

**BAUMER INDIA PRIVATE LIMITED**  
**Notes to the financial statements (continued)**  
as at 31 March 2018  
(Currency: Indian Rupees)

**1 Background**

Baumer India Private Limited ('the Company') was originally incorporated on 15 January 2007 under the Companies Act, 1956 with name M/s HHS India Gluing Systems Private Limited as a subsidiary of HHS Leimaufrags – Systems GmbH, Germany ('the Holding Company'). The Company has changed its name from M/s HHS India Gluing Systems Private Limited to Baumer India Private Limited on 18 April, 2007 on acquisition by Baumer Group. The Company is subsidiary of Baumer Holding AG holding 97% and Baumer Electric AG holding 3% of shares. Both the companies are registered in Switzerland. The Company's primary activity is trading in products like gluing systems, sensor solutions, motion control, vision technologies products

**2 Significant accounting policies**

The accounting policies set out below have been applied consistently to the periods presented in these financial statements

**2.1 Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with all the applicable accounting principles in India including the Accounting Standards specified under section 133 of the Companies Act 2013 ("the Act"), as amended, read together with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared and presented on an accrual basis and under the historical cost convention. The financial statements are presented in Indian Rupees.

**2.2 Use of estimates**

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

**2.3 Current-non-current classification**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Company does not have unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

**Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is less than 12 months for the purpose of current and non-current classification of assets and liabilities.



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**2.4 Property, plant and equipment**

Property, plant and equipment are stated at cost of acquisition or construction, less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Borrowing costs are interest and other costs( including exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those property, plant and equipment which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as expense in the period in which they are incurred.

Depreciation is provided on a pro-rata basis i.e. from the date on which the asset is available for use.

The rates of depreciation prescribed in Schedule II to the Companies Act, 2013 are considered as the indicative rates. If management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter/ greater than that envisaged in the aforesaid Schedule, depreciation is provided at a higher/ lower rate based on the management's estimate of the useful life / remaining useful life.

Category of asset	Estimated useful life (in years)
Computers	3
Office Equipment	3
Furniture & Fixture	10
Vehicles	5
Tools	2

Depreciation is charged on pro-rata basis for assets purchased/ sold during the period.

As per the policy of the Company, assets like testing equipment, attendance machine, telephone & mobile instruments have been fully charged to Statement of Profit and Loss account and are not capitalised.

**2.5 Intangible fixed assets**

Intangible fixed assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets consisting of software is amortised on straight line basis over the estimated economic useful life of three years, based on management estimate.

**2.6 Operating leases**

Assets acquired under lease other than finance leases are classified as operating lease. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit.

**2.7 Inventories**

Inventories comprise of stock-in-trade and are valued at the lower of cost or net realisable value.

Cost of inventories comprises of the cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In determining cost of inventories, weighted average cost method is used.

Till 27 June 2017, the cost of inventory was computed by the Company on First in first out (FIFO) basis. In current year, the company has revised its accounting policy whereby the inventory is valued at Weighted average cost. In view of the management, the revised policy results in more appropriate presentation of value of inventory. The impact of, and the adjustment resulting from such change in accounting policy for current period as well as later period, is not ascertainable.

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

The comparison of cost and net realisable value is made on item-by-item basis.

For slow moving items or overstocking, an adjustment of 50% of the articles which were not sold within twelve months & an adjustment of 90% of the articles which were not sold within twenty four months and as adjustment of 100% of the articles which were not sold for more than twenty four months is done at least once a year.



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**2.8 Revenue recognition**

Revenue from sales of goods in the course of ordinary activities is recognised when property in the goods or all the significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. In view of the nature of services rendered, revenue from services is recognised when the service is rendered provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection of consideration. The amount recognised as revenue is exclusive of sales tax, value added tax (VAT), service tax and goods and service tax (GST), and is net of returns, trade discounts and quantity discounts.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

**2.9 Foreign exchange transactions**

Transactions denominated in foreign currency are recorded at rates that approximate the exchange rate prevailing on the date of the respective transaction.

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year. Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the yearend closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss.

Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost are disclosed under 'Finance cost' as per para 4E of AS 16 "Borrowing Costs".

**2.10 Employee benefits**

**i) Short term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

**ii) Post employment benefits**

**a) Defined benefit plans**

The Company's gratuity benefit scheme is defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under each plan is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss.

**b) Defined contribution plans**

A defined contribution plan is a post employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to government administered provident fund scheme and annual contribution towards superannuation fund which is maintained with LIC, which is defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**iii) Compensated absences**

The employees cannot carry-forward any portion of unutilized accrued compensated absences to be utilized in future service periods. The payment for unutilized portion of accrued compensated absences is paid during the financial year itself. Therefore no provision for unutilised accrued compensated absences is required as on the balance sheet date.



**2.11 Income taxes**

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in profit or loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the tax authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. difference that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised. Deferred tax assets are reviewed as at each balance sheet date and written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

**2.12 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

**2.13 Impairment**

The carrying amounts of the Company's fixed assets including intangible assets are reviewed on each Balance Sheet date to determine whether there is any indication of impairment. If any such indications exist, the assets' recoverable amount is estimated, as the higher of the net selling price and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or Cash Generating Unit (CGU).

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. If at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

**2.14 Provisions and contingencies**

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The provisions are measured on an undiscounted basis.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

**2.15 Contingent liabilities and contingent assets**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**2.15 Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank and in hand.



## BAUMER INDIA PRIVATE LIMITED

Notes to the financial statements (continued)

as at 31 March 2018

(Currency: Indian Rupees)

	31 March 2018		31 March 2017	
<b>3 Share capital</b>				
<b>Authorised capital</b>				
600,000 (previous year: 600,000) equity shares of Rs. 10 each		6,000,000		6,000,000
<b>Issued, subscribed and paid-up capital</b>				
600,000 (previous year: 600,000) equity shares of Rs. 10 each fully paid up		6,000,000		6,000,000
<b>(a) Reconciliation of shares outstanding at the beginning and at the end of the year</b>	<b>No. of Shares</b>	<b>Rs.</b>	<b>No. of Shares</b>	<b>Rs.</b>
Balance as at the beginning and end of the year	600,000	6,000,000	600,000	6,000,000
<b>(b) Rights , preferences and restrictions attached to shares</b>				
The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
<b>(c) Shares held by holding company and/ or their subsidiaries</b>				
<b>Baumer Holding AG, Frauenfeld (holding company)</b>				
582,000 Equity shares of Rs. 10 each fully paid up		5,820,000		5,820,000
% holding		97%		97%
<b>Baumer Electric AG, Switzerland (subsidiary of Baumer Holding AG, Frauenfeld)</b>				
18,000 Equity shares of Rs. 10 each fully paid up		180,000		180,000
% holding		3%		3%
<b>(d) Details of shareholders holding more than 5% shares in the company</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
<b>Baumer Holding AG, Frauenfeld (holding company)</b>	<b>582,000</b>	<b>97%</b>	<b>582,000</b>	<b>97%</b>
Equity shares of Rs. 10 each				
<b>4 Reserves and surplus</b>				
<b>Surplus (Profit and Loss balance)</b>				
At the commencement of the year		65,154,508		37,896,232
(Loss)/ Profit for the year		(16,584,815)		27,258,276
<b>Total reserves and surplus</b>		<b>48,569,693</b>		<b>65,154,508</b>



**BAUMER INDIA PRIVATE LIMITED**  
**Notes to Balance Sheet**  
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	31 March 2018	31 March 2017
<b>5 Long-term borrowing</b>		
External commercial borrowing from Baumer Holding AG. (Unsecured) [see note (a) below]	123,660,000	103,871,401
<b>Total long-term borrowing</b>	<u>123,660,000</u>	<u>103,871,401</u>

Note (a): The external borrowing ( 'ECB' ) of Euro 15,00,000 is taken from holding company having interest @ LIBOR + 5% to be repaid in single instalment on or before 31st December 2021.

<b>6 Trade payable</b>		
(a) Total outstanding dues of micro enterprises and small enterprises (also refer note 33)	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	126,814,798	181,412,234
<b>Total trade payable</b>	<u>126,814,798</u>	<u>181,412,234</u>

<b>7 Other current liabilities</b>		
Payable to employees	20,606,723	15,364,010
Sales tax payable	3,577,904	2,788,476
Other statutory dues payable	2,162,704	1,299,751
Advances from customers	4,356,820	7,510,569
Interest accrued on ECB	2,591,089	2,178,599
<b>Total other current liabilities</b>	<u>33,295,240</u>	<u>29,141,405</u>

<b>8 Short-term provisions</b>		
Provision for gratuity	5,702,893	7,967,696
Provision for income tax	10,963,072	13,355,770
Provision for disputes with government authorities (refer note below)	95,963,208	-
<b>Total short-term provisions</b>	<u>112,629,173</u>	<u>21,323,466</u>

**Additional disclosure relating to certain provisions (as per AS 29)**

**Provision for disputes with government authorities**

At the commencement of the year	-	-
Provision made during the year	95,963,208	-
Provision utilised during the year	-	-
Utilised provision written back during the year	-	-
<b>At the end of the year</b>	<u>95,963,208</u>	<u>-</u>

**Provision for disputes with government authorities:-** This represents provisions made for probable liabilities/claims arising out of pending disputes/litigation with government authorities. Above provision is affected by numerous uncertainties and management has taken all efforts to make a best estimate. Timing of outflow of resources will depend upon timing of decision of case.





**BAUMER INDIA PRIVATE LIMITED**

Notes to the financial statements (continued)

as at 31 March 2018

(Currency: Indian Rupees)

**9 Property Plant & Equipment**  
(Currency : Indian rupees)

	Computers	Furniture	Office Equipment	Vehicles	Total
<b>Gross block</b>					
Balance as at 1 April 2016	7,466,788	1,447,196	330,986	3,233,000	12,477,970
Additions	464,500	-	-	-	464,500
Disposals	-	-	-	-	-
Balance as at 31 March 2017	7,931,288	1,447,196	330,986	3,233,000	12,942,470
Balance as at 1 April 2017	7,931,288	1,447,196	330,986	3,233,000	12,942,470
Additions	904,533	-	-	-	904,533
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>8,835,821</b>	<b>1,447,196</b>	<b>330,986</b>	<b>3,233,000</b>	<b>13,847,003</b>
<b>Accumulated Depreciation</b>					
Balance as at 1 April 2016	5,054,513	1,171,621	170,347	727,992	7,124,473
Depreciation for the year	1,208,820	81,054	17,383	384,071	1,691,328
Accumulated depreciation on disposals	-	-	-	-	-
Balance as at 31 March 2017	6,263,333	1,252,675	187,730	1,112,063	8,815,801
Balance as at 1 April 2017	6,263,333	1,252,675	187,730	1,112,063	8,815,801
Depreciation for the year	1,009,321	69,172	17,384	384,081	1,479,958
Accumulated depreciation on disposals	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>7,272,654</b>	<b>1,321,847</b>	<b>205,114</b>	<b>1,496,144</b>	<b>10,295,759</b>
<b>Net block</b>					
As at 31 March 2017	1,667,955	194,521	143,256	2,120,937	4,126,669
<b>As at 31 March 2018</b>	<b>1,563,167</b>	<b>125,349</b>	<b>125,872</b>	<b>1,736,856</b>	<b>3,551,244</b>

**10 Intangible fixed assets**  
(Currency : Indian rupees)

	Software
<b>Gross block</b>	
Balance as at 1 April 2016	1,573,212
Additions	-
Disposals	-
Asset written off	-
Balance as at 31 March 2017	1,573,212
Balance as at 1 April 2017	1,573,212
Additions	266,168
Disposals	-
Asset written off	-
<b>Balance as at 31 March 2018</b>	<b>1,839,380</b>
<b>Amortisation</b>	
Balance as at 1 April 2016	1,573,212
Amortisation for the year	-
Asset written off	-
Balance as at 31 March 2017	1,573,212
Balance as at 1 April 2017	1,573,212
Amortisation for the year	521
Asset written off	-
<b>Balance as at 31 March 2018</b>	<b>1,573,733</b>
<b>Net block</b>	
As at 31 March 2017	-
<b>As at 31 March 2018</b>	<b>265,647</b>

Value  
Research



**BAUMER INDIA PRIVATE LIMITED**  
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	31 March 2018	31 March 2017
<b>11 Loans and advances</b> <i>(Unsecured, considered good unless otherwise stated)</i>		
<b>To parties other than related parties</b>		
Security deposits	1,824,000	3,174,073
<b>Total loans and advances</b>	<u>1,824,000</u>	<u>3,174,073</u>
<b>12 Deferred tax asset</b>		
Excess of depreciation/amortisation of fixed assets provided in accounts over depreciation under income-tax law	181,897	-
Provision for employee benefits	7,503,485	-
Provision for doubtful trade receivables	14,342,034	-
Provision for disputes with government authorities	21,058,264	-
	<u>43,085,680</u>	<u>-</u>
<b>13 Inventories</b>		
Traded goods	94,922,352	63,347,183
(Includes goods in transit Rs. 1,765,932; previous year: nil)		
<b>Total inventories</b>	<u>94,922,352</u>	<u>63,347,183</u>
<b>14 Trade receivable</b> <i>(Unsecured, considered good unless otherwise stated)</i>		
Receivables - outstanding for a period of more than six months from due date		
(a) Unsecured, considered good	57,386,039	40,818,831
Other receivables - outstanding for a period of less than six months from due date		
(a) Unsecured, considered good	156,455,485	201,484,770
Less: Provision for doubtful debts	(43,377,898)	(29,610,079)
<b>Total trade receivable</b>	<u>170,463,626</u>	<u>212,693,522</u>
<b>15 Cash and bank balances</b>		
<i>Cash and cash equivalents</i>		
Cash on hand	1,461	1,570
Balances with banks :		
On current accounts	85,934,256	116,567,328
On deposit accounts ( with original maturity of 3 months or less)	171,000	-
<i>Other bank balances</i>		
Deposits with original maturity of more than three months but remaining maturity less than twelve months	38,500,000	439,000
Balances with banks to the extent held as margin money or security against guarantees	760,700	612,964
<b>Total cash and bank balances</b>	<u>125,367,417</u>	<u>117,620,862</u>
<b>Details of bank balances/deposits</b>		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'cash and cash equivalents'	86,105,256	116,567,328
Bank deposits due to mature within 12 months of the reporting date included under 'other bank balances'	39,260,700	1,051,964
<b>Total details of bank balances/deposits</b>	<u>125,365,956</u>	<u>117,619,292</u>
<b>16 Short term loans and advances</b> <i>(Unsecured, considered good unless otherwise stated)</i>		
<b>To parties other than related parties</b>		
Advances to employees	1,266,367	881,101
Interest accrued on deposits	605,924	-
GST receivable	8,094,217	-
Prepaid expenses	1,482,430	-
Security deposits	40,000	-
<b>Total short term loans and advances</b>	<u>11,488,938</u>	<u>881,101</u>





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**Notes to the financial statements (continued)**  
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	31 March 2018	31 March 2017
<b>17 Revenue form operation</b>		
<b>Traded goods</b>		
Domestic sales	603,040,829	729,100,558
Export sales	10,369,515	954,283
	<u>613,410,344</u>	<u>730,054,841</u>
<b>Sales of services</b>	4,537,717	3,269,576
	<u>617,948,061</u>	<u>733,324,417</u>
<b>Total revenue form operation</b>		
<b>Break-up revenue form sales of traded goods</b>		
Traded item -Gluing	156,345,762	183,667,236
Traded item -Motion Control	243,396,915	293,315,527
Traded item-Sensor	200,832,897	235,167,208
Traded item-Vision Technology	12,834,770	17,904,870
	<u>613,410,344</u>	<u>730,054,841</u>
<b>18 Other income</b>		
<b>Operating :</b>		
Rent from subletting of office premises associate enterprise	414,281	515,242
Sales support income	-	2,966,287
<b>Other :</b>		
Interest income on deposits (refer note 37)	4,814,954	588,731
Exchange gain	-	5,903,901
	<u>5,229,235</u>	<u>9,974,161</u>
<b>Total other income</b>		
<b>19 Changes in inventories of stock-in-trade</b>		
Opening stock	63,347,183	58,627,932
Less : Closing stock	94,922,352	63,347,183
	<u>(31,575,169)</u>	<u>(4,719,251)</u>
<b>Total changes in inventories of stock-in-trade</b>		
<b>20 Employee benefits expenses</b>		
Salaries, wages and bonus (refer note 37)	62,232,670	51,598,265
Contribution to provident and other funds (refer note 37)	5,604,412	4,993,485
Staff welfare expenses	871,464	1,979,643
Gratuity (refer note 24)	(631,129)	3,401,941
	<u>68,077,417</u>	<u>61,973,334</u>
<b>Total employee benefits expenses</b>		
<b>21 Finance cost</b>		
Interest expenses (refer note 37)	9,543,845	-
Applicable net loss on foreign currency transaction and translations (refer note 37)	9,667,697	-
	<u>19,211,542</u>	<u>-</u>
<b>Total finance cost</b>		



**BAUMER INDIA PRIVATE LIMITED**

Notes to the financial statements (continued)

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22 Other expenses	31 March 2018	31 March 2017
Rent	5,132,168	4,908,201
Repairs and maintenance - others	2,179,231	3,424,725
Insurance	528,190	1,637,700
Power and fuel	835,535	876,619
Freight , clearing and forwarding	6,470,708	7,542,092
Rates and taxes	5,472,086	6,577,743
Travelling expenses	16,082,155	19,006,064
Telephone and other communication expenses	2,093,591	1,592,828
Bank charges	929,236	598,698
Administrative expenses	1,144,663	1,677,602
Payment to auditors' (Refer note 23)	750,000	150,000
Legal and professional fees	1,937,533	2,255,956
Printing and stationery	175,464	382,366
Advertising and sales promotion	2,733,994	4,397,196
Discount allowed	-	11,559,369
Commission	2,358,950	10,152,912
Provision for doubtful trade receivables	13,325,918	10,000,000
Management fees	3,166,148	2,833,460
Licence fees	9,095,812	10,254,776
Miscellaneous expenses	65,500	103,323
Exchange fluctuation loss (net)	27,800,157	-
<b>Total other expenses</b>	<b>102,277,039</b>	<b>99,931,630</b>



**BAUMER INDIA PRIVATE LIMITED**  
Notes to the financial statements (continued)  
for the year ended 31 March 2018

**23 Auditors' remuneration**

Particulars	2018	2017
Statutory audit	500,000	80,000
Tax audit and VAT Audit	75,000	50,000
Other services	175,000	20,000
<b>Total</b>	<b>750,000</b>	<b>150,000</b>

The above fees do not include goods and service taxes, as applicable.

**24 Employee benefits: Post employment benefit plans**

**Defined contribution plan**

The Company makes contributions, determined as a specified percentage of the employee salaries, in respect of qualifying employees towards Provident Fund and superannuation fund, which is a defined contribution plan. The company has no obligations other than to make the specified contributions. The Contributions are charged to Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and Superannuation fund of the year aggregated to Rs. 5,604,412 (previous year Rs. 4,993,485).

**Defined benefit plan**

The Company operates post employment benefit plan for gratuity. The gratuity plan entitles employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit.

The following table summaries the position of assets and obligations

Particulars	31 March 2018	31 March 2017
Fair value of plan assets	6,615,708	5,291,746
Present value of obligation	(12,318,601)	(13,259,442)
Asset/(Liability) recognised in balance sheet (refer note 8)	<b>(5,702,893)</b>	<b>(7,967,696)</b>

**Classification into current/ non current**

Particulars	Non current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Gratuity	-	-	(5,702,893)	(7,967,696)
	-	-	<b>(5,702,893)</b>	<b>(7,967,696)</b>

**Composition of plan assets**

Particulars	31 March 2018	31 March 2017
Funds managed by insurer	6,615,708	5,291,746

**Movement in present value of defined benefit obligation**

Particulars	31 March 2018	31 March 2017
Defined benefit obligation as on April 1	13,259,442	9,511,026
Current service cost	2,520,608	1,999,391
Interest cost	876,279	760,882
Benefits paid	(745,961)	-
Actuarial loss on Obligations	(3,591,767)	988,143
<b>Defined benefit obligation as on March 31</b>	<b>12,318,601</b>	<b>13,259,442</b>

**Movement in fair value of plan assets**

Particulars	31 March 2018	31 March 2017
Fair value of plan assets at the beginning of the year	5,291,746	3,725,173
Expected return on plan assets	461,623	360,178
Contributions by the employer	1,703,049	1,281,250
Mortality Charges and Taxes	(69,375)	(61,152)
Benefits paid	(745,961)	-
Actuarial gain on plan assets	(25,374)	(13,703)
<b>Fair value of plan assets at the end of the year</b>	<b>6,615,708</b>	<b>5,291,746</b>

**Expense recognised in Statement of Profit and Loss**

Particulars	31 March 2018	31 March 2017
Current service cost	2,520,608	1,999,391
Interest cost	876,279	760,882
Expected return on plan assets	(461,623)	(360,178)
Total actuarial gain	(3,566,393)	1,001,846
<b>Total expenses (refer note 20)</b>	<b>(631,129)</b>	<b>3,401,941</b>



**BAUMER INDIA PRIVATE LIMITED**  
Notes to the financial statements (continued)  
for the year ended 31 March 2018

**24 Employee benefits: Post employment benefit plans(continued)**

Particulars	31 March 2018	31 March 2017			
<b>Actual return on plan assets</b>					
Expected return on plan assets	(461,623)	(360,178)			
Actuarial gain / (loss) on plan assets	25,374	13,703			
<b>Actual return on plan assets</b>	<b>(436,249)</b>	<b>(346,475)</b>			
<b>Principal actuarial assumptions</b>					
Discount rate	7.70%	6.80%			
Expected rate of return on plan assets (p.a.)	8.00%	8.25%			
Rate of increase in compensation level	8.00%	10.00%			
Expected average remaining working lives of employee (in years)	6.41	9.15			
<b>Experience adjustments</b>					
Present value of obligation	12,318,601	13,259,442	9,511,026	7,136,144	4,831,696
Plan assets	6,615,708	5,291,746	3,725,173	3,291,058	2,575,532
Surplus / (deficit)	(5,702,893)	(7,967,696)	(5,785,853)	(3,845,086)	(2,256,164)
Experience adjustments on plan liabilities	(1,076,026)	637,837	(222,089)	(402,132)	-
Experience adjustments on plan assets	10,948	2,788	45,647	33,926	-

**25 Earnings per share**

Particulars	2018	2017
Net (loss)/ earnings after tax available for equity shareholders (A)	(16,584,815)	27,258,276
Weighted average number of equity shares of face value of Rs. 10 each outstanding during the year (B)	600,000	600,000
Basic (loss)/ earnings per equity share of face value of Rs. 10 each	(28)	45

**26 CIF value of imports**

Particulars	2018	2017
Raw material and components	338,310,942	371,669,134
<b>Total</b>	<b>338,310,942</b>	<b>371,669,134</b>

**27 Expenditure in foreign currency**

Particulars	2018	2017
Foreign Travel	2,489,661	4,103,530
Management Fee	3,166,148	2,833,460
License Fees	9,095,813	10,254,776
Receiving of service- Advertising and sales promotion	2,557,760	2,162,249
Interest on external commercial borrowing	4,825,783	-
<b>Total</b>	<b>22,135,165</b>	<b>19,354,015</b>

**28 Earnings in foreign currency**

Particulars	2018	2017
FOB value of exports - USD	(1,355,445)	(308,890)
FOB value of exports - EURO	(9,014,070)	(645,394)
ECB Loan taken	-	(106,050,000)
<b>Total</b>	<b>(10,369,515)</b>	<b>(107,004,284)</b>

**29 Contingent liabilities and commitments**

	2018	2017
Contingent liabilities:		
a. Sales tax matters	15,963,864	-
b. Guarantees outstanding	760,700	300,000
<b>Total</b>	<b>16,724,564</b>	<b>300,000</b>

**30 Operating Lease**

The Company has taken office premises under an operating lease. The lease is for a period of five years. Lease payments are increased every year by five percent over the preceding year lease rentals to reflect market rentals.

The lease rentals charged to the profit and loss account is included under the head "Rent". The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term.



**BAUMER INDIA PRIVATE LIMITED**  
**Notes to the financial statements (continued)**  
**for the year ended 31 March 2018**

**31 Derivate Instruments**

**i) Hedged derivative instruments**

The Company does not have any derivative instruments outstanding at the Balance Sheet date.

**ii) Unhedged derivative instruments**

Foreign currency exposures on account of trade receivables/trade payables not hedged by derivative instruments are as follows:

Nature of Exposure	2018		2017	
	Foreign currency amount	Amount equivalent in Rupees	Foreign currency amount	Amount equivalent in Rupees
Foreign currency receivables representing debtors				
USD	19,772	1,306,336	28,997	3,626,782
EUR	71,466	5,498,002	52,374	1,880,118
CHF	2,068	138,142		
Foreign currency payables representing loans				
EUR	1,500,000	123,660,000	1,500,000	103,871,400
Interest Accrued	31,430	2,591,089	31,461	2,178,599
Foreign currency payables representing creditors				
USD	430	28,410		
EUR	777,970	64,135,871	1,327,770	91,944,853
CHF	490,040	34,415,494	556,377	36,023,186

**32 Segment Information**

**Business Segment:**

Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company operates in a single business segment since the Company is engaged in the business of sales of sensor solutions.

There are no reportable geographical segments.

**33 Disclosure for Micro, Small and Medium Enterprises:**

The Company has not received any intimation from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year / period end together with interest paid / payable as required under the Act are not applicable.

**34 Related party disclosures:**

**A. Names of related parties**

Related party with whom transactions have taken place during the year

- Holding Company
- Fellow Subsidiary

- Managing Director (Key Management Personnel)



- Baumer Holding A G
- Baumer A S
- Baumer Bourdon Hanne S A S
- Baumer China Co Ltd
- Baumer Electric A G
- Baumer HHS GMBH
- Baumer Hubner GMBH
- Baumer Innotec A G
- Baumer IVO GMBH & CO KG
- Baumer Management Services A G
- Baumer Optronic GMBH
- Baumer Technologies India Pvt Ltd
- Baumer Thalheim GMBH & CO KG
- Baumer Middle East FZE
- Sunil Hasabnis



**BAUMER INDIA PRIVATE LIMITED**  
Notes to the financial statements (continued)  
for the year ended 31 March 2018

34 Related party disclosures: (continued)

**B. Related party transactions for the year ended 31st March 2018.**

Sr. No.	Particulars	For the year ended 31 March 2018		
		Holding company	Fellow subsidiary	Key Management Personnel
1	Sale of goods	-	-	-
2	Sale of services	-	-	-
3	Purchase of goods	-	357,253,004	-
4	Management fees	-	3,166,148	-
5	License fees	-	9,095,813	-
6	Receiving of services- advertising and sales promotion expenses	-	2,557,760	-
7	Interest on external commercial borrowing	4,825,783	-	-
8	Rent income	-	414,281	-
9	Remuneration to key management personnel*	-	-	10,281,501
	<b>Total</b>	<b>4,825,783</b>	<b>372,487,006</b>	<b>10,281,501</b>
	Trade receivables	-	89,748	-
	Trade payables	-	117,196,975	-
	Interest accrued on ECB	2,591,089	-	-
	External commercial borrowing	123,660,000	-	-

**C. Related party transactions for the year ended 31st March 2017.**

Sr. No.	Particulars	For the year ended 31 March 2017		
		Holding company	Fellow subsidiary	Key Management Personnel
1	Sale of goods	-	614,412	-
2	Sale of services	-	2,966,287	-
3	Purchase of goods	-	425,778,154	-
4	Management fees	-	2,833,460	-
5	License fees	-	10,254,776	-
6	Receiving of services- advertising and sales promotion expenses	-	2,162,249	-
7	Interest on external commercial borrowing	-	-	-
8	Rent income	-	515,242	-
9	External commercial borrowing taken	110,279,700	-	-
10	Remuneration to key management personnel*	-	-	10,106,623
	<b>Total</b>	<b>110,279,700</b>	<b>445,124,580</b>	<b>10,106,623</b>
	Trade receivables	-	2,701,384	-
	Trade payables	-	128,052,825	-
	Interest accrued on ECB	2,178,599	-	-
	External commercial borrowing	103,871,401	-	-

**D. Details of transactions with related party in excess of 10% of line transactions.**

Sr. No.	Particulars	31-Mar-18	31-Mar-17
1	Sale of goods Baumer Technologies India Pvt Ltd	-	614,412
2	Sale of services Baumer Middle East FZE	-	2,966,287
3	Purchase of goods Baumer Electric A G Baumer HHS GMBH Baumer Huber GMBH Baumer Talheim GMBH & CO KG	104,692,001 70,028,965 74,293,739 40,052,012	123,540,584 92,806,958 74,652,505 60,612,404
4	Management Fee Baumer Management Services A G	3,166,148	2,833,460
5	License Fees Baumer Innate A G Baumer Management Services A G	5,954,887 3,193,065	7,350,465 2,742,840
6	Receiving of services- advertising and sales promotion expenses Baumer Management Services A G	2,557,760	2,162,249
7	Interest on external commercial borrowing & Baumer Holding AG	4,825,783	-
8	Rent income Baumer Technologies India Private Limited	414,281	515,242
9	External commercial borrowing taken Baumer Holding AG	-	110,279,700
10	Remuneration to key management personnel* Sunil Hasabnis	10,281,501	10,106,623

\* The above amount does not include PF contribution, and provision for gratuity & compensated absences, which are accrued, based on an overall actuarial valuation, and separate amounts are not available for the Director.

# Interest on external commercial borrowing in Finance cost Note 21 includes reversal of interest on external commercial borrowing shown in Capital work in progress in previous year Rs. 3,416,162 (refer Note 38)





**BAUMER INDIA PRIVATE LIMITED**  
**Notes to the financial statements (continued)**  
**for the year ended 31 March 2018**

**35 Specified bank note**

During the previous year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	2,916	2,916
(+) Permitted receipts	-	85,000	85,000
(-) Permitted payments	-	70,088	70,088
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	17,828	17,828

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

**36 Prior period comparatives**

The previous year financial statements have been audited by a firm of Chartered Accountants other than B S R & Co. LLP. Previous year's comparative figures have been regrouped/reclassified and adjusted wherever necessary to conform to current year's presentation, note level details are as follows-

31 March 2017		31 March 2018		
Particulars	Amount as per audited financial statements as on 31 March 2017	Amount regrouped in the current year	Amount as per comparative information	Regrouping details
Note 5 : Unsecured long-term borrowings	106,050,000			
		(2,178,599)		Interest on ECB-Regrouped to "Other current liabilities" under note 8.
			103,871,401	<b>Note 5 : Long-term borrowings</b>
Note 8 : Other non current liability	5,291,745			
		(5,291,745)		Provision for gratuity regrouped to Note 9 : Short Term Provisions
Note 6: Trade payables	176,595,421			
		19,481,256		Accrued expenses Regrouped from "Other current liabilities" under note 8
		(296,954)		Trade Payable balance netted off against Trade receivable balance Note 14
		(3,119,673)		Trade receivable balance netted off against Trade Payable Note 14
		42,572		Advance given to employee regrouped to Short Term Loans and Advance Note No 16
		(11,290,388)		Provision for discount to customer regrouped to Trade receivables Note 14
			181,412,234	<b>Note 6 : Trade payables</b>
Note 7: Other current liability	39,577,498			
		(19,481,256)		Accrued expenses Regrouped from "Other current liabilities" under note 8 to Note 7 Trade Payable
		2,178,599		Interest on ECB-Regrouped to "Other current liabilities" under note 8.
		7,510,569		Advances from customer :Regrouped from Note 14 Trade receivable
		(644,005)		Amount received from customer netted off against Trade receivable Note 14.
			29,141,405	<b>Note 7 : Other current liability</b>
Note 8: Short term provision	26,521,077			
		5,291,745		Provision for gratuity regrouped to Note 9 : Short Term Provisions from Note 9 Other non current liability.
		(10,489,356)		Advance tax and tax deducted at source netted off against Provision for tax Note 9.
			21,323,466	<b>Note 8 : Short term provisions</b>



BAUMER INDIA PRIVATE LIMITED  
Notes to the financial statements (continued)  
for the year ended 31 March 2018

36 Prior period comparatives (continued)

Note 11a: Long term advances	3,787,037			
		(612,964)		Deposits against guarantee regrouped to Note 15 Cash and bank balances
			3,174,073	<b>Note 11 : Long term loans and advances</b>
Note 13: Trade receivables	220,533,972			
		(296,954)		Trade Payable balance netted off against Trade receivable balance
		(3,119,673)		Trade receivable balance netted off against Trade Payable Note 14
		7,510,569		Advances from customer :Regrouped from Note 14 Trade receivable to Note 8 Other current liability
		(11,290,388)		Provision for discount to customer regrouped from Trade payables Note 7 to Trade receivables
		(644,005)		Amount received from customer regrouped from Other current liability Note 8
			212,693,522	<b>Note 14: Trade receivable</b>
Note 14: Cash and bank balances	117,007,898			
		612,964		Deposits against guarantee regrouped to Note 15 Cash and bank balances from Note 12 Long Term loans and advances
			117,620,862	<b>Note 15: Cash and bank balances</b>
Note 11b: Short term loans and advances	11,327,886			
		42,572		Advance given to employee regrouped to Short Term Loans and Advance Note No.16
		(10,489,356)		Advance tax and tax deducted at source netted off against Provision for tax Note 9
			881,101	<b>Note 16 : Short term loans and advances</b>
Note 16: Other income	4,070,260			
		5,903,901		Exchange gain regrouped from Other Expenses Note 22 to Other Income Note 18
			9,974,161	<b>Note 18: Other Income</b>
Purchase of goods	539,221,106			
		7,542,092		Freight and forwarding charges regrouped to Note 22 : Other Expenses
			531,679,014	<b>Purchase of goods</b>
Note 19 : Sales and operating expenses	86,485,637			
		5,903,901		Exchange gain regrouped from Other Expenses Note 22 to Other Income Note 18
		7,542,092		Freight and forwarding charges regrouped from Purchase of goods to Note 20 : Other Expenses
			99,931,630	<b>Note 22: Other expenses</b>



**BAUMER INDIA PRIVATE LIMITED**  
Notes to the financial statements (continued)  
for the year ended 31 March 2018

**37 Prior period errors**

Following is the effect of prior period expense/(income) for the year ended 31st March 2018:-

Particulars	Amount	Reference (Disclosure/ Note No.)	Impact on current year profit
a) Other income pertaining to previous year recognised in current year	(2,377,981)	18	Profit for the current year is overstated by Rs. 2,377,981.
b) Credit notes and reversal of open invoices pertaining to previous year booked in current year under Purchase of goods	(6,521,623)	Purchase of goods	Profit for the year is overstated by Rs. 6,521,623.
c) Purchases booked in current year which were in transit and should have been part of goods in transit for previous year	17,117,898	Purchase of goods	Profit for the current year is understated by Rs. 17,117,898.
d) Interest on external commercial borrowing and applicable net loss on foreign currency transaction and translations pertaining to previous year booked in current year under Finance cost	7,645,862	21	Profit for the current year is understated by Rs. 7,645,862.
e) Short provision for bonus and reversal of excess provision contribution to superannuation fund for booked in current year pertaining to earlier	997,879	20	Profit for the current year is understated by Rs. 997,879.
f) Deferred tax release pertaining to previous year booked in current year under Tax expenses	(16,335,606)	Tax expense	Profit for the current year is overstated by Rs. 16,335,606.
	<b>526,429</b>		

For B S R & Co. LLP  
Chartered Accountants  
Firm registration no. 101248W/W-100022

*Ashishek*

Abhishek  
Partner  
Membership No : 062343

Place : Pune  
Date : 12 July 2018

For and on behalf of the Board of Directors  
Baumer India Private Limited  
CIN: U29299PN20071

*Sunil Hasabnis*

Sunil Hasabnis  
Managing Director  
DIN: 00096011

Place: Pune  
Date : 12 July 2018

*Severino Bruno*

Severino Bruno  
Director  
DIN: 01892410

Place: Frauenfeld  
Date : 12 July 2018

 Value  
Research

