EICHER POLARIS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

(Amount in Rs.)

Particulars	**Note No.**	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
1) ASSETS				
Non-current assets				
(a) Property, plant and equipment	5	**2,576,098,946**	2,635,566,136	35,362,666
(b) Capital work-in-progress	6	**3,086,751**	44,639,814	1,422,333,903
(c) Intangible assets	7	**568,173,185**	573,780,081	13,912,992
(d) Intangible assets under development	8	**2,691,690**	47,652,118	466,299,015
(e) Financial assets				
(i) Other financial assets	9	**153,035,405**	120,722,984	5,422,740
(f) Income tax assets (net)	10	**2,259,160**	2,412,333	-
(g) Other non-current assets	11	**281,381,578**	269,741,610	509,114,556
		3,586,726,715	3,694,515,076	2,452,445,872
Current assets				
(a) Inventories	12	**139,123,661**	224,028,926	-
(b) Financial assets				
(i) Trade receivables	13	**5,875,438**	884,185	-
(ii) Cash and cash equivalents	14	**322,585,570**	358,182,824	337,802,457
(iii) Other bank balances	15	**-**	30,752,700	-
(iv) Other financial assets	9	**5,498,119**	1,146,681	1,317,125
(c) Other current assets	11	**14,600,352**	14,881,467	9,156,172
Total current assets		**487,683,140**	629,876,783	348,275,754
Total assets		**4,074,409,855**	4,324,391,859	2,800,721,626
2) EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	16	**5,338,000,000**	4,426,000,000	2,110,000,000
(b) Other equity	17	**(1,616,444,346)**	(560,075,551)	390,143,733
Total equity		**3,721,555,654**	3,865,924,449	2,500,143,733
Non-current liabilities				
(a) Provisions	18	**16,565,403**	12,247,711	4,380,605
(b) Other non-current liabilities	18a	**95,417,310**	95,417,310	37,578,197
Total non-current liabilities		**111,982,713**	107,665,021	41,958,802
Current liabilities				
(a) Financial liabilities				
(i) Trade payables	19	**146,907,277**	215,814,297	71,338,372
(ii) Other financial liabilities	20	**52,969,695**	89,943,015	175,051,046
(b) Provisions	18	**1,838,759**	1,660,343	157,988
(c) Income tax liabilities (net)	10	**-**	-	169,260
(d) Other current liabilities	21	**39,155,757**	43,384,734	11,902,425
Total current liabilities		**240,871,488**	350,802,389	258,619,091
Total liabilities		**352,854,201**	458,467,410	300,577,893
		4,074,409,855	4,324,391,859	2,800,721,626
	1 to 47			

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of Board of Directors

Jaideep Bhargava
Partner

Siddhartha Lal
Director

Lalit Malik
Director

Pankaj Dubey
Director

Amit Ganguly
Chief Financial Officer

Atul Sharma
Company secretary

Place: Gurugram
Date:

Place: Gurugram
Date:

EICHER POLARIS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Amount in Rs.)

Particulars	Note No.	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Income			
Revenue from operations	22	**426,547,879**	211,989,194
Other income	23	**30,263,948**	32,057,251
Total Income		**456,811,827**	244,046,445
Expenses			
Cost of raw materials consumed	24	**285,567,740**	254,249,413
Purchases of stock-in-trade	25	**498,407**	2,351,109
Change in inventories of finished goods, work-in-progress and stock-in-trade	26	**66,910,900**	(89,621,996)
Excise duty on sale of goods		**53,416,429**	25,767,980
Employee benefits expenses	27	**346,942,468**	257,203,954
Finance costs	28	**3,400**	35,054
Depreciation and amortisation expenses	29	**304,705,909**	230,016,874
Other expenses	30	**318,698,179**	372,745,658
Total expenses		**1,376,743,432**	1,052,748,046
Profit/(loss) before tax		**(919,931,605)**	(808,701,601)
Tax expense			
Current tax	31	-	1,924,734
Deferred tax charge	31	-	-
Total tax expense		-	1,924,734
Profit/(loss) for the year/period		**(919,931,605)**	(810,626,335)
Other comprehensive income			
Items that will not be reclassified to profit or loss:-			
Re-measurement gains/ (losses) on defined benefit plans		**1,562,810**	407,051
Income tax effect		**-**	-
Net other comprehensive income not to be reclassified to profit or loss		**1,562,810**	407,051
Total Comprehensive income for the year/period, net of tax		**(918,368,795)**	(810,219,284)
Earnings per share (of Rs. 10 each) (not annualised) in Rs.			
(a) Basic	**40**	**(1.81)**	(2.32)
(b) Diluted	**40**	**(1.81)**	(2.32)
See accompanying notes forming part of the financial statements	**1 to 47**		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Jaideep Bhargava
Partner

Place: Gurugram
Date:

For and on behalf of Board of Directors

Siddhartha Lal
Chairman

Lalit Malik
Director

Pankaj Dubey
Director

Amit Ganguly
Head Finance

Place: Gurugram
Date:

Atul Sharma
Company secretary

EICHER POLARIS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Amount in Rs.)

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) after tax	**(919,931,605)**	(810,626,335)
Adjustments for:		
Provision for current tax	-	1,924,734
Depreciation and amortisation expenses	**304,705,909**	230,016,874
Property, plant and equipment discarded	**7,458,550**	7,830,118
Loss on sale of property, plant and equipment	-	571,690
Development expenses (tools written off)	-	29,015,347
Interest income recognised in profit or loss	**(21,930,366)**	(29,302,303)
Finance costs recognised in profit or loss	**3,400**	35,054
Remeasurement gain/(losses) on defined benefit plan	**1,562,810**	407,051
Operating profit before changes in working capital	**(628,131,302)**	(570,127,770)
Changes in working capital:		
(Increase)/decrease in trade and other receivables	**(4,991,253)**	(884,185)
(Increase)/decrease in inventories	**84,905,265**	(224,028,926)
(Increase)/decrease in other assets	**(23,725,912)**	(149,809,491)
Increase/(decrease)in trade & other payables	**(39,891,673)**	115,460,578
Increase/(decrease)in provisions	**4,496,108**	9,369,461
Increase/(decrease) in other liability	**(8,367,647)**	32,141,978
Cash used in operating activities	**(615,706,414)**	(787,878,355)
Income taxes (paid)/refund (net)	**153,173**	(4,470,903)
A. Net cash (used) in operating activities	**(615,553,241)**	(792,349,258)
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of plant, property and equipment including capital advances	**(211,328,123)**	(1,258,157,784)
Sale of plant, property and equipment	**2,870,103**	3,490,705
Fixed deposit with banks as margin money	**(7,487,205)**	(138,005,565)
Interest on fixed deposit and others	**21,904,612**	29,437,323
Net cash (used in)/generated from investing activities	**(194,040,613)**	(1,363,235,321)
C.CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	**552,000,000**	1,816,000,000
Proceeds from share application money pending allotment	**222,000,000**	360,000,000
Finance cost	**(3,400)**	(35,054)
Net cash generated by financing activities	**773,996,600**	2,175,964,946
Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	**(35,597,254)**	20,380,367
Cash and cash equivalents at the beginning of the year/period	**358,182,824**	337,802,457
Cash and cash equivalents at the end of the year/period	**322,585,570**	358,182,824
Cash and cash equivalents		
In current accounts	**20,585,570**	58,182,824
In deposit accounts	**302,000,000**	300,000,000
Total cash and cash equivalents (Refer Note No. 14)	**322,585,570**	358,182,824

See accompanying notes forming part of the financial statements **1 to 47**

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Jaideep Bhargava
Partner

For and on behalf of Board of Directors

Siddhartha Lal
Director

Lalit Malik
Director

Pankaj Dubey
Director

Amit Ganguly
Head Finance

Place: Gurugram
Date:

Place: Gurugram
Date:

Atul Sharma
Company secretary

EICHER POLARIS PRIVATE LIMITED
Notes forming part of the financial statements

Statement of changes in equity for the year ended March 31, 2017

A. Equity share capital

	Number of Shares	Amount (Rs.)
Balance at January 1, 2015	**211,000,000**	2,110,000,000
Issue of equity shares during the period	**231,600,000**	2,316,000,000
Balance at March 31, 2016	**442,600,000**	4,426,000,000
Issue of equity shares during the year	**91,200,000**	912,000,000
Balance at March 31, 2017	**533,800,000**	5,338,000,000

B. Other equity **(Amount in Rs.)**

Particulars	Share Application money pending allotment	Retained earnings	Total
Balance at January 1, 2015	**500,000,000**	(109,856,267)	390,143,733
Profit/(loss) for the period	-	(810,626,335)	(810,626,335)
Other comprehensive income for the period, net of tax	-	407,051	407,051
Add: Share Application money received during the period	**2,176,000,000**	-	2,176,000,000
Less: Issue of equity shares during the period	**2,316,000,000**	-	2,316,000,000
Balance at March 31, 2016	**360,000,000**	(920,075,551)	(560,075,551)
Profit/(loss) for the year	**-**	**(919,931,605)**	**(919,931,605)**
Other comprehensive income for the year, net of tax	**-**	**1,562,810**	**1,562,810**
Add: Share Application money received during the year	**774,000,000**	-	**774,000,000**
Less: Issue of equity shares during the year	**(912,000,000)**	-	**(912,000,000)**
Balance as at March 31, 2017	**222,000,000**	**(1,838,444,346)**	**(1,616,444,346)**

See accompanying notes forming part of the financial statements **1 to 47**

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Jaideep Bhargava
Partner

For and on behalf of Board of Directors

Siddhartha Lal
Director

Lalit Malik
Director

Pankaj Dubey
Director

Amit Ganguly
Chief Financial Officer

Place: Gurugram
Date:

Place: Gurugram
Date:

Atul Sharma
Company secretary

1. Corporate Information

Eicher Polaris Private Limited is a joint venture company with 50:50 partnership between Eicher Motors Limited and US based Polaris Industries Inc. The joint venture company is engaged in designing, developing, manufacturing and selling a full new range of personal vehicles suitable for India and other emerging markets. The Company has its registered office at New Delhi, India and its corporate office at Gurugram, Haryana, India.

The financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorize for issue on May 4, 2017.

2. Basis of preparation and presentation

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are Company's first Ind AS financial statements. The date of transition to Ind AS is January 1, 2015.

2.2 Accounting convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Operating Cycle

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

3. Significant Accounting Policies

3.1 Revenue Recognition`

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the goods are dispatched and titles have passed, at which time all the following conditions are satisfied:

• the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
• the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
• the amount of revenue can be measured reliably;
• it is probable that the economic benefits associated with the transaction will flow to the Company; and
• the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.2 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.3 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

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

3.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.5 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

3.6 Employee benefits

<u>Retirement benefit</u>

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

• service cost (including current service cost, past service cost, as well as gains and losses or curtailments and settlements);

• net interest expense or income; and

• re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

<u>Short-term and other long-term employee benefits</u>

A liability is recognised for benefits accruing to employees in respect of wages and salaries, in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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

3.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

<u>Current tax</u>

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

<u>Deferred tax</u>

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

<u>Current and deferred tax for the year</u>

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.8 Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as-other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act except in respect of vehicles depreciated over the useful life of 3-5 years, wherein, the life of the said assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Asset costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.9 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

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

• the technical feasibility of completing the intangible asset So that it will be available for use or sale

• the intention to complete the intangible asset and use or sell it;

• the ability to use or sell the intangible asset;

• how the intangible asset will generate probable future economic benefits;

• the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

• the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

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

<u>Derecognition of intangible assets</u>

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

<u>Useful lives of intangible assets</u>

Intangible assets comprising of product design, prototypes, etc., either acquired or internally developed are amortised over a period of 10 years, the estimated minimum useful life of the related products. Cost of software is amortised over a period of 5 years or less depending on the estimated useful life of asset.

3.10 Impairment of tangible (property, plant and equipment) and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash- generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving weighted average. Finished goods and work-in-progress include appropriate proportion of overheads and where applicable, excise duty. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

3.13 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.14 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increase significantly since initial recognition.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

3.15 Financial liabilities and equity instruments

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired.

3.16 Cash flow statement

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

3.17 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

3.18 Recent accounting pronouncements

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'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Company 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 Company is evaluating the requirements of the amendment and the effect on financial statements is being evaluated.

3.19 First-time adoption - mandatory exceptions, optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of January 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:-

Recoverability of intangible asset

Capitalisation of cost in intangible assets and intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on evaluations carried out, the Company's management has determined that there are no factors which indicates that these assets have suffered any impairment loss.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2017 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

5. Property, plant and equipment

(Amount in Rs.)

	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
At cost						
Gross block						
At January 1, 2015	-	1,872,428	2,481,733	15,167,910	21,871,740	**41,393,811**
Additions	580,782,769	2,093,043,396	18,062,323	46,495,082	61,241,870	**2,799,625,440**
Disposals	-	-	521,390	-	13,093,489	**13,614,879**
At March 31, 2016	**580,782,769**	**2,094,915,824**	**20,022,666**	**61,662,992**	**70,020,121**	**2,827,404,372**
Additions	22,371,868	138,322,543	8,627,229	11,500,015	14,533,830	**195,355,485**
Disposals	-	31,730,305	3,137,897	210,000	12,152,998	**47,231,200**
At March 31, 2017	**603,154,637**	**2,201,508,062**	**25,511,998**	**72,953,007**	**72,400,953**	**2,975,528,657**
Accumulated depreciation						
At January 1, 2015	-	132,929	110,957	2,137,566	3,649,693	**6,031,145**
Charge for the period #	18,090,564	142,717,899	2,910,267	15,186,336	8,624,391	**187,529,457**
Adjustments	-	-	113,279	-	1,609,087	**1,722,366**
At March 31, 2016	**18,090,564**	**142,850,828**	**2,907,945**	**17,323,902**	**10,664,997**	**191,838,236**
Charge for the year	37,067,480	137,264,538	3,599,518	17,286,463	20,260,676	**215,478,675**
Adjustments	-	2,533,169	992,579	170,365	4,191,087	**7,887,200**
At March 31, 2017	**55,158,044**	**277,582,197**	**5,514,884**	**34,440,000**	**26,734,586**	**399,429,711**
Carrying amount						
At January 1, 2015	-	1,739,499	2,370,776	13,030,344	18,222,047	35,362,666
At March 31, 2016	562,692,205	1,952,064,996	17,114,721	44,339,090	59,355,124	2,635,566,136
At March 31, 2017	**547,996,593**	**1,923,925,865**	**19,997,114**	**38,513,007**	**45,666,367**	**2,576,098,946**

 # Including Rs. 13,447,045 in the previous year transferred to pre-operative expenditure (pending allocation)

6. Capital work-in-progress

(Amount in Rs.)

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Capital work-in-progress *	**3,086,751**	44,639,814	1,422,333,903
	3,086,751	44,639,814	1,422,333,903

*** Including pre-operative expenditure pending allocation amounting to Rs.2,186,606 (March 31, 2016 Rs.8,549,123) (January 1,2015, Rs. 332,384,198) (Refer Note 8A)**

7. Intangible assets

(Amount in Rs.)

	Product designs, prototypes etc.	Computer softwares	Total
Cost			
Gross block			
At January 1, 2015	-	20,189,007	**20,189,007**
Additions	548,671,416	67,130,135	**615,801,551**
Disposals	-	-	**-**
At March 31, 2016	548,671,416	87,319,142	**635,990,558**
Additions	68,905,724	14,714,614	**83,620,338**
Disposals	-	-	**-**
At March 31, 2017	**617,577,140**	**102,033,756**	**719,610,896**
Accumulated amortisation			
At January 1, 2015	-	6,276,015	6,276,015
Amortisation expense for the period	34,929,082	21,005,380	55,934,462
Adjustments	-	-	-
At March 31,2016	34,929,082	27,281,395	62,210,477
Amortisation expense for the year	58,639,478	30,587,756	89,227,234
Adjustments	-	-	-
At March 31,2017	**93,568,560**	**57,869,151**	**151,437,711**
Carrying amount			
At January 1, 2015	-	13,912,992	**13,912,992**
At March 31, 2016	513,742,334	60,037,747	**573,780,081**
At March 31, 2017	**524,008,580**	**44,164,605**	**568,173,185**

8. Intangible assets under development

(Amount in Rs.)

	As at March 31, 2017	**As at March 31, 2016**	**As at January 1, 2015**
Intangible assets under development	**2,691,690**	47,652,118	466,299,015
	2,691,690	47,652,118	466,299,015

8A. Pre-operative expenditure (pending allocation)

(Amount in Rs.)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at January 1, 2015
Cost of raw materials and components consumed	-	75,168,862	-
Payment to and provision for employees			
Salaries, wages, bonus etc.	2,659,031	97,703,293	109,352,064
Contribution to provident fund	-	3,581,656	3,555,457
Staff Welfare expenses	1,094	6,526,640	1,622,440
Stores and spares including tools consumed	-	4,394,283	-
Power and fuel	-	10,493,668	5,571,928
Repairs and maintenance			
Buildings		-	851,268
Plant and equipment	-	387,962	790,152
Others	-	5,610,491	5,149,168
Insurance	-	308,283	785,461
Communication expenses	-	4,911,699	2,899,626
Travelling and other incidental expenses	36,290	14,551,908	20,015,763
Staff recruitment and training expenses	-	13,095,759	8,548,222
Freight and forwarding expenses (Net)	-	631,003	3,293,087
Printing and stationery	-	372,747	1,710,790
Rent	-	22,511,893	32,829,480
Legal and professional charges	-	2,575,464	1,456,444
Depreciation and amortisation expense	-	13,447,045	9,890,200
Development and testing expenses	9,311,986	11,237,702	30,914,368
Miscellaneous Expenses	-	3,731,432	100,023
	12,008,401	291,241,790	239,335,941
Add/(Less):			
Sales of vehicles and spares during pre-operative period(Gross)	-	27,449,592	-
Less: Excise duty on sales	-	3,286,442	-
	-	(24,163,150)	-
Closing stock of finished goods, work in progress, and stock in trade produced/purchased during the pre-operative period	-	(42,763,942)	-
	-	(66,927,092)	-
Net expenses for the year/period	12,008,401	224,314,698	239,335,941
Add: Balance brought forward from previous period/year	8,549,123	332,384,198	93,048,257
Total	**20,557,524**	556,698,896	332,384,198
Less: Capitalised during the year/period	18,375,918	548,149,773	-
	2,181,606	8,549,123	332,384,198

9. Other financial assets

(Amount in Rs.)

Particulars		As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Non-current				
Security deposit to related party		**3,964,740**	3,964,740	3,964,740
Unsecured, considered good				
Security deposit- others		**3,292,859**	9,505,379	1,458,000
Balance with bank- in deposit account #		**145,492,770**	107,252,865	-
Interest accrued on fixed deposits		**285,036**	-	-
	Total	**153,035,405**	120,722,984	5,422,740
Current				
Unsecured, considered good				
Security deposits		**4,610,720**	-	-
Interest accrued on fixed deposits		**887,399**	1,146,681	1,317,125
	Total	**5,498,119**	1,146,681	1,317,125

Pledged with bank against bank guarantee issued to Customs.
Note:-These financial assets are carried at amortised cost.

10. Income tax assets/(liability) (net)

(Amount in Rs.)

Particulars		As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Tax assets				
Advance income tax		**10,424,431**	10,577,604	4,000,372
	Total	**10,424,431**	10,577,604	4,000,372
Tax liabilities				
Provision for Income tax		**8,165,271**	8,165,271	4,169,632
	Total	**8,165,271**	8,165,271	4,169,632
		2,259,160	2,412,333	(169,260)

11. Other assets

(Amount in Rs.)

Particulars		As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Non-current				
Unsecured, considered good				
Advance to related party		**57,000**	-	2,403,900
Capital advances		**3,926,760**	17,952,619	390,958,482
Balance with government authorities		**277,397,818**	251,788,991	115,752,174
	Total	**281,381,578**	269,741,610	509,114,556
Current				
Unsecured, considered good				
Advance to suppliers		**8,077,664**	9,569,219	2,881,171
Advance to employees		**556,211**	3,155,894	5,257,698
Prepaid expenses		**5,966,477**	2,156,354	1,017,303
	Total	**14,600,352**	14,881,467	9,156,172

12. Inventories

(At lower of cost and net realisable value)

(Amount in Rs.)

Particulars		As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Raw materials		**64,473,705**	76,863,479	-
Work in progress		**8,828,142**	8,609,332	-
Finished goods		**56,189,861**	122,386,541	-
Stock-in-trade		**457,035**	1,390,065	-
Stores and spares		**9,174,918**	14,779,509	-
	Total	**139,123,661**	224,028,926	-

-The cost of inventories recognised as an expense during the year in respect of continuing operations is Rs. 364,437,186 (for period January 1, 2015 to March 31, 2016: Rs. 219,302,560)

-The cost of inventories recognised as an expense includes Rs. 8,861,585 (during January 1, 2015 to March 31, 2016 Rs. 8,017,753) in respect of write-downs of inventory to net realisable value, and has been reduced by Rs. 487,847(during January 1, 2015 to March 31, 2016 Rs. Nil) is respect of the reversal of such write-downs.

-Inventories of current year as well as previous periods are expected to be recovered within twelve months.

-The mode of valuation of inventories has been stated in note 3.11

13. Trade receivables

(Amount in Rs.)

Particulars		As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Current				
Unsecured - considered good		**5,875,438**	884,185	-
	Total	**5,875,438**	884,185	-
Age of receivables				
Within the credit period		-	-	-
Up to 6 months		**5,875,438**	884,185	-
More than 6 months		**-**	-	-
	Total	**5,875,438**	884,185	**-**

14. Cash and cash equivalents

(Amount in Rs.)

Particulars		As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Balances with banks:				
In current accounts		**20,585,570**	58,182,824	27,802,457
In deposit accounts		**302,000,000**	300,000,000	310,000,000
Cash and cash equivalents as per balance sheet	**Total**	**322,585,570**	358,182,824	337,802,457
Cash and cash equivalents as per statement of cash flows		**322,585,570**	358,182,824	337,802,457

15. Other bank balances

(Amount in Rs.)

Particulars		As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Balance with bank- in deposit account*		**-**	30,752,700	-
	Total	**-**	30,752,700	-

* Pledged with bank against Letter of Credit.

16. Share capital

(Amount in Rs.)

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Authorised			
60,00,00,000 (March 31, 2016 60,00,00,000; January 1, 2015 30,00,00,000) Equity shares of Rs. 10 each.	**6,000,000,000**	6,000,000,000	3,000,000,000
Total	**6,000,000,000**	6,000,000,000	3,000,000,000
Issued, subscribed and fully paid up			
533,800,000 (March 31, 2016 442,600,000; January 1, 2015 211,000,000) Equity shares of Rs. 10 each.	**5,338,000,000**	4,426,000,000	2,110,000,000
Total	**5,338,000,000**	4,426,000,000	2,110,000,000

(Refer (i) and (ii) below)

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Nos.	**Rs.**	Nos.	Rs.
At the beginning of the year/period	**442,600,000**	**4,426,000,000**	211,000,000	2,110,000,000
Issued during the year/period #	**91,200,000**	**912,000,000**	231,600,000	2,316,000,000
Outstanding at the end of the year/period	**533,800,000**	**5,338,000,000**	442,600,000	4,426,000,000

Issued in equal proportion to Eicher Motors Limited and Polaris Inc.

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Nos.	**% holding in the class**	Nos.	% holding in the class
Eicher Motors Limited	**266,900,000**	**50%**	221,300,000	50%
Polaris Industries Inc., USA	**266,900,000**	**50%**	221,300,000	50%
Total	**533,800,000**	**100%**	442,600,000	100%

Particulars	As at January 1, 2015	
	Nos.	% holding in the class
Eicher Motors Limited	105,500,000	50%
Polaris Industries Inc., USA	105,500,000	50%
Total	211,000,000	100%

17. Other equity

(Amount in Rs.)

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Retained earnings	**(1,838,444,346)**	(920,075,551)	(109,856,267)
Share Application money pending allotment	**222,000,000**	360,000,000	500,000,000
	(1,616,444,346)	(560,075,551)	390,143,733

(Amount in Rs.)

	Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
A.	**Retained earnings**		
	Opening balance	**(920,075,551)**	(109,856,267)
	Profit/(loss) for the year/period	**(919,931,605)**	(810,626,335)
	Other comprehensive income arising from remeasurement of defined benefit obligation	**1,562,810**	407,051
	Balance at end of year/period	**(1,838,444,346)**	(920,075,551)
B.	**Share application money pending allotment**		
	Opening balance	**360,000,000**	500,000,000
	Add: Share application money received during the year/period	**774,000,000**	2,176,000,000
	Less: Issue of equity shares during the year/period	**912,000,000**	2,316,000,000
	Balance at end of year/period	**222,000,000**	360,000,000

Note:-
The Company has sufficient authorised equity share capital to cover the share capital amount on allotment of shares out of share application money as at March 31, 2017, March 31, 2016 and January 1, 2015 to Eicher Motors Limited and Polaris Inc. USA in proportion of 50:50.
There is no amount due for refund as at March 31, 2017, March 31, 2016 and January 1, 2015.
No shares are pending for allotment beyond the maximum period of allotment as at March 31, 2017, March 31, 2016 and January 1, 2015.

18. Provisions

(Amount in Rs.)

Particulars		As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Non-current				
Employee benefits (i)				
Gratuity		**7,466,432**	5,283,610	1,866,648
Compensated absences (including leave encashment)		**9,098,971**	6,964,101	2,513,957
	Total	**16,565,403**	12,247,711	4,380,605
Current				
Employee benefits (i)				
Gratuity		**20,621**	14,729	4,695
Compensated absences (including leave encashment)		**457,473**	375,617	153,293
	Sub-total (A)	**478,094**	390,346	157,988
Warranties (Refer note ii below)		**1,360,665**	1,269,997	-
	Sub-total (B)	**1,360,665**	1,269,997	-
	Total (A+B)	**1,838,759**	1,660,343	157,988

(i) The provision for employee benefits includes gratuity, earned leave and sick leave. The increase in the carrying amount of the provision for the current year results from increase in the number of employees, salary cost, etc. For other disclosures, refer Note 34

(ii) Movement in warranty provision (Amount in Rs.)

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Opening balance	**1,269,997**	-
Additions during the year/period	**5,001,229**	2,200,108
Amount utilised during the year/period	**4,910,561**	930,111
Closing balance	**1,360,665**	1,269,997

The provision for warranty claims represents the present value of the Management best estimate of the future economic benefits that will be required under the Company's obligations for warranties. The estimates has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

18 a. Other non-current liabilities

(Amount in Rs.)

Particulars		As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Non-current				
Income accrued but not due related to government grant		**95,417,310**	95,417,310	37,578,197
	Total	**95,417,310**	95,417,310	37,578,197

The Company has availed the benefit (saving of custom duty) under Export Promotion Capital Goods (EPCG) scheme. This benefit has been treated as a Government grant and shall be credited to the statement of profit and loss on a pro-rata basis as and when the export obligation is fulfilled.

19. Trade payables

(Amount in Rs.)

Particulars		As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Trade payables*		**146,907,277**	215,814,297	71,338,372
	Total	**146,907,277**	215,814,297	71,338,372

* Refer note 33

20. Other financial liabilities

(Amount in Rs.)

Particulars		As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Current				
Employee dues		**20,837,514**	24,976,184	24,316,515
Capital creditors		**32,132,181**	64,966,831	150,734,531
	Total	**52,969,695**	89,943,015	175,051,046

21. Other liabilities

(Amount in Rs.)

Particulars		As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Current				
Advance from customers		**23,555,677**	12,264,657	1,001,412
Statutory remittances (contributions to PF and ESIC, withholding taxes, excise duty, VAT, etc.)		**15,600,080**	31,120,077	10,901,013
	Total	**39,155,757**	43,384,734	11,902,425

22. Revenue from operations

(Amount in Rs.)

Particulars		For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Revenue from operations			
Sale of products			
Manufactured goods (Including excise duty)		**422,502,853**	209,718,067
Stock-in-trade		**2,097,021**	1,283,016
	Sub-total (A)	**424,599,874**	211,001,083
Other operating revenue			
Sale of scrap		**1,948,005**	988,111
	Sub-total (B)	**1,948,005**	988,111
Revenue from operations (net)	**Total (A+B)**	**426,547,879**	211,989,194

(Amount in Rs.)

Particulars		For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Details of products sold			
Manufactured goods			
Vehicles		**400,407,908**	196,189,059
Spare parts and other components		**22,094,945**	13,529,008
	Total	**422,502,853**	209,718,067
Stock-in-trade			
Spare parts and other allied products		**2,097,021**	1,283,016
	Total	**2,097,021**	1,283,016

23. Other income

(Amount in Rs.)

Particulars		For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Interest income on financial assets that are carried at amortized cost			
Bank deposits (at amortised cost)		**21,616,409**	29,266,879
Other interest		**313,957**	35,424
Sales tax incentive		**2,920,866**	-
Gain on foreign currency transaction and translations (net)		**387,716**	2,754,948
DMS software recovery		**5,025,000**	-
	Total	**30,263,948**	32,057,251

24. Cost of raw materials and components consumed

(Amount in Rs.)

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Inventory at the beginning of the year/period	**76,863,479**	-
Add: Purchases	**280,438,349**	344,103,382
	357,301,828	344,103,382
Less: Inventory at the end of the year/period	**64,473,705**	76,863,479
Less: Material cost of vehicles capitalised	**7,260,383**	12,990,490
Net consumption	**285,567,740**	254,249,413

25. Purchases of stock-in-trade

(Amount in Rs.)

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Spare parts and other components	**498,407**	2,351,109
Total	**498,407**	2,351,109

26. Change in inventories of finished goods, work-in-progress and stock-in-trade

(Amount in Rs.)

Particulars		For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Inventories at the end of the year/period			
Finished goods		**56,189,861**	122,386,541
Work-in-progress		**8,828,142**	8,609,332
Stock-in-trade		**457,035**	1,390,065
	A	**65,475,038**	132,385,938
Inventories at the beginning of the year / commencement of commercial production (in previous period)			
Finished goods		**122,386,541**	34,233,026
Work-in-progress		**8,609,332**	8,530,916
Stock-in-trade		**1,390,065**	-
	B	**132,385,938**	42,763,942
	Net change (B-A)	**66,910,900**	(89,621,996)

27. Employee benefits expenses

(Amount in Rs.)

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Salaries and wages	**320,230,554**	235,815,720
Contribution to provident and other funds	**12,859,942**	8,087,800
Staff welfare expenses	**13,851,972**	13,300,434
Total	**346,942,468**	257,203,954

28. Finance costs

(Amount in Rs.)

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Interest expense- on income tax	**3,400**	35,054
Total	**3,400**	35,054

29. Depreciation and amortisation expenses

(Amount in Rs.)

Particulars		For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Depreciation on property, plant and equipment*		**215,478,675**	174,082,412
Amortisation of intangible assets		**89,227,234**	55,934,462
	Total	**304,705,909**	230,016,874

*** Excludes Rs. Nil (previous period Rs. 13,447,045) transferred to pre-operative expenditure pending allocation.**

30. Other expenses

(Amount in Rs.)

Particulars		For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
Consumption of Stores and machinery spares (including loose tools)		**11,460,139**	21,872,354
(Increase)/decrease of excise duty on finished goods		**(7,369,717)**	15,617,494
Loss on sale of plant and equipment		**-**	571,690
Plant and equipment discarded		**7,458,550**	7,830,118
Power and fuel		**23,345,920**	17,853,058
Insurance		**1,219,661**	2,151,079
Repairs and maintenance			
Buildings		**1,425,255**	54,295
Plant and equipment		**3,467,233**	2,001,600
Others		**20,586,539**	12,654,968
Rates and taxes		**2,678,871**	15,296,932
Communication expenses		**7,630,204**	5,649,283
Freight and handling charges (Net)		**7,109,585**	5,528,373
Incentives		**16,160,798**	13,509,513
Warranty		**5,001,229**	2,200,108
Business promotion expenses		**62,911,139**	86,737,648
Other selling and distribution expenses		**15,164,618**	5,620,276
Rent		**47,832,446**	30,667,462
Legal and professional charges		**13,926,074**	14,743,640
Travelling expenses		**45,011,403**	38,997,907
Trade mark & copyright expenses		**221,229**	-
Printing and stationery		**1,055,150**	1,403,683
Development expenses (including tools written off Rs. Nil (previous year Rs. 29,015,347)		**21,243,771**	53,989,149
Staff recruitment and training expenses		**5,553,156**	12,971,949
Miscellaneous expenses		**5,604,926**	4,823,079
	Total	**318,698,179**	372,745,658

Payment to auditors

(Amount in Rs.)

Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
a) For Audit	**1,900,000**	1,800,000
b) Audit of accounts for the fiscal year	**-**	400,000
c) For reimbursement of expenses	**27,639**	21,458
	1,927,639	2,221,458

31 Income tax recognised in Statement of profit and loss

(Amount in Rs.)

Particulars	**For the year ended March 31, 2017**	For the fifteen months ended March 31, 2016
Current tax		
In respect of the current year	-	1,924,734
Deferred tax		
In respect of the current year	-	-
	-	1,924,734
Total income tax expense recognised in the current year	-	1,924,734

The income tax expense for the year can be reconciled to the accounting profit/(loss) as follows:

(Amount in Rs.)

Particulars	**For the year ended March 31, 2017**	For the fifteen months ended March 31, 2016
Profit/(loss) before tax from continuing operations	**(919,931,605)**	(808,701,601)
Income tax expense calculated at 30.90% (2015-16 : 30.90%)	**(284,258,866)**	(249,888,795)
Effect of additional deduction for investment allowance under section 32AC of the Income tax Act,	-	(96,981,538)
Effect of expenses that are not deductible in determining taxable profit	**1,862,467**	5,826,635
Amount of unused tax losses not recognised as deferred tax assets	**282,396,399**	342,968,432
Income tax expense recognised in profit or loss	-	1,924,734

EICHER POLARIS PRIVATE LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017

32. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for **Rs. 40,704,218** (March 31, 2016 Rs. 82,133,791) (January 1,2015 Rs. 337,457,699)

The Company has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase /sale of goods and services and employee's benefits. The Company does not have any long term commitments or material non-cancellable contractual commitments/contracts, which might have material impact on the financial statements.

33. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(Amount in Rs.)

Particulars	**For the year ended March 31, 2017**	For the fifteen months ended March 31, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year/period.	**3,155,915**	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year/period.	**-**	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
(iv) The amount of interest due and payable for the year/period	**-**	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year/period	**-**	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	**-**	-

34 Employee Benefit Plans

The details of various employee benefits provided to employees are as under:

A. Defined Contribution Plans **(Amount in Rs.)**

	Particulars	For the year ended March 31, 2017	For the fifteen months ended March 31, 2016
a)	Provident fund*	**12,859,942**	11,669,456
b)	Employee State Insurance Corporation	**1,044,097**	1,008,680

* Amount transferred to Pre-operative expenditure (pending allocation) Rs Nil. (previous period Rs. 3,581,656)

B. Defined benefit plans:

The Company has a gratuity plan covering qualifying employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

This plan typically expose the Company to actuarial risks such as: investment risk, inherent rate risk , longevity risk and salary risk

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest Risk	A decrease in the bond interest rate will increase the plan liability.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of defined benefit plan were carried out as at March 31, 2017 by Ms. Charan Gupta Consultants Private Limited, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows :-

Principal assumptions:		Gratuity	
	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Discount rate	**7.50%**	7.50%	7.50%
Future salary increase	**7.00%**	7.00%	7.00%
Retirement age	**58**	58	58
Rate of withdrawal	**Upto 30 years 3% from 31-44 years 2% After 44 years 1%**	Upto 30 years 3% from 31-44 years 2% After 44 years 1%	Upto 30 years 3% from 31-44 years 2% After 44 years 1%
In service mortality	**IALM (2006-08)**	IALM (2006-08)	IALM (2006-08)

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows :-

Particulars	**For the year ended March 31, 2017**	For the fifteen months ended March 31, 2016
	Gratuity	
Service cost		
Current service cost	3,354,149	3,658,609
Net Interest expense	397,375	175,438
Components of defined benefit costs recognised in profit or loss	3,751,524	3,834,047
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses arising from experience adjustments	(1,562,810)	(407,051)
Components of defined benefit costs recognised in other comprehensive income	**(1,562,810)**	(407,051)

The current service cost and the net interest expense for the year are included in the 'Employment benefits expense' line item in the statement of profit and loss.
The remeasurement of the net defined liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows : **Amount in Rs.**

Particulars	Gratuity		
	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Present Value of defined benefit obligation	**7,487,553**	5,298,339	1,871,343
Fair value of plan assets	**-**	-	-
Net liability arising from defined benefit obligation	**7,487,553**	5,298,339	1,871,343
Current portion of the above	**20,621**	14,729	4,695
Non Current portion of the above	**7,466,932**	5,283,610	1,866,648

Movements in the present value of the defined benefit obligation are as follows :-

Particulars	**For the year ended March 31, 2017**	**For the fifteen months ended March 31, 2016**
	Gratuity	
Opening defined obligation	**5,298,339**	1,871,343
Current service cost	**3,354,149**	3,658,609
Interest cost	**397,375**	175,438
Remeasurement (gains)/losses:		
Actuarial (gains)/ losses arising from experience adjustments	**(1,562,810)**	(407,051)
Benefits paid	**-**	-
Closing defined benefit obligation	**7,487,053**	5,298,339

The estimated expense for next year is Rs. 4,578,665.

The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: **Amount in Rs.**

Principal assumption		**Changes in assumption**	**Impact on defined benefit obligation**	
			Increase in assumption	**Decrease in assumption**
Discount rate				
	2017	0.50%	(551,457)	608,184
	2016	0.50%	(405,844)	447,885
Salary growth rate				
	2017	0.50%	608,184	(556,930)
	2016	0.50%	447,885	(409,468)

Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the above methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity profile of defined benefit obligation: **Amount in Rs.**

	March 31, 2017	**March 31, 2016**
Within 1 year	20,621	375,617
1 - 2 year	-	140,648
2 - 3 year	26,154	135,079
3 - 4 year	62,616	131,630
4 - 5 year	354,869	231,781
5 - 6 years	126,508	120,726
6 years onwards	6,896,285	6,204,237

EICHER POLARIS PRIVATE LIMITED

Notes forming part of the financial statements

35. Related party disclosures

a. Name of related parties and their relationship:

Name of related party	**Nature of Relationship**
Eicher Motors Limited (EML)	Investor in respect of which the Company is a joint venture
Polaris Industries Inc. USA (Polaris)	Investor in respect of which the Company is a joint venture
VE Commercial Vehicles Limited (VECV)	Entity under the joint control of co-venturer
Eicher Goodearth Private Limited (EGPL)	Entity under the control of key management personnel
Polaris India Private Limited (Polaris India)	Entity under the control of key management personnel

b. Key Management personnel

Mr. Pankaj Dubey	Whole time Director and Chief Executive Officer (w.e.f.November 3, 2016)
Mr. Radesh Chandra Verma	Chief Executive Officer (till November 2, 2016)
Mr. Lalit Malik	Director
Mr. Siddhartha Lal	Director
Mr. Michael T. Speetzen.	Director
Mr. Mike Dougherty	Director
Mr. B. Govindarajan	Director
Mr. Amit Ganguly	Chief financial officer
Mr. Atul Sharma	Company Secretary

c. Transaction with key management personnel during the year/ period

Amount in Rs.

Particular	**For the year ended March 31, 2017**	For the fifteen months ended March 31, 2016
Mr. Pankaj Dubey	**4,886,222**	-
Mr. Radesh Chandra Verma	**12,803,896**	13,469,448
Mr. Amit Ganguly	**6,534,486**	6,233,944
Mr. Atul Sharma	**996,310**	1,646,416

Paid through Polaris India

d. Details of transactions with above related parties:

(Amount in Rs.)

Particulars	**EML**		**Polaris**		**VECV**		**EGPL**		**Polaris India#**		**Total**	
	For the year ended March 31, 2017	For the period January 1, 2015 to March 31, 2016	**For the year ended March 31, 2017**	For the period January 1, 2015 to March 31, 2016	**For the year ended March 31, 2017**	For the period January 1, 2015 to March 31, 2016	**For the year ended March 31, 2017**	For the period January 1, 2015 to March 31, 2016	**For the year ended March 31, 2017**	For the period January 1, 2015 to March 31, 2016	**For the year ended March 31, 2017**	For the period January 1, 2015 to March 31, 2016
Purchase of goods	**-**	-	**-**	-	**11,427,684**	15,996,044		-	**25,132**	-	**11,452,816**	15,996,044
Purchases of services	**-**	-	**5,410,101**	46,769,434	**1,476,973**	81,353,152	**2,470,184**	2,441,619	**-**	-	**9,357,258**	130,564,205
Purchase of Fixed Assets	**-**	-	**-**	-	**3,674,510**	7,534,685	**-**	-	**-**	-	**3,674,510**	7,534,685
Expenses reimbursed	**-**	821,786	**-**	-	**-**	270,318	-	-		-	**-**	1,092,104
Expenses Recovered	**-**		**-**	-	**339,907**		-	-	**-**	-	**339,907**	-
Lease rent	**27,783,000**	32,760,000	**-**	-	**-**	-	**8,226,840**	9,911,850	**-**	-	**36,009,840**	42,671,850
Sales of Vehicle	**-**	-	**-**	398,966	**-**	-	**-**	-	**-**	-	**-**	398,966
Issue of equity share capital	**456,000,000**	1,158,000,000	**456,000,000**	1,158,000,000	**-**	-	-	-	**-**	-	**912,000,000**	2,316,000,000
Share application money pending allotment	**111,000,000**	180,000,000	**111,000,000**	180,000,000	**-**	-	-	-	**-**	-	**222,000,000**	360,000,000
Aggregate balances outstanding as at the year end												
- Advance against purchase of goods	**-**	-	**-**	-	**57,000**	-	**3,964,740**	3,964,740	**-**	-	**4,021,740**	3,964,740
- Payables (net of TDS)	**-**	-	**2,432,663**	1,313,397	**1,976,384**	6,485,534	**575,687**	520,552	**25,132**	-	**5,009,866**	8,319,483

Amount payable is exclusive of reimbursement of managerial remuneration charged by Polaris India Private Limited as per agreement.

EICHER POLARIS PRIVATE LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017

36. Financial instruments

36.1 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into fixed deposits. The Company does not have any debt and meet its capital requirement through equity.

The Company is not subject to any externally imposed capital regulation.

The management of the company reviews the capital structure of the Company on a regular basis.

The following table summarizes the capital of the Company:

(Amount in Rs.)

	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Share capital	5,338,000,000	4,426,000,000	2,110,000,000
Other equity	(1,838,444,346)	(920,075,551)	(109,856,267)
Total Equity	3,499,555,654	3,505,924,449	2,000,143,733

36.2 Disclosure and Categories of financial instruments

This section provides additional information on balance sheet items that contain financial instruments:-

(Amount in Rs.)

Particulars	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
Financial assets at amortised cost			
Non-current			
Security deposits	7,257,599	13,470,119	5,422,740
Fixed deposits	145,492,770	107,252,865	-
Interest accrued on fixed deposit	285,036	-	-
Current			
Trade receivables	5,875,438	884,185	-
Security deposits	4,610,720	-	-
Cash and bank balances	322,585,570	388,935,524	337,802,457
Interest accrued on fixed deposit	887,399	1,146,681	1,317,125
Total	**486,994,532**	**511,689,374**	**344,542,322**
Financial liabilities at amortised cost			
Current			
Trade payables	146,907,277	215,814,297	71,338,372
Other financial liabilities	52,969,695	89,943,015	175,051,046
Total	**199,876,972**	**305,757,312**	**246,389,418**

Fair value of the Company's financial assets that are measured at fair value on a recurring basis:-

(Amount in Rs.)

Particulars	Fair value hierarchy		
	As at March 31, 2017	As at March 31, 2016	As at January 1, 2015
	Level 3	Level 3	Level 3
Non-current			
Fixed deposits	145,492,770	107,252,865	-

36.3 Fair Value Measurement

This section provides additional information on balance sheet items that contain financial instruments:-

The following methods and assumptions were used to estimate the fair values :-

The following table categories the financial instruments measured at fair value grouped into Level 1 to Level 3, as described below.

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Notes:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, financial liabilities and other financial instruments including security deposit receivables on demand approximate their carrying amounts largely due to the short-term maturities and nature of these instruments.

Fixed deposits are carried at amortised cost and the fair value is estimated by discounting future cash flows using a discount rate equivalent to the risk free return, adjusted for the any expected credit loss allowance.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

37. Financial risk management objectives and Policies

Financial risk management objectives

The Company's finance department monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk and other price risk), credit risk and liquidity risk.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(Amount in foreign currency)

Foreign currency exposure as at January 1, 2015	USD	EURO	GBP
Trade and other payables	564,015	9,610	-

(Amount in foreign currency)

Foreign currency exposure as at March 31, 2016	USD	EURO	GBP
Trade and other payables	51,864	9,610	13,500

(Amount in foreign currency)

Foreign currency exposure as at March 31, 2017	USD	EURO	GBP
Trade and other payables	**93,902**	**5,224**	**-**

Foreign currency sensitivity

The following table details the Company's sensitivity to a 5% increase and decrease in the Rs. against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rs. strengthens 5% against the relevant currency. For a 5% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(Amount in Rs.)

Currency	**As at March 31, 2017**		As at March 31, 2016		As at January 1, 2015	
	5% increase	**5% decrease**	5% increase	5% decrease	5% increase	5% decrease
Payable						
USD	**(304,431)**	**304,431**	(172,015)	172,015	(1,785,995)	1,785,995
EURO	**(18,089)**	**18,089**	(36,083)	36,083	(37,001)	37,001
GBP	**-**	**-**	(64,185)	64,185	-	-
Impact on profit or loss as at the end of the reporting year/period	**(322,520)**	**322,520**	(272,283)	272,283	(1,822,996)	1,822,996
Impact on total equity as at the end of the reporting year/period	**(322,520)**	**322,520**	(272,283)	272,283	(1,822,996)	1,822,996

In management's opinion, the sensitivity analysis is may not be representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year/ in future years.

Interest rate risk

Interest rate risk that fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rate. Since the company’s return on fixed deposit are affected by interest rate fluctuation which is not very significant to the size and operation of the company, therefor a change in interest rate risk does not have a material impact on the company's financial statements in relation to fair value of financial instruments.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled and reviewed and approved by the management of the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, trade receivables and loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in the note no 13 above.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Company's management, which has established an appropriate liquidity risk management framework. The Company manages liquidity risk by maintaining adequate surplus funds in bank by continuous monitoring forecast and actual cash flows and by matching the maturity profile of financial assets and liabilities.

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

(Amount in Rs.)

	As at March 31, 2017		As at March 31, 2016		As at January 1, 2015	
Particulars	**Less than 1 year**	**Total**	Less than 1 year	Total	Less than 1 year	Total
Current						
(i) Trade payables	**146,907,277**	**146,907,277**	215,814,297	215,814,297	71,338,372	71,338,372
(ii) Other financial liabilities	**52,969,695**	**52,969,695**	89,943,015	89,943,015	175,051,046	175,051,046

38 Segment Reporting:

The operating segment of the Company has been identified in a manner consistent with the internal reporting provided to the Management, based on which Company's business activity fall within a single primary business segment viz.''Automobile product and related components" and is one geographical segment i.e. India, hence disclosure requirements of Ind AS 108 "Operating segment" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules thereunder, is not applicable.

Information about major customers-

No customer individually accounted for more than 10% of total volume.

39. The Company has taken certain premises under various operating lease agreements. Future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following periods is given as below:-

(Amount in Rs.)

	Particulars	**As at March 31, 2017**	As at March 31, 2016
	Not later than one year	**40,218,740**	47,555,586
	Later than one year and not later than five years	**171,575,631**	197,963,121
	Later than five years	**45,096,930**	91,042,598
(i)	Lease payments recognised as expense	**47,832,446**	30,667,462
(ii)	Lease payments recognised as pre-operative expenditure pending allocation	**-**	22,511,893

40. Earnings per share

Particulars	**For the year ended March 31, 2017**	For the fifteen month ended March 31, 2016
Basic earnings per share (Rs.)	**(1.81)**	(2.32)
Diluted earnings per share (Rs.)	**(1.81)**	(2.32)

Basic earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Profit/(loss) for the year/period, per statement of profit and loss (Rs.)	(919,931,605)	(810,626,335)
Weighted average number of equity shares for the purposes of basic earnings per share	507,575,068	349,012,939

Diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows.

Profit/(loss) for the year/period, per statement of profit and loss (Rs.)	(919,931,605)	(810,626,335)
Weighted average number of equity shares for the purposes of diluted earnings per share #	507,575,068	349,012,939

Same as basic EPS, being anti-dilutive potential shares in view of loss for the year/period.

41. Deferred tax assets (net)

a. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation Laws.

b. The Company has carried out its tax computation in accordance with the IND-AS 12 . In view of tax losses in the current year and carry forward losses of earlier years, on prudent basis, deferred tax assets have been recognised to the extent of deferred tax liabilities. Major components of deferred tax assets / liabilities are as below:

(Amount in Rs.)

Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Deferred tax liability on		
(i) Property, plant and equipment and intangible assets	**263,820,795**	214,552,087
Deferred tax asset on		
(i) Unabsorbed depreciation and brought forward business losses	**263,820,795**	214,552,087

42. The Company did not have any holdings or dealings in Specified Bank Notes as specified in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.

43. First-time adoption of Ind-AS

There are no significant reconciliation items between the balance sheet, statement of profit and loss and cash flow statement prepared under previous GAAP and those prepared under Ind AS except as given below:

(i) Balance sheet items :

(Amount in Rs.)

Particulars	**As at March 31, 2016**		
	As per previous GAAP	**Adjustments**	**As per IND AS**
Property, plant and equipment	2,540,148,826	95,417,310	2,635,566,136
Other non-current liabilities - Income accrued but not due related to government grant	-	(95,417,310)	(95,417,310)
Net impact on equity	-	-	-

Under previous GAAP, benefits of government grant was netted off with the fixed assets. Whereas in IND AS such benefits have to be recognised in the Statement of profit and loss as per the terms of the Government benefit scheme.

(ii) Statement of profit and loss :

(Amount in Rs.)

Particulars	**For the fifteen months ended March 31, 2016**		
	As per previous GAAP	**Adjustments**	**As per IND AS**
Total income	218,278,465	25,767,980	244,046,445
Total expenses	(1,026,980,066)	(25,767,980)	(1,052,748,046)
Net impact on profit or loss	-	-	-

Under previous GAAP, revenue from sale of products was presented net of excise duty. Whereas, in Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented separately under other expenses.

(iii) Reconciliation of total comprehensive income

(Amount in Rs.)

Particulars	**For the fifteen months ended March 31, 2016**
Profit/(Loss) as per previous GAAP	**(810,219,284)**
Ind AS: Adjustments increase (decrease):	
Remeasurement of defined benefit obligations recognised in other comprehensive income under IND-AS	407,051
Total adjustment to profit or loss	407,051
Profit/(loss) under Ind AS	**(810,626,335)**
Other comprehensive income	407,051
Total comprehensive Loss under Ind ASs	**(810,219,284)**

44. The Company does not have any pending litigations which would impact its financial position.

45. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

46. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

47. The figures for the current year are for twelve months from April 1, 2016 to March 31, 2017, whereas the corresponding previous period figures are for fifteen months from January 1, 2015 to March 31, 2016. As such corresponding figures for the previous period are not directly comparable with those of current year.

For and on behalf of Board of Directors

Siddhartha Lal Chairman		**Lalit Malik** Director	**Amit Ganguly** Head Finance
	Pankaj Dubey Director		**Atul Sharma** Company Secretary
Place	Gurugram		
Date			