidated Statement of Cash Flows for the year ended March 31, 2017 - (Contd.)

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

|  | Notes  | 31 March 2017   | 31 March 2016   |
|--|--------|-----------------|-----------------|
| <b>Cash flows from Financing Activities :</b>                    |        |                 |                 |
| Interest paid  | 29     | (15.68)         | (19.69)         |
| Dividends paid to company's shareholders including dividend tax  | 17, 20 | (346.24)        | (345.74)        |
| <b>Net cash outflow from financing activities</b>                |        | <b>(361.92)</b> | <b>(365.43)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>      |        | <b>22.06</b>    | <b>(145.96)</b> |
| Cash and cash equivalents at the beginning of the financial year | 12     | 479.33          | 625.29          |
| <b>Cash and cash equivalents at end of the year</b>              |        | <b>501.39</b>   | <b>479.33</b>   |

**Note:**

The above Cash Flow Statement has been prepared under 'indirect method' set out in the Ind AS 7 - Cash Flow Statement.

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

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration No : 012754N/N500016

Chartered Accountants

BASKAR PANNERSELVAM

Partner

Membership Number : 213126

Place : Chennai

Date : May 26, 2017

**For and on behalf of the Board**

A.KRISHNAMOORTHY (DIN 00001778)

Managing Director

P.M. VENKATASUBRAMANIAN (DIN 00124505)

Director

K.VIDHYA SHANKAR

Company Secretary

Place : Chennai

Date : May 26, 2017

S. NARAYANAN (DIN 03564659)

Whole-time Director

N.VENKATARAMANI (DIN 00001639)

Director

N.VENKATARAMAN

Chief Financial Officer

# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

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### General Information

Bimetal Bearings Limited ("the Company" or "BBL") is engaged in manufacturing of Engine Bearings, Bushings, Thrust Washers, Alloy Powder and Bimetallic Strips. The Company has manufacturing plants at Coimbatore, Hosur, Chennai (Sembiam and Thoraipakkam). The Company is a public listed company and listed on The Bombay Stock Exchange. In addition the Company has an investment in an associate and a joint venture which have been collectively referred to as "the Group."

### 1. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the consolidated financial statements. These policies have been consistently applied to all the years presented unless otherwise stated. The financial statements are for the group consisting of Bimetal Bearings Limited ("the Company") and its associate and joint venture.

#### (a) Basis of preparation

##### (i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Group under Ind AS. Refer note 49 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

##### (ii) Historical cost convention

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

- (a) certain financial assets and liabilities (including derivative instruments) that is measured at fair value and
- (b) defined benefit plans – plan assets measured at fair value.

#### (b) Principles of consolidation and equity accounting

##### (i) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investment in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

##### (ii) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligation of each investor, rather than the legal structure of the joint arrangement. Bimetal Bearings Limited has determined its interest in a joint arrangement to be in the nature of joint venture.

##### Joint venture

Interests in joint ventures are accounted for using the equity method (see (iii) below), after initially being recognised at cost in the consolidated balance sheet.

##### (iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1 (h) below

#### (c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Managing Director of the Company has been identified as being the Chief operating decision maker. Based on the internal reporting to the Chief operating decision maker, the Group has identified that the Group has only one segment (manufacture and sale of Bearings, bushings and thrust washers) and accordingly there are no other reportable segments. Refer note 37 for entity wide disclosures.

# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

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**(d) Foreign currency translation**

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

(ii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

**(e) Revenue recognition**

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, volume discounts, value added taxes and amounts collected on behalf of third parties.

Revenue from sale of goods is recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per terms of the contract, the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Income from duty drawback is recognised on an accrual basis.

**(f) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(g) Leases**

As a lessee

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### (h) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### (i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts (if any).

### (j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### (k) Inventories

#### Raw materials; Stores, spares and Packing materials; work in progress; traded and finished goods

Raw materials; stores, spares and packing materials; work in progress; traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are determined and assigned to individual items of inventory using the weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (l) Investments and other financial assets

#### (i) Classification

The Group classifies its financial assets in the following measurement categories:

- (a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss).
- (b) those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### (ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- (a) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

## **BIMETAL BEARINGS LIMITED**

### **Notes to the Consolidated financial statements as at and for the year ended March 31, 2017**

*(All amounts are in INR Lakhs, unless otherwise stated)*

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- (b) Fair value through profit or loss : Assets that do not meet the criteria for amortised cost or Fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income/ other expenses in the period in which it arises. Interest income from these financial assets is included in other income.

#### Equity instruments

The Group subsequently measures all equity investments other than investments forming part of interest in associates and joint ventures at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/ other expense in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

- (iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at cost and amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

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

- (iv) Derecognition of financial assets

A financial asset is derecognised only when

- (a) The Group has transferred the rights to receive cash flows from the financial asset or  
(b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

- (v) Income recognition

- (a) Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group 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.

- (b) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

- (m) **Derivatives**

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The impact of the fair value changes are included in other income.

- (n) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.



# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

### (o) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives which are generally in accordance with those specified in Schedule II to the Companies Act, 2013. However, the estimates of useful lives of certain assets, based on technical evaluation are different from those specified in Schedule II which are set out below:

| <b>Assets</b>       | <b>Useful Life</b> |
|---------------------|--------------------|
| Plant and Machinery | 20 years           |

Assets costing individually upto Rs.5,000/- are fully depreciated in the year of purchase

### (p) Intangible assets

#### (i) Acquired Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the statement of profit and loss. The amortization rates used are

| <b>Assets</b>      | <b>Useful Life</b> |
|--------------------|--------------------|
| Technical Know-how | 5 years            |
| Computer Software  | 6 years            |

Assets costing individually upto Rs. 5,000/- are fully depreciated in the year of purchase.

#### (ii) Research and development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale.
- There is an intention to complete the asset.
- There is an ability to use or sell the asset .
- The asset will generate future economic benefits .
- Adequate resources are available to complete the development and to use or sell the asset .
- The expenditure attributable to the intangible asset during development can be measured reliably.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use and it is amortised on straight line basis over the estimated useful life.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

#### (iii) Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

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### (q) Provisions

Provisions for legal claims, volume discounts and returns are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the Group when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Group will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

### (r) Employee Benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss.

#### (iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plans such as gratuity and

(b) defined contribution plans such as provident fund and superannuation plans

#### Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations and superannuation contribution to a superannuation fund administered by LIC. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### (iv) Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

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# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

(v) **Termination benefits**

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(s) **Exceptional items**

The Group recognises exceptional item when items of income and expense within Statement of Profit and Loss from ordinary activities are of such size, nature or incidence that their separate disclosure is relevant to explain the performance of the Group for the period.

(t) **Contributed Equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) **Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(v) **Earnings per share**

Basic earnings per share is calculated by dividing:

(a) the profit attributable to owners of the Group

(b) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note 43).

(w) **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs and decimals thereof as per the requirements of Schedule III, unless otherwise stated.

(x) **Recent accounting pronouncements**

**Standards issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. Ind AS 7, 'Statement of cash flows' is applicable to the Group from April 1, 2017.

**Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Group is evaluating the requirements of the amendment and the consequent effect on the financial statements.

**Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance for measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

Since the Group does not have any share based payment transaction, there is no impact on the financial statement of the Group arising from the above proposed amendment.

2. **Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

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

**The areas involving critical estimates or judgements are:**

Estimation of defined benefit obligation – Note 21

Estimation of current tax expense and payable – Note 33

Estimation of fair value of Investments - Note 34

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

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

| 3  | Property, plant and equipment<br>Year ended March 31, 2016  | Land -<br>freehold | Building<br>(Refer Note i) | Plant and<br>equipment | Furniture<br>and fixtures    | Vehicles                      | Total           |
|----|---|--------------------|----------------------------|------------------------|------------------------------|-------------------------------|-----------------|
|    | <b>Gross carrying amount</b>  |                    |                            |                        |                              |                               |                 |
|    | Deemed cost as at April 1, 2015   | 23.49              | 381.43                     | 2,885.82               | 24.50                        | 74.35                         | 3,389.59        |
|    | Additions   | -                  | -                          | 146.23                 | 17.47                        | 6.89                          | 170.59          |
|    | Disposal  | -                  | -                          | 17.38                  | 0.14                         | 1.37                          | 18.89           |
|    | <b>Closing gross carrying amount</b>  | <b>23.49</b>       | <b>381.43</b>              | <b>3,014.67</b>        | <b>41.83</b>                 | <b>79.87</b>                  | <b>3,541.29</b> |
|    | <b>Accumulated depreciation</b>   |                    |                            |                        |                              |                               |                 |
|    | Depreciation charge during the year   | -                  | 22.22                      | 308.96                 | 8.50                         | 16.21                         | 355.89          |
|    | Disposals   | -                  | -                          | 1.12                   | -                            | 0.47                          | 1.59            |
|    | <b>Closing Accumulated depreciation</b>   | <b>-</b>           | <b>22.22</b>               | <b>307.84</b>          | <b>8.50</b>                  | <b>15.74</b>                  | <b>354.30</b>   |
|    | <b>Net carrying amount</b>  | <b>23.49</b>       | <b>359.21</b>              | <b>2,706.83</b>        | <b>33.33</b>                 | <b>64.13</b>                  | <b>3,186.99</b> |
|    | <b>Year ended March 31, 2017</b>  |                    |                            |                        |                              |                               |                 |
|    | <b>Gross carrying amount</b>  |                    |                            |                        |                              |                               |                 |
|    | Opening gross carrying amount   | 23.49              | 381.43                     | 3,014.67               | 41.83                        | 79.87                         | 3,541.29        |
|    | Additions   | -                  | 41.27                      | 604.44                 | 17.41                        | 7.88                          | 671.00          |
|    | Disposal  | -                  | -                          | 1.03                   | -                            | 3.13                          | 4.16            |
|    | <b>Closing gross carrying amount</b>  | <b>23.49</b>       | <b>422.70</b>              | <b>3,618.08</b>        | <b>59.24</b>                 | <b>84.62</b>                  | <b>4,208.13</b> |
|    | <b>Accumulated depreciation</b>   |                    |                            |                        |                              |                               |                 |
|    | Opening accumulated depreciation  | -                  | 22.22                      | 307.84                 | 8.50                         | 15.74                         | 354.30          |
|    | Depreciation charge during the year   | -                  | 19.44                      | 320.86                 | 21.20                        | 18.12                         | 379.62          |
|    | Disposals   | -                  | -                          | 0.03                   | -                            | 1.09                          | 1.12            |
|    | <b>Closing Accumulated depreciation</b>   | <b>-</b>           | <b>41.66</b>               | <b>628.67</b>          | <b>29.70</b>                 | <b>32.77</b>                  | <b>732.80</b>   |
|    | <b>Net carrying amount</b>  | <b>23.49</b>       | <b>381.04</b>              | <b>2,989.41</b>        | <b>29.54</b>                 | <b>51.85</b>                  | <b>3,475.33</b> |
|    | <b>Notes:</b>   |                    |                            |                        |                              |                               |                 |
|    | (i) Gross carrying amount of cost of building as at March 31, 2017 includes INR 28.21 lakhs (March 31, 2016 - INR 28.21 lakhs, April 1, 2015 - INR 28.21 lakhs) being cost of buildings on leasehold land |                    |                            |                        |                              |                               |                 |
|    | (ii) Refer to note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.   |                    |                            |                        |                              |                               |                 |
|    | (iii) Capital work in progress mainly comprises machinery additions at Company's factory premises at Sembiam.   |                    |                            |                        |                              |                               |                 |
| 4. | <b>Other Intangible assets<br/>Year ended March 31, 2016</b>  |                    |                            |                        | <b>Computer<br/>software</b> | <b>Technical<br/>know-how</b> | <b>Total</b>    |
|    | <b>Gross carrying amount</b>  |                    |                            |                        |                              |                               |                 |
|    | Deemed cost as at April 1, 2015   |                    |                            |                        | 124.55                       | 16.54                         | 141.09          |
|    | Additions   |                    |                            |                        | 5.14                         | -                             | 5.14            |
|    | Disposal  |                    |                            |                        | -                            | -                             | -               |
|    | <b>Closing gross carrying amount</b>  |                    |                            |                        | <b>129.69</b>                | <b>16.54</b>                  | <b>146.23</b>   |
|    | <b>Accumulated depreciation</b>   |                    |                            |                        |                              |                               |                 |
|    | Depreciation charge during the year   |                    |                            |                        | 29.56                        | 10.03                         | 39.59           |
|    | Disposals   |                    |                            |                        | -                            | -                             | -               |
|    | <b>Closing Accumulated depreciation</b>   |                    |                            |                        | <b>29.56</b>                 | <b>10.03</b>                  | <b>39.59</b>    |
|    | <b>Net carrying amount</b>  |                    |                            |                        | <b>100.13</b>                | <b>6.51</b>                   | <b>106.64</b>   |
|    | <b>Year ended March 31, 2017</b>  |                    |                            |                        |                              |                               |                 |
|    | <b>Gross carrying amount</b>  |                    |                            |                        |                              |                               |                 |
|    | Opening gross carrying amount   |                    |                            |                        | 129.69                       | 16.54                         | 146.23          |
|    | Additions   |                    |                            |                        | 3.39                         | -                             | 3.39            |
|    | Disposal  |                    |                            |                        | -                            | -                             | -               |
|    | <b>Closing gross carrying amount</b>  |                    |                            |                        | <b>133.08</b>                | <b>16.54</b>                  | <b>149.62</b>   |
|    | <b>Accumulated depreciation</b>   |                    |                            |                        |                              |                               |                 |
|    | Opening accumulated depreciation  |                    |                            |                        | 29.56                        | 10.03                         | 39.59           |
|    | Depreciation charge during the year   |                    |                            |                        | 25.09                        | 2.25                          | 27.34           |
|    | Disposals   |                    |                            |                        | -                            | -                             | -               |
|    | <b>Closing Accumulated depreciation</b>   |                    |                            |                        | <b>54.65</b>                 | <b>12.28</b>                  | <b>66.93</b>    |
|    | <b>Net carrying amount</b>  |                    |                            |                        | <b>78.43</b>                 | <b>4.26</b>                   | <b>82.69</b>    |

# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

| 5. Non-current investments                            | Face Value (in INR) | March 31 2017 |                 | March 31 2016 |                 | April 01 2015 |                 |
|---|---------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|
|   |                     | Nos           | Amount          | Nos           | Amount          | Nos           | Amount          |
| (i) Investment in equity instruments (fully paid-up)  |                     |               |                 |               |                 |               |                 |
| At fair value through other comprehensive income      |                     |               |                 |               |                 |               |                 |
| Unquoted  |                     |               |                 |               |                 |               |                 |
| Amalgamations Repco Limited                           | 10                  | 1,20,750      | 156.98          | 1,20,750      | 152.15          | 1,20,750      | 132.83          |
| Arkay Energy (Rameswaram) Limited                     | 10                  | 2,80,000      | 28.00           | 2,80,000      | 28.00           | 2,80,000      | 28.00           |
| Madras Stock Exchange Ltd                             | 1                   | 4,55,620      | 11.99           | 4,55,620      | 11.99           | 4,55,620      | 11.99           |
| South Asian Financial Exchange Limited                | 10                  | 20,000        | -               | 20,000        | -               | 20,000        | -               |
| Stanes Amalgamated Estates Limited                    | 10                  | 6,380         | 3.19            | 6,380         | 3.19            | 6,380         | 3.19            |
| Quoted  |                     |               |                 |               |                 |               |                 |
| Aditya Birla Nuvo Limited                             | 10                  | 1,400         | 21.26           | 1,400         | 11.52           | 1,400         | 23.29           |
| Aditya Birla Fashion and Retail Limited               | 10                  | 7,280         | 11.20           | 7,280         | 10.64           | -             | -               |
| Ashok Leyland Limited                                 | 1                   | 11,000        | 9.30            | 11,000        | 11.95           | 11,000        | 8.06            |
| Asian Paints (India) Limited                          | 1                   | 7,000         | 75.15           | 7,000         | 60.79           | 7,000         | 56.79           |
| Axis Bank Limited                                     | 2                   | 1,950         | 9.57            | 1,950         | 8.66            | 1,950         | 10.92           |
| Bajaj Finance Limited*                                | 2                   | 6,700         | 78.46           | 670           | 46.39           | 670           | 27.53           |
| Bajaj Holdings and Investment Limited                 | 10                  | 950           | 20.56           | 950           | 13.95           | 950           | 12.31           |
| Bajaj Auto Limited                                    | 10                  | 1,900         | 53.30           | 1,900         | 45.71           | 1,900         | 38.32           |
| Bajaj Finserve Limited                                | 10                  | 1,040         | 42.62           | 1,040         | 17.80           | 1,040         | 14.71           |
| Bank of Baroda  | 2                   | 18,500        | 32.00           | 18,500        | 27.20           | 18,500        | 30.25           |
| Bank of India   | 10                  | 900           | 1.25            | 900           | 0.87            | 900           | 1.76            |
| Bharat Petroleum Corporation Limited                  | 10                  | 8,540         | 55.50           | 4,270         | 38.61           | 4,270         | 34.62           |
| Biocon Limited  | 5                   | 300           | 3.40            | 300           | 1.45            | 300           | 1.41            |
| Canfin Homes Limited                                  | 10                  | 200           | 4.24            | 200           | 2.31            | 200           | 1.21            |
| Colgate-Palmolive (India) Limited                     | 1                   | 2,800         | 27.87           | 2,800         | 23.26           | 1,400         | 28.20           |
| Computer Maintenance Corporation Limited              | 10                  | -             | -               | -             | -               | 800           | 15.32           |
| Cummins India Limited                                 | 2                   | 1,960         | 18.61           | 1,960         | 16.50           | 1,960         | 17.26           |
| FAG Bearings (India) Limited                          | 10                  | 600           | 27.47           | 600           | 22.79           | 600           | 25.04           |
| G I C Housing Finance Limited                         | 10                  | 2,500         | 9.14            | 2,500         | 6.17            | 2,500         | 5.57            |
| Gas Authority of India Limited                        | 10                  | 1,493         | 5.63            | 1,120         | 3.99            | 1,120         | 4.34            |
| Glaxo Smithkline Beecham Consumer Health Care Limited | 10                  | 750           | 38.67           | 750           | 45.28           | 750           | 47.25           |
| Grasim Industries Limited*                            | 2                   | 1,500         | 15.74           | 300           | 11.53           | 300           | 10.87           |
| Great Eastern Shipping Corporation Limited            | 10                  | 1,080         | 4.50            | 1,080         | 3.37            | 1,080         | 3.95            |
| Great Offshore Limited                                | 10                  | 270           | 0.04            | 270           | 0.11            | 270           | 0.15            |
| HDFC Bank Limited                                     | 2                   | 2,000         | 28.85           | 2,000         | 21.42           | 2,000         | 20.45           |
| Hindustan Unilever Limited                            | 10                  | 400           | 3.65            | 400           | 3.48            | 400           | 3.49            |
| Housing Development Finance Corporation Limited       | 10                  | 30,000        | 450.63          | 30,000        | 331.68          | 30,000        | 394.71          |
| ICICI Bank Limited                                    | 2                   | 16,700        | 46.23           | 16,700        | 39.52           | 16,700        | 52.69           |
| Indian Oil Corporation Limited                        | 10                  | 8,000         | 30.96           | 4,000         | 15.74           | 4,000         | 14.75           |
| Indraprasth Gas Limited                               | 10                  | 500           | 5.07            | 500           | 2.85            | 500           | 2.10            |
| Indusind Bank Limited                                 | 10                  | 1,500         | 21.38           | 1,500         | 14.51           | 1,500         | 13.29           |
| Industrial Development Bank of India                  | 10                  | 1,560         | 1.17            | 1,560         | 1.08            | 1,560         | 1.11            |
| L.I.C.Housing Finance Limited                         | 2                   | 3,750         | 23.19           | 3,750         | 18.49           | 3,750         | 16.41           |
| Mahindra and Mahindra Limited                         | 5                   | 2,000         | 25.74           | 2,000         | 24.21           | 2,000         | 23.76           |
| Maruti Suzuki India Limited                           | 5                   | 200           | 12.03           | 200           | 7.43            | 200           | 7.39            |
| National Aluminum Company Limited                     | 5                   | 4,500         | 3.44            | 4,500         | 1.78            | 4,500         | 2.10            |
| National Thermo Power Corporation Limited             | 10                  | 1,500         | 2.49            | 1,500         | 1.93            | 1,500         | 2.20            |
| Neyveli Lignite Corporation Limited                   | 10                  | 600           | 0.64            | 600           | 0.43            | 600           | 0.42            |
| Nilkamal Plastics Limited                             | 10                  | 700           | 13.66           | 700           | 7.71            | 700           | 2.94            |
| Oil and Natural Gas Corporation Limited               | 5                   | 15,300        | 28.31           | 10,200        | 21.84           | 10,200        | 31.25           |
| Petronet LNG Limited                                  | 10                  | 1,000         | 4.03            | 1,000         | 2.51            | 1,000         | 1.72            |
| Punjab National Bank                                  | 2                   | 8,750         | 13.12           | 8,750         | 7.41            | 8,750         | 12.64           |
| Reliance Industries Limited                           | 10                  | 1,335         | 17.63           | 1,335         | 13.95           | 1,335         | 11.03           |
| Rural Electrification Corporation of India            | 10                  | 2,120         | 3.84            | 1,060         | 1.76            | 1,060         | 3.53            |
| State Bank of India                                   | 1                   | 11,500        | 33.74           | 11,500        | 22.34           | 11,500        | 30.71           |
| Sundaram Finance Limited                              | 10                  | 13,200        | 213.15          | 13,200        | 171.68          | 13,200        | 200.30          |
| Tata Chemicals Limited                                | 10                  | 1,400         | 8.38            | 1,400         | 5.23            | 1,400         | 6.21            |
| Tata Consultancy Services Limited                     | 1                   | 832           | 20.23           | 832           | 20.97           | 200           | 5.11            |
| Tata Motors Limited                                   | 2                   | 9,495         | 44.23           | 9,495         | 36.71           | 9,000         | 49.52           |
| Tata Steel Limited                                    | 10                  | 1,700         | 8.21            | 1,700         | 5.43            | 1,700         | 5.38            |
| Tata Global Beverages Limited                         | 1                   | 13,000        | 19.57           | 13,000        | 15.76           | 13,000        | 19.34           |
| The United Nilgiri Tea Estates Limited                | 10                  | 17,264        | 62.67           | 17,264        | 70.25           | 17,264        | 33.48           |
| Ultratech Cement Limited                              | 10                  | 171           | 6.81            | 171           | 5.52            | 171           | 4.92            |
| <b>Total (equity instruments - fully paid-up)</b>     |                     |               | <b>1,918.69</b> |               | <b>1,519.80</b> |               | <b>1,568.09</b> |

\*Face value of these instruments for the balance as at March 31, 2016 and April 1, 2015 was Rs. 10/- per share.

# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

| 5. Non-current investments (Contd..)  | Face Value<br>(in INR) | March 31 2017 |              | March 31 2016 |              | April 01 2015 |              |
|---|------------------------|---------------|--------------|---------------|--------------|---------------|--------------|
|   |                        | Nos           | Amount       | Nos           | Amount       | Nos           | Amount       |
| (ii) Investment in Equity Instruments (partly paid-up)<br>At Fair Value through Other Comprehensive Income                  |                        |               |              |               |              |               |              |
| <b>Unquoted</b>   |                        |               |              |               |              |               |              |
| Adyar Property Holding Company Private Limited<br>(paid up Rs. 65 per share)  | 100                    | 55            | 0.04         | 55            | 0.04         | 55            | 0.04         |
| <b>Total (equity instruments - partly paid-up)</b>  |                        |               | <b>0.04</b>  |               | <b>0.04</b>  |               | <b>0.04</b>  |
| (iii) Investment in Bonds   |                        |               |              |               |              |               |              |
| <b>At Amortised Cost</b>  |                        |               |              |               |              |               |              |
| <b>Quoted</b>   |                        |               |              |               |              |               |              |
| 8.00% Indian Railway Finance Corporation Limited-Tax<br>Free Secured, Redeemable, Non-convertible Bonds                     | 1,000                  | 1,088         | 10.88        | 1,088         | 10.88        | 1,088         | 10.88        |
| 8.20% Power Finance Corporation Limited-Tax Free<br>Secured Redeemable Non-convertible Bonds                                | 1,000                  | 1,424         | 14.24        | 1,424         | 14.24        | 1,424         | 14.24        |
| 7.19% Power Finance Corporation Limited-Tax Free<br>Secured Redeemable Non-convertible Bonds                                | 1,000                  | 1,200         | 12.00        | 1,200         | 12.00        | 1,200         | 12.00        |
| 7.22% Rural Electrification Corporation Limited-Tax Free<br>Secured Redeemable Non-convertible Bonds                        | 1,000                  | 1,000         | 10.00        | 1,000         | 10.00        | 1,000         | 10.00        |
| <b>Unquoted</b>   |                        |               |              |               |              |               |              |
| 9.20% Central Bank of India Tier II Bonds (Series XII)  | 10,00,000              | -             | -            | 1             | 10.00        | 1             | 10.00        |
| (iv) Investment in Debentures   |                        |               |              |               |              |               |              |
| <b>At fair value through profit or loss</b>   |                        |               |              |               |              |               |              |
| <b>Quoted</b>   |                        |               |              |               |              |               |              |
| 8.49% SR-54 Non-Convertible Debentures of National<br>Thermal Power Corporation Limited                                     | 12.50                  | 1,500         | 0.19         | 1,500         | 0.19         | 1,500         | 0.19         |
| <b>At Amortised Cost</b>  |                        |               |              |               |              |               |              |
| <b>Unquoted</b>   |                        |               |              |               |              |               |              |
| 9.50% Unsecured Non-Convertible Debentures under 2006<br>Series-I of Infrastructure Leasing &<br>Financial Services Limited | -                      | -             | -            | -             | -            | 1,200         | 12.00        |
| <b>Total (debentures and bonds)</b>   |                        |               | <b>47.31</b> |               | <b>57.31</b> |               | <b>69.31</b> |
| (v) Investment in Mutual Funds  |                        |               |              |               |              |               |              |
| <b>At fair value through profit or loss</b>   |                        |               |              |               |              |               |              |
| <b>Unquoted</b>   |                        |               |              |               |              |               |              |
| Axis Equity Saver Fund - Growth   | 10                     | 1,174,362     | 128.24       | -             | -            | -             | -            |
| Birla Sun Life 95 Fund - Dividend   | 10                     | -             | -            | 13,908        | 18.16        | -             | -            |
| Birla Sun Life Income Plus - Quarterly Dividend   | 10                     | -             | -            | -             | -            | 164,411       | 22.17        |
| Birla Sun Life Medium Term Plan -Growth   | 10                     | 186,030       | 37.97        | -             | -            | -             | -            |
| DSP Black Rock Dual Advantage Fund - Series - 18 34 M<br>Regular Dividend   | 10                     | -             | -            | -             | -            | 60,000        | 8.07         |
| Franklin India Balanced Fund - Growth   | 10                     | 25,283        | 26.36        | -             | -            | -             | -            |
| DSP Black Rock Income Opportunities Fund -<br>Regular Plan - Growth   | 10                     | 51,559.68     | 13.86        | 51,559.68     | 12.69        | 51,559.68     | 11.54        |
| DSP Black Rock Balanced Fund  | 10                     | 30,680        | 40.60        | 10,514        | 11.03        | -             | -            |
| Franklin India Monthly Income Plan - Plan A - Growth  | 10                     | 88,161        | 44.08        | 44,497        | 20.10        | -             | -            |
| HDFC CPO -I 36 Months September 2013  | 10                     | -             | -            | -             | -            | 90,000        | 10.52        |
| HDFC CPO II -36 Months January 2014   | 10                     | -             | -            | -             | -            | 90,000        | 10.31        |
| HDFC Focussed Equity Fund - Plan B  | 10                     | 60,000        | 7.30         | 60,000        | 5.70         | -             | -            |
| HDFC MF Monthly Income Plan - Growth  | 10                     | 60,352        | 25.00        | -             | -            | -             | -            |
| ICICI Prudential Corporate Bond Fund B-Quarterly Dividend   | 10                     | -             | -            | -             | -            | 4,92,750      | 51.21        |
| ICICI Prudential Interval III - Qtrly Regular Plan Growth   | 10                     | -             | -            | 4,317         | 0.70         | 4,317         | 0.65         |
| ICICI Prudential Corporate Bond Fund-<br>Regular Quarterly Dividend   | 10                     | -             | -            | -             | -            | 95,771        | 10.06        |
| ICICI Prudential Regular Savings Fund   | 10                     | -             | -            | -             | -            | 99,086        | 10.19        |
| ICICI Prudential Value Fund-Series 2-Regular Plan-Dividend  | 10                     | -             | -            | 89,990        | 11.86        | 89,990        | 13.23        |
| ICICI Prudential Balanced Fund  | 10                     | 2,09,429      | 51.70        | 2,09,429      | 44.28        | 53,154        | 12.30        |
| ICICI Prudential Multiple Yield Fund Series 6-Plan A-Growth   | 10                     | -             | -            | 1,20,000      | 14.98        | 1,20,000      | 14.33        |
| ICICI Prudential Multiple Yield Fund Series 6 - Plan -F-Growth  | 10                     | 1,20,000      | 15.26        | 1,20,000      | 14.10        | 1,20,000      | 13.53        |
| ICICI Prudential Growth Fund Series 1   | 10                     | 1,12,848      | 13.69        | 1,12,848      | 12.19        | 1,12,848      | 13.71        |
| ICICI Capital Protection Oriented Fund VI - 1100 Days Plan H  | 10                     | -             | -            | 90,000        | 10.01        | 90,000        | 9.57         |
| ICICI Prudential Multiple Yield Fund - Series VII -<br>Plan F - 1100 Days   | 10                     | -             | -            | 90,000        | 9.96         | 90,000        | 9.62         |
| ICICI Prudential Growth Fund Series 4   | 10                     | 60,000        | 7.73         | 60,000        | 6.52         | 60,000        | 6.53         |
| ICICI Prudential Capital Protection Oriented Fund - Series VII -<br>Plan A - 1285 Days                                      | 10                     | 90,000        | 10.86        | 90,000        | 9.98         | 90,000        | 9.50         |

# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

| 5. Non-current investments (Contd..)<br>(v) Investment in Mutual Funds                        | Face Value<br>(in INR) | March 31 2017 |                 | March 31 2016 |                 | April 01 2015 |                 |
|---|------------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|
|   |                        | Nos           | Amount          | Nos           | Amount          | Nos           | Amount          |
| ICICI Prudential Capital Protection Oriented Fund Series VII - 1284 Days - Plan H             | 10                     | 1,00,000      | 11.39           | 1,00,000      | 10.45           | 1,00,000      | 10.02           |
| ICICI Prudential Capital Protection Oriented Fund VIII - 1101 Days - Plan D                   | 10                     | 150,000       | 16.87           | 1,50,000      | 15.50           | -             | -               |
| ICICI Prudential Balanced Fund - Regular Plan - G   | 10                     | 10,525        | 12.03           | 10,525        | 9.42            | -             | -               |
| ICICI Prudential Balanced Advantage Fund - Dividend   | 10                     | 2,06,705      | 33.28           | 61,017        | 9.24            | -             | -               |
| ICICI Prudential Balanced Advantage Fund - Growth   | 10                     | 85,876        | 25.97           | -             | -               | -             | -               |
| ICICI Prudential MIP-25 - Growth  | 10                     | 1,68,525      | 61.52           | 47,974        | 15.11           | -             | -               |
| IDFC Fixed Term Plan - Series 72 - Growth   | 10                     | -             | -               | -             | -               | 1,20,000      | 13.23           |
| IDFC Dynamic Equity Fund - Regular Plan Growth  | 10                     | -             | -               | 1,10,432      | 11.64           | -             | -               |
| Kotak Bond Deposit-Quarterly Dividend   | 10                     | -             | -               | 4,84,469      | 60.42           | 5,67,360      | 67.27           |
| Kotak Capital Protection Oriented Scheme -Series 1 Growth                                     | 10                     | 1,00,000      | 10.98           | 1,00,000      | 10.06           | -             | -               |
| Kotak Balance - Growth  | 10                     | 58,371        | 13.08           | -             | -               | -             | -               |
| LIC Nomura CPOF Series -1 - Dividend  | 10                     | -             | -               | 90,000        | 10.76           | 90,000        | 10.54           |
| LIC Nomura CPOF Series -11 - Dividend   | 10                     | -             | -               | 90,000        | 10.73           | 90,000        | 10.49           |
| LIC Nomura MF FMP Series 80 - Growth  | 10                     | -             | -               | -             | -               | 1,50,000      | 16.24           |
| LIC Nomura MF CPOF Series 3 - Growth  | 10                     | 60,000        | 7.35            | 60,000        | 6.79            | 60,000        | 6.60            |
| Reliance Dual Advantage Fixed Tenure Fund-II-Plan G- Dividend                                 | 10                     | -             | -               | 1,17,277      | 16.80           | 1,17,277      | 16.81           |
| Reliance Regular Savings Fund-Debt Plan-Quarterly Dividend                                    | 10                     | -             | -               | -             | -               | 3,95,366      | 50.74           |
| Reliance Dynamic Bond Fund - Dividend Plan  | 10                     | -             | -               | -             | -               | 1,07,489      | 14.52           |
| Reliance Dual Advantage Fixed Tenure Fund - III - Plan C - Dividend Payout                    | 10                     | -             | -               | 5,73,163      | 70.43           | 5,73,163      | 76.77           |
| Reliance Dual Advantage Fixed Tenure Fund - IV - Plan D - Dividend Plan                       | 10                     | -             | -               | 2,55,730      | 31.74           | 2,55,730      | 30.60           |
| Reliance Monthly Interval Fund - Series 2   | 10                     | -             | -               | -             | -               | 2,49,875      | 25.15           |
| Reliance Dual Advantage Fixed Tenure Fund V Plan B - Growth                                   | 10                     | -             | -               | 1,20,000      | 13.76           | 1,20,000      | 13.88           |
| Reliance Dual Advantage Fixed Tenure Fund V Plan G - Growth                                   | 10                     | -             | -               | 1,00,000      | 11.86           | 1,00,000      | 11.42           |
| Reliance Fixed Horizon Fund - XXVI - Series 14 -Growth Plan                                   | 10                     | -             | -               | 1,20,000      | 14.27           | 1,20,000      | 13.15           |
| Reliance Regular Savings Fund-Balanced Plan - Dividend Plan                                   | 10                     | -             | -               | 1,52,715      | 23.74           | 1,52,715      | 25.84           |
| Reliance Dual Advantage Fixed Tenure Fund VI - Plan A - Growth                                | 10                     | -             | -               | 2,40,000      | 25.22           | 2,40,000      | 27.44           |
| Reliance Regular Saving Fund - Balanced - Dividend  | 10                     | -             | -               | 4,29,352      | 66.74           | 1,43,456      | 24.27           |
| Reliance Equity Savings Fund - Growth Plan  | 10                     | 2,05,497      | 23.55           | 58,654        | 5.93            | -             | -               |
| Reliance Equity Savings Fund - Dividend   | 10                     | 90,951        | 10.42           | 90,951        | 9.19            | -             | -               |
| SBI Mutual Fund- Gold Exchange Traded Scheme- Growth Op-Open (DEMAT)                          | 10                     | 200           | 5.24            | 200           | 5.26            | 200           | 4.95            |
| SBI-Magnum Income Fund-1998-Dividend Option   | 10                     | -             | -               | 87,306        | 10.24           | 87,306        | 10.18           |
| SBI Magnum Income Fund  | 10                     | -             | -               | -             | -               | 96,546        | 12.06           |
| SBI Dynamic Bond Fund   | 10                     | 73,133        | 15.06           | -             | -               | 99,728        | 11.84           |
| SBI Magnum Income Fund - 1998 Regular Quarterly Dividend                                      | 10                     | -             | -               | 414           | 0.05            | -             | -               |
| SBI Dual Advantage Fund Series I - Dividend   | 10                     | -             | -               | 90,000        | 11.11           | 90,000        | 10.83           |
| SBI Magnum Balanced Fund  | 10                     | 1,03,492      | 28.15           | 1,03,492      | 27.21           | 1,03,492      | 30.13           |
| SBI Dual Advantage Fund Series II - Growth  | 10                     | 1,20,000      | 15.01           | 1,20,000      | 13.91           | 1,20,000      | 13.53           |
| SBI Equity Opportunities Fund   | 10                     | 60,000        | 8.52            | 60,000        | 6.16            | 60,000        | 7.22            |
| SBI Dual Advantage Fund Series V - Growth   | 10                     | 2,10,000      | 24.40           | 2,10,000      | 22.48           | 2,10,000      | 21.74           |
| SBI Equity Savings Fund-Regular Plan - Quarterly Dividend                                     | 10                     | 1,20,000      | 13.64           | 1,20,000      | 12.32           | -             | -               |
| SBI Equity Savings Fund-Regular Plan - Growth   | 10                     | 6,47,781      | 74.74           | -             | -               | -             | -               |
| SBI Dual Advantage Fund - Series XV - Regular   | 10                     | 1,18,758      | 12.80           | 1,18,758      | 11.88           | -             | -               |
| Sundaram Monthly Income Plan-Aggressive Reg-Quarterly Dividend                                | 10                     | 1,48,516      | 21.00           | 1,48,516      | 19.39           | 1,48,516      | 19.16           |
| Sundaram Hybrid Fund - Series D 3 Years Regular Half yearly                                   | 10                     | -             | -               | -             | -               | 60,000        | 7.10            |
| Sundaram Monthly Income Plan-Moderate Reg-Quarterly Dividend                                  | 10                     | -             | -               | 1,59,148      | 17.00           | 1,59,148      | 17.32           |
| Tata Balanced Fund  | 10                     | 20,245        | 15.15           | 20,245        | 14.05           | 20,245        | 15.95           |
| Tata Dual Advantage Fund - Series 2 - Scheme A - Plan A - Growth                              | 10                     | 1,20,000      | 14.95           | 1,20,000      | 13.53           | 1,20,000      | 13.02           |
| Templeton India Corporate Bond Opportunities Fund-Dividend Growth                             | 10                     | -             | -               | -             | -               | 8,57,842      | 94.63           |
| UTI-Capital Protection Oriented Fund Scheme - Series VI - (1163 Days) - Regular Plan - Growth | 10                     | 90,000        | 10.34           | 90,000        | 9.47            | 90,000        | 9.06            |
| UTI Wealth Builder Fund - Growth  | 10                     | 2,73,802      | 84.69           | -             | -               | -             | -               |
| UTI Dynamic Bond Fund - Growth  | 10                     | 78,806        | 15.12           | -             | -               | -             | -               |
| <b>Total (mutual funds)</b>   |                        |               | <b>1,007.90</b> |               | <b>856.12</b>   |               | <b>1,000.74</b> |
| <b>Total non-current investments</b>  |                        |               | <b>2,973.94</b> |               | <b>2,433.27</b> |               | <b>2,638.18</b> |
| Aggregate amount of quoted investments and market value thereof                               |                        |               | 1,770.65        |               | 1,374.72        |               | 1,441.83        |
| Aggregate amount of unquoted investments  |                        |               | 1,208.10        |               | 1,061.49        |               | 1,198.79        |
| Aggregate amount of impairment in value of investments  |                        |               | -               |               | -               |               | -               |

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

| 6. Other Financial Assets   | March 31 2017 |               | March 31 2016        |                      | April 01 2015 |                      |
|---|---------------|---------------|----------------------|----------------------|---------------|----------------------|
|   | Current       | Non-current   | Current              | Non-current          | Current       | Non-current          |
| <b>(i) Derivatives</b>  |               |               |                      |                      |               |                      |
| Foreign-exchange forward contracts  | 34.39         | –             | 14.09                | –                    | 14.29         | –                    |
| <b>(ii) Others</b>  |               |               |                      |                      |               |                      |
| Intercorporate deposits   | 281.00        | 361.00        | 437.00               | 341.00               | 379.00        | 424.00               |
| Interest accrued on deposits  | 7.25          | –             | 2.77                 | –                    | 15.51         | –                    |
| Interest accrued on investments   | 1.59          | –             | 2.17                 | –                    | 3.39          | –                    |
| Security Deposits   | 9.12          | 176.86        | 9.12                 | 156.84               | 4.69          | 126.27               |
| Long term deposit with maturity period more than 12 months                              | –             | –             | –                    | –                    | –             | 26.00                |
| Employee advances   | 0.64          | –             | 1.28                 | –                    | 2.33          | –                    |
| Receivable from related parties   | 2.50          | –             | 2.70                 | –                    | 1.85          | –                    |
| Margin money deposit (Refer note below)   | –             | –             | –                    | –                    | –             | 15.00                |
| Others - Insurance Claims   | 528.91        | –             | 19.16                | –                    | 57.39         | –                    |
| <b>Total other financial assets</b>   | <b>865.40</b> | <b>537.86</b> | <b>488.29</b>        | <b>497.84</b>        | <b>478.45</b> | <b>591.27</b>        |
| Note:   |               |               |                      |                      |               |                      |
| Balances with bank held as margin money for borrowings, guarantees or other commitments | –             | –             | –                    | –                    | –             | 15.00                |
|   |               |               | <b>March 31 2017</b> | <b>March 31 2016</b> |               | <b>April 01 2015</b> |
| <b>7. Current tax assets (Net)</b>  |               |               |                      |                      |               |                      |
| Advance income tax*   |               |               | 345.21               | 607.29               |               | 458.69               |
| Advance fringe benefit tax*   |               |               | 0.37                 | 0.37                 |               | 0.37                 |
| <b>Total current tax assets (net)</b>   |               |               | <b>345.58</b>        | <b>607.66</b>        |               | <b>459.06</b>        |
| *Net of provision :   |               |               |                      |                      |               |                      |
| – for income tax  |               |               | 4,999.80             | 4,841.80             |               | 4,651.74             |
| – for fringe benefit tax  |               |               | 73.50                | 73.50                |               | 73.50                |
| <b>8 Other non-current assets</b>   |               |               |                      |                      |               |                      |
| Capital advances  |               |               | 54.77                | 28.76                |               | 16.08                |
| Advances other than capital advances:   |               |               |                      |                      |               |                      |
| Prepaid expenses  |               |               | –                    | 4.57                 |               | –                    |
| <b>Total other non-current assets</b>   |               |               | <b>54.77</b>         | <b>33.33</b>         |               | <b>16.08</b>         |
| <b>9. Inventories</b>   |               |               |                      |                      |               |                      |
| Raw materials*  |               |               | 1,868.41             | 1,691.54             |               | 1,842.46             |
| Work-in-progress**  |               |               | 1,336.44             | 1,098.93             |               | 1,706.77             |
| Finished goods  |               |               | 1,033.65             | 1,319.97             |               | 1,295.53             |
| Traded goods  |               |               | 55.54                | 64.97                |               | 8.09                 |
| Stores, spares & packing material   |               |               | 266.33               | 253.83               |               | 220.48               |
| <b>Total inventories</b>  |               |               | <b>4,560.37</b>      | <b>4,429.24</b>      |               | <b>5,073.33</b>      |
| *Includes in transit  |               |               | 406.77               | 207.53               |               | 387.28               |
| **Includes manufactured strips and powder   |               |               | 992.49               | 818.07               |               | 1,359.23             |

#### Amounts recognised in profit or loss

Write-downs of inventories to net realisable value amounted to INR 82.09 lakhs (March 31, 2016 - INR 82.61 lakhs). These were recognised as an expense during the year and included in the 'changes in inventories of finished goods, stock-in-trade and work-in-progress' in statement of profit and loss.



## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

| 10. Current investments   | Face Value<br>(in INR) | March 31 2017 |               | March 31 2016 |               | April 01 2015 |               |
|---|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   |                        | Nos           | Amount        | Nos           | Amount        | Nos           | Amount        |
| (i) Investment in Bonds   |                        |               |               |               |               |               |               |
| At amortised cost   |                        |               |               |               |               |               |               |
| Unquoted  |                        |               |               |               |               |               |               |
| 9.20% Central Bank of India Tier II Bonds (Series XII)  | 10,00,000              | 1             | 10.00         | -             | -             | -             | -             |
| <b>Total (Bonds)</b>  |                        |               | <b>10.00</b>  |               | <b>-</b>      |               | <b>-</b>      |
| (ii) Investment in Debentures   |                        |               |               |               |               |               |               |
| At amortised cost   |                        |               |               |               |               |               |               |
| Unquoted  |                        |               |               |               |               |               |               |
| 9.65% Secured Redeemable Non-Convertible Debentures under 2010 Series -VI -of Infrastructure Leasing & Financial Services Ltd | 10                     | -             | -             | -             | -             | 1,000         | 10.00         |
| 9.50% Unsecured Non-Convertible Debentures under 2006 Series -I -of Infrastructure Leasing & Financial Services Ltd           | 10                     | -             | -             | 1,200         | 12.00         | -             | -             |
| <b>Total (Debentures)</b>   |                        |               |               |               | <b>12.00</b>  |               | <b>10.00</b>  |
| (iii) Investment in Mutual Funds  |                        |               |               |               |               |               |               |
| At Fair value through Profit or Loss  |                        |               |               |               |               |               |               |
| Unquoted  |                        |               |               |               |               |               |               |
| Birla Sun Life Cash Plus - Growth   | 10                     | -             | -             | 128           | 0.31          | -             | -             |
| DSP Black Rock FTP-Series 11-36M-Dividend   | 10                     | -             | -             | -             | -             | 90,366        | 11.25         |
| DSP Black Rock Dual Advantage Fund - Series - 18 34 M Regular Dividend  | 10                     | -             | -             | 60,000        | 7.19          | -             | -             |
| Franklin India Cash Management Account - Growth   | 10                     | -             | -             | 848           | 0.20          | -             | -             |
| Franklin India Ultra Short Term Fund - Growth   | 10                     | -             | -             | 3,90,560      | 79.39         | -             | -             |
| HDFC CPO - I - 36 Months September 2013   | 10                     | -             | -             | 90,000        | 10.87         | -             | -             |
| HDFC CPO - II - 36 Months January 2014  | 10                     | -             | -             | 90,000        | 10.66         | -             | -             |
| ICICI Prudential Capital Protection Oriented Fund - Series IX-36 Months   | 10                     | -             | -             | -             | -             | 3,00,000      | 42.99         |
| ICICI Prudential Capital Protection Oriented Fund III Plan A (DEMAT)  | 10                     | -             | -             | -             | -             | 60,000        | 7.71          |
| ICICI Prudential Capital Protection Oriented Fund III Plan C  | 10                     | -             | -             | -             | -             | 60,000        | 7.61          |
| ICICI Prudential Capital Protection Oriented Fund III Plan D (DEMAT)  | 10                     | -             | -             | -             | -             | 60,000        | 7.54          |
| ICICI Prudential Liquid Fund - Growth   | 10                     | -             | -             | 12,255        | 27.43         | -             | -             |
| ICICI Prudential Capital Protection Oriented Fund VI - 1100 Days Plan H   | 10                     | 90,000        | 10.81         | -             | -             | -             | -             |
| ICICI Prudential Multiple Yield Fund - Series VII - Plan F - 1100 Days  | 10                     | 90,000        | 10.69         | -             | -             | -             | -             |
| Kotak Bond (Short Term) - Growth  | 10                     | 1,56,714      | 48.17         | -             | -             | -             | -             |
| LIC Nomura MF Liquid Fund   | 10                     | -             | -             | 1,437         | 15.77         | -             | -             |
| Reliance Liquid Fund (Growth)   | 10                     | -             | -             | 30            | 1.09          | -             | -             |
| Reliance Liquid Fund - Treasury Plan - Growth   | 10                     | -             | -             | 412           | 15.19         | -             | -             |
| Reliance Short Term Fund - Growth Plan  | 10                     | -             | -             | 91,129        | 25.77         | -             | -             |
| Reliance Dual Advantage Fixed Tenure Fund-II-Plan G- Dividend   | 10                     | 1,17,277      | 18.51         | -             | -             | -             | -             |
| Reliance Dual Advantage Fixed Tenure Fund V Plan B - Growth   | 10                     | 1,20,000      | 14.32         | -             | -             | -             | -             |
| Reliance Dual Advantage Fixed Tenure Fund V Plan G - Growth   | 10                     | 1,00,000      | 12.81         | -             | -             | -             | -             |
| Reliance Dual Advantage Fixed Tenure Fund V Plan A - Growth   | 10                     | 2,40,000      | 27.81         | -             | -             | -             | -             |
| Sundaram Capital Protection Oriented Fund - 3Years- Series 9 -Dividend  | 10                     | -             | -             | -             | -             | 89,990        | 10.94         |
| Sundaram Capital Protection Oriented Fund - Series 2 - 5 Years Plan Dividend  | 10                     | -             | -             | -             | -             | 335,372       | 45.35         |
| Sundaram Hybrid Fund - Series D 3 Years Regular Half yearly   | 10                     | -             | -             | 60,000        | 7.07          | -             | -             |
| <b>Total (mutual funds)</b>   |                        |               | <b>143.12</b> |               | <b>200.94</b> |               | <b>133.39</b> |
| <b>Total current investments</b>  |                        |               | <b>153.12</b> |               | <b>212.94</b> |               | <b>143.39</b> |
| Aggregate amount of quoted investments and market value thereof   |                        |               | -             |               | -             |               | -             |
| Aggregate amount of unquoted investments  |                        |               | 153.12        |               | 212.94        |               | 143.39        |
| Aggregate amount of impairment in value of investments  |                        |               | -             |               | -             |               | -             |

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

|  | March 31 2017   | March 31 2016   | April 01 2015   |
|--|-----------------|-----------------|-----------------|
| <b>11 Trade receivables</b>  |                 |                 |                 |
| <b>Unsecured and considered good</b>   |                 |                 |                 |
| Trade receivables  | 3,045.56        | 2,802.79        | 3,288.42        |
| Receivables from related parties (refer note 39)   | 703.57          | 724.81          | 249.42          |
| <b>Total trade receivables</b>   | <b>3,749.13</b> | <b>3,527.60</b> | <b>3,537.84</b> |
| Trade receivables stated above includes:   |                 |                 |                 |
| Debts due by private companies in which directors are directors  | 600.11          | 614.08          | 183.06          |
| <b>12. Cash and cash equivalents</b>   |                 |                 |                 |
| Balances with banks  |                 |                 |                 |
| in current accounts  | 342.98          | 309.54          | 354.11          |
| in EEFC accounts   | 141.24          | 123.73          | 158.75          |
| Deposits with original maturity of less than three months  | –               | –               | 25.00           |
| Cash on hand   | 1.07            | 1.01            | 1.20            |
| Cheques on hand  | 16.10           | 45.05           | 86.23           |
| <b>Total cash and cash equivalents</b>   | <b>501.39</b>   | <b>479.33</b>   | <b>625.29</b>   |
| There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods. |                 |                 |                 |
| <b>13. Other Bank Balances</b>   |                 |                 |                 |
| Deposit with maturity period more than 3 months but less than 12 months  | 37.14           | 36.00           | 10.00           |
| In Unpaid dividend account*  | 22.04           | 23.00           | 23.45           |
| Margin money deposit (Refer note below)  | 30.00           | 30.00           | 15.00           |
| <b>Total Other Bank balances</b>   | <b>89.18</b>    | <b>89.00</b>    | <b>48.45</b>    |
| *Earmarked for payment of unclaimed dividend   |                 |                 |                 |
| <b>Note:</b>   |                 |                 |                 |
| Balances with bank held as margin money for borrowings, guarantees or other commitments  | 30.00           | 30.00           | 15.00           |
| <b>14. Loans</b>   |                 |                 |                 |
| <b>Unsecured, considered good</b>  |                 |                 |                 |
| Loans to employees   | 4.56            | 5.31            | 6.25            |
| <b>Total loans</b>   | <b>4.56</b>     | <b>5.31</b>     | <b>6.25</b>     |
| <b>15. Other current assets</b>  |                 |                 |                 |
| Prepaid expenses   | 67.85           | 77.89           | 80.84           |
| Advances to vendors  | 30.89           | 27.15           | 27.15           |
| Balance with customs and central excise authorities  | 546.90          | 467.31          | 110.38          |
| Export benefit receivable  | 47.51           | 66.06           | 13.54           |
| Service tax receivable   | 27.66           | 33.17           | 28.78           |
| Cenvat credit balances   | 101.17          | 48.07           | 34.59           |
| VAT receivable   | 91.74           | 66.64           | 22.38           |
| Other advances   | 21.47           | 24.11           | 25.10           |
| <b>Total other current assets</b>  | <b>935.19</b>   | <b>810.40</b>   | <b>342.76</b>   |

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

| 16. Equity share capital   | Number of shares (In lakhs) | Amount        |
|--|-----------------------------|---------------|
| <b>Authorised:</b>   |                             |               |
| <b>(i) Equity shares of Rs. 10 each</b>                              |                             |               |
| As at April 1, 2015  | 62.50                       | 625.00        |
| Increase during the year   | -                           | -             |
| <b>As at March 31, 2016</b>  | <b>62.50</b>                | <b>625.00</b> |
| Increase during the year   | -                           | -             |
| <b>As at March 31, 2017</b>  | <b>62.50</b>                | <b>625.00</b> |
| <b>(ii) Redeemable Cummulative preference shares of Rs. 100 each</b> |                             |               |
| As at 1 April 2015   | 1.25                        | 125.00        |
| Increase during the year   | -                           | -             |
| <b>As at March 31, 2016</b>  | <b>1.25</b>                 | <b>125.00</b> |
| Increase during the year   | -                           | -             |
| <b>As at March 31, 2017</b>  | <b>1.25</b>                 | <b>125.00</b> |
| <b>Issued, subscribed and fully paid up :</b>                        |                             |               |
| <b>(i) Equity shares of Rs. 10 each</b>                              |                             |               |
| As at April 1, 2015  | 38.25                       | 382.50        |
| Increase during the year   | -                           | -             |
| <b>As at March 31, 2016</b>  | <b>38.25</b>                | <b>382.50</b> |
| Increase during the year   | -                           | -             |
| <b>As at March 31, 2017</b>  | <b>38.25</b>                | <b>382.50</b> |
| <b>(i) Movements in equity share capital</b>                         |                             |               |
| As at April 1, 2015  | 38.25                       | 382.50        |
| <b>As at March 31, 2016</b>  | <b>38.25</b>                | <b>382.50</b> |
| <b>As at March 31, 2017</b>  | <b>38.25</b>                | <b>382.50</b> |

Terms and rights attached to equity shares

Equity shares: The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General Meeting, except in the case of interim dividend.

|   | March 31, 2017          |                  | March 31, 2016          |                  | April 01, 2015          |                  |
|---|-------------------------|------------------|-------------------------|------------------|-------------------------|------------------|
|   | Number of shares        | Amount           | Number of shares        | Amount           | Number of shares        | Amount           |
| Amalgamations Private Limited, the holding company  | 9,69,000                | 96.90            | 9,69,000                | 96.90            | 9,69,000                | 96.90            |
| India Pistons Limited, step down subsidiary of Amalgamations Private Limited                | 7,65,000                | 76.50            | 12,72,348               | 127.23           | 12,72,348               | 127.23           |
| Simpson & Company Limited, a subsidiary of Amalgamations Private Limited                    | 11,11,411               | 111.14           | 6,04,063                | 60.41            | 6,04,063                | 60.41            |
| Associated Printers (Madras) Private Limited, a subsidiary of Amalgamations Private Limited | 2,040                   | 0.20             | 2,040                   | 0.20             | 2,040                   | 0.20             |
| Higginbothams Private Limited, a subsidiary of Amalgamations Private Limited                | 3,975                   | 0.40             | 3,975                   | 0.40             | 3,975                   | 0.40             |
| Sri Rama Vilas Service Limited, a step down subsidiary of Amalgamations Private Limited     | 12,500                  | 1.25             | 12,500                  | 1.25             | 12,500                  | 1.25             |
|   | <b>28,63,926</b>        | <b>286.39</b>    | <b>28,63,926</b>        | <b>286.39</b>    | <b>28,63,926</b>        | <b>286.39</b>    |
| <b>(iii) Details of shareholders holding more than 5% shares in the company</b>             | <b>Number of shares</b> | <b>% holding</b> | <b>Number of shares</b> | <b>% holding</b> | <b>Number of shares</b> | <b>% holding</b> |
| Amalgamations Private Limited   | 9,69,000                | 25.33%           | 9,69,000                | 25.33%           | 9,69,000                | 25.33%           |
| India Pistons Limited   | 7,65,000                | 20.00%           | 12,72,348               | 33.26%           | 12,72,348               | 33.26%           |
| Simpson & Company Limited   | 11,11,411               | 29.06%           | 6,04,063                | 15.79%           | 6,04,063                | 15.79%           |
|   | <b>28,45,411</b>        | <b>74.39%</b>    | <b>28,45,411</b>        | <b>74.39%</b>    | <b>28,45,411</b>        | <b>74.39%</b>    |

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

| 17 Other equity   | March 31 2017         | March 31 2016         | April 01 2015        |
|---|-----------------------|-----------------------|----------------------|
| Capital reserve   | 3.81                  | 3.81                  | 3.81                 |
| General reserve   | 13,500.00             | 13,350.00             | 13,150.00            |
| Retained earnings   | 742.83                | 782.41                | 925.26               |
| Other reserves  | 1,737.54              | 1,338.64              | 1,389.16             |
| <b>Total reserves and surplus</b>   | <b>15,984.18</b>      | <b>15,474.86</b>      | <b>15,468.23</b>     |
| <b>(a) Capital reserves</b>   |                       | <b>March 31 2017</b>  | <b>March 31 2016</b> |
| Opening balance   |                       | 3.81                  | 3.81                 |
| Additions during the year   |                       | -                     | -                    |
| Deductions/Adjustments during the year  |                       | -                     | -                    |
| <b>Closing balance</b>  |                       | <b>3.81</b>           | <b>3.81</b>          |
| <b>(b) General reserve</b>  |                       |                       |                      |
| Opening balance   |                       | 13,350.00             | 13,150.00            |
| Additions during the year   |                       | 150.00                | 200.00               |
| Deductions/Adjustments during the year  |                       | -                     | -                    |
| <b>Closing balance</b>  |                       | <b>13,500.00</b>      | <b>13,350.00</b>     |
| <b>(c) Retained earnings</b>  |                       |                       |                      |
| Opening balance   |                       | 782.41                | 925.26               |
| Net profit for the period   |                       | 407.62                | 422.30               |
| Item of other comprehensive income recognised directly in retained earnings   |                       |                       |                      |
| – Remeasurement of post-employment benefit obligation, net of tax   |                       | 48.08                 | (19.87)              |
| <i>Appropriations</i>   |                       |                       |                      |
| General Reserve   |                       | (150.00)              | (200.00)             |
| Dividend on equity shares   |                       | (286.88)              | (286.88)             |
| Dividend distribution tax on above  |                       | (58.40)               | (58.40)              |
| <b>Closing balance</b>  |                       | <b>742.83</b>         | <b>782.41</b>        |
| <b>(d) Other reserves</b>   |                       | <b>FVOCI - Equity</b> |                      |
|   |                       | <b>Investments</b>    | <b>Total</b>         |
| <b>As at April 1, 2015</b>  |                       | <b>1,389.16</b>       | <b>1,389.16</b>      |
| Changes in fair value of FVOCI equity instruments   |                       | (50.52)               | (50.52)              |
| <b>As at March 31, 2016</b>   |                       | <b>1,338.64</b>       | <b>1,338.64</b>      |
| Changes in fair value of FVOCI equity instruments   |                       | 398.90                | 398.90               |
| <b>As at March 31, 2017</b>   |                       | <b>1,737.54</b>       | <b>1,737.54</b>      |
| <b>Nature and purpose of other reserves</b>   |                       |                       |                      |
| FVOCI equity investments  |                       |                       |                      |
| The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised. |                       |                       |                      |
| <b>18. Deferred tax liabilities (Net)</b>   |                       |                       |                      |
| The balance comprises temporary differences attributable to:  | <b>March 31, 2017</b> | <b>March 31, 2016</b> | <b>April 1, 2015</b> |
| <b>Deferred tax liabilities</b>   |                       |                       |                      |
| Depreciation  | 485.09                | 419.00                | 404.74               |
| Other timing differences  | 44.02                 | 3.33                  | 2.26                 |
| Undistributed profit of joint venture   | -                     | 15.79                 | 31.35                |
| <b>Total deferred tax liabilities</b>   | <b>529.11</b>         | <b>438.12</b>         | <b>438.35</b>        |
| <b>Set-off of deferred tax assets pursuant to</b>   |                       |                       |                      |
| Provision for compensated absences  | 44.61                 | 51.03                 | 46.40                |
| MAT Credit entitlement  | 74.00                 | -                     | -                    |
| Other timing differences  | 22.80                 | 33.07                 | 52.16                |
| <b>Net deferred tax liabilities</b>   | <b>387.70</b>         | <b>354.02</b>         | <b>339.79</b>        |

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

|   | Deprecia-<br>tion | Prov. for<br>compensated<br>absences | MAT Credit     | Undistributed<br>profit of<br>Joint venture | Other timing<br>differences | Total         |
|---|-------------------|--------------------------------------|----------------|---|-----------------------------|---------------|
| <b>Movement in deferred tax liabilities</b> |                   |                                      |                |   |                             |               |
| At April 1, 2015                            | 404.74            | (46.40)                              | –              | 31.35                                       | (49.90)                     | 339.79        |
| Charged/(credited):                         |                   |                                      |                |   |                             |               |
| – to profit or loss                         | 14.26             | (4.63)                               | –              | (15.56)                                     | 30.75                       | 24.82         |
| – to other comprehensive income             | –                 | –                                    | –              | –   | (10.59)                     | (10.59)       |
| <b>At March 31, 2016</b>                    | <b>419.00</b>     | <b>(51.03)</b>                       | <b>–</b>       | <b>15.79</b>                                | <b>(29.74)</b>              | <b>354.02</b> |
| Charged/(credited):                         |                   |                                      |                |   |                             |               |
| – to profit or loss                         | 66.09             | 6.42                                 | (74.00)        | (15.79)                                     | 24.61                       | 7.33          |
| – to other comprehensive income             | –                 | –                                    | –              | –   | 26.35                       | 26.35         |
| <b>At March 31, 2017</b>                    | <b>485.09</b>     | <b>(44.61)</b>                       | <b>(74.00)</b> | <b>–</b>                                    | <b>21.22</b>                | <b>387.70</b> |

| <b>19. Trade payables</b>  | <b>March 31, 2017</b> | <b>March 31, 2016</b> | <b>April 1, 2015</b> |
|--|-----------------------|-----------------------|----------------------|
| Trade Payables (Refer note below)  |                       |                       |                      |
| (a) Total outstanding dues of micro enterprises and small enterprises                      | 110.90                | 97.26                 | 73.54                |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,035.22              | 1,313.43              | 1,426.11             |
| <b>Total trade payables</b>  | <b>2,146.12</b>       | <b>1,410.69</b>       | <b>1,499.65</b>      |

#### Note:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosure pursuant to said MSMED Act are as follows:

|  |        |        |       |
|--|--------|--------|-------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.                                    | 81.11  | 75.75  | 63.93 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.  | 29.79  | 21.51  | 9.61  |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.                            | 406.01 | 326.91 | 12.29 |
| Interest paid, other than Section 16 of MSMED Act, to supplier registered under the MSMED Act, beyond the appointed day during the year. | –      | –      | –     |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.     | –      | –      | –     |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made   | 18.34  | 11.35  | 1.99  |
| Further interest remaining due and payable for earlier years   | 21.51  | 9.61   | 7.62  |

#### 20. Other financial liabilities

|  |               |              |              |
|--|---------------|--------------|--------------|
| Unpaid Dividend [Refer note (a)]         | 22.04         | 23.00        | 23.46        |
| Capital creditors                        | 63.03         | 29.12        | 14.93        |
| Other payables                           | 27.45         | 26.66        | 40.25        |
| <b>Total other financial liabilities</b> | <b>112.52</b> | <b>78.78</b> | <b>78.64</b> |

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

| <b>21. Employee benefit obligations / (asset)</b> | <b>March 31, 2017</b> |                    | <b>March 31, 2016</b> |                    | <b>April 01, 2015</b> |                    |
|---|-----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|
|   | <b>Current</b>        | <b>Non Current</b> | <b>Current</b>        | <b>Non-Current</b> | <b>Current</b>        | <b>Non-Current</b> |
| Salaries and wages                                | 135.01                | –                  | 151.42                | –                  | 137.77                | –                  |
| Bonus   | 45.18                 | –                  | 33.38                 | –                  | 9.64                  | –                  |
| Leave obligations (Refer Note (i) below)          | 21.78                 | 107.13             | 27.44                 | 120.00             | 39.12                 | 101.33             |
| Gratuity (Refer Note (ii) below)                  | –                     | –                  | 41.65                 | –                  | 70.69                 | –                  |
| <b>Total employee benefit obligations</b>         | <b>201.97</b>         | <b>107.13</b>      | <b>253.89</b>         | <b>120.00</b>      | <b>257.22</b>         | <b>101.33</b>      |
| Gratuity (Refer Note (ii) below)                  | –                     | (92.80)            | –                     | –                  | –                     | –                  |
| <b>Total employee benefit (asset)</b>             | <b>–</b>              | <b>(92.80)</b>     | <b>–</b>              | <b>–</b>           | <b>–</b>              | <b>–</b>           |

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

#### 21. Employee benefit obligations / (asset)

##### (i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

##### (ii) Post-employment obligations - Gratuity

The Company provides gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous services for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the group makes contributions to recognised funds in India.

|  | Present value<br>of obligation | Fair value of<br>plan assets | Total    |
|--|--------------------------------|------------------------------|----------|
| <b>April 1, 2015</b>   | <b>586.22</b>                  | (515.53)                     | 70.69    |
| Current service cost   | 32.48                          | -                            | 32.48    |
| Past service cost  | -                              | -                            | -        |
| Interest expense/(income)  | 44.40                          | (42.54)                      | 1.86     |
| <b>Total amount recognised in profit or loss</b>   | <b>76.88</b>                   | (42.54)                      | 34.34    |
| <b>Remeasurements</b>  |                                |                              |          |
| Return on plan assets, excluding amounts included in interest expense/(income)   | -                              | -                            | -        |
| (Gain)/loss from change in demographic assumptions   | 33.65                          | -                            | 33.65    |
| (Gain)/loss from change in financial assumptions   | -                              | (3.04)                       | (3.04)   |
| Experience (gains)/losses  | -                              | -                            | -        |
| Changes in asset ceiling excluding amounts included in interest expense  | -                              | -                            | -        |
| <b>Total amount recognised in other comprehensive income</b>   | <b>33.65</b>                   | (3.04)                       | 30.61    |
| Employer contributions   | -                              | (93.99)                      | (93.99)  |
| Benefit payments   | (34.12)                        | 34.12                        | -        |
| <b>March 31, 2016</b>  | <b>662.63</b>                  | (620.98)                     | 41.65    |
| <b>April 1, 2016</b>   | <b>662.63</b>                  | (620.98)                     | 41.65    |
| Current service cost   | 37.15                          | -                            | 37.15    |
| (Gains) and losses on curtailment and settlement   | -                              | -                            | -        |
| Interest expense/(income)  | 49.13                          | (49.59)                      | (0.46)   |
| <b>Total amount recognised in profit or loss</b>   | <b>86.28</b>                   | (49.59)                      | 36.69    |
| <b>Remeasurements</b>  |                                |                              |          |
| Return on plan assets, excluding amounts included in interest expense/(income)   | -                              | -                            | -        |
| (Gain)/loss from change in demographic assumptions   | (73.41)                        | -                            | (73.41)  |
| (Gain)/loss from change in financial assumptions   | -                              | (2.73)                       | (2.73)   |
| Experience (gains)/losses  | -                              | -                            | -        |
| Change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit asset | -                              | -                            | -        |
| <b>Total amount recognised in other comprehensive income</b>   | <b>(73.41)</b>                 | (2.73)                       | (76.14)  |
| Employer contributions   | -                              | (95.00)                      | (95.00)  |
| Benefit payments   | (65.46)                        | 65.46                        | -        |
| <b>March 31, 2017</b>  | <b>610.04</b>                  | (702.84)                     | (92.80)  |
| <b>The net liability/(asset) disclosed above relates to funded and unfunded plans are as follows:</b>                  |                                |                              |          |
| Present value of funded obligations  | 610.04                         | 662.63                       | 586.22   |
| Fair value of plan assets  | (702.84)                       | (620.98)                     | (515.53) |
| <b>Deficit/(excess) of funded plan</b>   | <b>(92.80)</b>                 | 41.65                        | 70.69    |
| Unfunded plans   | -                              | -                            | -        |
| <b>Deficit/(excess) of gratuity plan</b>   | <b>(92.80)</b>                 | 41.65                        | 70.69    |
| <b>(iii) Post-Employment benefits</b>  |                                |                              |          |
| <b>Significant estimates: actuarial assumptions and sensitivity</b>  |                                |                              |          |
| Discount rate  | 7.10%                          | 7.80%                        | 7.80%    |
| Expected return on plan assets   | 7.10%                          | 7.80%                        | 7.80%    |
| Salary growth rate   | 5.18%                          | 7.00%                        | 6.55%    |
| Attrition rate   | 5.64%                          | 4.77%                        | 6.77%    |

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

| 21. Employee benefit obligations / (asset) – (Contd.)                | March 31, 2017 | March 31, 2016 |
|--|----------------|----------------|
| <b>(iv) Sensitivity analysis</b>                                     |                |                |
| A. Discount Rate + 50 BP   | 7.60%          | 8.30%          |
| Defined Benefit Obligation [PVO]                                     | 591.82         | 641.35         |
| Current Service Cost   | 31.52          | 35.59          |
| B. Discount Rate - 50 BP   | 6.60%          | 7.30%          |
| Defined Benefit Obligation [PVO]                                     | 629.27         | 685.17         |
| Current Service Cost   | 34.07          | 38.83          |
| C. Salary Escalation Rate +50 BP                                     | 5.68%          | 7.50%          |
| Defined Benefit Obligation [PVO]                                     | 629.69         | 685.35         |
| Current Service Cost   | 34.11          | 38.86          |
| D. Salary Escalation Rate -50 BP                                     | 4.68%          | 6.50%          |
| Defined Benefit Obligation [PVO]                                     | 591.23         | 640.98         |
| Current Service Cost   | 31.49          | 35.53          |
| <b>(v) Major Category of Plan Assets as a % of total Plan Assets</b> |                |                |
| Balance with LIC of India  | 100.00%        | 100.00%        |
|  | <b>100.00%</b> | <b>100.00%</b> |

The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

#### (vi) Risk exposure

The Company's Gratuity fund is maintained by an approved trust (Life Insurance Corporation of India). A large portion of the investment made by the LIC is in government bonds and securities and other approved securities. Hence, the company is not exposed to the risk of asset volatility as at the balance sheet date.

#### (vii) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 6.86 years (2016-7.4 years, 2015-6.4 years). The expected maturity analysis of undiscounted gratuity is as follows:

|  | Less than<br>a year | Between<br>1-2 years | Between<br>2-3 years | Between<br>3-4 years  | Between<br>4-5 years | More than<br>5 years |
|--|---------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|
| <b>March 31, 2017</b>                  |                     |                      |                      |                       |                      |                      |
| Defined benefit obligation (gratuity)  | 53.13               | 63.60                | 59.31                | 146.60                | 64.24                | 308.49               |
| <b>Total</b>                           | <b>53.13</b>        | <b>63.60</b>         | <b>59.31</b>         | <b>146.60</b>         | <b>64.24</b>         | <b>308.49</b>        |
| <b>March 31, 2016</b>                  |                     |                      |                      |                       |                      |                      |
| Defined benefit obligation (gratuity)  | 59.69               | 67.24                | 67.49                | 134.02                | 70.55                | 330.24               |
| <b>Total</b>                           | <b>59.69</b>        | <b>67.24</b>         | <b>67.49</b>         | <b>134.02</b>         | <b>70.55</b>         | <b>330.24</b>        |
| <b>April 1, 2015</b>                   |                     |                      |                      |                       |                      |                      |
| Defined benefit obligation (gratuity)  | 55.50               | 162.34               | 50.10                | 56.63                 | 51.08                | 271.22               |
| <b>Total</b>                           | <b>55.50</b>        | <b>162.34</b>        | <b>50.10</b>         | <b>56.63</b>          | <b>51.08</b>         | <b>271.22</b>        |
| <b>22. Other current liabilities</b>   |                     |                      |                      | <b>March 31, 2017</b> | March 31, 2016       | April 1, 2015        |
| Statutory tax payables                 |                     |                      |                      | 155.34                | 167.36               | 101.87               |
| Advance from Customers                 |                     |                      |                      | 21.14                 | 27.11                | 21.40                |
| <b>Total other current liabilities</b> |                     |                      |                      | <b>176.48</b>         | <b>194.47</b>        | <b>123.27</b>        |
| <b>23. Provisions</b>                  |                     |                      |                      |                       |                      |                      |
| Provision for Wealth Tax               |                     |                      |                      | –                     | –                    | 55.80                |
| <b>Total Provisions</b>                |                     |                      |                      | <b>–</b>              | <b>–</b>             | <b>55.80</b>         |

# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

|   | March 31, 2017   | March 31, 2016   |
|---|------------------|------------------|
| <b>24. Revenue from operations</b>  |                  |                  |
| Sale of products (including excise duty)  | 15,610.80        | 15,611.55        |
| Other operating revenue   |                  |                  |
| Duty drawback and Export benefit  | 109.41           | 95.73            |
| Scrap sales (including excise duty)   | 687.85           | 519.91           |
|   | <b>16,408.06</b> | <b>16,227.19</b> |
| Less: Discounts and rebates   | 432.53           | 431.76           |
| <b>Total revenue from operations</b>  | <b>15,975.53</b> | <b>15,795.43</b> |
| <b>25. Other income</b>   |                  |                  |
| Dividend income from equity investment designated at fair value through other comprehensive income (i)  | 26.45            | 20.11            |
| Dividend income from investment mandatorily measured at fair value through profit or loss   | 29.40            | 33.38            |
| Fair value gains on derivatives not designated as hedges (net)  | 20.30            | 3.08             |
| Interest income from financial assets at amortised cost   | 77.10            | 78.79            |
| Interest income - others  | 94.74            | 10.15            |
| Liabilities no longer required written back   | 20.47            | 19.02            |
| Net gain on financial assets mandatorily measured at fair value through profit or loss  | 81.50            | -                |
| Net gain on foreign currency transactions and translations  | 127.25           | 110.45           |
| Net gain on sale of investments   | 28.14            | 1.69             |
| Other non-operating income  | 1.28             | 4.30             |
| Profit on Sale of Assets sold/ discarded (net)  | 0.59             | -                |
| <b>Total other income</b>   | <b>507.22</b>    | <b>280.97</b>    |
| (i) All dividends from equity investments designated at FVTOCI relate to investments held at the end of the reporting period. There was no derecognition of such investments during the reporting period. |                  |                  |
| <b>26. Cost of materials consumed</b>   |                  |                  |
| Raw Materials at the beginning of the year  | 1,484.01         | 1,455.17         |
| Add: Purchases*   | 7,128.58         | 6,168.81         |
| Less: Raw Materials at the end of the year  | 1,461.64         | 1,484.01         |
|   | <b>7,150.95</b>  | <b>6,139.97</b>  |
| Processing charges to contractors   | 544.22           | 612.26           |
| Change in excise duty   | (48.60)          | (5.13)           |
| <b>Total Cost of Materials Consumed</b>   | <b>7,646.57</b>  | <b>6,747.10</b>  |
| *Also refer Note 32   |                  |                  |
| <b>27. Changes in inventories of Finished goods, Stock-in-Trade and Work-in-Progress</b>  |                  |                  |
| <b>Opening Balance</b>  |                  |                  |
| Finished Goods  | 1,319.97         | 1,295.53         |
| Traded Goods  | 64.97            | 8.09             |
| Work-In-Progress  | 1,098.93         | 1,706.77         |
| <b>Total Opening Balance</b>  | <b>2,483.87</b>  | <b>3,010.39</b>  |
| <b>Closing Balance</b>  |                  |                  |
| Finished Goods  | 1,033.65         | 1,319.97         |
| Traded Goods  | 55.54            | 64.97            |
| Work-In-Progress  | 1,336.44         | 1,098.93         |
| <b>Total Closing Balance</b>  | <b>2,425.63</b>  | <b>2,483.87</b>  |
| <b>Insurance claim on stock damaged on account of cyclone/ flood</b>  | <b>(250.06)</b>  | <b>(237.98)</b>  |
| <b>Total Changes in inventories of work-in-progress, Stock-in-Trade and finished goods</b>  | <b>(191.82)</b>  | <b>288.54</b>    |
| <b>28. Employee benefit expense</b>   |                  |                  |
| Salaries, wages, bonus and commission   | 1,889.03         | 1,895.20         |
| Contribution to provident fund  | 98.32            | 96.83            |
| Contribution to employees' state insurance  | 4.52             | 4.08             |
| Contribution to superannuation fund   | 13.37            | 23.88            |
| Gratuity  | 36.69            | 34.34            |
| Staff welfare expenses  | 264.15           | 250.92           |
| Leave Compensation  | (10.89)          | 14.61            |
|   | <b>2,295.19</b>  | <b>2,319.86</b>  |
| Less:   |                  |                  |
| Recovery for seconded services  | 14.19            | 27.13            |
| Expense related to self constructed assets  | 5.51             | 2.76             |
| <b>Total employee benefit expense</b>   | <b>2,275.49</b>  | <b>2,289.97</b>  |



## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

|   | March 31, 2017  | March 31, 2016  |
|---|-----------------|-----------------|
| <b>29. Finance cost</b>   |                 |                 |
| Interest expense - others   | 15.68           | 19.69           |
| <b>Total Finance cost</b>   | <b>15.68</b>    | <b>19.69</b>    |
| <b>30. Depreciation and amortisation expense</b>  |                 |                 |
| Depreciation of property, plant and equipment   | 379.62          | 355.89          |
| Amortisation of intangible assets   | 27.34           | 39.59           |
| <b>Total depreciation and amortisation expense</b>                                      | <b>406.96</b>   | <b>395.48</b>   |
| <b>31. Other expenses</b>   |                 |                 |
| Stores and spare parts consumed   | 745.58          | 610.36          |
| Tools consumed  | 106.15          | 108.07          |
| Power & Fuel  | 967.52          | 966.61          |
| Rent  | 37.77           | 32.66           |
| Repairs and maintenance   |                 |                 |
| – Buildings   | 72.98           | 65.00           |
| – Machinery   | 165.06          | 130.29          |
| – Others  | 66.48           | 65.65           |
| Contract labour cost  | 204.00          | 155.18          |
| Insurance   | 53.64           | 51.35           |
| Rates and taxes   | 130.21          | 133.09          |
| Travelling expenses   | 232.96          | 250.67          |
| Communication costs   | 48.41           | 50.27           |
| Packing and forwarding expenses   | 341.52          | 316.20          |
| Packing materials consumed  | 318.71          | 311.41          |
| Payment to auditor  |                 |                 |
| As auditor:   |                 |                 |
| – Statutory audit fee   | 19.00           | 19.00           |
| – Limited review fee  | 6.00            | 6.00            |
| – Reimbursement of expenses   | 0.36            | 0.18            |
| Other services  | 5.00            | –               |
| Directors' sitting fees   | 5.00            | 5.90            |
| Sales promotional expenses  | 52.86           | 81.65           |
| Bank charges and commission   | 22.16           | 23.97           |
| Professional and consultancy charges  | 167.74          | 203.28          |
| Loss on Sale of Assets sold/ discarded  | –               | 5.39            |
| Expenditure towards Corporate Social Responsibility (CSR) activities (refer note below) | 12.15           | 13.50           |
| Donations   | 0.28            | 0.36            |
| Watch and ward expenses   | 103.35          | 98.03           |
| Bad debts   | 2.01            | 87.48           |
| Net loss on financial assets mandatorily measured at fair value through profit or loss  | –               | 17.50           |
| Miscellaneous expenses  | 135.43          | 120.44          |
|   | <b>4,022.33</b> | <b>3,929.49</b> |
| Less: Expense related to self constructed assets  | 0.66            | 0.67            |
| <b>Total other expenses</b>   | <b>4,021.67</b> | <b>3,928.82</b> |

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

#### 32. Exceptional items

Exceptional items comprises of the following -

- (i) During the current year the Company's factories located at Sembium and Thoraipakkam were affected by Vardah cyclone. The loss arising from the same including the related insurance settlement have been disclosed as an exceptional item. Previous year exceptional items pertain to loss incurred (net of insurance settlement) on account of damage arising from flood to the Company's fixed asset and stock located at Sembium and Thoraipakkam factories. Exceptional item of the current year also includes an insurance settlement pertaining to a fire damage at Company's factory at Hosur in the financial year 2014-15.

| <b>Vardah cyclone/ Flood damage</b>                                       | <b>March 31, 2017</b> | March 31, 2016 |
|---|-----------------------|----------------|
| Raw materials damaged   | (65.28)               | (191.64)       |
| Work-in-progress damaged  | (242.97)              | (48.24)        |
| Finished goods damaged  | (7.09)                | (189.74)       |
| Other expenses resulting from damage to inventory                         | (34.22)               | -              |
| Scrap proceeds from disposal of above inventory                           | 75.02                 | -              |
| Expenses incurred on repair of fixed assets                               | (120.93)              | (16.77)        |
| Insurance claim received/receivable on relating to current year loss      | 381.96                | -              |
| Insurance claim received/ receivable relating to prior year loss          | 118.55                | 428.27         |
| <b>Total exceptional items arising from damage/ insurance settlements</b> | <b>105.04</b>         | <b>(18.12)</b> |

- (ii) During the year ended March 31, 2017 the Management has performed an impairment assessment of its investment in its associate (IPL Green Power Limited). Basis the assessment, the Management is of the opinion that the current project of IPL Green Power Limited may not be viable and accordingly the amount of investment in IPL Green Power Limited may not be recoverable. Accordingly an impairment charge of INR 27.13 lakhs representing the carrying amount in the Group's consolidated financial statement as at the date of assessment has been considered in the accounts for the year ended March 31, 2017 which has been presented as an exceptional item.

|                                       |              |                |
|---------------------------------------|--------------|----------------|
| <b>Total Exceptional items (i+ii)</b> | <b>77.91</b> | <b>(18.12)</b> |
|---------------------------------------|--------------|----------------|

#### 33. Income tax expense

##### (a) Income tax expense

###### Current tax

|                                     |        |        |
|-------------------------------------|--------|--------|
| Current tax on profits for the year | 158.00 | 190.06 |
|-------------------------------------|--------|--------|

|                                  |               |               |
|----------------------------------|---------------|---------------|
| <b>Total current tax expense</b> | <b>158.00</b> | <b>190.06</b> |
|----------------------------------|---------------|---------------|

###### Deferred tax

|                                      |       |       |
|--------------------------------------|-------|-------|
| Increase in deferred tax liabilities | 81.33 | 24.82 |
|--------------------------------------|-------|-------|

|                        |         |   |
|------------------------|---------|---|
| MAT Credit entitlement | (74.00) | - |
|------------------------|---------|---|

|                                   |             |              |
|-----------------------------------|-------------|--------------|
| <b>Total deferred tax expense</b> | <b>7.33</b> | <b>24.82</b> |
|-----------------------------------|-------------|--------------|

|                           |               |               |
|---------------------------|---------------|---------------|
| <b>Income tax expense</b> | <b>165.33</b> | <b>214.88</b> |
|---------------------------|---------------|---------------|

##### (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

|                                  |        |        |
|----------------------------------|--------|--------|
| Profit before income tax expense | 572.95 | 637.17 |
|----------------------------------|--------|--------|

|  |               |               |
|--|---------------|---------------|
| <b>Tax at the Indian tax rate of 33.063% (2015-2016 – 33.063%)</b> | <b>189.43</b> | <b>210.67</b> |
|--|---------------|---------------|

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

|  |       |       |
|--|-------|-------|
| Group's after tax share of loss in associate and joint venture | 46.01 | 21.09 |
|--|-------|-------|

|  |         |         |
|--|---------|---------|
| Weighted deduction on research and development expenditure | (29.36) | (29.73) |
|--|---------|---------|

|  |         |         |
|--|---------|---------|
| Dividend income from Mutual funds and equity instruments exempted under the Income tax act | (19.66) | (18.98) |
|--|---------|---------|

|  |      |      |
|--|------|------|
| Corporate social responsibility expenditure (net of 80G benefit) | 2.07 | 2.93 |
|--|------|------|

|                           |      |      |
|---------------------------|------|------|
| Interest on MSME payments | 2.74 | 3.75 |
|---------------------------|------|------|

|   |  |  |
|---|--|--|
| Profit on sale/ fair valuation of investment, as the same is set off against unrecognised |  |  |
|---|--|--|

|  |         |         |
|--|---------|---------|
| Deferred Tax Asset on the previous year losses | (36.25) | (14.49) |
|--|---------|---------|

|  |   |       |
|--|---|-------|
| Loss on fair valuation of investment, not being recognised since no deferred tax liability had been recognised earlier | - | 19.71 |
|--|---|-------|

|   |      |      |
|---|------|------|
| Disallowance under section 14A relating to expenditure on exempt income | 6.98 | 3.61 |
|---|------|------|

|   |   |       |
|---|---|-------|
| Impact of remeasurement of opening deferred tax liability | - | 16.40 |
|---|---|-------|

|  |      |   |
|--|------|---|
| Unrecognised deferred tax on Impairment of investment in associate in the absence of reasonable certainty on the realisability | 8.97 | - |
|--|------|---|

|   |      |      |
|---|------|------|
| Difference arising from measurement of deferred tax at 34.608% as against the current tax rate of 33.063% | 4.36 | 1.80 |
|---|------|------|

|        |        |        |
|--------|--------|--------|
| Others | (9.96) | (1.88) |
|--------|--------|--------|

|                           |               |               |
|---------------------------|---------------|---------------|
| <b>Income tax expense</b> | <b>165.33</b> | <b>214.88</b> |
|---------------------------|---------------|---------------|

##### (c) Unused tax losses for which no deferred tax asset has been recognised

|                                      |  |  |
|--------------------------------------|--|--|
| Date of expiry of carry forward loss |  |  |
|--------------------------------------|--|--|

|                |      |      |
|----------------|------|------|
| March 31, 2018 | 9.81 | 9.81 |
|----------------|------|------|

|                |      |      |
|----------------|------|------|
| March 31, 2019 | 0.28 | 0.28 |
|----------------|------|------|

|                |       |       |
|----------------|-------|-------|
| March 31, 2020 | 82.19 | 82.19 |
|----------------|-------|-------|

|                |       |       |
|----------------|-------|-------|
| March 31, 2021 | 33.99 | 33.99 |
|----------------|-------|-------|

|                |       |       |
|----------------|-------|-------|
| March 31, 2022 | 16.99 | 16.99 |
|----------------|-------|-------|

|                |       |       |
|----------------|-------|-------|
| March 31, 2023 | 17.89 | 17.89 |
|----------------|-------|-------|

|                |       |       |
|----------------|-------|-------|
| March 31, 2024 | 40.23 | 40.23 |
|----------------|-------|-------|

|                |       |   |
|----------------|-------|---|
| March 31, 2025 | 24.00 | - |
|----------------|-------|---|

|                                  |        |        |
|----------------------------------|--------|--------|
| Total of unused tax capital loss | 225.38 | 201.38 |
|----------------------------------|--------|--------|

|                             |       |       |
|-----------------------------|-------|-------|
| Potential tax benefit @ 20% | 45.08 | 40.28 |
|-----------------------------|-------|-------|

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

| Fair value measurements                  | March 31, 2017  |                 |                 | March 31, 2016  |                 |                 | April 1, 2015   |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | FVTPL           | FVOCI           | Amortised Cost  | FVTPL           | FVOCI           | Amortised Cost  | FVTPL           | FVOCI           | Amortised Cost  |
| <b>Financial Instruments by Category</b> |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Financial assets</b>                  |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Investments                              |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| – Equity instruments                     | –               | 1,918.73        | –               | –               | 1,519.84        | –               | –               | 1,568.13        | –               |
| – Government securities                  | –               | –               | –               | –               | –               | –               | –               | –               | –               |
| – Mutual funds                           | 1,151.02        | –               | –               | 1,057.06        | –               | –               | 1,134.13        | –               | –               |
| – Bonds and Debentures                   | 0.19            | –               | 57.12           | 0.19            | –               | 69.12           | 0.19            | –               | 79.12           |
| Trade receivables                        | –               | –               | 3,749.13        | –               | –               | 3,527.60        | –               | –               | 3,537.84        |
| Loans                                    | –               | –               | 4.56            | –               | –               | 5.31            | –               | –               | 6.25            |
| Cash and cash equivalents                | –               | –               | 501.39          | –               | –               | 479.33          | –               | –               | 625.29          |
| Bank balances other than above           | –               | –               | 89.18           | –               | –               | 89.00           | –               | –               | 48.45           |
| Intercorporate Deposit                   | –               | –               | 642.00          | –               | –               | 778.00          | –               | –               | 803.00          |
| Security deposits                        | –               | –               | 185.98          | –               | –               | 165.96          | –               | –               | 130.96          |
| Other Deposits                           | –               | –               | –               | –               | –               | –               | –               | –               | 41.00           |
| Other Claims and Receivables             | –               | –               | 540.89          | –               | –               | 28.08           | –               | –               | 80.47           |
| Derivative Financial Asset               | 34.39           | –               | –               | 14.09           | –               | –               | 14.29           | –               | –               |
| <b>Total financial assets</b>            | <b>1,185.60</b> | <b>1,918.73</b> | <b>5,770.25</b> | <b>1,071.34</b> | <b>1,519.84</b> | <b>5,142.40</b> | <b>1,148.61</b> | <b>1,568.13</b> | <b>5,352.38</b> |
| <b>Financial liabilities</b>             |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Trade payables                           | –               | –               | 2,146.12        | –               | –               | 1,410.69        | –               | –               | 1,499.65        |
| Capital creditors                        | –               | –               | 63.03           | –               | –               | 29.12           | –               | –               | 14.93           |
| Salaries, wages and bonus payable        | –               | –               | 180.19          | –               | –               | 184.80          | –               | –               | 147.41          |
| Unpaid dividends                         | –               | –               | 22.04           | –               | –               | 23.00           | –               | –               | 23.46           |
| Other payables                           | –               | –               | 27.45           | –               | –               | 26.66           | –               | –               | 40.25           |
| <b>Total financial liabilities</b>       | <b>–</b>        | <b>–</b>        | <b>2,438.83</b> | <b>–</b>        | <b>–</b>        | <b>1,674.27</b> | <b>–</b>        | <b>–</b>        | <b>1,725.70</b> |

(i) **Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

| Financial assets and liabilities measured at fair value - recurring fair value measurements            |       |                 |               |               |                 |
|--|-------|-----------------|---------------|---------------|-----------------|
| At March 31, 2017  | Notes | Level 1         | Level 2       | Level 3       | Total           |
| <b>Financial Assets</b>  |       |                 |               |               |                 |
| <b>Financial Investments at FVTPL</b>  |       |                 |               |               |                 |
| Mutual Funds   | 5,10  | 1,151.02        | –             | –             | 1,151.02        |
| Bonds and Debentures   | 5     | 0.19            | –             | –             | 0.19            |
| <b>Financial Investments at FVOCI</b>  |       |                 |               |               |                 |
| Listed Equity Investments  | 5     | 1,718.53        | –             | –             | 1,718.53        |
| Unquoted equity investments  | 5     | –               | 160.17        | 40.03         | 200.20          |
| <b>Derivatives not designated as hedges</b>  |       |                 |               |               |                 |
| Forward Contracts  | 6     | –               | 34.39         | –             | 34.39           |
| <b>Total financial assets</b>  |       | <b>2,869.74</b> | <b>194.56</b> | <b>40.03</b>  | <b>3,104.33</b> |
| <b>Financial liabilities</b>   |       | –               | –             | –             | –               |
| <b>Total financial liabilities</b>   |       | –               | –             | –             | –               |
| <b>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</b> |       |                 |               |               |                 |
| At March 31, 2017  | Notes | Level 1         | Level 2       | Level 3       | Total           |
| <b>Financial assets</b>  |       |                 |               |               |                 |
| <b>Investments</b>   |       |                 |               |               |                 |
| Debentures   | 5,10  | 51.93           | –             | –             | 51.93           |
| <b>Others</b>  |       |                 |               |               |                 |
| Intercorporate Deposit   | 6     | –               | –             | 361.08        | 361.08          |
| Security Deposit   | 6     | –               | –             | 176.86        | 176.86          |
| <b>Total financial assets</b>  |       | <b>51.93</b>    | <b>–</b>      | <b>537.94</b> | <b>589.87</b>   |
| <b>Financial Liabilities</b>   |       | –               | –             | –             | –               |
| <b>Total financial liabilities</b>   |       | –               | –             | –             | –               |
| <b>Financial assets and liabilities measured at fair value - recurring fair value measurements</b>     |       |                 |               |               |                 |
| At March 31, 2016  | Notes | Level 1         | Level 2       | Level 3       | Total           |
| <b>Financial assets</b>  |       |                 |               |               |                 |
| <b>Financial Investments at FVTPL</b>  |       |                 |               |               |                 |
| Mutual Funds   | 5,10  | 1,057.06        | –             | –             | 1,057.06        |
| Bonds and Debentures   | 5     | 0.19            | –             | –             | 0.19            |
| <b>Financial Investments at FVOCI</b>  |       |                 |               |               |                 |
| Listed equity investments  | 5     | 1,324.47        | –             | –             | 1,324.47        |
| Unquoted equity investments  | 5     | –               | 3.19          | 192.18        | 195.37          |
| <b>Derivatives not designated as hedges</b>  |       |                 |               |               |                 |
| Foreign exchange forward contracts   | 6     | –               | 14.09         | –             | 14.09           |
| <b>Total financial assets</b>  |       | <b>2,381.72</b> | <b>17.28</b>  | <b>192.18</b> | <b>2,591.18</b> |
| <b>Financial liabilities</b>   |       | –               | –             | –             | –               |
| <b>Total financial liabilities</b>   |       | –               | –             | –             | –               |
| <b>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</b> |       |                 |               |               |                 |
| At March 31, 2016  | Notes | Level 1         | Level 2       | Level 3       | Total           |
| <b>Financial assets</b>  |       |                 |               |               |                 |
| <b>Investments</b>   |       |                 |               |               |                 |
| Bonds and Debentures   | 5,10  | 50.06           | –             | 10.10         | 60.16           |
| <b>Others</b>  |       |                 |               |               |                 |
| Intercorporate Deposit   | 6     | –               | –             | 345.62        | 345.62          |
| Security Deposit   | 6     | –               | –             | 156.84        | 156.84          |
| <b>Total financial assets</b>  |       | <b>50.06</b>    | <b>–</b>      | <b>512.56</b> | <b>562.62</b>   |
| <b>Financial Liabilities</b>   |       | –               | –             | –             | –               |
| <b>Total financial liabilities</b>   |       | –               | –             | –             | –               |

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

#### Financial assets and liabilities measured at fair value - recurring fair value measurements

| At April 1, 2015                            | Notes | Level 1         | Level 2      | Level 3       | Total           |
|---|-------|-----------------|--------------|---------------|-----------------|
| <b>Financial assets</b>                     |       |                 |              |               |                 |
| <b>Financial Investments at FVTPL</b>       |       |                 |              |               |                 |
| Mutual Funds                                | 5,10  | 1,134.13        | –            | –             | 1,134.13        |
| Bonds and Debentures                        | 5     | 0.19            | –            | –             | 0.19            |
| <b>Financial Investments at FVOCI</b>       |       |                 |              |               |                 |
| Listed equity investments                   | 5     | 1,392.08        | –            | –             | 1,392.08        |
| Unquoted equity investments                 | 5     | –               | 3.19         | 172.86        | 176.05          |
| <b>Derivatives not designated as hedges</b> |       |                 |              |               |                 |
| Foreign exchange forward contracts          | 6     | –               | 14.29        | –             | 14.29           |
| <b>Total financial assets</b>               |       | <b>2,526.40</b> | <b>17.48</b> | <b>172.86</b> | <b>2,716.74</b> |
| <b>Financial liabilities</b>                |       |                 |              |               |                 |
| <b>Total financial liabilities</b>          |       | –               | –            | –             | –               |

#### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

| At April 1, 2015                   | Notes | Level 1      | Level 2  | Level 3       | Total         |
|------------------------------------|-------|--------------|----------|---------------|---------------|
| <b>Financial assets</b>            |       |              |          |               |               |
| <b>Investments</b>                 |       |              |          |               |               |
| Bonds and Debentures               | 5,10  | 49.56        | –        | 21.95         | 71.51         |
| Others                             |       |              |          |               |               |
| Intercorporate Deposit             | 6     | –            | –        | 426.14        | 426.14        |
| Security Deposit                   | 6     | –            | –        | 126.27        | 126.27        |
| Other Deposits                     | 6     | –            | –        | 41.04         | 41.04         |
| <b>Total financial assets</b>      |       | <b>49.56</b> | <b>–</b> | <b>615.40</b> | <b>664.96</b> |
| <b>Financial Liabilities</b>       |       |              |          |               |               |
| <b>Total financial liabilities</b> |       | –            | –        | –             | –             |

#### Level 1:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

#### Level 2:

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

#### Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

There are no transfers between levels 1 and 2 during the year.

During the year ended March 31, 2017, the Company transferred an unquoted equity investment from level 3 to level 2 as there was an observable market data available in the form of a buy back offer.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

#### (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value of certain financial instruments have been determined based on the buy back offer made by the originatory of the instrument.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

#### (iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2017 and March 31, 2016:

|   | Unlisted equity securities |
|---|----------------------------|
| <b>As at April 1, 2015</b>  | <b>172.86</b>              |
| Acquisitions  | –                          |
| Gains/losses recognised in other comprehensive income   | 19.32                      |
| <b>As at March 31, 2016</b>   | <b>192.18</b>              |
| Acquisitions  | –                          |
| Gains/losses recognised in other comprehensive income   | –                          |
| Transfer to level 2   | (152.15)                   |
| <b>As at March 31, 2017</b>   | <b>40.03</b>               |
| Unrealised gains/(losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period |                            |
| March 31, 2017  | –                          |
| March 31, 2016  | –                          |

#### (iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted.

| Particulars  | March 31, 2017 | Fair value as at                             |                       |
|--|----------------|--|-----------------------|
|  |                | March 31, 2016                               | April 1, 2015         |
| Unquoted equity shares                                   | 40.03          | 192.18                                       | 172.86                |
| <b>Significant unobservable inputs*</b>                  |                |  |                       |
| – Earnings growth rate                                   | **             | 4.75% - 5.15%                                | 4.75% - 5.15%         |
| – Risk adjusted discount rate                            | **             | 13.50%                                       | 13.00%                |
| <b>Sensitivity</b>                                       |                | <b>Impact on fair value of Equity Shares</b> |                       |
|  |                | <b>March 31, 2017</b>                        | <b>March 31, 2016</b> |
| Earnings growth rate increases by 50 basis points        | **             |  | 18.07                 |
| Risk adjusted discount rate decreases by 50 basis points |                |  |                       |
| Earnings growth rate decreases by 50 basis points        | **             |  | (17.41)               |
| Risk adjusted discount rate increases by 50 basis points |                |  | (16.06)               |

\*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

\*\*Amounts not disclosed since the impacts are not material.

#### (v) Valuation processes

The company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values

The main level 3 inputs for unlisted equity securities used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a post tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties.
- Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion. As part of this discussion the team presents a report that explains the reason for the fair value movements.

# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

### (vi) Fair value of financial assets and liabilities measured at amortised cost

|                                    | March 31, 2017  |               | March 31, 2016  |               | April 01, 2015  |               |
|------------------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
|                                    | Carrying amount | Fair Value    | Carrying amount | Fair Value    | Carrying amount | Fair Value    |
| <b>Financial assets</b>            |                 |               |                 |               |                 |               |
| <b>Investments</b>                 |                 |               |                 |               |                 |               |
| Bonds and Debentures               | 47.12           | 51.93         | 57.12           | 60.16         | 69.12           | 71.51         |
| <b>Others</b>                      |                 |               |                 |               |                 |               |
| Intercorporate Deposit             | 361.00          | 361.08        | 341.00          | 345.62        | 424.00          | 426.14        |
| Security Deposit                   | 176.86          | 176.86        | 156.84          | 156.84        | 126.27          | 126.27        |
| Other Deposits                     | -               | -             | -               | -             | 41.00           | 41.04         |
| <b>Total financial assets</b>      | <b>584.98</b>   | <b>589.87</b> | <b>554.96</b>   | <b>562.62</b> | <b>660.39</b>   | <b>664.96</b> |
| <b>Financial Liabilities</b>       | -               | -             | -               | -             | -               | -             |
| <b>Total financial liabilities</b> | -               | -             | -               | -             | -               | -             |

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for bonds and debentures, intercorporate deposits, security deposits and other deposits were calculated based on cash flows discounted using the current interest rate as at the respective reporting date for a similar instrument. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### 35. Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

| Risk                           | Exposure arising from  | Measurement                                   | Management  |
|--------------------------------|--|---|---|
| Credit risk                    | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost. | Aging analysis, Credit ratings                | Diversification of bank deposits, credit limits and letters of credit               |
| Liquidity risk                 | Liabilities  | Rolling cash flow forecasts                   | Availability of liquid investments, committed credit lines and borrowing facilities |
| Market risk – foreign exchange | Recognised financial assets and liabilities not denominated in Indian rupee (INR)          | Cash flow forecasting<br>Sensitivity analysis | Forward Foreign Exchange Contracts  |
| Market risk – security prices  | Investments in equity securities<br>Investments in mutual funds                            | Sensitivity analysis                          | Portfolio Diversification   |

The Company's risk management is carried out by the Chief Financial Officer under policies approved by the Board of Directors. The Chief Financial Officer identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivatives financial instruments, and investment of excess liquidity.

#### A. Credit risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

##### (i) Credit risk management

Credit risk is managed on a Company basis. For banks and financial institutions, only high rated banks/institutions are accepted.

For other financial assets, the Company assesses and manages credit risk based on internal credit rating system. The finance function assesses and maintain an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics. The company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

C1 : High-quality assets, negligible credit risk, C2 : Doubtful assets, credit-impaired

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are included

- Internal credit rating
- External credit rating (as far as available)
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increase in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the company and changes in the operating results of the borrower.
- Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

#### 35. Financial risk management – (Contd.)

##### (ii) Provision for expected credit losses

The company provides for expected credit loss based on the following:

| Internal credit rating | Category                                    | Description of category   | Basis for recognition of expected credit loss provision |                                 |  |
|------------------------|---|---|---|---------------------------------|--|
|                        |   |   | Investments   | Loans and Deposits              | Trade receivables                                      |
| C1                     | High quality assets, negligible credit risk | Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.  | 12-month expected credit losses                         | 12-month expected credit losses | Life-time expected credit losses (simplified approach) |
| C2                     | Doubtful assets, credit impaired            | Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss. | Asset is written off                                    |                                 |  |

#### For the Year ended March 31, 2015 to March 31, 2017:

##### (a) Expected credit loss for loans, security deposits and investments

The estimated gross carrying amount at default is Nil (March 31, 2016: Nil, March 31, 2015: Nil) for Investments and loans and deposits. Consequently there are no expected credit loss recognised for these financial assets.

##### (b) Expected credit loss for trade receivables under simplified approach

Customer credit risk is managed by the Company based on the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an internal credit rating system. Outstanding customer receivables are regularly monitored and assessed for its recoverability. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers has sufficient capacity to meet the obligations and the risk of default is negligible.

##### (iii) Reconciliation of loss allowance provision – Trade receivables

|   |   |
|---|---|
| Loss allowance on April 1, 2015         | – |
| Changes in loss allowance               | – |
| <b>Loss allowance on March 31, 2016</b> | – |
| Changes in loss allowance               | – |
| <b>Loss allowance on March 31, 2017</b> | – |

#### B. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying business, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

##### (i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

|   | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|----------------|----------------|---------------|
| <b>Floating rate</b>                        |                |                |               |
| – Expiring beyond one year (bank overdraft) | 550.00         | 550.00         | 550.00        |

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

##### (ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.



## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

| Contractual maturities of financial liabilities: | Less than 3 months | 3 months to 6 months | 6 months to 1 year | Between 1 and 2 years | Between 2 and 5 years | Total           |
|--|--------------------|----------------------|--------------------|-----------------------|-----------------------|-----------------|
| <b>March 31, 2017</b>                            |                    |                      |                    |                       |                       |                 |
| <b>Non-derivatives</b>                           |                    |                      |                    |                       |                       |                 |
| Trade payables                                   | 2,146.12           | –                    | –                  | –                     | –                     | 2,146.12        |
| Employee benefit obligations                     | 135.01             | 45.18                | –                  | –                     | –                     | 180.19          |
| Other financial liabilities                      | 112.52             | –                    | –                  | –                     | –                     | 112.52          |
| <b>Total non-derivative liabilities</b>          | <b>2,393.65</b>    | <b>45.18</b>         | <b>–</b>           | <b>–</b>              | <b>–</b>              | <b>2,438.83</b> |
| <b>March 31, 2016</b>                            |                    |                      |                    |                       |                       |                 |
| <b>Non-derivatives</b>                           |                    |                      |                    |                       |                       |                 |
| Trade payables                                   | 1,410.69           | –                    | –                  | –                     | –                     | 1,410.69        |
| Employee benefit obligations                     | 151.42             | 33.38                | –                  | –                     | –                     | 184.80          |
| Other financial liabilities                      | 78.78              | –                    | –                  | –                     | –                     | 78.78           |
| <b>Total non-derivative liabilities</b>          | <b>1,640.89</b>    | <b>33.38</b>         | <b>–</b>           | <b>–</b>              | <b>–</b>              | <b>1,674.27</b> |
| <b>01 April 2015</b>                             |                    |                      |                    |                       |                       |                 |
| <b>Non-derivatives</b>                           |                    |                      |                    |                       |                       |                 |
| Trade payables                                   | 1,499.65           | –                    | –                  | –                     | –                     | 1,499.65        |
| Employee benefit obligations                     | 137.77             | 9.64                 | –                  | –                     | –                     | 147.41          |
| Other financial liabilities                      | 78.64              | –                    | –                  | –                     | –                     | 78.64           |
| <b>Total non-derivative liabilities</b>          | <b>1,716.06</b>    | <b>9.64</b>          | <b>–</b>           | <b>–</b>              | <b>–</b>              | <b>1,725.70</b> |

#### 35. Financial risk management

##### C. Market risk

###### (i) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR, GBP and JPY. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, Lakhs are as follows:

|                       | Financial Assets  |                         |   |  | Financial Liabilities |  |   |
|-----------------------|-------------------|-------------------------|---|--|-----------------------|--|---|
|                       | Trade Receivables | Balance in EEFC Account | Foreign exchange forward contract (Sell foreign currency) | Net exposure to foreign currency risk (assets) | Trade Payables        | Foreign exchange forward contract (Buy foreign currency) | Net exposure to foreign currency risk (liabilities) |
| <b>March 31, 2017</b> |                   |                         |   |  |                       |  |   |
| USD                   | 699.55            | 72.60                   | (611.51)  | <b>160.64</b>                                  | 94.28                 | –  | <b>94.28</b>  |
| EUR                   | 157.84            | 68.64                   | (200.89)  | <b>25.59</b>                                   | 127.65                | –  | <b>127.65</b>                                       |
| GBP                   | 4.15              | –                       | –   | <b>4.15</b>                                    | –                     | –  | –   |
| JPY                   | –                 | –                       | –   | –  | 519.23                | (242.62)   | <b>276.61</b>                                       |
| <b>March 31, 2016</b> |                   |                         |   |  |                       |  |   |
| USD                   | 654.11            | 46.16                   | (733.91)  | <b>(33.64)</b>                                 | –                     | –  | –   |
| EUR                   | 92.67             | 77.57                   | (118.61)  | <b>51.63</b>                                   | –                     | –  | –   |
| GBP                   | 5.20              | –                       | –   | <b>5.20</b>                                    | –                     | –  | –   |
| JPY                   | –                 | –                       | –   | –  | 110.35                | –  | <b>110.35</b>                                       |
| <b>April 1, 2015</b>  |                   |                         |   |  |                       |  |   |
| USD                   | 967.97            | 106.86                  | (716.94)  | <b>357.89</b>                                  | 130.70                | –  | <b>130.70</b>                                       |
| EUR                   | 104.01            | 51.88                   | (125.96)  | <b>29.93</b>                                   | 136.25                | –  | <b>136.25</b>                                       |
| GBP                   | –                 | –                       | –   | –  | –                     | –  | –   |
| JPY                   | –                 | –                       | –   | –  | 168.05                | –  | <b>168.05</b>                                       |

# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

| 35. Financial risk management – (Contd.)  | Impact on profit after tax |                |
|---|----------------------------|----------------|
|   | March 31, 2017             | March 31, 2016 |
| <b>Sensitivity</b>  |                            |                |
| <b>The sensitivity profit or loss to change in the exchange rates arises mainly from foreign currency denominated financial instruments</b> |                            |                |
| <b>USD sensitivity</b>  |                            |                |
| INR/USD increases by 5%*  | 2.17                       | (1.10)         |
| INR/USD decreases by 5%*  | (2.17)                     | 1.10           |
| <b>EURO sensitivity</b>   |                            |                |
| INR/EURO increases by 5%*   | (3.34)                     | (1.69)         |
| INR/EURO decreases by 5%*   | 3.34                       | 1.69           |
| <b>GBP sensitivity</b>  |                            |                |
| INR/GBP increases by 5%*  | 0.14                       | 0.17           |
| INR/GBP decreases by 5%*  | (0.14)                     | (0.17)         |
| <b>JPY sensitivity</b>  |                            |                |
| INR/JPY increases by 5%*  | 9.04                       | 3.61           |
| INR/JPY decreases by 5%*  | (9.04)                     | (3.61)         |

\*Holding all other variables constant

### (ii) Price risk

The Company's exposure to equity securities and mutual fund price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities and mutual fund, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company. The majority of the Company's equity investments are publicly traded and are included in the NSE Nifty 50 index.

#### Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period. The analysis is based on the assumption that the equity index had increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

|                            | Impact on profit after tax |                | Impact on other components of equity |                |
|----------------------------|----------------------------|----------------|--------------------------------------|----------------|
|                            | March 31, 2017             | March 31, 2016 | March 31, 2017                       | March 31, 2016 |
| NSE Nifty 50 – increase 5% | 57.55                      | 52.85          | 85.93                                | 66.22          |
| NSE Nifty 50 – decrease 5% | (57.55)                    | (52.85)        | (85.93)                              | (66.22)        |

Profit for the period would increase/decrease as a result of gains/losses on mutual fund classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as fair value through other comprehensive income.

### 36. Capital management

#### Dividends

##### (i) Equity shares

Final dividend for the year ended March 31, 2016 of Rs. 7.50  
(March 31, 2015 – Rs. 7.50) per fully paid share

March 31, 2017    March 31, 2016

286.88            286.88

##### (ii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 7.50 per fully paid equity share (March 31, 2016 – Rs. 7.50). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

### 37. Segment Reporting

The Managing Director of the Company has been identified as being the chief operating decision maker. Based on the internal reporting to the Chief operating decision maker, the Group has identified that the Group has only one segment (manufacture and sale of Bearings, bushings and thrust washers) and accordingly there are no other reportable segments.

The Group is domiciled in India. Information about entity wide disclosures as mandated under Ind AS 108 are as below :

#### (a) The amount of revenue from external customers broken down by locations of customers is as below :

March 31, 2017    March 31, 2016

#### Revenue from sale to external customers

|                 |                  |                  |
|-----------------|------------------|------------------|
| – India         | 13,064.22        | 12,776.63        |
| – Outside India | 2,801.90         | 2,923.07         |
| <b>Total</b>    | <b>15,866.12</b> | <b>15,699.70</b> |

Revenue from no single customer contributes to more than 10% of the total revenue.

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

- (b) The total of non-current assets other than financial instruments, investments accounted for using the equity method, deferred tax assets (if any) and post-employment benefit assets broken down by the location of the assets is as below :

|                           | March 31, 2017  | March 31, 2016  | April 1, 2015   |
|---------------------------|-----------------|-----------------|-----------------|
| <b>Non Current Assets</b> |                 |                 |                 |
| – India                   | 4,283.45        | 4,358.50        | 4,142.76        |
| – Outside India           | –               | –               | –               |
| <b>Total</b>              | <b>4,283.45</b> | <b>4,358.50</b> | <b>4,142.76</b> |

#### 38. Interest in other entities

##### (i) Interest in associates and joint ventures

Set out below are the associates and joint ventures of the group as at 31 March 2017. The entities listed below have share capital consisting solely of equity shares, (in the case of associate) and equity shares and preference shares (in the case of joint venture), which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

| Name of the company       | Principal Place of business | Proportion of the ownership interest | Relation-ship | Quoted fair value |                |               | Carrying amount |                |               |
|---------------------------|-----------------------------|--------------------------------------|---------------|-------------------|----------------|---------------|-----------------|----------------|---------------|
|                           |                             |                                      |               | March 31, 2017    | March 31, 2016 | April 1, 2015 | March 31, 2017  | March 31, 2016 | April 1, 2015 |
| BBL Daido Private Limited | India                       | 20%                                  | Joint Venture | *                 | *              | *             | 752.21          | 894.67         | 624.02        |
| IPL Green Power Limited   | India                       | 24%                                  | Associate     | *                 | *              | *             | –               | 42.82          | 54.44         |

BBL Daido Private Limited manufactures steel-backed bushes and thrust washers with a licence and technical assistance agreement with Daido Metal, Japan

IPL Green Power Limited is a public incorporated, non-government Company. It had been incorporated with the objective of engaging in production, collection and distribution of electricity.

\*Unlisted entity – no quoted price available.

##### (ii) Commitments and contingent liabilities in respect of associates and joint ventures

###### Contingent liabilities - Joint venture

|   | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|----------------|----------------|---------------|
| Share of joint ventures contingent liability in respect of legal matters against the entity | 52.92          | 48.92          | 12.99         |

##### (iii) Summarised financial information for associates and joint ventures

The tables below provide summarised financial information for the joint ventures and associates as at the end of the reporting period. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not Bimetal Bearings Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including modifications for differences in accounting policies.

| Summarised balance sheet                         | BBL Daido Private Limited |                 |                 | IPL Green Power Limited |                |               |
|--|---------------------------|-----------------|-----------------|-------------------------|----------------|---------------|
|  | March 31, 2017            | March 31, 2016  | April 1, 2015   | March 31, 2017          | March 31, 2016 | April 1, 2015 |
| <b>Current assets</b>                            |                           |                 |                 |                         |                |               |
| Cash and cash equivalents                        | 31.58                     | 28.86           | 5.67            | **                      | **             | **            |
| Other assets                                     | 3,927.06                  | 2,946.06        | 2,185.38        | **                      | **             | **            |
| <b>Total Current assets</b>                      | <b>3,958.64</b>           | <b>2,974.92</b> | <b>2,191.05</b> | <b>43.54</b>            | <b>101.32</b>  | <b>155.76</b> |
| <b>Total Non Current assets</b>                  | <b>7,349.92</b>           | <b>6,115.73</b> | <b>2,581.98</b> | <b>–</b>                | <b>15.77</b>   | <b>51.42</b>  |
| <b>Current liabilities</b>                       |                           |                 |                 |                         |                |               |
| Financial liabilities (excluding trade payables) | 2,104.90                  | 530.32          | 462.84          | **                      | **             | **            |
| Other liabilities                                | 1,664.58                  | 1,937.64        | 868.05          | **                      | **             | **            |
| <b>Total Current liabilities</b>                 | <b>3,769.48</b>           | <b>2,467.96</b> | <b>1,330.89</b> | <b>11.12</b>            | <b>19.78</b>   | <b>61.85</b>  |
| <b>Non Current liabilities</b>                   |                           |                 |                 |                         |                |               |
| Financial liabilities (excluding trade payables) | 3,760.93                  | 2,135.57        | 166.12          | **                      | **             | **            |
| Other liabilities                                | 16.17                     | 7.34            | 149.61          | **                      | **             | **            |
| <b>Total Non Current liabilities</b>             | <b>3,777.10</b>           | <b>2,142.91</b> | <b>315.73</b>   | <b>–</b>                | <b>–</b>       | <b>–</b>      |
| <b>Net assets</b>                                | <b>3,761.98</b>           | <b>4,479.78</b> | <b>3,126.41</b> | <b>32.42</b>            | <b>97.31</b>   | <b>145.33</b> |

\*\*Indicates Disclosures that are not required for investments in associates as per Ind AS

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

| 38. Interest in other entities – (Contd.)       | BBL Daido Private Limited |                 | IPL Green Power Limited |                |
|---|---------------------------|-----------------|-------------------------|----------------|
|   | March 31, 2017            | March 31, 2016  | March 31, 2017          | March 31, 2016 |
| <b>Reconciliation to carrying amounts</b>       |                           |                 |                         |                |
| <b>Opening net assets</b>                       | <b>4,479.78</b>           | 3,126.41        | <b>97.32</b>            | 145.33         |
| Additional investment made                      | –                         | 1,800.00        | –                       | –              |
| <b>Add:</b>                                     |                           |                 |                         |                |
| Profit for the year                             | <b>(622.81)</b>           | (260.85)        | <b>(64.88)</b>          | (48.01)        |
| Other comprehensive income                      | <b>(8.57)</b>             | 0.77            | –                       | –              |
| <b>Less:</b>                                    |                           |                 |                         |                |
| Dividends paid                                  | <b>(71.80)</b>            | (155.00)        | –                       | –              |
| Dividend distribution tax paid                  | <b>(14.62)</b>            | (31.55)         | –                       | –              |
| <b>Closing net assets</b>                       | <b>3,761.98</b>           | <b>4,479.78</b> | <b>32.44</b>            | <b>97.32</b>   |
| Group's share in %                              | <b>20%</b>                | 20%             | <b>24.19%</b>           | 24.19%         |
| Group's share in INR                            | <b>752.40</b>             | 895.96          | <b>7.85</b>             | 23.54          |
| Goodwill  | –                         | –               | <b>19.28</b>            | 19.28          |
| <b>Reconciliation :</b>                         |                           |                 |                         |                |
| Unrealised Gain on stock                        | <b>(0.19)</b>             | (1.29)          | –                       | –              |
| Impairment of investment in associate           | –                         | –               | <b>(27.13)</b>          | –              |
| <b>Carrying Amount</b>                          | <b>752.21</b>             | <b>894.67</b>   | <b>–</b>                | <b>42.82</b>   |
|   |                           |                 |                         |                |
|   |                           |                 |                         |                |
| <b>Summarised statement of profit and loss</b>  |                           |                 |                         |                |
| Revenue from operations                         | <b>5,452.61</b>           | 4,521.55        | <b>5.67</b>             | 9.21           |
| Interest income                                 | <b>5.57</b>               | 1.09            | <b>**</b>               | <b>**</b>      |
| Depreciation and amortization expense           | <b>392.93</b>             | 233.51          | <b>**</b>               | <b>**</b>      |
| Interest expense                                | <b>299.57</b>             | 118.69          | <b>**</b>               | <b>**</b>      |
| Income tax expense                              | –                         | (143.58)        | <b>**</b>               | <b>**</b>      |
| Profit/ (loss) from continuing operations       | <b>(622.81)</b>           | (260.85)        | <b>(64.88)</b>          | (48.01)        |
| Profit from discontinuing operations            | –                         | –               | –                       | –              |
| Profit / (loss) for the year                    | <b>(622.81)</b>           | (260.85)        | <b>(64.88)</b>          | (48.01)        |
| Other comprehensive income/ (loss) for the year | <b>(8.57)</b>             | 0.77            | –                       | –              |
| Total comprehensive income/ (loss) for the year | <b>(631.38)</b>           | (260.08)        | <b>(64.88)</b>          | (48.01)        |
| Dividends received                              | <b>14.36</b>              | 31.00           | –                       | –              |

\*\*Disclosures that are not required for investments in associates as per Ind AS

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

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#### 39. Related party transactions

##### (a) Name of the related parties and nature of relationship

|      |   |  |
|------|---|--|
| (i)  | Where control exists  |  |
|      | <b>Holding Company</b>  | Amalgamations Private Limited  |
| (ii) | Other related parties with whom transactions have taken place during the year |  |
|      | <b>Joint Venture</b>  | BBL Daido Private Limited  |
|      | <b>Associates</b>   | IPL Green Power Limited  |
|      | <b>Fellow Subsidiaries</b>  | Simpson & Company Limited<br>Addison & Company Limited<br>Amco Batteries Limited<br>Amco Saft India Limited<br>Amalgamations Repco Limited<br>Associated Printers ( Madras ) Private Limited<br>George Oakes Limited<br>India Pistons Limited<br>IP Rings Limited<br>IP Pins & Liners Limited<br>L M Van Moppes Diamond Tools India Private Limited<br>Shardlow India Limited<br>Simpson & General Finance Company Limited<br>Speed-A-Way Private Limited<br>Sri Rama Vilas Service Limited<br>Stanes Amalgamated Estates Limited<br>T.Stanes & Company Limited<br>Tractors and Farm Equipment Limited<br>TAFE Motors and Tractors Limited<br>The Madras Advertising Company Private Limited<br>Wheel & Precision Forgings India Limited<br>Wallace Cartwright & Company Limited |
|      | <b>Key Management Personnel</b>   | Mr A Krishnamoorthy, Managing Director<br>Mr. S. Narayanan, Whole Time Director.   |

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

*(All amounts are in INR Lakhs, unless otherwise stated)*

#### 39. Related Party transactions

##### (b) Particulars of transactions with related parties

| DESCRIPTION  | Holding Company |         | Joint Venture |         | Fellow Subsidiaries |          | Key Management personnel |         | Total    |          |
|--|-----------------|---------|---------------|---------|---------------------|----------|--------------------------|---------|----------|----------|
|  | 2016-17         | 2015-16 | 2016-17       | 2015-16 | 2016-17             | 2015-16  | 2016-17                  | 2015-16 | 2016-17  | 2015-16  |
| <b>Transaction during the year</b>   |                 |         |               |         |                     |          |                          |         |          |          |
| <b>Sale of goods</b>   |                 |         |               |         |                     |          |                          |         |          |          |
| Simpson & Company Limited  | -               | -       | 853.50        | 701.96  | 1,162.36            | 1,153.06 | -                        | -       | 2,015.86 | 1,855.02 |
| George Oakes Limited   | -               | -       | -             | -       | 455.38              | 408.50   | -                        | -       | 455.38   | 408.50   |
| Speed-A-Way Private Limited  | -               | -       | -             | -       | 326.96              | 335.21   | -                        | -       | 326.96   | 335.21   |
| BBL Daido Private Limited  | -               | -       | -             | -       | 374.01              | 399.85   | -                        | -       | 374.01   | 399.85   |
| TAFE Motors and Tractors Limited   | -               | -       | 853.50        | 701.96  | -                   | -        | -                        | -       | 853.50   | 701.96   |
| <b>Claims reimbursement against credit note (sales)</b>  |                 |         |               |         |                     |          |                          |         |          |          |
| Simpson & Company Limited  | -               | -       | 29.78         | -       | 9.24                | 4.51     | -                        | -       | 39.02    | 4.51     |
| George Oakes Limited   | -               | -       | -             | -       | 7.14                | 2.52     | -                        | -       | 7.14     | 2.52     |
| Speed-A-Way Private Limited  | -               | -       | -             | -       | 0.56                | 0.55     | -                        | -       | 0.56     | 0.55     |
| BBL Daido Private Limited  | -               | -       | -             | -       | 1.54                | 1.44     | -                        | -       | 1.54     | 1.44     |
| <b>Rendering of services (including reimbursement of expense incurred by the Company on behalf of the related party)</b> |                 |         |               |         |                     |          |                          |         |          |          |
| BBL Daido Private Limited  | -               | -       | 29.78         | -       | -                   | -        | -                        | -       | 29.78    | -        |
| BBL Daido Private Limited  | -               | -       | 14.19         | 27.13   | -                   | -        | -                        | -       | 14.19    | 27.13    |
| <b>Dividend Received</b>   |                 |         |               |         |                     |          |                          |         |          |          |
| Amalgamation Repco Limited   | -               | -       | -             | -       | 4.23                | 1.74     | -                        | -       | 3.63     | 1.21     |
| BBL Daido Private Limited  | -               | -       | 14.36         | 31.00   | -                   | -        | -                        | -       | 14.36    | 31.00    |
| Stanes Amalgamated Estates Limited   | -               | -       | -             | -       | 0.13                | 0.06     | -                        | -       | 0.13     | 0.06     |
| Others   | -               | -       | -             | -       | 0.47                | 0.47     | -                        | -       | 0.47     | 0.47     |
| <b>Purchase of Goods</b>   |                 |         |               |         |                     |          |                          |         |          |          |
| Addison & Company Limited  | -               | -       | -             | -       | 7.04                | 8.35     | -                        | -       | 7.04     | 8.35     |
| Associated Printers (Madras) Private Limited   | -               | -       | -             | -       | 2.72                | 10.28    | -                        | -       | 2.72     | 10.28    |
| L M Van Moppes Diamond Tools India Private Limited   | -               | -       | -             | -       | 1.97                | 1.95     | -                        | -       | 1.97     | 1.95     |
| IP.Rings Limited   | -               | -       | -             | -       | 8.26                | 6.87     | -                        | -       | 8.26     | 6.87     |
| BBL Daido Private Limited  | -               | -       | 9.12          | -       | -                   | -        | -                        | -       | 9.12     | -        |
| Others   | -               | -       | -             | -       | 0.08                | 0.40     | -                        | -       | 0.08     | 0.40     |
| <b>Purchase of fixed assets</b>  |                 |         |               |         |                     |          |                          |         |          |          |
| India Pistons Limited  | -               | -       | -             | -       | -                   | 3.15     | -                        | -       | -        | 3.15     |
|  | -               | -       | -             | -       | -                   | 3.15     | -                        | -       | -        | 3.15     |

## BIMETAL BEARINGS LIMITED

Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

### 39. Related Party transactions

#### (b) Particulars of transactions with related parties – (Contd.)

| DESCRIPTION  | Holding Company |              | Joint Venture |             | Fellow Subsidiaries |               | Key Management personnel |               | Total         |               |
|--|-----------------|--------------|---------------|-------------|---------------------|---------------|--------------------------|---------------|---------------|---------------|
|  | 2016-17         | 2015-16      | 2016-17       | 2015-16     | 2016-17             | 2015-16       | 2016-17                  | 2015-16       | 2016-17       | 2015-16       |
| <b>Receiving of services (Including reimbursement of expense incurred by the related party on behalf of the Company)</b> | <b>56.28</b>    | <b>56.03</b> | <b>3.70</b>   | <b>1.75</b> | <b>146.30</b>       | <b>110.21</b> | -                        | -             | <b>206.28</b> | <b>167.99</b> |
| Amalgamations Private Limited  | 56.28           | 56.03        | -             | -           | -                   | -             | -                        | -             | 56.28         | 56.03         |
| Sri Rama Vilas Service Limited   | -               | -            | -             | -           | 66.36               | 25.99         | -                        | -             | 66.36         | 25.99         |
| Simpson & Company Limited  | -               | -            | -             | -           | 34.46               | 31.01         | -                        | -             | 34.46         | 31.01         |
| Simpson & General Finance Company Limited  | -               | -            | -             | -           | 20.22               | 17.67         | -                        | -             | 20.22         | 17.67         |
| BBL Daido Private Limited  | -               | -            | 3.70          | 1.75        | -                   | -             | -                        | -             | 3.70          | 1.75          |
| The Madras Advertising Company Private Limited   | -               | -            | -             | -           | 5.26                | 22.55         | -                        | -             | 5.26          | 22.55         |
| India Pistons Limited  | -               | -            | -             | -           | 0.20                | 2.45          | -                        | -             | 0.20          | 2.45          |
| Shardlow India Limited   | -               | -            | -             | -           | 6.54                | 5.66          | -                        | -             | 6.54          | 5.66          |
| Others   | -               | -            | -             | -           | 13.26               | 4.88          | -                        | -             | 13.26         | 4.88          |
| <b>Discount and Rebates</b>  | <b>-</b>        | <b>-</b>     | <b>-</b>      | <b>-</b>    | <b>22.65</b>        | <b>22.33</b>  | <b>-</b>                 | <b>-</b>      | <b>22.65</b>  | <b>22.33</b>  |
| George Oakes Limited   | -               | -            | -             | -           | 7.74                | 6.24          | -                        | -             | 7.74          | 6.24          |
| Speed-A-Way Private Limited  | -               | -            | -             | -           | 14.91               | 16.09         | -                        | -             | 14.91         | 16.09         |
| <b>Rent</b>  | <b>-</b>        | <b>-</b>     | <b>-</b>      | <b>-</b>    | <b>30.03</b>        | <b>26.20</b>  | <b>-</b>                 | <b>-</b>      | <b>30.03</b>  | <b>26.20</b>  |
| Simpson & Company Limited  | -               | -            | -             | -           | 10.03               | 9.72          | -                        | -             | 10.03         | 9.72          |
| George Oakes Limited   | -               | -            | -             | -           | 7.63                | 6.01          | -                        | -             | 7.63          | 6.01          |
| Wheel & Precision Forgings India Limited   | -               | -            | -             | -           | 9.57                | 8.15          | -                        | -             | 9.57          | 8.15          |
| Amalgamations Repco Limited  | -               | -            | -             | -           | 2.80                | 2.32          | -                        | -             | 2.80          | 2.32          |
| <b>Dividend Paid</b>   | <b>72.68</b>    | <b>72.68</b> | <b>-</b>      | <b>-</b>    | <b>142.13</b>       | <b>142.13</b> | <b>0.03</b>              | <b>0.03</b>   | <b>214.84</b> | <b>214.84</b> |
| Amalgamations Private Limited  | 72.68           | 72.68        | -             | -           | -                   | -             | -                        | -             | 72.68         | 72.68         |
| Simpson & Company Limited  | -               | -            | -             | -           | 45.30               | 45.30         | -                        | -             | 45.30         | 45.30         |
| India Pistons Limited  | -               | -            | -             | -           | 95.43               | 95.43         | -                        | -             | 95.43         | 95.43         |
| Others   | -               | -            | -             | -           | 1.40                | 1.40          | 0.03                     | 0.03          | 1.43          | 1.43          |
| <b>Key management personnel compensation</b>   | <b>-</b>        | <b>-</b>     | <b>-</b>      | <b>-</b>    | <b>-</b>            | <b>-</b>      | <b>122.93</b>            | <b>118.36</b> | <b>122.93</b> | <b>118.36</b> |
| Mr. A Krishnamoorthy   | -               | -            | -             | -           | -                   | -             | 54.62                    | 53.77         | 54.62         | 53.77         |
| Short-term employee benefits   | -               | -            | -             | -           | -                   | -             | 6.30                     | 8.05          | 6.30          | 8.05          |
| Other long-term benefits   | -               | -            | -             | -           | -                   | -             | -                        | -             | -             | -             |
| Mr. S.Narayanan  | -               | -            | -             | -           | -                   | -             | 58.59                    | 53.38         | 58.59         | 53.38         |
| Short-term employee benefits   | -               | -            | -             | -           | -                   | -             | 3.42                     | 3.16          | 3.42          | 3.16          |
| Other long-term benefits   | -               | -            | -             | -           | -                   | -             | -                        | -             | -             | -             |

# BIMETAL BEARINGS LIMITED

## Notes to the financial statements

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

### 39. Related Party transactions

#### (b) Particulars of transactions with related parties – (Contd.)

| DESCRIPTION  | Holding Company |         | Joint Venture |         | Fellow Subsidiaries |         | Associate |         | Key Management personnel |         | Total   |         |
|--|-----------------|---------|---------------|---------|---------------------|---------|-----------|---------|--------------------------|---------|---------|---------|
|  | 2016-17         | 2015-16 | 2014-15       | 2016-17 | 2015-16             | 2014-15 | 2016-17   | 2015-16 | 2014-15                  | 2016-17 | 2015-16 | 2014-15 |
| Balance at Year end                                  | -               | -       | -             | -       | -                   | -       | -         | -       | -                        | -       | -       | -       |
| <b>Investments</b>                                   |                 |         |               |         |                     |         |           |         |                          |         |         |         |
| Amalgamations Repco Limited                          | -               | -       | -             | -       | 160.17              | 155.34  | 136.02    | -       | -                        | -       | -       | 160.17  |
| Stanee Amalgamated Estates Limited                   | -               | -       | -             | -       | 156.98              | 152.15  | 132.83    | -       | -                        | -       | -       | 156.98  |
| <b>Investments accounted for using equity method</b> |                 |         |               |         |                     |         |           |         |                          |         |         |         |
| BBL Daido Private Limited                            | -               | -       | 752.21        | 894.67  | 624.02              | -       | -         | 42.82   | 54.44                    | -       | -       | 752.21  |
| IPL Green Power Limited (Refer Note 32)              | -               | -       | 752.21        | 894.67  | 624.02              | -       | -         | -       | 42.82                    | -       | -       | 752.21  |
| <b>Trade Receivables</b>                             |                 |         |               |         |                     |         |           |         |                          |         |         |         |
| Simpson & Company Limited                            | -               | -       | 511.97        | 514.91  | 92.06               | 209.90  | 157.36    | -       | -                        | -       | -       | 703.57  |
| George Oakes Limited                                 | -               | -       | -             | -       | 34.07               | 43.30   | 25.24     | -       | -                        | -       | -       | 34.07   |
| Speed-A-Way Private Limited                          | -               | -       | -             | -       | 69.39               | 61.15   | 38.92     | -       | -                        | -       | -       | 69.39   |
| BBL Daido Private Limited                            | -               | -       | 511.97        | 514.91  | 92.06               | -       | -         | -       | -                        | -       | -       | 88.14   |
| TAFE Motors and Tractors Limited                     | -               | -       | -             | -       | -                   | 6.28    | 2.20      | -       | -                        | -       | -       | -       |
| <b>Short-term loans and advances</b>                 |                 |         |               |         |                     |         |           |         |                          |         |         |         |
| BBL Daido Private Limited                            | -               | -       | 2.36          | 0.84    | -                   | 1.85    | 1.85      | -       | -                        | -       | -       | 2.36    |
| Amco Saft India Limited                              | -               | -       | -             | -       | -                   | 1.85    | 1.85      | -       | -                        | -       | -       | -       |
| <b>Amounts Payable</b>                               |                 |         |               |         |                     |         |           |         |                          |         |         |         |
| Amalgamations Private Limited                        | 20.67           | 18.55   | 22.82         | 12.82   | 2.52                | 44.27   | 37.71     | 43.02   | -                        | 22.28   | 6.00    | 100.04  |
| BBL Daido Private Limited                            | 20.67           | 18.55   | 22.82         | -       | -                   | -       | -         | -       | -                        | -       | -       | 20.67   |
| Simpson & Company Limited                            | -               | -       | -             | 12.82   | 2.52                | -       | -         | -       | -                        | -       | -       | 12.82   |
| Simpson & General Finance Company Limited            | -               | -       | -             | -       | -                   | 9.33    | 8.88      | 12.50   | -                        | -       | -       | 9.33    |
| Sri Rama Vilas Service Limited                       | -               | -       | -             | -       | -                   | 9.12    | 4.35      | 8.02    | -                        | -       | -       | 9.12    |
| IP Pins & Liners Limited                             | -               | -       | -             | -       | -                   | 7.20    | 5.29      | 4.93    | -                        | -       | -       | 7.20    |
| The Madras Advertising Company Limited               | -               | -       | -             | -       | -                   | 0.62    | 0.62      | 0.62    | -                        | -       | -       | 0.62    |
| IP Rings Limited                                     | -               | -       | -             | -       | -                   | 1.13    | 0.61      | 1.69    | -                        | -       | -       | 1.13    |
| George Oakes Limited                                 | -               | -       | -             | -       | -                   | 4.09    | 3.24      | 5.94    | -                        | -       | -       | 4.09    |
| Associated Printers (Madras) Private Limited         | -               | -       | -             | -       | -                   | 6.10    | 1.76      | 0.93    | -                        | -       | -       | 6.10    |
| Mr.A.Krishnamoorthy, Managing Director               | -               | -       | -             | -       | -                   | -       | 4.38      | 3.93    | -                        | -       | -       | -       |
| Mr.S.Narayanan, Wholtime Director                    | -               | -       | -             | -       | -                   | -       | -         | -       | -                        | 8.68    | -       | 8.68    |
| Others   | -               | -       | -             | -       | 6.68                | 8.58    | 4.46      | -       | -                        | 13.60   | 6.00    | 13.60   |
|  |                 |         |               |         |                     |         |           |         |                          |         |         | 6.68    |
|  |                 |         |               |         |                     |         |           |         |                          |         |         | 8.58    |
|  |                 |         |               |         |                     |         |           |         |                          |         |         | 4.46    |

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties

(c) Terms and conditions

Transactions related to dividends, subscriptions for new equity shares were on the same terms and conditions that applied to other shareholders.



# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

|  | March 31, 2017        | March 31, 2016                  | April 1, 2015        |
|--|-----------------------|---------------------------------|----------------------|
| <b>40. Contingent liabilities</b>  |                       |                                 |                      |
| Claim against the company not acknowledged as debt:  |                       |                                 |                      |
| Income tax matters   | 409.00                | 526.75                          | 486.04               |
| Sales tax matters  | 8.89                  | 8.89                            | 8.89                 |
| Electricity matters  | 464.26                | 464.26                          | 427.71               |
| Claims by workmen pending before labour court  | 6.65                  | 6.65                            | 6.65                 |
| – Future cash flows in respect of above is determinable only on receipts of judgement / decision pending with relevant authorities.  |                       |                                 |                      |
| – The Company has filed responses / appeals against above matters which is pending disposal.   |                       |                                 |                      |
| <b>41. Capital and other commitments</b>   |                       |                                 |                      |
| <b>(a) Capital commitments</b>   |                       |                                 |                      |
| Estimated value of contracts in capital account remaining to be executed   | 115.06                | 88.50                           | 35.66                |
| Investment partly paid - equity shares of Rs. 100 each in Adyar Property Holding Company Limited (Rs. 65 paid up)  | 0.02                  | 0.02                            | 0.02                 |
| <b>(b) Other commitments</b>   |                       |                                 |                      |
| Commitment towards investment in Joint venture   | –                     | –                               | 360.00               |
| Commitment towards investment in Associate   | –                     | 375.00                          | 375.00               |
| <b>42. Events occurring after the reporting period</b>   |                       |                                 |                      |
| Refer to note 36 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.   |                       |                                 |                      |
| <b>43. Earnings per share</b>  |                       |                                 |                      |
| <b>(a) Basic earnings per share</b>  |                       | March 31, 2017                  | March 31, 2016       |
| Basic earnings per share attributable to the equity holders of the Company   |                       | 10.66                           | 11.04                |
| <b>(b) Diluted earnings per share</b>  |                       |                                 |                      |
| Diluted earnings per share attributable to the equity holders of the Company   |                       | 10.66                           | 11.04                |
| <b>(c) Reconciliations of earnings used in calculating earnings per share</b>  |                       |                                 |                      |
| <b>Basic earnings per share</b>  |                       |                                 |                      |
| Profit attributable to equity holders of the company used in calculating basic earnings per share  |                       | 407.62                          | 422.30               |
| <b>Diluted earnings per share</b>  |                       |                                 |                      |
| Profit attributable to equity holders of the company   |                       |                                 |                      |
| – used in calculating basic earnings per share   |                       | 407.62                          | 422.30               |
| Adjustments for calculation of diluted earnings per share  |                       | –                               | –                    |
| Used in calculating diluted earnings per share   |                       | 407.62                          | 422.30               |
| Profit attributable to equity holders of the company used in calculating basic earnings per share  |                       | 407.62                          | 422.30               |
| <b>(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share</b>  |                       | 38.25                           | 38.25                |
| Adjustments for calculation of diluted earnings per share  |                       | –                               | –                    |
| <b>Weighted average number of equity shares used as the denominator in calculating diluted earnings per share</b>  |                       | 38.25                           | 38.25                |
| <b>44. Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016</b>   |                       |                                 |                      |
| <b>Particulars</b>   | <b>SBN's</b>          | <b>Other denomination notes</b> | <b>Total</b>         |
| Closing cash in hand as on November 8, 2016  | 0.71                  | 0.23                            | 0.94                 |
| (+) Permitted receipts   | –                     | 5.60                            | 5.60                 |
| (-) Permitted payments   | –                     | 4.88                            | 4.88                 |
| (-) Amounts deposited in banks   | 0.71                  | –                               | 0.71                 |
| Closing cash in hand as on December 30, 2016   | –                     | 0.95                            | 0.95                 |
| * Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the November 8, 2016. |                       |                                 |                      |
| <b>45. Research and development expenditure incurred during the year</b>   | <b>March 31, 2017</b> | <b>March 31, 2016</b>           | <b>April 1, 2015</b> |
| Expenditure on R&D (DSIR approved R&D Centers)   |                       |                                 |                      |
| Capital Expenditure  | 7.88                  | 1.54                            | 19.34                |
| Revenue Expenditure  |                       |                                 |                      |
| Consultancy charges & Stay expenses  | 20.40                 | 22.73                           | 18.69                |
| Research and development expenses included under various heads of Statement of Profit and Loss   | 88.80                 | 86.85                           | 54.36                |

# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

### 46 Additional information required by Schedule III

| Name of the Entity                       | Net assets (Total Assets - Total Liabilities) |           | Share in profit or loss               |          | Share in other comprehensive income               |         | Share in Total comprehensive income               |          |
|--|---|-----------|---------------------------------------|----------|---|---------|---|----------|
|  | As a % of consolidated net assets             | Amount    | As a % of consolidated profit or loss | Amount   | As a % of consolidated total comprehensive income | Amount  | As a % of consolidated total comprehensive income | Amount   |
| <b>Parent</b>                            |   |           |                                       |          |   |         |   |          |
| <b>Bimetal Bearings Limited</b>          |   |           |                                       |          |   |         |   |          |
| March 31, 2017                           | 95%   | 15,614.47 | 134%                                  | 546.78   | 100%  | 448.69  | 117%  | 995.47   |
| March 31, 2016                           | 94%   | 14,919.87 | 115%                                  | 486.10   | 100%  | (70.54) | 118%  | 415.56   |
| <b>Joint Venture</b>                     |   |           |                                       |          |   |         |   |          |
| <b>(investment as per equity method)</b> |   |           |                                       |          |   |         |   |          |
| <b>BBL Daido Private Limited</b>         |   |           |                                       |          |   |         |   |          |
| March 31, 2017                           | 5%  | 752.21    | -30%                                  | (123.47) | 0%  | (1.71)  | -15%  | (125.18) |
| March 31, 2016                           | 6%  | 894.67    | -12%                                  | (52.17)  | 0%  | 0.15    | -15%  | (52.02)  |
| <b>Associate</b>                         |   |           |                                       |          |   |         |   |          |
| <b>(investment as per equity method)</b> |   |           |                                       |          |   |         |   |          |
| <b>IPL Greenpower Limited</b>            |   |           |                                       |          |   |         |   |          |
| March 31, 2017                           | 0%  | -         | -4%                                   | (15.69)  | 0%  | 0       | -2%   | (15.69)  |
| March 31, 2016                           | 0%  | 42.82     | -3%                                   | (11.63)  | 0%  | 0       | -3%   | (11.63)  |
| <b>Total</b>                             |   |           |                                       |          |   |         |   |          |
| March 31, 2017                           | 100%  | 16,366.68 | 100%                                  | 407.62   | 100%  | 446.98  | 100%  | 854.60   |
| March 31, 2016                           | 100%  | 15,857.36 | 100%                                  | 422.30   | 100%  | (70.39) | 100%  | 351.91   |

### 47. Form AOC-1 - Statement containing salient features of the financial statements of associate/ joint venture

#### Part B - Associates and Joint ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014

| Name of the Associate or Joint ventures                                   | BBL Daido Private Limited   | IPL Green Power Limited   |
|---|---|---|
| Latest audited Balance sheet date   | March 31, 2017  | March 31, 2017  |
| Date on which the Associate or Joint venture was associated or acquired   | April 17, 2002  | August 04, 2014   |
| Shares of Associate or Joint venture held by the Company on the year end  |   |   |
| No. of shares   | 2,900,000*  | 750,000   |
| Amount of investment in associate or Joint venture                        | 794.76*   | 75.00   |
| Extent of Holding (in percentage)   | 20.00%  | 24.19%  |
| Description of how there is significant influence                         | Joint control as per Joint venture agreement  | Shareholding of more than 20%   |
| Reason why the associate/ joint venture is not consolidated               | NA. Accounted for using the equity method as per the requirements of the applicable accounting standard | NA. Accounted for using the equity method as per the requirements of the applicable accounting standard |
| Networth attributable to shareholding as per latest audited Balance Sheet | 752.40  | 7.85  |
| Profit or (loss) for the year   |   |   |
| (i) Considered in Consolidation   | (124.56)  | (15.69)   |
| (ii) Not Considered in Consolidation                                      | (498.25)  | (49.19)   |

\*Includes investment in 300,000 fully convertible preference shares of the joint venture amounting to INR 300.00 lakhs, which the Company has determined to be in the nature of equity interest

# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

### 48. Investment in IPL Green Power Limited

Consequent to the inordinate delay in getting statutory approvals, the Management of IPL Green Power Limited (the associate) is of the opinion that the current project may not be viable. Therefore the Management is contemplating withdrawal of the application pending with the Regulators/ State Government and consider other viable projects in due course. Considering this, on a prudent basis the financial statements of the associate are prepared not on a going concern basis and accordingly adjustments have been made to the Statement of financial position of the associate by restating of amounts to their net realisable value, to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and current liabilities.

As explained in Note 32, considering the above the Group has assessed the impairment of carrying value of its investment accounted for under the equity method in its associate and accordingly an impairment charge of INR 27.13 lakhs has been considered during the current year.

### 49 Transition to Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### A.1 Ind AS optional exemptions

###### A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The group has applied same exemption for investment in joint ventures and associates.

###### A.1.2 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

###### A.1.3 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

###### A.1.4 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

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### 49 Transition to Ind AS – (Contd.)

#### A.1.5 Joint venture

Ind AS 101 provides an exemption for changing from proportionate consolidation to the equity method. As per the exemption, when changing from proportionate consolidation to the equity method, an entity should recognise its investment in the joint venture at transition date to Ind AS. That initial investment should be measured as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition. The balance of the investment in joint venture at the date of transition to Ind AS, determined in accordance with the above is regarded as the deemed cost of the investment at initial recognition. The Group has elected to apply this exemption for its joint venture.

#### A.2 Ind AS mandatory exceptions

##### A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were an error. Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP: –

Investment in equity instruments carried at FVPL or FVOCI;

- Investment in debt instruments carried at FVPL; and
- Derivative transactions carried at FVPL.

##### A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

##### A.2.3 Impairment of financial assets

Ind AS 101 provides that if at the date of transition the determination of increase in credit risk since initial recognition is difficult, loss allowance to be provided at an amount equal to lifetime expected credit losses at each reporting date until de-recognition.

## BIMETAL BEARINGS LIMITED

### First-time adoption of Ind AS

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

| <b>B. Reconciliations between previous GAAP and Ind AS</b>                                 |                                     |                       |                    |                  |
|--|-------------------------------------|-----------------------|--------------------|------------------|
| <b>Reconciliation of equity as at date of transition (April 1, 2015)</b>                   | <b>Notes to first time adoption</b> | <b>Previous GAAP*</b> | <b>Adjustments</b> | <b>IND AS</b>    |
| <b>ASSETS</b>  |                                     |                       |                    |                  |
| <b>Non-current assets</b>  |                                     |                       |                    |                  |
| Property, plant and equipment  |                                     | 3,389.59              | –                  | 3,389.59         |
| Capital work-in-progress   |                                     | 127.53                | –                  | 127.53           |
| Other intangible assets  |                                     | 141.09                | –                  | 141.09           |
| Intangible assets under development  |                                     | 9.41                  | –                  | 9.41             |
| Investment accounted for using the equity method   | 1                                   | –                     | 678.46             | 678.46           |
| Financial assets   |                                     |                       |                    |                  |
| i. Investments   | 1,3                                 | 1,670.03              | 968.15             | 2,638.18         |
| ii. Other financial assets   |                                     | 591.27                | –                  | 591.27           |
| Current tax assets (net)   |                                     | 459.06                | –                  | 459.06           |
| Other non-current assets   |                                     | 16.08                 | –                  | 16.08            |
| <b>Total non-current assets</b>  |                                     | <b>6,404.06</b>       | <b>1,646.61</b>    | <b>8,050.67</b>  |
| <b>Current assets</b>  |                                     |                       |                    |                  |
| Inventories  | 4                                   | 4,755.85              | 317.48             | 5,073.33         |
| Financial assets   |                                     |                       |                    |                  |
| i. Investments   | 3                                   | 109.57                | 33.82              | 143.39           |
| ii. Trade receivables  | 4                                   | 4,010.75              | (472.91)           | 3,537.84         |
| iii. Cash and cash equivalents   |                                     | 625.29                | –                  | 625.29           |
| iv. Bank balances other than (iii) above   |                                     | 48.45                 | –                  | 48.45            |
| v. Loans   |                                     | 6.25                  | –                  | 6.25             |
| vi. Other financial assets   | 5                                   | 471.92                | 6.53               | 478.45           |
| Other current assets   |                                     | 342.76                | –                  | 342.76           |
| <b>Total current assets</b>  |                                     | <b>10,370.84</b>      | <b>(115.08)</b>    | <b>10,255.76</b> |
| <b>Total Assets</b>  |                                     | <b>16,774.90</b>      | <b>1,531.53</b>    | <b>18,306.43</b> |
| <b>EQUITY AND LIABILITIES</b>  |                                     |                       |                    |                  |
| <b>Equity</b>  |                                     |                       |                    |                  |
| Equity share capital   |                                     | 382.50                | –                  | 382.50           |
| Other equity   | 10, 11                              | 13,553.84             | 1,914.39           | 15,468.23        |
| <b>Total equity</b>  |                                     | <b>13,936.34</b>      | <b>1,914.39</b>    | <b>15,850.73</b> |
| <b>Liabilities</b>   |                                     |                       |                    |                  |
| <b>Non-current liabilities</b>   |                                     |                       |                    |                  |
| Deferred tax liabilities (net)   | 9                                   | 350.77                | (10.98)            | 339.79           |
| Employee benefit obligations   |                                     | 101.33                | –                  | 101.33           |
| <b>Total non-current liabilities</b>   |                                     | <b>452.10</b>         | <b>(10.98)</b>     | <b>441.12</b>    |
| <b>Current liabilities</b>   |                                     |                       |                    |                  |
| Financial liabilities  |                                     |                       |                    |                  |
| i. Trade payables  |                                     |                       |                    |                  |
| (a) Total outstanding dues of micro enterprises and small enterprises                      |                                     | 73.54                 | –                  | 73.54            |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 4                                   | 1,452.71              | (26.60)            | 1,426.11         |
| ii. Other financial liabilities  |                                     | 78.64                 | –                  | 78.64            |
| Employee benefit obligations   |                                     | 257.22                | –                  | 257.22           |
| Other current liabilities  |                                     | 123.27                | –                  | 123.27           |
| Provisions   | 6                                   | 401.08                | (345.28)           | 55.80            |
| <b>Total current liabilities</b>   |                                     | <b>2,386.46</b>       | <b>(371.88)</b>    | <b>2,014.58</b>  |
| <b>Total liabilities</b>   |                                     | <b>2,838.56</b>       | <b>(382.86)</b>    | <b>2,455.70</b>  |
| <b>Total equity and liabilities</b>  |                                     | <b>16,774.90</b>      | <b>1,531.53</b>    | <b>18,306.43</b> |

\*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

# BIMETAL BEARINGS LIMITED

## First-time adoption of Ind AS

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

| Reconciliation of equity as at March 31, 2016  |                                 |                   |                   |                  |
|--|---------------------------------|-------------------|-------------------|------------------|
|  | Notes to first<br>time adoption | Previous<br>GAAP* | Adjustments       | IND AS           |
| <b>ASSETS</b>  |                                 |                   |                   |                  |
| <b>Non-current assets</b>  |                                 |                   |                   |                  |
| Property, plant and equipment  | 2                               | 4,298.19          | (1,111.20)        | 3,186.99         |
| Capital work-in-progress   | 2                               | 509.78            | (95.31)           | 414.47           |
| Other intangible assets  | 2                               | 106.80            | (0.16)            | 106.64           |
| Intangible assets under development  |                                 | 9.41              | –                 | 9.41             |
| Investment accounted for using the equity method   | 2,8                             | 45.43             | 892.06            | 937.49           |
| Financial assets   |                                 |                   |                   |                  |
| i. Investments   | 3                               | 1,034.41          | 1,398.86          | 2,433.27         |
| ii. Other financial assets   | 2                               | 515.16            | (17.32)           | 497.84           |
| Current tax assets (net)   |                                 | 607.66            | –                 | 607.66           |
| Other non-current assets   | 2                               | 35.52             | (2.19)            | 33.33            |
| <b>Total non-current assets</b>  |                                 | <b>7,162.36</b>   | <b>1,064.74</b>   | <b>8,227.10</b>  |
| <b>Current assets</b>  |                                 |                   |                   |                  |
| Inventories  | 2,4                             | 4,381.65          | 47.59             | 4,429.24         |
| Financial assets   |                                 |                   |                   |                  |
| i. Investments   | 3                               | 204.96            | 7.98              | 212.94           |
| ii. Trade receivables  | 2,4                             | 4,031.97          | (504.37)          | 3,527.60         |
| iii. Cash and cash equivalents   | 2                               | 485.10            | (5.77)            | 479.33           |
| iv. Bank balances other than (iii) above   |                                 | 89.00             | –                 | 89.00            |
| v. Loans   |                                 | 5.31              | –                 | 5.31             |
| vi. Other financial assets   | 5                               | 478.67            | 9.62              | 488.29           |
| Current tax assets (net)   | 2                               | 6.90              | (6.90)            | –                |
| Other current assets   | 2                               | 943.29            | (132.89)          | 810.40           |
| <b>Total current assets</b>  |                                 | <b>10,626.85</b>  | <b>(584.74)</b>   | <b>10,042.11</b> |
| <b>Total Assets</b>  |                                 | <b>17,789.21</b>  | <b>480.00</b>     | <b>18,269.21</b> |
| <b>EQUITY AND LIABILITIES</b>  |                                 |                   |                   |                  |
| <b>Equity</b>  |                                 |                   |                   |                  |
| Equity share capital   |                                 | 382.50            | –                 | 382.50           |
| Other equity   | 10,11                           | 13,789.01         | 1,685.85          | 15,474.86        |
| <b>Total equity</b>  |                                 | <b>14,171.51</b>  | <b>1,685.85</b>   | <b>15,857.36</b> |
| <b>Liabilities</b>   |                                 |                   |                   |                  |
| <b>Non-current liabilities</b>   |                                 |                   |                   |                  |
| Financial liabilities  |                                 |                   |                   |                  |
| i. Borrowings  | 2                               | 427.12            | (427.12)          | –                |
| Deferred tax liabilities (Net)   | 9                               | 366.70            | (12.68)           | 354.02           |
| Employee benefit obligations   | 2                               | 121.47            | (1.47)            | 120.00           |
| <b>Total non-current liabilities</b>   |                                 | <b>915.29</b>     | <b>(441.27)</b>   | <b>474.02</b>    |
| <b>Current liabilities</b>   |                                 |                   |                   |                  |
| Financial liabilities  |                                 |                   |                   |                  |
| i. Borrowings  | 2                               | 35.97             | (35.97)           | –                |
| ii. Trade payables   |                                 |                   |                   |                  |
| (a) Total outstanding dues of micro enterprises and small enterprises                      | 2                               | 105.85            | (8.59)            | 97.26            |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,4                             | 1,611.33          | (297.90)          | 1,313.43         |
| iii. Other financial liabilities   | 2                               | 136.95            | (58.17)           | 78.78            |
| Employee benefit obligations   | 2                               | 254.07            | (0.18)            | 253.89           |
| Other current liabilities  | 2                               | 206.04            | (11.57)           | 194.47           |
| Provisions   | 2,6                             | 352.20            | (352.20)          | –                |
| <b>Total current liabilities</b>   |                                 | <b>2,702.41</b>   | <b>(764.58)</b>   | <b>1,937.83</b>  |
| <b>Total liabilities</b>   |                                 | <b>3,617.70</b>   | <b>(1,205.85)</b> | <b>2,411.85</b>  |
| <b>Total equity and liabilities</b>  |                                 | <b>17,789.21</b>  | <b>480.00</b>     | <b>18,269.21</b> |

\*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

## BIMETAL BEARINGS LIMITED

### First-time adoption of Ind AS

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

| Reconciliation of total comprehensive income for the year ended March 31, 2016  |                              |                  |                |                  |
|---|------------------------------|------------------|----------------|------------------|
|   | Notes to first time adoption | Previous GAAP*   | Adjustments    | IND AS           |
| <b>Income</b>   |                              |                  |                |                  |
| Revenue from operations   | 2,4                          | 15,079.86        | 715.57         | 15,795.43        |
| Other income  | 2,3,5                        | 345.98           | (65.01)        | 280.97           |
| <b>Total income</b>   |                              | <b>15,425.84</b> | <b>650.56</b>  | <b>16,076.40</b> |
| <b>Expenses</b>   |                              |                  |                |                  |
| Cost of materials consumed  | 2,4                          | 7,100.77         | (353.67)       | 6,747.10         |
| Purchases of stock-in-trade   | 2                            | 99.86            | (1.38)         | 98.48            |
| Changes in inventories of work-in-progress, stock-in-trade and finished goods   | 2,4                          | 208.36           | 80.18          | 288.54           |
| Employee benefit expense  | 2,7                          | 2,398.27         | (108.30)       | 2,289.97         |
| Finance costs   | 2                            | 43.43            | (23.74)        | 19.69            |
| Depreciation and amortisation expense   | 2                            | 442.18           | (46.70)        | 395.48           |
| Excise duty expenses  | 2,4                          | –                | 1,589.22       | 1,589.22         |
| Other expenses  | 2,3,4                        | 4,477.86         | (549.04)       | 3,928.82         |
| <b>Total expenses</b>   |                              | <b>14,770.73</b> | <b>586.57</b>  | <b>15,357.30</b> |
| <b>Profit before exceptional items and tax</b>  |                              | <b>655.11</b>    | <b>63.99</b>   | <b>719.10</b>    |
| Share of net profit of associates and joint ventures accounted for using the equity method                            | 2,8                          | (11.44)          | (52.36)        | (63.80)          |
| Exceptional items   |                              | (18.12)          | –              | (18.12)          |
| <b>Profit before tax</b>  |                              | <b>625.55</b>    | <b>11.63</b>   | <b>637.18</b>    |
| Income tax expense  |                              |                  |                |                  |
| Current tax   |                              | 190.06           | –              | 190.06           |
| Deferred tax  | 9                            | (12.79)          | 37.61          | 24.82            |
| <b>Profit for the period</b>  |                              | <b>448.28</b>    | <b>(25.98)</b> | <b>422.30</b>    |
| <b>Other comprehensive income</b>   |                              |                  |                |                  |
| Items that will not be reclassified to profit or loss   |                              |                  |                |                  |
| Remeasurement of post employment benefit obligations  | 7                            | –                | (30.61)        | (30.61)          |
| Change in fair value of FVOCI equity instruments  | 3                            | –                | (50.52)        | (50.52)          |
| Income tax relating to these items  | 9                            | –                | 10.59          | 10.59            |
| Share of other comprehensive income of associate and joint venture accounted for using the equity method (net of tax) | 2                            | –                | 0.15           | 0.15             |
| <b>Other comprehensive income for the period, net of tax</b>  |                              | <b>–</b>         | <b>(70.39)</b> | <b>(70.39)</b>   |
| <b>Total comprehensive income for the period</b>  |                              | <b>448.28</b>    | <b>(96.37)</b> | <b>351.91</b>    |

\*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

# BIMETAL BEARINGS LIMITED

## First-time adoption of Ind AS

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

| <b>Reconciliation of equity as at date of transition (April 1, 2015)</b>                   |                      |                       |                       |
|--|----------------------|-----------------------|-----------------------|
|  | <b>Notes</b>         | <b>March 31, 2016</b> | <b>April 1, 2015</b>  |
| <b>Total equity (shareholder's funds) as per previous GAAP</b>                             |                      | <b>14,171.51</b>      | <b>13,936.34</b>      |
| <b>Adjustments:</b>  |                      |                       |                       |
| Equity accounting of Joint venture and associate as at the transition date                 | 1                    | –                     | 163.45                |
| Impact of transition from proportionate consolidation to equity method of accounting       | 2                    | 5.91                  | –                     |
| Fair valuation of investment   | 3                    | 1,406.84              | 1,516.98              |
| Impact of revenue deferral   | 4                    | (91.87)               | (128.83)              |
| Fair valuation of derivatives  | 5                    | 9.62                  | 6.53                  |
| Reversal of proposed dividend and dividend distribution tax                                | 6                    | 345.28                | 345.28                |
| Impact of adjustment for equity accounting of associate                                    | 8                    | (2.61)                | –                     |
| Deferred tax effects on adjustments  | 9                    | 12.68                 | 10.98                 |
| <b>Total adjustments</b>   |                      | <b>1,685.85</b>       | <b>1,914.39</b>       |
| <b>Total equity as per Ind AS</b>  |                      | <b>15,857.36</b>      | <b>15,850.73</b>      |
| <b>(II) Reconciliation of total comprehensive income for the year ended March 31, 2016</b> |                      |                       | <b>March 31, 2016</b> |
| Profit after tax as per previous GAAP  |                      |                       | 448.28                |
| <b>Adjustments</b>   |                      |                       |                       |
| Impact of transition from proportionate consolidation to equity method of accounting       | 2                    |                       | (27.95)               |
| Fair valuation of investment   | 3                    |                       | (59.62)               |
| Impact of revenue deferral   | 4                    |                       | 36.96                 |
| Fair valuation of derivatives  | 5                    |                       | 3.09                  |
| Remeasurements of post-employment benefit obligations                                      | 7                    |                       | 30.61                 |
| Impact of adjustment for equity accounting of associate                                    | 8                    |                       | (0.18)                |
| Deferred tax effects on adjustments  | 9                    |                       | (8.89)                |
| <b>Total adjustments</b>   |                      |                       | <b>(25.98)</b>        |
| <b>Profit after tax as per Ind AS</b>  |                      |                       | <b>422.30</b>         |
| <b>Other comprehensive income</b>  | 2,3,7                |                       | (70.39)               |
| <b>Total comprehensive income as per Ind AS</b>  |                      |                       | <b>351.91</b>         |
| <b>(III) Impact of Ind AS adoption on cash flow statement</b>                              |                      |                       |                       |
|  | <b>Previous GAAP</b> | <b>Adjustments</b>    | <b>Ind AS</b>         |
| Net cash flow from operating activities  | 822.13               | (75.30)               | 746.83                |
| Net cash flow from investing activities  | (920.17)             | 392.81                | (527.36)              |
| Net cash flow from financing activities  | (43.74)              | (321.69)              | (365.43)              |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                                | <b>(141.78)</b>      | <b>(4.18)</b>         | <b>(145.96)</b>       |
| <b>Cash and cash equivalents as at April 1, 2015</b>                                       | <b>649.88</b>        | <b>(24.59)</b>        | <b>625.29</b>         |
| <b>Cash and cash equivalents as at March 31, 2016</b>                                      | <b>508.10</b>        | <b>(28.77)</b>        | <b>479.33</b>         |



# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

### 49 Transition to Ind AS – (Contd.)

#### C. Notes to first-time adoption:

##### 1. Equity accounting on the transition date

Under the previous GAAP, the Group was not mandated to prepare and present a consolidated financial statements as at the financial year ended March 31, 2015. Accordingly the Group had not presented a consolidated financial statements as at March 31, 2015. Under Ind AS, entities having subsidiaries/ associates/ joint ventures are required to prepare and present consolidated financial statements unless the entity meets certain exemption criteria. Since the Group does not satisfy the exemption criteria, the Group has prepared a consolidated financial statements incorporating its share of profit from its associate and joint venture as at April 1, 2015 (the date of transition to Ind AS).

Consequent to the above the Group has recognised an amount of INR 163.45 lakhs representing the cumulative share of profit of its investment in associate and joint venture as at March 31, 2015.

Accordingly the investments in associates and joint ventures amounting to INR 515.01 lakhs previously grouped under non current investment have been regrouped and have been shown on the face of the balance sheet under the head Investment accounted for using the equity method at an amount of INR 678.46 lakhs which includes the cumulative share of profit amounting to INR 163.45 lakhs.

##### 2. Joint Venture - Transition from proportionate consolidation to equity accounting

The Group has investment in BBL Daido Private Limited which meets the definition of investment in joint venture. Under the previous GAAP such investments in joint venture were accounted using the proportionate consolidation method as on March 31, 2016. However under Ind AS, investment in joint venture are to be accounted using the equity method.

(i) **The following assets and liabilities of BBL Daido Private Limited proportionately consolidated under previous GAAP have been derecognised :**

| Particulars                     | Amount as at March 31, 2016<br>(in Rs. Lakhs) |
|---------------------------------|---|
| <b>Non-current assets</b>       |   |
| Property, plant and equipment   | 1,111.20                                      |
| Capital work-in-progress        | 95.31   |
| Other intangible assets         | 0.16  |
| Financial assets                |   |
| i. Investments                  | –   |
| ii. Other financial assets      | 17.32   |
| Other non-current assets        | 2.19  |
| <b>Total non-current assets</b> | <b>1,226.18</b>                               |
| <b>Current assets</b>           |   |
| Inventories                     | 259.70  |
| Financial assets                |   |
| i. Trade receivables            | 181.80  |
| ii. Cash and cash equivalents   | 5.77  |

## BIMETAL BEARINGS LIMITED

### Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

| 49 Transition to Ind AS – (Contd.)  | Amount as at March 31, 2016<br>(in Rs. Lakhs)         |
|---|---|
| <b>Particulars</b>  |   |
| iii. Other financial assets   | –   |
| Current tax assets (Net)  | 6.90  |
| Other current assets  | 133.06  |
| <b>Total current assets</b>   | <b>587.23</b>   |
| <b>Non Current Liabilities</b>  |   |
| Financial Liabilities   |   |
| i. Borrowings   | 427.12  |
| Employee benefit obligations  | 1.47  |
| <b>Total non-current liabilities</b>  | <b>428.59</b>   |
| <b>Current liabilities</b>  |   |
| Financial liabilities   |   |
| i. Borrowings   | 35.97   |
| ii. Trade payables  |   |
| (a) Total outstanding dues of micro enterprises and small enterprises   | 8.59  |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises  | 271.95  |
| ii. Other financial liabilities   | 58.17   |
| Employee benefit obligations  | 0.18  |
| Other current liabilities   | 11.57   |
| Provisions  | 6.92  |
| <b>Total current liabilities</b>  | <b>393.35</b>   |
| <b>Total liabilities</b>  | <b>821.94</b>   |
| <b>Net assets derecognised</b>  | <b>991.47</b>   |
| (ii) <b>The following assets and liabilities have been recognised as at March 31, 2016 on transition to equity accounting :</b>           |   |
| Inter company trade payable recognised  | (0.44)  |
| Inter company trade receivable recognised   | 102.98  |
| Inter company other current asset recognised  | 0.17  |
| Investment accounted for under the equity method  | 894.67  |
| <b>Total</b>  | <b>997.38</b>   |
| (iii) <b>The following items of income and expenditure were proportionately consolidated under previous GAAP have been derecognised :</b> |   |
| <b>Particulars</b>  | <b>Amount as at March 31, 2016<br/>(in Rs. Lakhs)</b> |
| Revenue   | 800.46  |
| Other Income  | 0.22  |
| <b>Total Income</b>   | <b>800.68</b>   |
| <b>Expenses</b>   |   |
| Cost of materials consumed  | 348.75  |
| Purchases of stock-in-trade   | 1.38  |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress   | (69.99)   |
| Employee benefits expense   | 72.26   |
| Finance costs   | 23.74   |
| Depreciation and Amortisation Expense   | 46.70   |
| Other Expenses  | 334.92  |
| <b>Total Expense</b>  | <b>757.76</b>   |
| <b>Profit before tax</b>  | <b>42.92</b>  |
| <b>Tax Expense</b>  |   |
| Current tax   | –   |
| Deferred tax  | (28.72)   |
| <b>Profit after tax</b>   | <b>71.64</b>  |

# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

### 49 Transition to Ind AS – (Contd.)

#### (iv) The following items of income and expenditure have been recognised on transition to equity accounting:

| Particulars  | Amount as at March 31, 2016<br>(in Rs. Lakhs) |
|--|---|
| Share of Profit/ (Loss) in Joint Venture for the year ended March 31, 2016             | (52.17)                                       |
| Share of other comprehensive income in Joint Venture for the year ended March 31, 2016 | 0.15  |
| Inter Company Sales recognised   | 140.40  |
| Inter Company cost of materials consumed recognised                                    | (0.34)  |
| Inter Company employee benefit expense recovery recognised                             | 5.43  |
| Excise duty expense on recognition of inter company sales                              | (17.55)                                       |
| Decrease/ (Increase) in Unrealised gain on closing stock                               | (0.01)  |
| Elimination of inter company dividend received (Other income)                          | (25.76)                                       |
| Dividend distribution tax paid by Joint venture on distributed profits (Other expense) | (6.31)  |
| Total  | 43.84   |

The adjustment (i) to (iv) made above on account of transition to equity method has resulted in a net increase in equity amounting to INR 5.91 lakhs as at March 31, 2016.

#### (v) Summarised statement of cash flows of BBL Daido Private Limited for the year ended March 31, 2016 not considered under Ind AS in the consolidated statement of cash flows are as below:

| Particulars   | Year ended March 31, 2016 |
|---|---------------------------|
| Opening cash and cash equivalents as at April 1, 2015         | 1.13                      |
| Cash flow from operating activities                           | 49.30                     |
| Cash flow from investing activities                           | (726.36)                  |
| Cash flow from financing activities                           | 681.70                    |
| <b>Closing cash and cash equivalents as at March 31, 2016</b> | <b>5.77</b>               |

### 3. Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments (other than investments in associates and joint ventures) are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2016. This increased the retained earnings by INR 68.20 lakhs as at March 31, 2016 (April 1, 2015 - INR 127.82 lakhs).

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2016. This increased other reserves by INR 1,338.64 lakhs as at March 31, 2016 (April 1, 2015 - INR 1389.16 lakhs).

Consequent to the above, the total equity as at March 31, 2016 increased by INR 1,406.84 lakhs (April 1, 2015 - INR 1,516.98 lakhs) and profit and other comprehensive income for the year ended March 31, 2016 decreased by INR 59.62 lakhs (represented by reduction in other income by INR 42.12 lakhs and increase in other expenses by INR 17.50 lakhs) and INR 50.52 lakhs, respectively.

### 4. Revenue Recognition

The Company has reassessed its revenue recognised in accordance with the previous GAAP and has determined that an amount of INR 425.55 lakhs for the year ended March 31, 2016 (April 1, 2015 - INR 472.91 lakhs) did not meet the recognition criteria under Ind AS. Consequent to this, the following adjustments have been made -

| Particulars  | March 31, 2016 | April 01, 2015  |
|--|----------------|-----------------|
| Reversal of revenue and related trade receivable   | (425.55)       | (472.91)        |
| Reversal of discounts payable on the revenue reversed  | 26.39          | 26.60           |
| Reversal of cost of sales pertaining to the above reversed revenue and consequent recognition of Inventory | 307.29         | 317.48          |
| Recognition of previously reversed revenue   | 472.91         | –               |
| Recognition of previously reversed cost of sales   | (317.48)       | –               |
| Recognition of previously reversed discounts payable   | (26.60)        | –               |
| <b>Net Impact on Equity</b>  | <b>36.96</b>   | <b>(128.83)</b> |

# BIMETAL BEARINGS LIMITED

## Notes to the Consolidated financial statements as at and for the year ended March 31, 2017

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

### 49 Transition to Ind AS – (Contd.)

Consequent to the above reversals there has been a decrease in cost of materials consumed amounting to INR 5.26 lakhs representing the change in excise duty between closing and opening stock with a corresponding decrease in excise duty expenses for the year ended March 31, 2016. There is no impact on the total equity and profit.

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of products is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2016 by INR 1566.41 lakhs. There is no impact on the total equity and profit.

Under the previous GAAP, discounts in the nature of cash and volume discount were presented as items of expense in the statement of profit and loss account. However under Ind AS revenue is to be recognised at the fair value of consideration received or receivable after considering such discounts. Consequently, revenue from operations for the year ended March 31, 2016 has decreased by INR 237.93 lakhs with a corresponding decrease in other expenses. There is no impact on the total equity and profit.

### 5 Forward Contracts not designated as hedging instruments

Under the previous GAAP, the Company applied the requirements of Accounting Standard 11 *The effects of changes in foreign exchange rates* to account for forward exchange contract for hedging foreign exchange risk related to recognised trade payables and trade receivables. At the inception of the contract, the forward premium was separated and amortised as expense over the tenure of the contract. The underlying trade payables, trade receivables and the forward contract were restated at the closing spot exchange rate.

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in Statement of profit and loss. The above transition resulted in a net gain of INR 3.09 lakhs for the year ended March 31, 2016. Consequently, other financial assets as at March 31, 2016 has increased by INR 9.62 lakhs (April 1, 2015 - INR 6.53 lakhs).

### 6 Proposed Dividend

Under the previous GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend (including dividend distribution tax) of INR 345.28 lakhs as at March 31, 2016 (April 1, 2015 – INR 345.28 lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently the amount approved by the shareholders amounting to INR 345.28 lakhs for the period 2014-15 has been recognised in the year ended March 31, 2016.

### 7 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit before tax for the year ended March 31, 2016 increased by INR 30.61 lakhs. There is no impact on the total equity as at March 31, 2016.

### 8 GAAP Adjustment of Associate

The accounts of the associate as included in the share of profit accounting under the previous GAAP were as prepared under the Companies (Accounting Standards) Rules, 2006 (as amended). On account of transition of the associate to Ind AS, there has been a decrease in the investment accounted for under the equity method by an amount of INR 2.61 lakhs and decrease in the share of profit for the year ended March 31, 2016 by an amount of INR 0.18 lakhs.

### 9 Deferred tax

Under previous GAAP, no adjustments to tax expense was made on consolidation. Under Ind AS, deferred taxes are also recognised on undistributed profits of joint ventures and associates. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

### 10 Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

### 11. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

#### For Price Waterhouse Chartered Accountants LLP

Firm Registration No : 012754N/N500016

Chartered Accountants

BASKAR PANNERSELVAM

Partner

Membership Number : 213126

Place : Chennai

Date : May 26, 2017

#### For and on behalf of the Board

A.KRISHNAMOORTHY (DIN 00001778)

Managing Director

P.M. VENKATASUBRAMANIAN (DIN 00124505)

Director

K.VIDHYA SHANKAR

Company Secretary

Place : Chennai

Date : May 26, 2017

S. NARAYANAN (DIN 03564659)

Whole-time Director

N.VENKATARAMANI (DIN 00001639)

Director

N.VENKATARAMAN

Chief Financial Officer