

Rane Precision Die Casting, Inc.

Financial Statements

March 31, 2016 and February 17, 2016

KNAV P.A.

Certified Public Accountants
One Lakeside Commons, Suite 850
990 Hammond Drive NE
Atlanta, GA 30328



America Counts on CPAs

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Independent Auditor's Report

The Board of Directors
Rane Precision Die Casting, Inc.

We have audited the accompanying financial statements of Rane Precision Die Casting, Inc. ("the Company") which comprise the balance sheets as at March 31, 2016 and February 17, 2016, the statement of profit and loss and the statement of cash flow for the period ended on March 31, 2016, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in the India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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.

Auditor's Responsibility

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

We have taken into account the accounting and auditing standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016 and February 17, 2016, its statement of profit and loss, and cash flows for the period ended on March 31, 2016.

KNAV P.A.

May 16, 2016
Atlanta, Georgia

Rane Precision Die Casting, Inc.
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March 31, 2016 and February 17, 2016

Financial Statements

Balance sheets

(All amounts are stated in Indian Rupees unless otherwise stated)

		As at	
		March 31, 2016	February 17, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	6,834	6,834
Reserves and surplus	5	101,078,120	117,025,400
		101,084,954	117,032,234
Non-current liabilities			
Long-term borrowings	6	45,609,344	47,694,241
Long-term provisions	7	162,393,323	166,553,462
		208,002,667	214,247,703
Current liabilities			
Short-term borrowings	6	440,855,669	409,491,452
Trade payables	8	163,581,996	217,200,161
Other current liabilities	9	126,533,803	124,430,388
Short-term provisions	10	4,767,290	2,879,722
		735,738,758	754,001,723
TOTAL		1,044,826,379	1,085,281,660
ASSETS			
Non-current assets			
Fixed assets	11		
- Tangible assets		528,520,805	565,005,990
- Capital work-in-progress		139,052	-
		528,659,857	565,005,990
Current assets			
Inventories, net	12	76,082,238	66,734,910
Trade receivables	13	399,867,800	309,859,335
Cash and bank balances	14	40,714	136,913,727
Short-term loans and advances	15	1,280,048	1,621,995
Other current assets	16	38,895,722	5,145,703
		516,166,522	520,275,670
TOTAL		1,044,826,379	1,085,281,660

(The accompanying notes are an integral part of these financial statements)

Statement of profit & loss

**For the period
 February 17, 2016 to
 March 31, 2016**

(All amounts in Indian Rupees, unless otherwise stated)

Income

Revenue from operations (net)	17	287,116,656
Other income	18	4,534,984
Total revenue		291,651,640

Expenses

Cost of materials and components consumed	19	152,902,107
Increase in finished goods and work in progress	20	(15,517,297)
Employee benefit expenses	21	100,178,051
Finance cost	22	2,469,664
Depreciation	11	15,285,845
Other expenses	23	48,762,524
Total expenses		304,080,894

Loss before tax

(12,429,254)

Tax expense

Current tax	24	272,780
Total tax expense		272,780

Loss for the period

(12,702,034)

Earnings per share

Equity share		
- Basic	29	(127,020)
- Diluted	29	(127,020)
- Number of equity shares		
- Basic		100
- Diluted		100

(The accompanying notes are an integral part of these financial statements)

**For the period
 February 17, 2016 to
 March 31, 2016**

Statement of cash flows

(All amounts in Indian Rupees, unless otherwise stated)

Cash flow from operating activities

Net loss before tax	(12,429,254)
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Adjustments to reconcile net cash used in operating activities:

Loss on sale of fixed asset	4,803,309
Depreciation expense	15,285,845
Interest expense	2,469,664
Provision for bad debts	1,012,545
Provision for employee benefits (long term)	791,769
Write back of provision of inventory	(1,569,763)

Changes in assets and liabilities

Trade receivables	(100,979,655)
Short term loans and advances	299,145
Other current assets	(34,512,512)
Inventories	(9,959,857)
Trade payables	(48,027,530)
Short term provisions	2,008,441
Other current liabilities	3,975,961

Net cash used in operating activities (A)	(176,831,892)
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Cash flows from investing activities

Capital work in progress	(139,052)
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Net cash used in investing activities (B)	(139,052)
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Cash flows from financing activities

Proceeds from short term borrowings	45,626,223
Interest paid during the period	(1,834,258)
Repayment of finance lease	(2,842,618)

Net cash provided by financing activities (C)	40,949,347
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Net decrease in cash and cash equivalents (A+B+C)	(136,021,597)
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Cash and cash equivalents at the beginning of the period	136,913,727
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Effect of exchange rate on translation of foreign currency	(851,416)
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Cash and cash equivalents at the end of the period	40,714
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(The accompanying notes are an integral part of these financial statements)

Notes to financial statements

(All amounts in Indian Rupees, unless otherwise stated)

1. BACKGROUND AND PRINCIPAL ACTIVITIES

Rane Precision Die Casting, Inc. (“Company” or “PDC”), was acquired by Rane (Madras) International Holdings B.V. on February 17, 2016. The Company, based in Russellville, Kentucky, is a leading supplier of lightweight aluminum die castings to the North American automotive market. The Company, originally founded in 1956, produces complex, thin-walled, low porosity, high-pressure aluminum die castings. It provides a comprehensive portfolio of aluminum die cast solutions for steering and compressor components, pumps and valve housings.

2. BASIS OF PREPARATION

The financial statements are drawn up in accordance with the historical cost convention on accrual basis and comply with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

3. ACQUISITION

Rane (Madras) Limited through its subsidiary Rane (Madras) International Holdings B.V., a private limited liability company registered in the Netherlands, acquired PDC vide share purchase agreement dated February 17, 2016.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Use of estimates

The preparation of financial statements in conformity with Indian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

4.2 Revenue recognition

Sales are recognized on transfer of significant risks and rewards of ownership to the buyer which generally coincides with the delivery of goods to the customers.

4.3 Cash and bank balances

The Company considers all highly liquid investments and deposits, which are readily convertible into cash and have original maturity of three months or less to be cash equivalents. As of the balance sheet dates the Company had no such investments. Cash and bank balances comprise of balance in current accounts with Banks.

4.4 Fixed assets

All fixed assets are stated at cost of acquisition less accumulated depreciation. In the case of fixed assets acquired for new projects / expansions, interest cost of borrowing and other related expenses up to the date of commercial production incurred towards acquiring fixed assets are capitalized. Cost includes inward freight, non-refundable duties/taxes and incidental expenses directly related to acquisition/installation. Subsequent expenditure on fixed assets after its purchase/ completion is

capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Advance paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as capital advances under long term loans and advances.

4.5 Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is provided on a straight line basis over the useful lives of assets, which is as stated in Schedule II of Companies Act, 2013, or based on technical estimate made by the Company. Based on internal assessment and independent technical evaluation carried out by external valuers the Company believes that the useful lives as given below best represent the period over which Company expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Particulars	Useful life
Leasehold improvements	10 years
Machinery & equipment	8-9 years
Molds	3-4 years
Vehicles	4-5 years
Computers	4-5 years

4.6 Valuation of inventories

Raw materials and packing materials are valued at cost. Cost includes all the appropriate allocable overheads. Work in progress and finished goods are valued at lower of cost or net realizable value after providing for obsolescence and other losses.

4.7 Foreign currency transaction and translation

The transactions in foreign exchange are accounted at the exchange rate prevailing on the date of transactions. Any exchange gains or losses arising out of the subsequent fluctuations are accounted for in the statement of profit and loss, except those relating to acquisition of fixed assets which are adjusted to the cost of the respective assets.

All the assets and liabilities, both monetary and non-monetary items, are translated into the reporting currency at the exchange rate in effect at March 31, 2016 and income and expense items are translated at the average rate applicable for the period ended March 31, 2016. All the assets and liabilities, both monetary and non-monetary items, and equity accounts are translated into the reporting currency at the exchange rate in effect at February 17, 2016. Functional currency of the Company is the United States Dollar (“USD”) and the reporting currency, the Indian Rupee (INR).

4.8 Retirement benefits

The Company provides for post-retirement benefit, disability and death benefits (“the Plan”) vide Precision Die Casting Union Retirement Plan which covers eligible employees with a date of hire before October 11, 2010, except for the employees in the categories as defined under section 2.2 (2) of the Plan document, who are eligible to participate in the Plan upon meeting the following eligibility requirement: completion of one hour of service with the Company and provided that he/she was a union employee covered by local No. 2407 of United Auto Workers.

Retirement benefit:

A participant is eligible for his normal retirement pension after the participant has attained age of 62 and terminates employment. A participant shall receive a monthly benefit payable at normal retirement age equal to:

- \$23:00 multiplied by years of benefit service from December 2003 to October 10, 2005; plus
- \$24:00 multiplied by years of benefit service from October 2005 to October 9, 2006; plus
- \$25:00 multiplied by years of benefit service from October 9, 2006, to October 8, 2007; plus
- \$26:00 multiplied by years of benefit service from October 5, 2007 to December 16, 2010; plus
- \$16:00 multiplied by benefit service after December 16, 2010.

Disability benefit:

The benefit will be payable in the form of a lifetime pension until the earliest of: recovery, death or normal retirement date.

Death benefit:

If a participant dies after he/she has become vested under the Plan but before he/she begins to receive a retirement pension benefit, his/her spouse will receive a 50% survivor benefit if he/she has been married at least one year.

The liability with regards to the Plan are determined by the actuarial valuation, performed by an independent actuary, at each balance sheet date using projected unit cost method. The Company contributes all ascertained liabilities to the registered investment companies which are held under a separate trust through custodian, Charles Schwab, as permitted by the Department of Labor. The Company recognizes the net obligation of the Plan in the balance sheet as an asset or liability, respectively, in accordance with Accounting Standard 15, "Employee benefits". The Company's overall long term rate of return on assets has been determined based on the available market information and the historical and expected future investments trends of present and expected assets in the Plan. The discount rate is based on the Government securities yield or equivalent corporate bond. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise.

4.9 Income taxes

a) Current tax

Provisions for current income tax liability is made on estimated taxable income under federal and state tax statutes after considering permissible tax exemptions, deductions and disallowances. This liability is calculated at the applicable tax rate.

b) Deferred tax

Tax expense charged to profit and loss account is after considering deferred tax impact for the timing difference between accounting income and tax income. Deferred tax assets are recognized when there is a reasonable certainty that they will be realized. Deferred tax asset relating to unabsorbed business losses are recognized when there is a virtual certainty that there will be sufficient taxable profits to utilize them.

4.10 Impairment of assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when the asset is identified as impaired. The impairment loss recognized in prior accounting year is reversed if there has been a change in the estimate.

4.11 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are recognized in the statement of profit and loss on a straight-line basis over the term of the lease

4.12 Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is possible that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

4.13 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential common shares.

5 SHARE CAPITAL

	As at	As at
	March 31, 2016	February 17, 2016
<u>Authorized capital</u>		
Equity share capital		
1,000 common shares of \$ 1 each	-	-
Total		
Issued, subscribed and paid up		
100 common shares of \$ 1 each (INR 68.34)	6,834	6,834
Total	6,834	6,834

5.1 *Reconciliation of the number of shares*

Particulars	March 31, 2016		February 17, 2016	
	Number	Amount	Number	Amount
Common shares of \$ 1 (INR 68.34)				
Shares outstanding at the beginning	100	6,834	100	6,834
Shares issued	-	-	-	-
Shares outstanding at the end	100	6,834	100	6,834

5.2 *Terms/ rights attached to common shares*

The Company has only one class of common shares having a par value of INR. 68.34 per share. Each holder of common shares is entitled to one vote per share. The shareholders are entitled to dividends based on the number

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of shares they hold. In the event of liquidation of the Company, the holders of common shares will be entitled to receive the remaining assets of the Company, post distribution of all preferential amounts. The distribution will be in proportion to the number of the common shares held by shareholders.

5.3 *Shares held by the Holding Company*

Particulars	March 31, 2016	
	Number	Amount
Rane (Madras) International Holdings B.V.		
Common shares of \$ 1 each	100	6,834

5.4 *Disclosure of shareholders holding more than 5% of the equity share capital*

	March 31, 2016		February 17, 2016	
	No of Shares held	% of Holding	No of Shares held	% of Holding
Equity share capital				
Rane (Madras) International Holdings B.V.				
Common shares of \$ 1 each	100	100%	100	100%

6 RESERVES AND SURPLUS

	As at March 31, 2016	As at February 17, 2016
<i>Securities premium reserve</i>	136,665,166	136,665,166
<i>Deficit in statement of profit and loss</i>		
Balance at the beginning of the period	(19,639,766)	(19,639,766)
Loss for the period	(12,702,034)	-
Balance at the end of the period	(32,341,800)	(19,639,766)
<i>Foreign currency translation reserve</i>	3,245,247	-
Total reserves & surplus	101,078,120	(117,025,400)

7 LONG TERM BORROWINGS AND SHORT TERM BORROWINGS

	As at March 31, 2016	As at February 17, 2016
Long term borrowings		
Unsecured loans		
Long-term capital lease obligations, less current installments	45,609,344	47,694,241
Total	45,609,344	47,694,241

Short term borrowings

Secured

Bank overdraft 9,166,098 -

Term loans:

- From banks 109,040,694 116,358,547

Secured

Loans repayable on demand from bank 322,648,877 293,132,906

Total **440,855,669** **409,491,453**

Term loan

The Company, at March 31, 2016 had a term loan of \$ 1,644,408 (INR 109,040,694) borrowed from The Private Bank and Trust Company. This loan is secured against all assets of the Company. The interest rate at the end of the period i.e. on March 31, 2016 was 4.50%.

The Company, at February 17, 2016 had a term loan of \$ 1,702,742 (INR 116,358,547) borrowed from The Private Bank and Trust Company. This loan is secured against all assets of the Company. The interest rate at February 17, 2016 was 4.50%.

Revolving loan

The Company, at March 31, 2016 had a revolving credit facility of \$ 4,865,765 (INR 322,648,877) borrowed from The Private Bank and Trust Company. This loan is secured against accounts receivable of the Company. The interest rate at the end of the period i.e. on March 31, 2016 was 4.50%.

The Company, at February 17, 2016 had a revolving credit facility of \$ 4,289,582 (INR 293,132,906) borrowed from The Private Bank and Trust Company. This loan is secured against accounts receivable of the company. The interest rate at February 17, 2016 was 4.50%.

	As at	
	March 31, 2016	February 17, 2016
Capital lease obligation	74,340,404	80,932,940
Less: Current portion	(28,731,060)	(33,238,699)
Total	45,609,344	47,694,241

8 LONG-TERM PROVISIONS

	As at	
	March 31, 2016	February 17, 2016
Provision towards employee benefits		
- Provision for pension fund (Refer note 29)	162,393,323	166,553,462
Total	162,393,323	166,553,462

9 TRADE PAYABLES

	As at March 31, 2016	As at February 17, 2016
Trade payables	163,581,996	217,200,161
Total	163,581,996	217,200,161

10 OTHER CURRENT LIABILITIES

	As at March 31, 2016	As at February 17, 2016
Advance from customers	45,167,255	26,943,131
Interest accrued but not due	1,378,916	777,805
Others		
- Employee related accruals	46,588,544	55,011,947
- Current portion of capital lease	28,731,062	33,238,768
- Unpaid expenses	3,917,596	8,458,737
- City tax withheld	750,430	-
Total	126,533,803	124,430,388

11 SHORT-TERM PROVISIONS

	As at March 31, 2016	As at February 17, 2016
Provision for income tax (net of advance tax)	267,959	-
Provision for use tax	887,095	641,680
Provision for real estate taxes	3,612,236	2,238,042
Total	4,767,290	2,879,722

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12 TANGIBLE ASSETS*(All amounts are stated in Indian Rupees unless otherwise stated)*

	Gross block			Accumulated depreciation					Net block	
	As at February 17, 2016	Deletions during the period	Translation loss	As at March 31, 2016	As at February 17, 2016	Current period depreciatio n	Deletions during the period	Translation loss	As at March 31, 2016	As at March 31, 2016
Machinery & Equipment	548,252,050	(3,376,908)	(16,194,691)	528,680,452	38,344,692	11,089,512	(50,195)	(1,331,948)	48,052,061	480,628,391
Leasehold Improvements	16,275,845	-	(482,540)	15,793,305	-	174,748	-	(3,088)	171,660	15,621,645
Maintenance Tools	25,024,513	-	(741,917)	24,282,596	1,408,405	3,604,323	-	(105,454)	4,907,274	19,375,322
Molds	8,344,035	(1,518,817)	(220,539)	6,604,679	-	228,953	(42,189)	(3,301)	183,463	6,421,216
Vehicles	512,520	-	(15,166)	497,354	-	14,064	-	(249)	13,815	483,539
Computers	6,350,123	-	(188,266)	6,161,857	-	174,245	-	(3,079)	171,165	5,990,691
Total	604,759,087	(4,895,724)	(17,843,119)	582,020,243	39,753,097	15,285,845	(92,384)	(1,447,119)	53,499,438	528,520,805
Capital work in progress as at March 31, 2016										139,052

Fixed assets are hypothecated against term loan with The Private Bank and Trust Company. (Refer Note 7)

13 INVENTORIES, NET

	As at March 31, 2016	As at February 17, 2016
Raw materials	54,579,628	55,459,907
Work in progress	48,064,804	38,417,104
Finished goods	42,198,424	38,895,181
Less: Provision for inventory obsolescence	(68,760,618)	(66,037,282)
Total	76,082,238	66,734,910

Inventories are hypothecated against term loan with Private Bank and Trust Company. (Refer Note 7.)

14 TRADE RECEIVABLES

	As at March 31, 2016	As at February 17, 2016
Outstanding for a period not exceeding six months from the date they are due for payment		
Unsecured, considered good	408,771,376	322,088,095
Unsecured, considered doubtful	-	-
Less: Provision for bad and doubtful receivables	(8,903,576)	(12,228,760)
Total	399,867,800	309,859,335

Trade receivables are hypothecated against term loan as well as revolving loan with Private Bank and Trust Company. (Refer Note 7).

15 CASH AND BANK BALANCES

	As at March 31, 2016	As at February 17, 2016
Cash and cash equivalents		
Cash on hand	14,257	-
Balances with bank	26,458	136,913,727
Total	40,714	136,913,727

16 SHORT TERM LOANS AND ADVANCES

	As at March 31, 2016	As at February 17, 2016
Prepaid expenses	1,280,048	1,621,995
Total	1,280,048	1,621,995

17 OTHER CURRENT ASSETS

	As at March 31, 2016	As at February 17, 2016
Receivable for tooling	38,890,881	5,140,576
Others	4,841	5,127
Total	38,895,722	5,145,703

18 REVENUE FROM OPERATIONS

	For the period February 17, 2016 to March 31, 2016
Revenue from operations	
Sale of products/services (net of discount)	287,116,656
Revenue from operations, net	287,116,656

19 OTHER INCOME

	For the period February 17, 2016 to March 31, 2016
Miscellaneous income	4,534,984
Total	4,534,984

20 COST OF MATERIALS CONSUMED

	For the period February 17, 2016 to March 31, 2016
Inventory at the beginning of the period	14,594,134
Add: Purchases	193,869,532
	208,463,666
Less: Inventory at the end of the period	(55,561,559)
Cost of raw materials and components consumed	152,902,107

21 INCREASE IN WORK-IN-PROGRESS

	For the period February 17, 2016 to March 31, 2016
Inventory at the beginning of the period	37,948,791
Less: Inventory at the end of the period	(48,929,530)
Increase in work in progress	(10,980,739)

22 INCREASE IN FINISHED GOODS

	For the period February 17, 2016 to March 31, 2016
Inventory at the beginning of the period	38,421,040
Less: Inventory at the end of the period	(42,957,598)
Increase in finished goods	(4,536,558)

23 EMPLOYEE BENEFIT EXPENSES

	For the period February 17, 2016 to March 31, 2016
Salaries, wages and bonus	92,246,722
Contribution to pension and other funds	3,697,745
Staff welfare	4,233,584
Total	100,178,051

24 FINANCE COST

	For the period February 17, 2016 to March 31, 2016
Interest expense	2,469,664
Total	2,469,664

25 OTHER EXPENSES

	For the period February 17, 2016 to March 31, 2016
Bad debts	1,012,545
Commission	496,147
Freight	900,355
Insurance	1,474,670
Legal & professional fees	11,287,239
Miscellaneous expenses	3,074,692
Loss on sales of fixed assets	4,803,309
Office supplies	364,449
Payroll processing charges	332,520
Power and fuel	12,528,079
Rates and taxes	1,483,310
Rent	1,097,598
Repairs and maintenance	
- Building	4,259,707

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- Plant and Machinery	1,691,759
- Others	537,932
Telephone	881,926
Travelling and conveyance	1,245,563
Bank charges	1,290,724
Total	48,762,524

26 CURRENT TAX

	For the period February 17, 2016 to March 31, 2016
State tax	272,780
Total	272,780

27 RELATED PARTY DISCLOSURE

The related parties of the Company include –

1. Rane (Madras) International Holdings B.V. (Holding Company)
2. Rane (Madras) Limited (Ultimate Holding Company)

There were no related party transactions during the period.

28 CAPITAL LEASE

There were no assets purchased on capital lease during the period February 17, 2016 to March 31, 2016.

Minimum future lease payment under capital lease as at March 31, 2016 is as follows:

Year ending	Total
Less than 1 year	31,119,747
More than 1 year but less than 5 years.	48,154,121
Net minimum lease payments	79,273,868
Less: Amount representing interest	(4,933,464)
Total	74,340,404

29 DEFINED BENEFIT PLANS (Retirement benefit plan)

The following table set out the status of the pension plan as required under Accounting Standard 15 on “Employee benefits”. Reconciliation of opening and closing balances of the present value of the defined benefit obligation and plan assets.

A. Change in the present value of obligation

	For the period February 17, 2016 to March 31, 2016
Present value of obligation as at the beginning of the period	384,104,565
Interest cost	1,591,578

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Current service cost	1,270,317
Benefits paid	(928,952)
Changes due to change in assumption	(12,505,195)
Translation gain	(11,200,946)
Present value of obligation as at the end of the period	<u>362,331,367</u>

B. Changes in the fair value of plan assets

	For the period February 17, 2016 to March 31, 2016
	<u>205,733,608</u>
Present value of plan assets as at the beginning of the period	205,733,608
Actual return on plan assets	(387,020)
Contributions	1,623,364
Benefits paid	(928,952)
Translation loss	(6,104,945)
Fair value of plan assets as at the end of the period	<u>199,936,055</u>

C. Reconciliation of present value of defined benefit obligation and the fair value of assets

	For the period February 17, 2016 to March 31, 2016
	<u>(362,329,378)</u>
Present value of funded obligation as at the end of the period	(362,329,378)
Fair value of plan assets as at the end of the period	199,936,055
Funded status	<u>(162,393,323)</u>

D. Amount recognized in the balance sheet

	For the period February 17, 2016 to March 31, 2016
	<u>(362,329,378)</u>
Present value of funded obligation as at the end of the period	(362,329,378)
Fair value of plan assets as at the end of the period	199,936,055
Liability recognized in balance sheet at the end of the period	<u>(162,393,323)</u>

E. Expenses recognized in statement of profit and loss

	For the period February 17, 2016 to March 31, 2016
	<u>1,270,317</u>
Current service cost	1,270,317
Interest cost	1,591,578
Expected return on plan assets	(1,618,322)
Net actuarial loss recognized in the period	985,979
Total expenses recognized in the statement of profit and loss	<u>2,229,552</u>

F. Actual return on plan assets

**For the period
February 17, 2016 to**

	March 31, 2016
Expected return on plan assets	1,618,322
Actuarial gain on plan assets	387,020
Actual return on plan assets	2,005,342

G. Principal actuarial assumptions used

	For the period February 17, 2016 to March 31, 2016
Closing discount rate (per annum)	3.85%
Expected rate of return on plan assets (per annum)	7%
Consumer price index	3%

30 SEGMENT REPORTING

The Company's operations relate to sale of die castings in the North American market and accordingly, primary segment reporting disclosures for business segments, as envisaged in Accounting Standard 17 on "Segment Reporting" issued by The Institute of Chartered Accountants of India, is not applicable.

The Company's operations relating to secondary segment reporting have been confined to sales in the North American market, which is also considered to be a single segment.

31 EARNINGS PER SHARE

	For the period February 17, 2016 to March 31, 2016
Particulars	
Net loss after tax	(12,702,034)
Weighted average number of equity shares	100
Basic and diluted earnings per share	(127,020)

32 SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 16, 2016, which is the date the financial statements were available to be issued.