

**HOEC Bardahl India
Limited**

**Financial Statements for the
year ended 31st March 2016**

INDEPENDENT AUDITOR'S REPORT

To the Members of HOEC Bardahl India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of HOEC Bardahl India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Bhavana Balasub

Bhavani Balasubramanian
Partner
Membership No. 22156

Place: Chennai
Date : April 18, 2016



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HOEC Bardahl India Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Bhavani Balasubramanian

Bhavani Balasubramanian
Partner
Membership No. 22156

Place: Chennai
Date : April 18, 2016



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, Customs Duty, Excise duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Customs Duty, Excise duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.



- (c) Details of dues of Income-tax and Service Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Income Tax Act, 1961	Income tax	Income tax Appellate Tribunal	Assessment year 2010-11	1,320,916	1,320,916
	Fringe benefit tax	Commissioner of Income tax (appeals)	Assessment year 2006-07	201,000	201,000
Central excise Act, 1944 and Cenvat Credit rules, 2004	Service Tax	Central Excise and Service Tax Appellate tribunal	Financial year 2007-08	330,844	330,844

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.



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- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Bhavana Balasub

Bhavani Balasubramanian
Partner
Membership No. 22156

Place: Chennai
Date : April 18, 2016



HOEC BARDAHL INDIA LIMITED

BALANCE SHEET AS AT MARCH 31, 2016

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

	Notes	As on March 31, 2016	As on March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	5,000,200	5,000,200
Reserves and surplus	2	101,636,214	87,949,905
		106,636,414	92,950,105
Non-current liabilities			
Long-term provisions	3	1,447,419	840,000
		1,447,419	840,000
Current liabilities			
Trade payables	4	26,488,510	29,768,764
Other current liabilities	5	10,013,376	13,856,236
Short-term provisions	6	456,425	1,054,540
		36,958,311	44,679,540
TOTAL		145,042,144	138,469,645
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	7	2,444,623	3,096,538
Intangible assets	8	205,377	131,698
Deferred tax assets	9	1,340,149	1,677,522
Long-term loans and advances	10	6,360,798	4,948,447
		10,350,947	9,854,205
Current assets			
Current investments	11	80,082,356	51,936,193
Inventories	12	19,079,280	34,758,430
Trade receivables	13	19,553,995	24,006,773
Cash and cash equivalents	14	2,893,162	1,941,152
Short-term loans and advances	15	13,082,404	15,972,892
		134,691,197	128,615,440
TOTAL		145,042,144	138,469,645

The accompanying notes are forming part of the financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Bhavana Balasub
Bhavani Balasubramanian
Partner

For HOEC Bardahl India Limited

P. Kar
Chairman

Shankar
Director

Place: Chennai
Date: April 18, 2016



Place: Chennai
Date: April 18, 2016

HOEC BARDAHL INDIA LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

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

	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
Income			
Revenue from operations (Gross)	16	233,018,495	219,889,210
Less : Excise Duty		(29,286,400)	(27,488,005)
Revenue from operations (Net)		203,732,095	192,401,205
Other income	17	4,525,021	4,231,984
Total revenue (I)		208,257,116	196,633,189
Expenses			
Purchase of traded goods	18	83,901,299	86,459,895
Repacking Cost	19	28,127,316	32,431,467
Decrease/(Increase) in inventories of traded goods	20	10,021,460	(8,912,034)
Employee benefit expenses	21	21,409,788	23,044,413
Other expenses	22	42,852,408	41,365,361
Depreciation and amortization expense	6 & 7	916,776	1,406,862
Finance costs	23	401,699	368,426
Total expenses (II)		187,630,746	176,164,390
Profit before tax (I) - (II)		20,626,370	20,468,799
Tax expenses			
Current tax expense for current year		6,520,000	6,540,000
Current tax expense relating to prior years		82,688	241,717
Net current tax expense		6,602,688	6,781,717
Deferred tax	9	337,373	(418,003)
Total tax expense		6,940,061	6,363,714
Balance carried to Balance Sheet		13,686,309	14,105,085
Earnings per equity share in INR computed on the basis of profit for the year [nominal value of share INR 100 (March 31, 2015: INR 100)]			
Basic and Diluted	24	273.72	282.09

The accompanying notes are forming part of the financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Bhavana Balasubramanian
Bhavani Balasubramanian
Partner



Place: Chennai
Date: April 18, 2016

For HOEC Bardahl India Limited

P. Karthikeyan
Chairman

S. Shankar
Director

Place: Chennai
Date: April 18, 2016

HOEC BARDAHL INDIA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

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

	For the year ended March 31, 2016	For the year ended March 31, 2015
Cash flow from operating activities		
Profit before tax	20,626,370	20,468,799
Adjustments for:		
Depreciation and amortization	916,776	1,406,862
(Profit) / loss on sale / write off of assets	45,002	41,855
Provision for doubtful trade and other receivables (net)	(1,307,852)	(580,302)
Net (gain)/ loss on sale of current investments	(803,126)	(31)
Dividend income	(1,215,667)	(2,813,809)
Operating profit before working capital changes	18,261,503	18,523,374
Movements in working capital :		
(Increase)/decrease in trade payables, other liabilities and provisions	(7,113,810)	6,478,227
Decrease / (increase) in trade receivables	5,760,630	(479,043)
Decrease / (increase) in inventories	15,679,150	(5,493,584)
Decrease / (increase) in loans and advances	2,890,488	(4,472,823)
Cash generated from operations	35,477,961	14,556,151
Direct taxes paid (net of refunds)	(8,015,039)	(4,925,811)
Net cash flow from operating activities (A)	27,462,922	9,630,340
Cash flows from investing activities		
Purchase of fixed assets (including CWIP and capital advances)	(383,542)	(1,486,371)
Proceeds from sale of fixed assets	-	48,648
Dividend received	1,215,667	2,813,809
Net gain on sale of current investments	803,126	31
Net cash flow from investing activities (B)	1,635,251	1,376,117
Net increase in cash and cash equivalents (A + B)	29,098,173	11,006,457
Cash and cash equivalents at the beginning of the year	53,877,345	42,870,888
Cash and cash equivalents at the end of the year	82,975,518	53,877,345
Components of cash and cash equivalents		
Current investments (Refer note 11)	80,082,356	51,936,193
Balances with banks (Refer note 14)		
- on current account	2,893,162	1,941,152
Total cash and cash equivalents	82,975,518	53,877,345

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Bhavana Balasubramanian

Bhavana Balasubramanian
Partner



Place: Chennai
Date: April 18, 2016

For HOEC Bardahl India Limited

P. Kumar
Chairman

Shankar
Director

Place: Chennai
Date: April 18, 2016

A. Background

HOEC Bardahl India Limited (HBIL or 'the Company') was incorporated on November 24, 1988 in the state of Gujarat. HBIL is engaged in the business of marketing "Bardahl" brand of auto additives through a distributor agreement with Bardahl Manufacturing Company ("BMC"), USA and is the sole authorised distributor for Bardahl products in India, Nepal and Sri Lanka. The Company is a wholly owned subsidiary of Hindustan Oil Exploration Company Limited.

B. Summary of significant accounting policies

i Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of Companies Act 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

ii Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates, which are recognized prospectively in the period in which the results are known.

iii Fixed Assets, depreciation and amortization:

Fixed assets comprise the following:

- Tangible assets:

Tangible assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

- Intangible assets:

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. Cost includes all expenses incurred for acquisition of assets (Net of Cenvat, value added tax, wherever applicable).

- Depreciation / Amortisation:

Depreciation is provided on the "Written Down Value" method at the rates specified in Schedule II of the Companies Act, 2013 as per the estimated useful lives of the assets. Assets individually costing less than or equal to Rs. 5,000 are fully depreciated in the year of acquisition.

Improvements to Leasehold premises are amortised over the period of 5 years.

Computer softwares cost are amortised over the license period or 10 years, whichever is lower.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

iv. Impairment

The carrying values of assets/ cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of an asset exceeds the estimated recoverable amount, an impairment is recognized as expense in the statement of profit and loss. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances but not beyond the carrying value had there been no impairment.

v. Leases

As lessee

Leases are classified as finance or operating leases depending upon the terms of the lease agreements. Leases of assets under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term or on a systematic basis, which is more representative of the time pattern in which benefit is derived from the use of the leased asset in accordance with the terms of the agreement.

vi. Investments

Current investments are valued at lower of cost and fair value determined on an individual investment basis. Long term investments are valued at cost. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

vii. Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is ascertained on a specific identification basis. Inventories includes packed goods, unpacked goods and packing Materials. Cost of unpacked goods includes cost of materials (net of Cenvat / VAT), Custom duty, Insurance, Freight, Clearing Charges. Cost of packed materials includes materials (net of Cenvat / VAT), Custom duty, Insurance, Freight, Clearing Charges and repacking cost.

Excise duty liability is included in the valuation of closing inventory of packed Materials.

Obsolescence of inventory is determined on the material consumption pattern / specific review and is accordingly provided for.

Viii. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Revenue from operating activities

From sale of traded goods

Sales of goods are recognised on shipment or dispatch to customers. Sales are stated exclusive of Value Added Tax, Central Sales Tax and are net of Sales return and Trade Discount. Excise duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability that arose during the year.

Interest income

Interest income is recognised on time proportion basis.

Dividend income

Dividend income is recognised when the right to receive the dividend is unconditional.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

ix. Employee Benefits

a. Defined Contribution Plan

The Company's contribution to provident fund is considered as defined contribution plan and are recognized as an expense based on the amount of contribution required to be made and when the services are rendered by the employees.

b. Defined Benefit Plan

The Company makes annual contribution to a Gratuity Fund administered by trustees and managed by the Life Insurance Corporation of India. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year by an Actuary appointed by the Company using the Projected Unit Credit method. Actuarial gains / losses are recognised in the statement of Profit and Loss. Obligation under the defined benefit plan is measured at the present value of estimated future cash flows. The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

c. Compensated absences

The liability for long term compensated absences which are not expected to occur within 12 months after the end of the period in which the employee rendered related service are recognized as liability based on actuarial valuation as at the balance sheet date.

d. Other Employment Benefit

Other employee benefits, including allowances, bonus, incentives, etc. are recognised based on the terms of the employment contract.

x. Foreign currency transactions

The Company translates foreign currency transactions into Indian Rupees at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Indian Rupees at the rate of exchange prevailing at the balance sheet date. Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, excluding long term foreign currency monetary items, are recognised as income or as expenses in the period in which they arise.

xii. Taxation

Income Tax : Current tax is the amount of tax payable on the taxable income for the year and is provided with reference to the provisions of the Income Tax Act, 1961.

Deferred Tax : Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset and relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be when sufficient future taxable income will be available against which such deferred tax assets can be realised.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

xiii. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised only when the Company has present or legal obligations as a result of past events for which it is probable that an outflow of economic benefit will be required to settle the transaction and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. Product warranty expenses are accounted as incurred.



HOEC BARDAHL INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

1. Share capital

	As at March 31, 2016	As at March 31, 2015
Authorised shares		
100,000 (March 31, 2015: 100,000) equity shares of INR 100 each	10,000,000	10,000,000
Issued, subscribed and fully paid up shares		
50,002 (March 31, 2015: 50,002) equity shares of INR 100 each (The Company is a wholly owned subsidiary of Hindustan Oil Exploration Company Limited)	5,000,200	5,000,200
Total issued, subscribed and fully paid-up share capital	5,000,200	5,000,200

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2016		As at March 31, 2015	
	No	INR	No	INR
At the beginning of the period	50,002	5,000,200	50,002	5,000,200
Issued during the period	-	-		
Outstanding at the end of the period	50,002	5,000,200	50,002	5,000,200

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of INR 100 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors will be subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company

	As at March 31, 2016	As at March 31, 2015
Holding Company and its nominees		
Hindustan Oil Exploration Company Limited and its nominees	50,002	50,002

(d) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2016		As at March 31, 2015	
	No.	% holding	No.	% holding
Equity shares of INR 100 each fully paid Hindustan Oil Exploration Company Limited and its nominees	50,002	100	50,002	100



HOEC BARDAHL INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

2. Reserves and surplus

	As at March 31, 2016	As at March 31, 2015
General Reserves	3,800,000	3,800,000
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	84,149,905	70,044,820
Profit for the year	13,686,309	14,105,085
Closing Balance	<u>97,836,214</u>	<u>84,149,905</u>
Total Reserves and Surplus	<u>101,636,214</u>	<u>87,949,905</u>

3. Long term provisions

	As at March 31, 2016	As at March 31, 2015
Other Liabilities		
Rent Equalisation	970,000	840,000
Provision for employee benefits	477,419	-
Provision for compensated absences	<u>1,447,419</u>	<u>840,000</u>

4. Trade payables

	As at March 31, 2016	As at March 31, 2015
Micro, Small & Medium Enterprises	2,188,392	7,529,806
Others	24,300,118	22,238,958
	<u>26,488,510</u>	<u>29,768,764</u>

Disclosure under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006

The details of amounts outstanding are as under :

Particulars	As at March 31, 2016	As at March 31, 2015
Principal amount due and remaining unpaid	2,188,392	7,529,806
Interest due on above	-	-
Interest paid on all delayed payments.	-	-
Payments made beyond the respective due date	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid.	-	-
Amount of further interest remaining due and payable in succeeding year.	-	-

All payments due to Micro, Small and Medium enterprises have been made within the prescribed time limits and / or date agreed upon under the contract.

5. Other current liabilities

	As at March 31, 2016	As at March 31, 2015
Statutory dues payable	4,138,262	5,548,075
Payable to employees	506,136	2,581,984
Security Deposits	5,100,000	5,480,000
Advance from Customers	268,978	246,177
	<u>10,013,376</u>	<u>13,856,236</u>

6. Short term provisions

	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits	185,165	201,338
Provision for gratuity (note 25)	271,260	853,202
Provision for compensated absences	<u>456,425</u>	<u>1,054,540</u>



HOEC BARDAHL INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

7 & 8 Fixed assets

Fixed Assets	Gross Block			Depreciation and Amortization expense				Net Block	
	Balance as at April 1, 2015	Additions	Deletion	Balance as at March 31, 2016	Balance as at April 1, 2015	Depreciation charge	On Deletion	Balance as at March 31, 2016	Balance as at March 31, 2015
7 Tangible assets									
Freehold Land	1,175,601	-	-	1,175,601	-	-	-	1,175,601	1,175,601
Plant & Equipment	1,876,983	246,422	116,486	2,006,919	1,278,745	139,052	73,644	1,344,153	598,238
Furniture & Fixtures	760,625	-	5,300	755,325	639,498	41,650	5,035	676,113	121,127
Office Equipments	1,180,835	1,500	-	1,182,335	795,465	179,973	-	975,438	385,370
Others - Computer	1,322,615	27,588	37,908	1,312,295	1,104,429	122,223	36,013	1,190,639	218,186
Improvement to Lease Hold Premises	2,231,627	-	-	2,231,627	1,633,611	399,525	-	2,033,136	598,016
	8,548,286	275,510	159,694	8,664,102	5,451,748	882,423	114,692	6,219,479	3,096,538
Previous Year	7,429,804	1,432,371	313,889	8,548,286	4,291,822	1,383,312	223,386	5,451,748	3,137,982
8 Intangible assets									
Computer Software	235,498	108,032	-	343,530	103,800	34,353	-	138,153	131,698
Previous Year	181,498	54,000	-	235,498	80,250	23,550	-	103,800	101,248



HOEC BARDAHL INDIA LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

9. Deferred tax assets

	As at March 31, 2016	As at March 31, 2015
Deferred tax assets		
Provision for doubtful debts	-	424,398
Employee Related Cost	303,032	342,198
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged in financial reporting	722,352	638,346
Others	314,765	272,580
Deferred tax assets	1,340,149	1,677,522

10. Long term loans and advances

	As at March 31, 2016	As at March 31, 2015
Security deposit	1,620,000	1,620,000
Advances recoverable in cash or kind	2,369,158	2,369,158
Income-tax (net of provision - INR 29,034,305) (March 31, 2015 - INR 43,828,632)	2,371,640	959,201
Fringe benefit tax (net of provision - INR 639,000) (March 31, 2015 - INR 638,912)	-	88
	6,360,798	4,948,447

11. Current Investments

	As at March 31, 2016	As at March 31, 2015
Unquoted Mutual Funds (Units of Liquid / Liquid Plus scheme in Mutual Funds)		
NIL (March 31, 2015 - 1,150,102) Units of Rs. 10 each of HDFC Liquid Fund - Treasury Advantage Plan - Daily Dividend Reinvestment	-	11,537,246
308,002 (March 31, 2015 - NIL) Units of Rs. 10 each of HDFC High Interest Fund Dynamic Plan - Growth	15,220,417	-
NIL (March 31, 2015 - 382,075) Units of Rs. 100 each of ICICI Prudential Flexible Income Plan - Premium - Daily Dividend Reinvestment	-	40,398,947
867,381 (March 31, 2015 - NIL) Units of Rs. 10 each of IDFC Super Saver Income Fund - Medium Term - Growth	21,000,000	-
5,943 (March 31, 2015 - NIL) Units of Rs. 1000 each of TATA Mutual Fund Floater Fund - Regular Plan - Growth	13,259,171	-
665,534 (March 31, 2015 - NIL) Units of Rs. 10 each of TATA Mutual Fund Dynamic Bond - Regular Plan - Growth	15,000,000	-
23,057 (March 31, 2015 - NIL) Units of Rs. 100 each of Birla Sun Life Cash Plus Fund - Regular Plan - Growth	5,500,000	-
393,397 (March 31, 2015 - NIL) Units of Rs. 10 each of Birla Sun Life Dynamic Bond - Growth	10,102,768	-
	80,082,356	51,936,193

12. Inventories

	As at March 31, 2016	As at March 31, 2015
i. Stock of traded goods		
A. Unpacked		
Additives	1,431,790	5,428,499
Lubricants	164,464	1,993,825
Car Care	1,209,670	630,447
	2,805,924	8,052,771
B. Packed		
Additives	9,151,923	14,216,704
Accessories	246,230	-
Lubricants	1,106,237	1,188,422
Car Care	4,150,140	4,024,017
	14,654,530	19,429,143
	17,460,454	27,481,914
ii. Unpacked Stock in transits	-	5,446,749
iii. Stock of Packing Material	1,618,826	1,829,767
Total (i)+(ii)+(iii)	19,079,280	34,758,430



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

13. Trade receivables

	As at March 31, 2016	As at March 31, 2015
Secured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	1,639	67,291
Other receivables	3,288,999	3,606,264
	<u>3,290,638</u>	<u>3,673,555</u>
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	202,303	192,343
Other receivables	16,061,054	20,140,875
Unsecured, considered doubtful	-	1,307,852
	16,263,357	21,641,070
Less : Provision for doubtful trade receivables	-	(1,307,852)
	<u>16,263,357</u>	<u>20,333,218</u>
	<u>19,553,995</u>	<u>24,006,773</u>

14. Cash and cash equivalents

	As at March 31, 2016	As at March 31, 2015
Balances with banks:		
– in current accounts	2,893,162	1,941,152
	<u>2,893,162</u>	<u>1,941,152</u>

15. Short term loans and advances

	As at March 31, 2016	As at March 31, 2015
Unsecured and considered good		
Security deposit	26,000	26,999
Security Deposit with related parties (Refer note 26)	8,500,000	8,500,000
Advances recoverable in cash or kind	2,443,966	6,464,063
Cenvat & Service Tax Input Credit	1,423,673	297,703
Cenvat Credit Account	433,147	154,883
Prepaid expenses	255,618	529,244
	<u>13,082,404</u>	<u>15,972,892</u>



HOEC BARDAHL INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

16. Revenue from operations

	<u>for the year ended March 31, 2016</u>	<u>for the year ended March 31, 2015</u>
Sale of traded goods	203,155,941	191,721,600
Add: Excise Duty	29,286,400	27,488,005
	<u>232,442,341</u>	<u>219,209,605</u>
Other operating revenue	576,154	679,605
	<u>233,018,495</u>	<u>219,889,210</u>

Details of sales of traded goods

Additives	148,868,606	160,722,119
Lubricants	233,918	191,020
Car Care	60,614,726	37,598,897
Others	600,902	-
	<u>210,318,152</u>	<u>198,512,036</u>
Less : Distribution Expenses	<u>(7,162,211)</u>	<u>(6,790,436)</u>
	<u>203,155,941</u>	<u>191,721,600</u>

17. Other income

	<u>for the year ended March 31, 2016</u>	<u>for the year ended March 31, 2015</u>
Interest income		
Others	195,531	32,207
Dividend income on current investments	1,215,667	2,813,809
Gain on sale of current investments (net)	803,126	31
Provision for Doubtful debts no longer required written back	1,584,779	580,303
Miscellaneous Income	725,918	805,634
	<u>4,525,021</u>	<u>4,231,984</u>

18. Purchase of traded goods

	<u>for the year ended March 31, 2016</u>	<u>for the year ended March 31, 2015</u>
Additives	51,803,236	62,910,957
Lubricants	-	-
Car Care	33,154,038	21,982,623
Others	730,472	-
Increase / (Decrease) in Excise duty on closing stock	(1,025,624)	2,097,522
Excise Duty on stock w/off	24,101	28,402
Increase / (Decrease) in Output VAT	-	22,792
Cost of Samples & replacements	(784,924)	(582,401)
	<u>83,901,299</u>	<u>86,459,895</u>



HOEC BARDAHL INDIA LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

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

19. Repacking Cost

	<u>for the year ended March 31, 2016</u>	<u>for the year ended March 31, 2015</u>
Packing Material consumed	20,114,782	23,528,920
Repacking Cost	8,012,534	8,902,547
	<u>28,127,316</u>	<u>32,431,467</u>

20. (Increase) / Decrease in inventories of traded goods

	<u>for the year ended March 31, 2016</u>	<u>for the year ended March 31, 2015</u>
Inventories at the beginning of the year	27,481,914	18,569,880
Inventories at the end of the year	(17,460,454)	(27,481,914)
	<u>10,021,460</u>	<u>(8,912,034)</u>

21. Employee benefit expenses

	<u>for the year ended March 31, 2016</u>	<u>for the year ended March 31, 2015</u>
Salaries, wages and bonus	19,292,085	19,826,319
Contribution to provident fund & other funds (Refer Note 25)	1,170,502	1,617,526
Staff welfare expenses	947,201	1,600,568
	<u>21,409,788</u>	<u>23,044,413</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

22. Other expenses

	for the year ended March 31, 2016	for the year ended March 31, 2015
Product Promotion Expenses (net)	6,024,723	6,341,003
Incentives for Marketing	2,306,216	2,695,028
Rebates & Discounts	6,690,020	6,582,729
Sales Promotion	2,484,074	3,129,602
Field Staff Expenses	3,744,456	3,713,117
Travelling and Conveyance	1,252,304	616,795
Legal and professional fees	3,918,388	909,850
Exchange difference (net)	746,359	238,233
Rent (Refer Note 27)	8,638,861	10,785,377
Power & Fuel	383,210	583,477
Rates and Taxes	-	147,588
Insurance	31,716	31,870
Payment to auditors	702,140	550,194
Contractual Labour Charges	1,763,002	1,367,937
Doubtful Debts written off	1,584,779	-
Repairs and maintenance		
Others	355,738	393,861
Miscellaneous expenses	2,226,422	3,278,700
	<u>42,852,408</u>	<u>41,365,361</u>

Payment to Auditors

	for the year ended March 31, 2016	for the year ended March 31, 2015
Audit fee	402,000	390,000
Tax Audit fee	100,500	50,000
Other Services	-	36,350
Reimbursement of expenses	199,640	73,844
	<u>702,140</u>	<u>550,194</u>

23. Finance costs

	for the year ended March 31, 2016	for the year ended March 31, 2015
Interest *	341,202	309,911
Bank charges	60,497	58,515
	<u>401,699</u>	<u>368,426</u>

24. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	for the year ended March 31, 2016	for the year ended March 31, 2015
Profit for the year as per Statement of Profit & Loss	13,686,309	14,105,085
Par value per share	Rs 10	Rs 10
Weighted average number of equity shares in calculating basic and diluted EPS	50,002	50,002
Earnings per equity share in INR computed on the basis of profit for the year		
Basic and Diluted	273.72	282.09



HOEC BARDAHL INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

25. Employee Benefits

a. Defined contribution plan

The company makes provident fund contribution under defined contribution plan for qualifying employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to fund the benefits. The company recognized ₹1,170,502 (PY: ₹ 1,617,526) for provident fund contribution in the statement of profit and loss. The contributions payable to this plan by the company at rates specified in the rules of the scheme.

b. Defined Benefit Plan

(i) Gratuity

The following table sets out funded status of the gratuity and the amount recognized in the financial statements.

	For the year ended March 31, 2016	For the year ended March 31, 2015
Statement of Profit and Loss		
Net employee benefit expense recognized in the employee cost		
Current service cost	228,697	227,392
Interest cost on benefit obligation	269,552	261,246
Expected return on plan assets	(299,807)	(330,300)
Net actuarial (gain) / loss recognized in the year	(65,646)	324,542
Net benefit expense	132,796	482,880
Actual return on plan assets	324,356	341,623
Loss / (Gain) on Obligation as per Annexure III	(41,097)	335,865
Loss / (Gain) on Assets as per Annexure IV	(24,549)	(11,323)
Net actuarial Loss / (Gain)	(65,646)	324,542
Balance sheet		
Benefit asset/ liability		
Present value of defined benefit obligation	3,437,853	4,051,008
Fair value of plan assets	3,252,688	3,849,670
Net asset / (liability)	(185,165)	(201,338)

Changes in the present value of the defined benefit obligation are as follows

Opening defined benefit obligation	4,051,008	3,624,447
Current service cost	228,697	227,392
Interest cost	269,552	261,246
Benefits paid	(1,070,307)	(397,942)
Actuarial (gains) / losses on obligation	(41,097)	335,865
Closing defined benefit obligation	3,437,853	4,051,008

Changes in the fair value of plan assets are as follows:

Opening fair value of plan assets	3,849,670	3,774,860
Expected return	299,807	330,300
Contributions by employer	148,969	131,129
Benefits paid	(1,070,307)	(397,942)
Actuarial gains / (losses)	24,549	11,323
Closing fair value of plan assets	3,252,688	3,849,670

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2016	March 31, 2015
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	March 31, 2016	March 31, 2015
Discount rate	8.00%	7.70%
Future salary increase	6.50%	6.50%
Expected rate of return on assets	8.00%	8.00%
Employee turnover	1% to 5%	1% to 5%



HOEC BARDAHL INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Experience adjustments for the current and previous four periods are as follows:

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Experience gain / (loss) on plan assets	24,549	11,323	-	15,560	14,354
Experience (gain) / loss on plan liabilities	(41,097)	335,865	(459,352)	(181,659)	89,960

The Group is maintaining a fund with the Life Insurance Corporation of India (LIC) to meet its gratuity liability. The fair value of the plan assets represents the balance available with the LIC as at the end of the year. The total value of plan assets is as certified by the LIC.

(ii) Long-term compensated absences

The principal assumptions used in determining long term compensated absences are shown below:

	As at March 31, 2016	As at March 31, 2015
Discount rate	8.00%	7.70%
Future salary increase	6.50%	6.50%
Expected rate of return on assets	8.00%	8.00%
Employee turnover	1% to 5%	1% to 5%

26. Related party transactions

(As identified by management and relied upon by auditors)

Details of related parties and related party relationship

Holding company : Hindustan Oil Exploration Company Limited
Mr. Hashit Rawal - Director & COO

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties during the year and the outstanding balances as at the balance sheet date:

Nature of the Transactions	Related Party	for the year ended March 31, 2016	for the year ended March 31, 2015
Rent (net of service tax & including SBC)	Hindustan Oil Exploration Company Limited	4,840,065	6,541,500
Security Deposits	Hindustan Oil Exploration Company Limited	-	-
Remuneration	Mr. Hashit Rawal - Director & COO	3,567,807	-

Balances outstanding as at the end of the year:

Nature of the Balance	Related Party	As at March 31, 2016	As at March 31, 2015
Security Deposits	Hindustan Oil Exploration Company Limited	8,500,000	8,500,000
Advances	Hindustan Oil Exploration Company Limited	-	3,552,063
Total		8,500,000	12,052,063

27. Lease

Particulars	for the year ended March 31, 2016	for the year ended March 31, 2015
Rent charged to Statement of Profit and Loss	8,638,861	8,948,700

Future Minimum Rentals payable under Non-Cancellable operating leases are as follows :

Within one year	3,975,276	3,662,496
After one year but not more than five years	6,139,131	10,064,088
More than five years	-	-

28. Capital and other commitments

There are no contracts remaining to be executed and not provided for.



HOEC BARDAHL INDIA LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

29. Contingent liabilities

Claims against the Company not acknowledged as debts :

	As at March 31, 2016	As at March 31, 2015
Income tax demand	1,320,916	1,320,916
Fringe Benefit Tax demand	201,000	-
Central Excise demand	300,844	300,844

30. Unhedged foreign currency exposure

Particulars of Unhedged Foreign Currency Exposure at the Balance Sheet date

	As at March 31, 2016	As at March 31, 2015
Trade payables - US\$ 79,006 (US\$ 127,647)	5,359,743	8,103,128

31. Expenditure in foreign currency

Particulars	As at March 31, 2016	As at March 31, 2015
Travelling and conveyance	85,995	17,688
Others - Samples	-	9,157

32. Value of imports calculated on CIF basis

Particulars	As at March 31, 2016	As at March 31, 2015
Traded Goods	41,238,547	52,691,460

33. Segmental Reporting

The Company is primarily engaged in a single business segment of "Automotive and related components" in one geographic segment in India. Therefore, there are no separate reportable segments for Segmental Reporting.

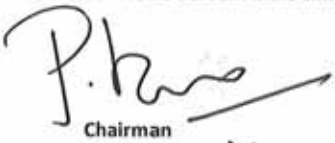
34. Agreement with Bardahl Manufacturing Corp, USA


The Company is the sole authorised distributor for the products of M/s. Bardahl Manufacturing Corp ("BMC"), USA in India for over 15 years through an agreement between the two parties. This agreement is entered into for a period of 3 years and extended for further period of 3 years and was valid up to 29th February 2016 and was due for extension. BMC has terminated the agreement with HBIL and entered in to an agreement with one of the distributors of HBIL. Therefore, the management has decided to invoke arbitration for adjudicating the dispute.

35. Previous year figures

Previous year's figures have been regrouped wherever necessary to conform to the current year's presentation.

For HOEC Bardahl India Limited


Chairman


Director



Place: Chennai
Date: April 18, 2016

Place: Chennai
Date: April 18, 2016