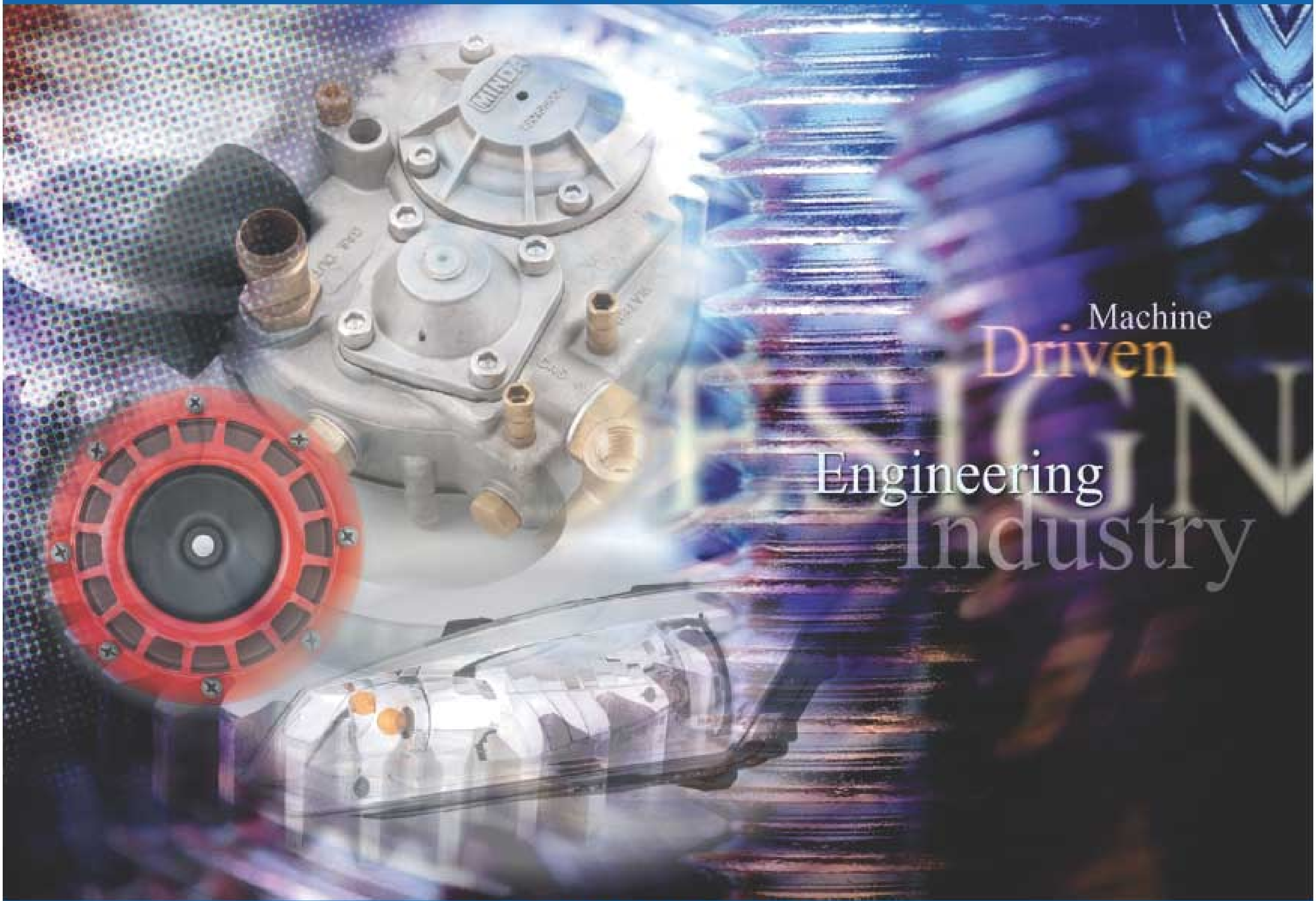
# 20th ANNUAL REPORT 2011-12




## MINDA INDUSTRIES LIMITED

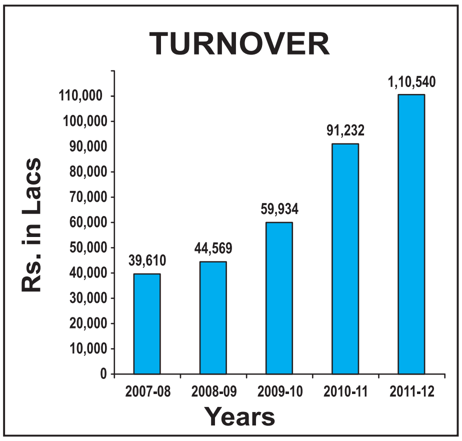
UNO MINDA
NK MINDA GROUP

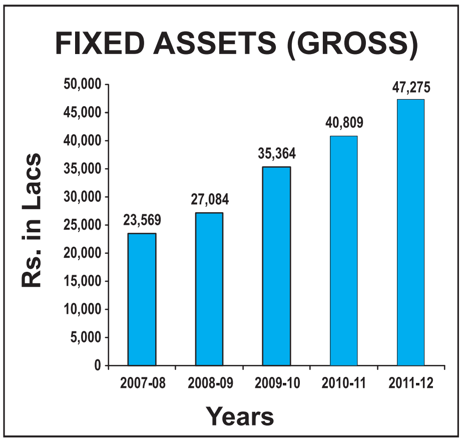
THINK. INSPIRE . FLOURISH

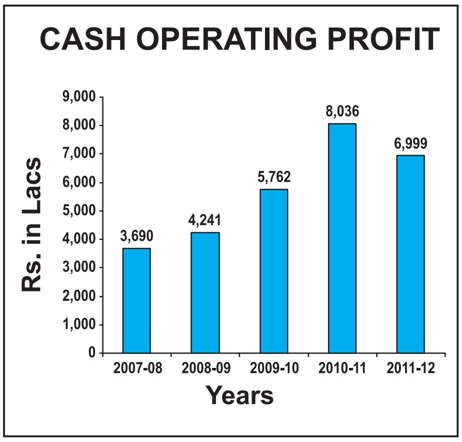
## CONTENTS

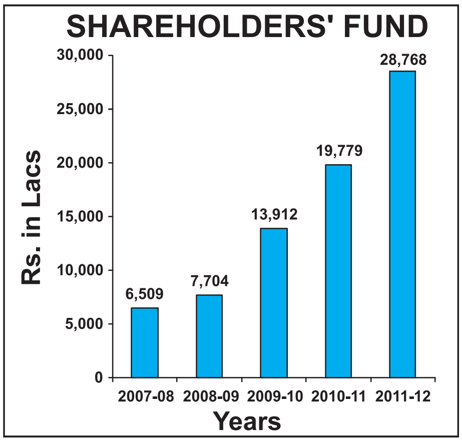


## Financial Graphs



# 20TH ANNUAL REPORT 2011-12
## SHAREHOLDERS' REFERENCE

### BOARD OF DIRECTORS
Mr. Nirmal K. Minda - Chairman & MD
Mr. Anand Kumar Minda - Director
Mr. Subhash Lakhotia - Director
Mr. S.K. Arya - Director
Mr. Alok Dutta - Director
Mr. Rakesh Sony - Director
Mr. Satish Sekhri – Director
Mr. Vivek Jindal – Director (upto 13 February 2012)

### AUDITORS
B S R and Company
Chartered Accountants

### BRANCH AUDITORS
MZSK & Associates
Chartered Accountants

Jain Ajay & Associates,
Chartered Accountants,

### INTERNAL AUDITORS
N. Bahl & Co.
Chartered Accountants

### BANKERS
Canara Bank
State Bank of India
Citibank
Axis Bank
HDFC Bank
Standard Chartered Bank

### REGISTRAR & SHARE TRANSFER AGENT
Link Intime India Pvt. Ltd.
A-40 (2nd Floor), Naraina Industrial Area, Phase-II, New Delhi-110028

### LISTED AT
Bombay Stock Exchange
National Stock Exchange
Delhi Stock Exchange

### DEPOSITORIES
National Securities Depositories Ltd.
Central Depository Services (India) Ltd.

### COMPANY SECRETARY
H.C. Dhamija

### REGISTERED OFFICE
B-64/1, Wazirpur Industrial Area, Delhi – 110052

### CORPORATE OFFICE
Village Nawada Fatehpur, P.O. Sikanderpur Badda, Distt. Gurgaon (Haryana)

### WORKS
34-35 Km, G.T. Karnal Road, Village Rasoi, Distt. Sonepat, Haryana
Village Naharpur Kasan, P.O. Nakhrola, Distt. Gurgaon, Haryana
Village Nawada Fatehpur, P.O. Sikanderpur Badda, Distt. Gurgaon, Haryana
B-6, Chakan Industrial Area, Village-Mahalunge, Taluka-khed, Distt. Pune, Maharashtra
B-1/5, Chakan Industrial Area, Village-Mahalunge, Taluka-khed, Distt. Pune, Maharashtra
Plot No. 5, Sector-10, IIE, Pant Nagar, Udham Singh Nagar, Uttaranchal

# NOTICE

Notice is hereby given that the 20th Annual General Meeting of MINDA INDUSTRIES LTD. will be held on Tuesday, September 25, 2012 at 2.30 p.m. at Lakshmipat Singhania Auditorium, PHD House, Opposite Asian Games Village, New Delhi-110016, to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2012, Profit & Loss Account for the year ended March 31, 2012 alongwith the Reports of Auditors and Directors thereon.
2. To declare dividend on 3% Cumulative Redeemable Preference Shares.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Mr. Alok Dutta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Satish Sekhri, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s B S R & Co., Chartered Accountants as Statutory Auditors of the Company in place of M/s B S R and Company, Chartered Accountants to hold office from the conclusion of this Annual General Meeting and to authorise Board of Directors to fix their remuneration.

## SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT M/s. Jain Ajay & Associates, Chartered Accountants, Delhi be and is hereby appointed as Branch Auditors for the audit of the accounts of Autogas and Acoustic Division(s)-Branches of Minda Industries Ltd. and the Company hereby authorise the Board of Directors to fix the terms and conditions of their appointment including the remuneration payable to them."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT the approval granted by the shareholders through Postal Ballot dated 28 December 2011 for hiving off Battery Division of the Company be and is hereby withdrawn and Mr. Nirmal K. Minda, Chairman & Managing Director, Mr. Anand Kumar Minda, Director and Mr. H.C. Dhamija, V. P.-Group Accounts & Co. Secretary be and are hereby authorised severally to do all acts, deeds, things including signing of any documents necessary to give effect to the resolution.

By Order of the Board
For **MINDA INDUSTRIES LTD.**

**(H. C. DHAMIJA)**
V.P.- Group Accounts
& Co. Secretary

Place: Gurgaon, Haryana
Date : August 14, 2012

**Regd. Office:**
B-64/1, Wazirpur Industrial Area, Delhi-110052
E-mail : hcdhamija@mindagroup.com

## NOTES:

i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY, TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/ HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

ii) Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

iii) Explanatory statement pursuant to section 173(2) of the Companies Act, 1956, is annexed hereto.

iv) The Register of Members and Share Transfer Books will remain closed from Tuesday, September 18, 2012 to Tuesday, September 25, 2012. (Both days inclusive).

v) All documents and papers as referred to in this notice and as required by the Companies Act, 1956 shall be available for inspection between 11.00 a.m. to 1.00 p.m. on all working days at the Registered Office of the Company and shall also be so available during the meeting.

vi) The Directors recommend the payment of Dividend for the year 2011-12 of Rs.3.00 per equity share, i.e.@ 30%, on the paid-up share capital and Rs. 0.30 per 3% cumulative redeemable preference share i.e. @ 3% on the paid up share capital, when declared at the Annual General Meeting will be paid to the members whose names appear –

   i) As beneficial owners of the shares as per list to be furnished by the depositories in respect of the shares held in demat form on the closing hours of the business on Monday, September 17, 2012 and

   ii) As Members on the Register of Members of the Company as on September 25, 2012 after giving effect to all valid shares transfer in physical form which would be received by the Company end of the business hours on Monday, September 17, 2012.

vii) Pursuant to Section 205A(5) of the Companies Act, 1956, as amended, any money transferred to the Unpaid Dividend Account of the Company, which remains Unpaid or Unclaimed for a period of 7 (Seven) years from the date of such transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government and the Shareholders shall not be able to claim any Unpaid Dividend from the said fund or from the Company thereafter.

During the year 2011-12, the Company has already transferred the unclaimed dividend on the Equity Shares for the year 2003-04 to the Investor Education and Protection Fund established by the Central Government.

Members who have not claimed the dividend for the year 2004-05 and any subsequent dividend payment(s) are requested to make their claims to the Company.

viii) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, Link Intime India Pvt. Ltd. whose address in given below.

ix) Members are requested:

   a) to bring their copies of Annual Report, Notice and Attendance slip at the time of the Meeting.

   b) to quote their Folio No. in all correspondence.

   c) to notify the change in the address, if any, on or before Monday, September 17, 2012, so that dividend warrant can be delivered to new address.

x) Members desiring any information/clarification on the Accounts are requested to write to the Company in advance at least seven (7) days before the meeting so as to keep the information ready at the time of Annual General Meeting.

xi) Pursuant to Section 109A of the Companies Act, 1956, shareholders holding shares in electronic/demat form may file nomination in the prescribed Form 2B (in duplicate) with the respective Depository Participant and in respect of shares held in physical form, the nomination form may be filed with the Company's Registrar and Transfer Agent.

xii) The Registrar & Share Transfer Agent for physical and dematerialisation of shares is M/s. Link Intime India Pvt. Ltd., A - 40, 2nd Floor, Naraina Industrial Area, Phase-II, New Delhi-110028. Interested members may send request for physical share transfer as well as dematerialisation of shares through depository participant to M/s. Link Intime India Pvt. Ltd. at its given address.

## INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT.

**DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING REAPPOINTMENT**
(Pursuant to clause 49 of the Listing Agreement)

| **Name of Director** | **Mr. Alok Dutta** | **Mr. Satish Sekhri** |
|---|---|---|
| Date of Birth | 18/11/1946 | 28/03/1950 |
| Date of Appointment | 29/10/2009 | 29/07/2010 |
| Qualifications | B.Tech. & ICWA | BE & MBA |
| Experience in special functional area | More than 38 years of experience in automotive industry and in depth experience of projects set up, financial control and reviews and Joint Venture negotiations | More than 39 years of experience in automotive industry and also holds position of executive committee member of professional bodies. |
| Chairman/ Director of other companies | | Victor Gaskets India Ltd.<br>Rico Auto Industries Ltd.<br>Automotive Axles Ltd.<br>Kalyani Thermal Systems Ltd.<br>Hirschvogel Kalyani India Pvt. Ltd.<br>Minda Distribution and Services Ltd. |
| Chairman/member of Committees of Board of companies of which he is a Director | **Chairman:**<br>Audit Committee, Remuneration Committee and Shareholders/ Investors Grievance Committee of Minda Industries Ltd. | **Member:**<br>Audit Committee of<br>Minda Industries Limited.<br>Victor Gaskets India Ltd.<br>Rico Auto Industries Ltd.<br>Automotive Axles Ltd.<br>Kalyani Thermal Systems Ltd.<br>Hirschvogel Kalyani India Pvt. Ltd.<br>and in<br>Remuneration Committee of<br>Minda Industries Limited |
| No. of shares held | NIL | NIL |

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

### ITEM NO. 7

It is proposed to re-appoint M/s. Jain Ajay & Associates, Chartered Accountants, Delhi to conduct the audit of the Accounts of Autogas and Acoustic Division(s) - branches of Minda Industries Ltd. The Branch Auditors will prepare a report on the accounts of the said branches examined by them and forward the same to the Company's Statutory Auditors.

Pursuant to section 228 (3) of the Companies Act, 1956, approval of members is sought vide item No. 7 of the Notice of this Annual General Meeting.

None of the Directors of the Company shall be deemed to be concerned or interested in this resolution except and to the extent they are members of the Company.

### ITEM NO. 8

The shareholders of the company had approved the hiving off of Battery Division through Postal Ballot. The Board has re-visited its plan and recommend that the Battery Division should not be hived off, but the operation(s) / activities be scaled down. Hence, the withdrawal / approval of the members is sought vide item No. 8 of the Notice of this Annual General Meeting.

None of the Directors of the Company shall be deemed to be concerned or interested in this resolution except and to the extent they are members of the Company.

By Order of the Board
For **MINDA INDUSTRIES LTD.**

**(H. C. DHAMIJA)**
V.P.- Group Accounts
& Co. Secretary

Place: Gurgaon, Haryana
Date : August 14, 2012

# DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 20th Annual Report on the business and operations of the Company alongwith the Audited Accounts for the year ended on March 31, 2012.

## FINANCIAL RESULTS

(Rupees in Lacs)

| PARTICULARS | For the Year 2011-12 | For the Year 2010-11 |
|---|---|---|
| Sales/Income from operations | **110,540** | 91,232 |
| Other income | **1,600** | 1,458 |
| Profit from operations before Tax | **3,342** | 4,673 |
| **Provision for Taxation** | **688** | 806 |
| Deferred Tax Liability/(Asset) | **(688)** | 383 |
| Profit after Tax | **3,342** | 3,485 |
| Brought Forward Profit from Previous Year | **10,114** | 5,555 |
| Amount Transferred from : | | |
| Accumulated Profits acquired on amalgamation | **4288** | - |
| Transferred from erswhile Minda Autogas Limited, pursuant to scheme of amalgamation | **-** | 2103 |
| Profit Available for appropriation | **13,455** | 10,114 |
| **APPROPRIATION:** | | |
| - Divident paid on converted Compulsorily convertable preference shares (class B) | **55** | - |
| - Tax on divident paid | **9** | - |
| - General Reserve | **450** | 400 |
| - Dividend on 9% Cumulative Redeemable Preference Shares | **-** | 22.10 |
| - Dividend on 3% Cumulitive Compulsorily Convertable Preference Shares | **-** | 120.40 |
| - Proposed Dividend on 3% Cumulitive Redeemable Preference Shares | **10.50** | 10.50 |
| - Proposed Dividend on Equity Shares | **476** | 387 |
| - Corporate Tax on Dividend | **79** | 88 |
| - Balance of Profit Carried Forward | **16,664** | 10,114 |

## FINANCIAL HIGHLIGHTS

The sales/ income from operations for the financial year under review were Rs.110,540 Lacs as against Rs. 91,232 Lacs for the previous year, registering growth of 21.16%.

Minda Autogas Ltd. and Minda Acoustic Ltd. were amalgamated with the Company during 2010-11 and 2011-12 respectively. Therefore, the financial statements include the results of these entities.

## DIVIDEND & APPROPRIATIONS

### Appropriations

During the year 2011-12 an amount of Rs. 450 Lacs has been appropriated to General Reserve (last year Rs.400 Lacs).

### Dividend

Your Directors recommend

1) Dividend of 30% i.e. Rs. 3/- per Equity Share (previous year Rs. 3/- per equity share) on the face value of Rs. 10/- each on 15,865,356 Equity Shares (previous year 12,910,192 Equity Shares), amounting to Rs. 476 Lacs (Previous Year Rs. 387 Lacs)

2) Dividend of 3% i.e. Rs. 0.30 per 3% Cumulative Redeemable Preference Shares of Rs. 10/- each on 35,00,000 3% Cumulative Redeemable Preference

Shares, amounting to Rs. 10.50 Lacs (previous year Rs. 10.50 Lacs).

## BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The Company, its subsidiaries, share of jointly controlled entities and associates is an integrated Automotive Manufacturing group with wide range of auto component products including Switches, CNG/LPG kits, Horns, Lightings, Batteries, Blow Moulding Products.

## JOINT VENTURE

During the year under review, Minda Kyoraku Ltd, was incorporated by Minda Industries Limited, Kyoraku & Co., Ltd. (Japan) and Nagase & Co., Ltd (Japan).

The running units of the blow moulding division have been hived off to the aforesaid JV Company.

Your Company has invested in the Equity Shares of the said company to the tune of Rs. 31.74 Crores equal to 73.88% holding.

With this tie up, the quality of the blow moulding products will be improved further and the high quality products will be supplied to the customers, which will enhance the image of the group in the OEMs Your Company foresee great business opportunities through this joint venture.

## UNO MINDA/ CORPORATE RE-BRANDING

As part of journey towards building a globally recognized brand, achieving industry leadership and taking forward the progressive outlook. Your Company had unveiled re-branding and repositioning of new corporate logo namely UNO MINDA which your Board believes would enhance the mindshare and customer loyalties towards the product offerings of your company.

The new logo in its entirety reflects a combination of Stability with Growth, of Tradition with Forward Thinking, of Continuity with Passion and Energy, and of course, the global orientation of the UNO MINDA.

The UNO MINDA baseline i.e. THINK. INSPIRE. FLOURISH is reflective of the core characteristics of the group.

## AWARD AND RECOGNITION

During the year, the Company has won the various awards including the following:-

| Sr. No. | Description of the Award | Name of the Division | Competition organized by | Competition held in |
|---|---|---|---|---|
| 1 | Gold | Switch, Pune | QCFI | August, 2011 |
| 2 | Gold | Switch, Pant Nagar | QCFI | September, 2011 |
| 3 | Gold | Acoustic, Pant Nagar | QCFI | October, 2011 |
| 4 | Gold | Switch, Manesar | QCFI | October, 2011 |
| 5 | Gold | Acoustic, Manesar | QCFI | October, 2011 |
| 6 | Gold | Lighting, Manesar | QCFI | October, 2011 |
| 7 | 2nd Prize | Lighting, Manesar | CII | October, 2011 |
| 8 | 1st Prize | Switch, Manesar | HMSI | November, 2011 |
| 9 | Excellence Award | Switch, Manesar | CCQC | December, 2011 |
| 10 | 1st Prize | Switch, Pune | ACMA | December, 2011 |

## FIXED DEPOSITS

No fresh fixed deposits were accepted by your Company during the year. There are no overdue deposits of your Company.

## AMALGAMATION

The Company, Minda Acoustic Ltd. manufacturing Horns, for automobile sector, has been amalgamated with Minda Industries Ltd. Vide Order dated 25th August, 2011 of the Hon'ble Delhi High Court, having appointed date of April 01, 2010.

## DIRECTORS

In accordance with the provisions of the Articles of Association of the Company and of the Companies Act, 1956, Mr. Alok Dutta and Mr. Satish Sekhri, Directors of the Company are liable to retire by rotation on the date of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Information about the Directors proposed to be re-appointed such as their experience etc. as required under Clause 49 of the Listing Agreement is being given in the Notice to the shareholders for the forthcoming Annual General Meeting of the Company, which is forming part of this Annual Report.

Mr. Vivek Jindal resigned from the directorship from the Board with effect from February 13, 2012. Your company wishes to place on records the contributions made by him during his tenure.

## HUMAN RESOURCE

Your Company recognizes that people are its principle assets and that its continued growth is dependent upon the Company's ability to attract and retain quality people. The Company encourages long-term commitment by rewarding its people for the opportunities they create and the value generated for customers and shareholders. The Company conducts several training programmes ,in house through Pathshala as well by out side faculties to upgrade the skills of the workforce .

## CORPORATE SOCIAL RESPONSIBILITIES

Corporate Social Responsibility (CSR) is the deliberate inclusion of public interest into corporate decision making. CSR is at the core of your Company's vision and mission which is achieved by focusing on the interest of the employees, customers and shareholders of the Company and the society at large.

All the employees of your Company at manufacturing sites undergo regular periodic medical examination.

Safety and environmental performance is integral to the business performance of the Company and has received continuous focus throughout the year. 'Zero accidents' is acceptable standard of safety performance. The Company organizes various trainings including the training on fire fighting and mock drills at regular interval to ensure optimum safety of employees.

Sound environmental health and safety management is an integral part of the Company's business practices. For all manufacturing facilities, which require environmental consents such as air, water and hazardous waste, proper authorizations from respective Pollution Control Boards have been obtained and are in compliance with the present Environmental Legislation.

During the year 2011-12 Minda Industries Limited continued its affirmative action plan & corporate social responsibility initiatives in various fields. Your company continues to support Moga Devi Minda Charitable Trust, which interalia operates through:

Minda Bal Gram: provides long term and sustained institutional care to the children in need. The Bal Gram believes in the all round development of the children. In order to fulfil its objectives and long term goals, the institution provides physical, mental, spiritual, residential educational development and employment opportunities to the children.

Minda Seva Kendra: This project is mainly for the rural development in Haryana. The center was established in April, 2007 in Bagla Village of Hissar District in Haryana. Under this project, the Trust has adopted the village and is working towards making it an 'Ideal Village'. The Sankranti Program, Samarth Program, Sankalpa Program, Jawala Mai Dham and Minda Seva Sadan are being run through this project.

## AUDITORS AND AUDITORS' REPORT

M/s B S R and Company, Chartered Accountants were appointed as Statutory Auditors in the Annual General Meeting of the Company held on August 11, 2011 to hold the position upto this Annual General Meeting. It is stated that M/s B S R Company has submitted their resignation that they will not hold the said position after this Annual General Meeting. Your Board of Directors have proposed to appoint M/s B S R & Co. Chartered Accountants as the Statutory Auditors of the Company in their place to hold office until the conclusion of the next Annual General Meeting of the Company. The Company has received a letter from them to the effect that their appointment, if approved, would be within the prescribed limit under section 224(1B) of the Companies Act, 1956.

The Statutory Auditors of the Company vide para no.(f) have qualified their report with respect to impairment charges relating to Battery Division of the Company.

In this regard it is stated that the Battery Division of Minda Industries Ltd. was incurring continuous losses and therefore the impairment charge for the Battery division has been provided by the Company.

As per Accounting Standard 28, the carrying amount of the Assets/Cash Generating Unit (CGU) are compared with the recoverable amount and accordingly the impairment charge is arrived at. This recoverable amount is arrived by two methods prescribed in Accounting Standard 28 namely-

1) Net Selling Price
2) Value in use

The valuation of Battery Division as on March 31, 2012 has been carried out by an independent valuer, by applying the above two methods ,as prescribed in Accounting Standard 28 and therefore the management has relied upon the same.

It is further stated that the impairment charge has been adequately provided.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:

1. That in the preparation of the accounts for the financial year ended March 31, 2012, the applicable

Accounting Standards have been followed alongwith proper explanation relating to material departures, if any;

2. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors had prepared the Annual Accounts on a 'going concern' basis.

## SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company is having two subsidiaries namely Minda Auto Components Ltd. in which it hold 100% equity and Minda Kyoraku Ltd. where the company is holding 73.88%. In addition to this, the Company is having below mentioned associated companies and Joint Venture Companies, whose results have been consolidated by complying Accounting Standard 23 and 27:-

Associated Companies : Minda Autocare Ltd. (now known as Minda Automotive Solutions Limited), Minda NexGenTech Ltd. and Mindarika Pvt. Ltd.

Joint Venture Companies : Minda Emer Technologies Ltd. and M J Casting Ltd.

Partnership Firm : Auto Components and Yogendra Engineering

During April, 2012, the Company has sold its entire investment in Minda Autocare Ltd. (now known as Minda Automotive Solutions Limited).

During April, 2012, the Company, Minda Distribution & Services Ltd. also became subsidiary of the Company.

## INFORMATION REGARDING CONSERVATION OF ENERGY ETC. AND EMPLOYEES

Information required under section 217(1) (e) of the Companies Act, 1956 (hereinafter referred to as "the Act") read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is annexed to this report at Appendix-I and forms part of the Directors' report.

Information as per Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time forms part of the Directors' Report. However, as per the provisions of section 219(1) (b) (iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all the members excluding the statement containing the particulars of employees to be provided under section 217(2A) of the Companies Act, 1956. Any member interested in obtaining such particulars may inspect the same at the registered office of the company or write to the Company Secretary for a copy.

## CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with stock exchanges, a separate section titled Report on Corporate Governance has been included in this Annual Report, which is annexed to this report as Appendix II. Your Directors are pleased to report that your company is fully compliant as on March 31, 2012 with the SEBI Guidelines on Corporate Governance. A certificate from M/s Sanjay Grover & Associates, Company Secretaries confirming the compliance with the conditions of corporate governance as stipulated under clause 49 of the listing agreement is annexed as Appendix- III.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis report as required under clause 49 of the Listing Agreement with stock exchanges forms part of the annual report and is annexed as Appendix - IV.

## ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the co-operation and support extended to the Company by Government authorities, bankers, suppliers, customers, Private Equity Partner, Joint Venture partners and other stakeholders whose continued support has been a source of strength to the Company and also for the continued dedication and sense of commitment shown by the employees at all levels during the year.

The Directors also take this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

For and on behalf of the Board of
**MINDA INDUSTRIES LTD.**

Place : Gurgaon, Haryana
Date : 19 June 2012

(NIRMAL K. MINDA)
CHAIRMAN & MD

## APPENDIX – I TO DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

### A. CONSERVATION OF ENERGY

a) Energy conservation measures taken.

The Company has taken the following measures towards the conservation of energy:

(i) Continuous running of critical plants on DG has been eliminated by installing 250 KVA online UPS.

(ii) Energy efficient air Compressor 500 cfm fixed frequency and 500 cfm vfd installed.

(iii) Mercury vapour lamps replaced by energy efficient lights.

(iv) PLC used to Switch on/ off the loads as per the requirement

(v) Provided the thermal Jackets on the Heaters on the Machines

(vi) Installed the Air-Ventilator on the roof of die-casting area

(vii) Préventive maintenance of Equipment for plugging the air leakage

(viii) Usages of Natural light in Day time in die-casting shop(s)

(xi) Providing the energy savers on the equipment

(x) Minimize the usages of electrical equipment(s) like A.C and lights

(xi) Installed capacitor bank for maintaining power factor

b) Additional Investments and proposal if any, being implemented for reduction of consumption of energy.

- Installation of Voltage Frequency Drive (VFD) on Air Compressor(s)

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods.

- Adoption of energy conservation measures indicated above resulted in the saving of electricity consumption and also brought awareness among employees.

d) Total Energy consumption and energy consumption per unit of production as per Form - A of Annexure in respect of Industries specified in schedule thereto.

- Form - A is not applicable, as the Company does not fall under the list of industries specified in the schedule.

### B. TECHNOLOGY ABSORPTION

e) Efforts made in technology absorption as per Form-B of Annexure.

i) Research and Development (R&D)

1. Specific area in which R&D is carried out by the Company.

   (i) Development of Trumpet horn

   (ii) Tire Pressure Monitoring System for four wheeler

   (iii) Next Generation HID Ballast System

   (iv) Electronic Accelerator pedal module

   (v) Crankshaft position sensor

   (vi) Intake air temperature sensor (2WH & 4WH)

   (vii) Intelligent protected switch system

   (viii) Temperature manifold absolute pressure sensor

2. Benefits derived as a result of above R & D.

   (i) Smart System based on Embedded Technology indicates about any malfunction arising in the vehicle.

   (ii) Dipper with pass design with three wires using single moving contact type design, fully covered design and less number of parts.

3. Future Plan of Action.

   (i) Development of electronic horn 24 Volt.

   (ii) Development of electronic horn 12 Volt.

   (iii) Next Generation Electronic Accelerator pedal module

   (iv) Auto cooling system in car

   (v) Battery Level sensor

   (vi) Parking Assistance System

   (vii) Steering Angle Sensor

   (viii) Next Generation Rear View Mirror

   (ix) Various ranges of Speed sensor

4. Expenditure on R&D

(Rupees in Lacs)

| Sr. No. | Particulars | **Year ended on March 31, 2012** | Year ended on March 31, 2011 |
|---|---|---|---|
| a) | Capital | **168.95** | 191.40 |
| b) | Recurring | **2072.87** | 1323.98 |
| c) | Total | **2241.82** | 1515.38 |
| d) | Total R&D expenditure as percentage of total turnover. | **2.03%** | 1.70% |

ii) Technology, Absorption, Adaptation and Innovation.

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

Tire Pressure Monitoring System for four wheeler: Light weight & compact design, expands tire lifespan, save fuel consumption, monitors tire pressure all the time, high accuracy.

High Intensity Discharge (HID) : improved visibility for driver oncoming vehicle, energy saving, life time as long as vehicle.

Electronic accelerator pedal module: It measures the Angular travel of pedal & gives signal to etc. The accelerator pedal module converts the driver's accelerator pedal effort to an electric signal, and sends the signal to the engine ECU, which controls engine power and acceleration.

Crankshaft position sensor: To detect rotating position of Crankshaft for motorcycles & automobiles. To detect engine speed. To detect occurrence of a Misfire.

Camshaft position sensor: To retain cam position at its specified position when engine gets cut-off. To avoid engine damage.

Intake air temperature sensor: To sense engine temperature for two wheeler and four wheeler, and give feedback to ECU. Temperature detection for motorcycles & automobiles.

Intelligent protected switch system: Controls various electrical loads of vehicle, provide short circuit protection to prevent wiring harness burning, easy integration of sensors with LIN bus, intelligent functions.

Temperature manifold absolute pressure sensor: T-Map sensors are used for precise measurements of intake manifold pressure & temperature of gasoline & diesel engines.

DC – DC convertor: It provides a regulated voltage of 13.5V from Variable voltage of 18V to 35V from Battery. It also powers the EGR Valve(12V) & other 12V Electronic Equipment in the Vehicle.

2. Benefits derived as a result of the above efforts.

Tire Pressure Monitoring System for four wheeler: Improves vehicle driving and braking, protects tire from blow out to protect rider, reduces uneven tire wear and fuel consumption.

HID: Natural day light effect to the rider, bright white light, light diffraction is reduced.

Electronic accelerator pedal module: Long life and high reliability, small size and light weight, excellent drivability, high flexibility, fully redundant output.

Crankshaft position sensor: Non Contact Type (Hall IC based), No moving parts, High reliability, Sealed design IP67, Suitable for High temperature, Zero speed detection.

Camshaft position sensor: Non contact type (Hall IC based), High reliability, No moving parts, Zero speed detection, Sealed design, Single screw mounting, Suitable for High temperature, Bipolar/ unipolar mode of operation, Digital output to indicate speed in Digital Speedometer, Eliminate Speedo cable.

Intake air temperature sensor: Robust design, Fast response to temperature, Thermistor technology, Improves start-ability in vehicle.

Intelligent protected switch system: Economic in nature, Auto cancellation turn indicator.

Temperature manifold absolute pressure sensor: Resistance to high humidity & common automotive media, improved accuracy at high temperature, Fast response to temperature, Peizo resistive sensor element.

DC-DC Convertor: Precise output regulation of ±1%, high efficiency, low current consumption, short circuit protection, over load protection, input protection.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of financial year), following information may be furnished.

| | | |
|---|---|---|
| a) | Technology Imported | NIL |
| b) | Year of Imports | NIL |
| c) | Has Technology been full absorbed? | NIL |
| d) | If not fully absorbed, area where has not taken place, reason thereof and future plan of action. | NIL |

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

f) Activities relating to exports, development of new export market for products and services and export plan. : Exports during the year 2011-12 were of Rs. 8613.40 Lacs (Previous year Rs. 3725.50 Lacs), registering a tremendous increase of 131%.

g) Total Foreign Exchange used.

(Rupees in Lacs)

| | **Current Year 31.03.2012** | Previous Year 31.03.2011 |
|---|---|---|
| 1) CIF value of Imports | | |
| - Raw Material | **6409.78** | 6940.94 |
| - Capital Goods | **1387.47** | 1117.66 |
| - Stores and Spares | **169.16** | 197.85 |
| - Others | **8.47** | 4.85 |
| 2) Expenditure in Foreign currency. | **607.82** | 607.26 |

| | | |
|---|---|---|
| h) Total Foreign Exchange earned. | **9452.62** | 4256.81 |

For and on behalf of the Board of
**MINDA INDUSTRIES LTD.**

Place : Gurgaon, Haryana
Date : June 19, 2012

(NIRMAL K. MINDA)
CHAIRMAN & MD

Appendix – II

# CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Minda Industries Limited is committed to achieve and maintain the highest standards of Corporate Governance. The Company believes in the concept of good Corporate Governance involving transparency, empowerment, accountability, equity and integrity with a view to enhance stakeholder's value in order to achieve its mission as stated below :-

*"To continually enhance the stakeholders' value through global competitiveness while contributing to society."*

## 2. BOARD COMPOSITION AND PARTICULARS OF DIRECTORS

i) The composition of the Board, category and particulars of attendance is given below:

| Name of the Director | Category of Directorship | Attendance Record | | Number of other Directorships | Other Committee Memberships/ Chairmanship | |
|---|---|---|---|---|---|---|
| | | Board Meeting during 2011-12 (total meetings Held = 7) | Last AGM dated 11/08/2011 | | Member | Chairman |
| Mr. Nirmal K. Minda | Executive Managing Director | 6 | Yes | 21 | 1 | - |
| Mr. Anand Kumar Minda | Non-Executive Director | 6 | Yes | 25 | 2 | - |
| Mr. Subhash Lakhotia | Non-Executive & Independent Director | 1 | Yes | 2 | - | - |
| Mr. S.K. Arya | Non-Executive & Independent Director | 2 | Yes | 25 | 3 | 1 |
| Mr. Vivek Jindal | Non-Executive Director * | - | No | 1 | - | - |
| Mr. Alok Dutta | Non-Executive & Independent Director | 5 | Yes | - | - | - |
| Mr. Rakesh Sony | Non-Executive Director | 7 | Yes | 3 | 3 | - |
| Mr. Satish Sekhri | Non-Executive & Independent Director | 7 | No | 6 | 5 | - |
| Leave of absence was granted to the Directors for the Board meetings which they did not attend and sought the leave of absence from the Board meeting. | | | | | | |

*Mr. Vivek Jindal resigned from Directorship effective from February 13, 2012

ii) Number of Board Meetings held and the dates on which held:

| Number of Board meetings held during 2011-12 | 7 (Seven) |
|---|---|
| Dates on which held | 14 April 2011<br>30 May 2011<br>10 August 2011<br>10 November 2011<br>5 January 2012<br>13 February 2012<br>30 March 2012 |

iii) Terms of reference to the Board of Directors

Apart from placing the statutory required information before the Board Members, it is the policy of the Company to regularly place the information / matter involving major decisions like Annual Budget, Technology Collaboration and other material information. All the information relevant to the Company as required under clause 49 of the listing agreement is also placed before the Board.

iv) Code of Conduct and ethics for Directors and senior level management

The Board of Directors has implemented a Code of Conduct and ethics applicable to all Directors and senior level management of the Company.

The copy of the Code has been put on the Company's website www.mindagroup.com

## 3. BOARD LEVEL COMMITTEE

### a) Audit Committee

i) Terms of Reference

The audit committee has been mandated with the same terms of reference as specified in Clause 49 II of the Listing Agreements with the Stock Exchanges. The present terms of reference also fully conform to the requirement of Section 292A of the Companies Act, 1956.

The audit committee reviews with the management and also with the statutory and internal auditors, all aspects of the financial results, effectiveness of internal control processes, taxation matters and other key areas. The Audit Committee also recommends the appointment and remuneration of the Internal Auditors and Statutory Auditors to the Board, considering their independence and effectiveness

ii) Composition, Category and Attendance record during the year:

| Name of the member | Category | Attendance (No. of meetings held = 9 ) | Date of Audit Committee Meetings |
|---|---|---|---|
| Mr. Alok Dutta | Chairman | 8 | 13 April 2011<br>30 May 2011<br>10 June 2011<br>10 August 2011<br>09 November 2011<br>10 November 2011<br>13 February 2012<br>16 March 2012<br>29 March 2012 |
| Mr. Subhash Lakhotia* | Member | - | |
| Mr. Satish Sekhri** | Member | 7 | |
| Mr. Rakesh Sony | Member | 9 | |

* Resigned w.e.f. April 13, 2011; ** Appointed w.e.f. April 13, 2011

Mr. H.C. Dhamija, V.P.- Group Accounts & Co. Secretary, acts as a Secretary to the Committee.

### b) Remuneration Committee

i) Composition and terms of reference

The composition of Remuneration Committee is given below. All matters relating to finalisation of remuneration to Executive Directors being taken in the meeting of remuneration committee for their consideration and approval.

ii) Composition, Category and Attendance record during the year:

| Name of the member | Category | Attendance (No. of meetings held = 1 ) | Date of Remuneration Committee Meetings |
|---|---|---|---|
| Mr. Alok Dutta | Chairman | 1 | 14 April 2011 |
| Mr. Subhash Lakhotia* | Member | - | |
| Mr. Rakesh Sony | Member | 1 | |
| Mr. Satish Sekhri** | Member | - | |

* Resigned w.e.f. April 14, 2011; ** Appointed w.e.f. April 14, 2011

Mr. H.C. Dhamija, V.P.- Group Accounts & Co. Secretary, acts as a Secretary to the Committee.

iii) Remuneration Policy

The payment of remuneration to Chairman and Managing Director - Mr. Nirmal K. Minda is governed by the resolution passed at the Board / Shareholders Meetings. The remuneration structure comprises Salary, Allowances, Perquisites and Contribution to Provident Fund etc. Salary details of Mr. Nirmal K. Minda is given in this report at Para-IV under the heading “Disclosures”.

## c) Shareholders / Investors Grievance Committee

a) Composition & Terms of reference:

In order to give focus to shareholders and investors related matters a Shareholders’/ Investors’ Grievance Committee was formed in the year 2001. The committee focuses primarily on strengthening investor relations and ensuring the rapid resolution of any shareholder or investor concerns including the following: -

- Periodically review/approval and ratification of transfer & transmission of shares and issue of duplicate share certificates;
- Periodically review/approval and ratification of redressal of investors’ grievances and complaints like non-receipt of dividend warrants, share certificates, annual reports etc.

b) Composition, Category and Attendance record during the year:

| Name of the member | Category | Attendance (Number of Meetings held = 5) | Date of Shareholders/Investors Grievance committee Meetings |
|---|---|---|---|
| Mr. Alok Dutta | Chairman | 4 | 21 April 2011<br>30 May 2011<br>10 August 2011<br>10 November 2011<br>13 February 2012 |
| Mr. Nirmal K. Minda | Member | 5 | |
| Mr. Rakesh Sony | Member | 5 | |

Mr. H.C. Dhamija, V.P.- Group Accounts & Co. Secretary acts as Secretary to the Committee.

c) Share Transfer System

All the Share Transfers, received are being approved by officials of the Company, authorised by the Committee, who normally meets twice in a month and Shareholders / Investors Grievance Committee review and approve the same on quarterly basis.

Your Company has 3383 shareholders as on March 31, 2012. The Company and share transfer agent has received 62 complaints during the year, all of which have been attended within a period of 15 days from the receipt of the same. As on date no complaint is pending to be resolved.

d) Implementation of “SCORES”

Securities Exchange Board of India (SEBI) issued a Circular in June 2011 to all Companies, whose securities are listed on stock exchanges, informing them about processing of investor complaints in a centralized web based complaints redress system “SCORES”. The salient features of this system are:-

✓ Centralized database of all complaints

✓ Online movement of complaints to the concerned listed Companies.

✓ Online upload of Action Taken Reports (ATRs) by the concerned Companies, and

✓ Online viewing by investors of actions taken on the complaint and its current status.

Your Directors are happy to share that the company has implemented the “SCORES” effective from September 02, 2011 and is monitoring/resolving the complaints of the investors on regular basis.

## 4. GENERAL BODY MEETING

- Venue and Time of last three Annual General Meetings

| Financial Year | Date of Meeting | Time | Venue | Number of Special Resolutions passed |
|---|---|---|---|---|
| 2008-09<br>17th AGM | 29 July 2009 | 4.00 p.m. | PHD House, Opposite Asian Games Village, New Delhi. | * SR-1(One)<br>**OR-7 (Seven) |
| 2009-10<br>18th AGM | 24 December 2010 | 11.00 a.m. | PHD House, Opposite Asian Games Village, New Delhi. | * SR-2 (Two)<br>**OR-12 (Twelve) |
| 2010-11<br>19th AGM | 11 August 2011 | 11.00 a.m. | PHD House, Opposite Asian Games Village, New Delhi. | * SR-1 (One)<br>**OR-10 (Ten) |

* "SR" means Special Resolution ** "OR" means Ordinary Resolution.

**Postal Ballot**

Special resolutions for hiving-off Blow Moulding Division and Battery Division were passed on 27th September, 2011 and 28th December, 2011 respectively through postal ballot. It is stated that Mr. Sanjay Grover FCA & FCS, Company Secretary in Whole-Time Practice was the scrutinizer for conducting the postal ballot process in a fair and transparent manner. However, the decision about hiving off of Battery division has been withdrawn by the Board.

## 5. HOLDING/ SUBSIDIARY COMPANIES

Minda Auto Components Ltd. and Minda Kyoraku Limited are the subsidiaries of the Company, which are non 'material, non listed subsidiary companies', as per the listing agreement. The term "material non-listed Indian subsidiary shall mean an unlisted subsidiary, incorporated in India, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year.

At present the Company has no material Indian unlisted subsidiary Company. Accordingly, the requirement of appointing at least one Independent Director on the Board of Directors of the materially Indian unlisted subsidiary is not applicable.

The Board reviews the financial statements, the minutes of the board meeting of the unlisted subsidiary companies alongwith a statement of all significant transactions and arrangements entered into by the Indian unlisted subsidiary Companies.

## 6. DISCLOSURES

**i) Related party Transactions**

There have been no materially significant related party transactions with the company's promoters, Directors, management or their relatives, which may have a potential conflict with the interest of the Company. Members may refer to the notes to the accounts for details of other related party transactions.

However, a statement in summary form of transactions with related parties in the ordinary course of business is placed before every audit committee meeting.

**ii) Disclosure of Accounting Treatment**

The Company has followed the accounting standards, laid down by the Institute of Chartered Accountants of India.

**iii) Risk Management**

The Management of the Company regularly reviews the risk management strategy of the Company to ensure the effectiveness of risk management policies and procedures.

**iv) Remuneration of Directors.**

- Disclosure of Director's Interest in Transactions with the Company.

  None of the non-executive Directors had any pecuniary relationship or transaction with the Company. However some commercial transactions have taken place where Company's Directors also hold Directorship. Such transactions have taken place on arms length basis and have been disclosed to the Board of Directors in accordance with the provisions of the Companies Act, 1956 and have been entered in the register of contracts and approved by the Board in accordance with the Section 301 of the Companies Act, 1956.

- Remuneration paid to the Managing Director, during the year 2011-12:

(Rs. in Lacs)

| Name of the Managing Director/ Executive Director | Salary & Allowances | Commission | Medical, Lease Rent & Other Expenses | Contribution to Provident Fund etc. | Total |
|---|---|---|---|---|---|
| Mr. Nirmal K. Minda | 98.58 | 23.27 | 8.08 | 6.19 | 136.12 |

- Remuneration policy for Non-Executive Directors

  The non-executive Independent Directors of the Company are paid sitting fee of Rs. 7,500 for Board meeting and Audit Committee Meeting attended by them. During the year the Company has paid Rs. 97,500 as sitting fee to Mr. Satish Sekhri and Rs. 90,000 as sitting fee to Mr. Alok Dutta for attending meetings. The other Directors have waived off their sitting fee from the Company.

v) Details of non-compliances by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority on any matter related to capital markets, during the last three years:

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority.

vi) Insider Trading

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive code of conduct of its management, staff and business associates. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made while dealing with shares of the Company and cautioning them on consequences of non-compliances.

vii) The details in respect of Directors seeking re-appointment are provided as part of the notice convening the forthcoming Annual General Meeting.

viii) Shareholding of Non-executive Director

Mr. Anand Kumar Minda non-executive Director of the Company is holding 3600 equity shares of the Company.

## 7. CEO/CFO CERTIFICATION

Mr. Nirmal K. Minda, Chairman & Managing Director (CEO) and Mr. Sudhir Jain, Corp. Business Head & Group CFO in terms of clause 49 (V) of the listing agreement, have furnished the requisite certificate to the Board of Directors. The copy of the same is annexed as ***Appendix V***

## 8. MEANS OF COMMUNICATION

The Company's financial results and official news release are published in widely circulating national and local daily newspapers such as Economic Times, Navbharat Times, Financial Express and Jansatta and are being posted on the Company's website at www.mindagroup.com.

## 9. MCA GREEN INITIATIVE

In line with notification of the Ministry of Corporate Affairs, Government of India on the ***"green initiatives"*** in the Corporate Governance, your company has also taken a step in this regard and accordingly, sent a communication to all the shareholders in January, 2012, seeking their confirmation about sending them the documents of the Company in the future, such as copy of the Notice(s), Annual Report(s) etc. through e-governance and requested them to send their e-mail addresses to the Company.

Your directors are happy to share that around 30% shareholders have provided their e-mail addresses to the Company in this regard.

Your Directors appreciate the overwhelming response of the shareholders on the green initiative and request the remaining shareholders to do register their e-mail addresses with the company.

## 10. GENERAL SHAREHOLDERS INFORMATION

i) 20th Annual General Meeting:

Date : 25 September 2012

Time : 2:30 P.M.

Venue: PHD House, Opposite Asian Games Village, New Delhi - 110016

ii) Financial Year 1 April to 31 March

For the year ended on 31.03.2012, the results were announced on

| For quarter ending | Date |
|---|---|
| 30 June 2011 | 10 August 2011 |
| 30 September 2011 | 10 November 2011 |
| 31 December 2011 | 13 February 2012 |
| 31 March 2012 (Audited) | 19 June 2012 |

For the year ended on 31.03.2013, the results will be announced on following tentative dates

| For quarter ending | On or before |
|---|---|
| 30 June 2012 | 14 August 2012 |
| 30 September 2012 | 10 November 2012 |
| 31 December 2012 | 14 February 2013 |
| 31 March 2013 (Audited) | 30 May 2013 |

iii) Date of Book Closure: 18 September to 25 September 2012 (both days inclusive).

iv) Dividend payment date: Expected on or after 30 September, 2012.

v) Listing on Stock Exchanges

The Company's shares are listed at the Bombay Stock Exchange Ltd (BSE), National Stock Exchange of India Ltd. (NSE) and Delhi Stock Exchange Ltd. (DSE)

vi) Stock Code

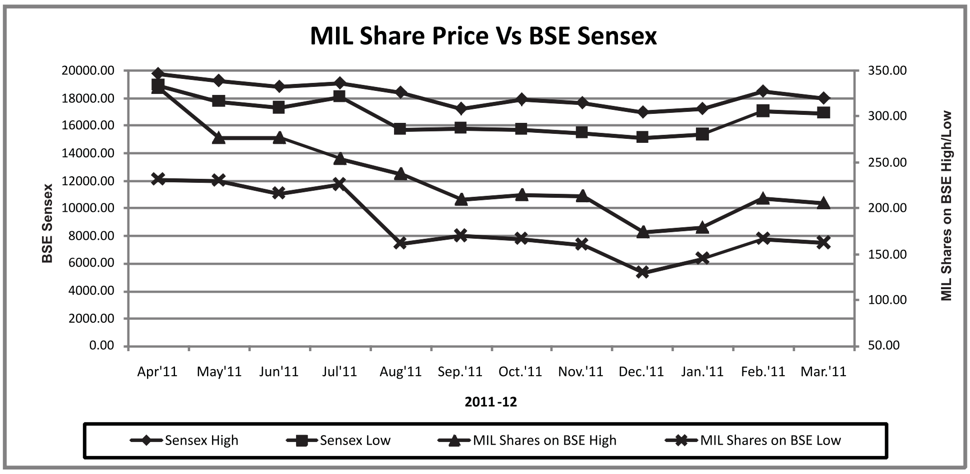
Bombay Stock Exchange Ltd. : 532539
National Stock Exchange of India Ltd. : MINDAIND
Delhi Stock Exchange Ltd. : 013315

vii & viii) Stock Prices during 2011-12

The performance of the Company's scrip on BSE and NSE as compared to the SENSEX and NIFTY during the year 2011-12 are as under

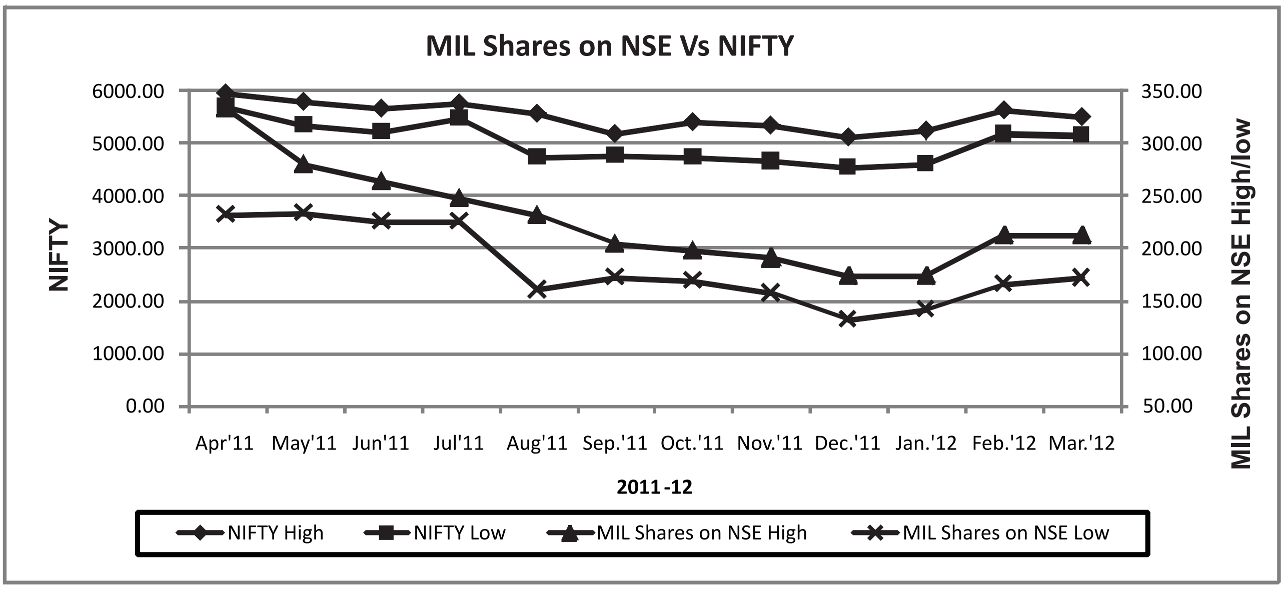
(Amount in Rs.)

| | SENSEX | | MIL Share on BSE | |
|---|---|---|---|---|
| Month | High | Low | High | Low |
| Apr 2011 | 19811.13 | 18976.19 | 331.75 | 231.15 |
| May 2011 | 19253.87 | 17786.13 | 276.95 | 230.05 |
| June 2011 | 18873.39 | 17314.38 | 276.90 | 216.50 |
| July 2011 | 19131.70 | 18131.86 | 254.55 | 225.70 |
| Aug 2011 | 18440.07 | 15765.53 | 238.00 | 162.00 |
| Sept 2011 | 17211.80 | 15801.01 | 209.80 | 170.05 |
| Oct 2011 | 17908.13 | 15745.43 | 214.85 | 167.00 |
| Nov. 2011 | 17702.26 | 15478.69 | 214.00 | 160.00 |
| Dec. 2011 | 17003.71 | 15135.86 | 174.70 | 130.00 |
| Jan. 2012 | 17258.97 | 15358.02 | 179.40 | 145.00 |
| Feb., 2012 | 18523.78 | 17061.55 | 210.80 | 166.40 |
| Mar.2012 | 18040.69 | 16920.61 | 205.95 | 162.50 |



(Amount in Rs.)

| | NIFTY | | MIL Share on NSE | |
|---|---|---|---|---|
| | High | Low | High | Low |
| Apr 2011 | 5944.45 | 5693.25 | 332.50 | 231.15 |
| May 2011 | 5775.25 | 5328.70 | 279.80 | 233.60 |
| June 2011 | 5657.90 | 5195.90 | 264.00 | 225.00 |
| July 2011 | 5740.40 | 5453.95 | 248.00 | 225.10 |
| Aug 2011 | 5551.90 | 4720.00 | 232.00 | 160.00 |
| Sept 2011 | 5169.25 | 4758.85 | 203.80 | 172.35 |
| Oct 2011 | 5399.70 | 4728.30 | 198.00 | 169.20 |
| Nov. 2011 | 5326.45 | 4639.10 | 190.70 | 156.80 |
| Dec. 2011 | 5099.25 | 4531.15 | 173.95 | 132.05 |
| Jan. 2012 | 5217.00 | 4588.05 | 174.00 | 141.65 |
| Feb., 2012 | 5629.95 | 5159.00 | 212.00 | 166.15 |
| Mar.2012 | 5499.40 | 5135.95 | 211.90 | 171.00 |




ix) Registrar and Share Transfer Agents

| | |
|---|---|
| For both Physical Share Transfer and Electronic Mode (Dematerialized form) | M/s Link Intime India Pvt. Ltd.<br>A-40, 2nd Floor, Nariana Industrial Area, Phase-II, New Delhi-110028 |
| ISIN No. for de-materialisation of shares | : INE405E01015 |

x) Share Transfer System

As per clause 3(d) of this report.

xi) Distribution Schedule and Shareholding Pattern as on 31st March 2012

| DISTIBUTION SCHEDULE | | |
|---|---|---|
| Category | No. of Shareholders | Number of Shares held |
| 1 - 500 | 3035 | 261259 |
| 501 - 1000 | 188 | 151060 |
| 1001 - 2000 | 92 | 153859 |
| 2001 - 3000 | 22 | 56357 |
| 3001 - 4000 | 8 | 27279 |
| 4001 - 5000 | 6 | 28570 |
| 5001 - 10000 | 9 | 65229 |
| 10001 - and above | 23 | 15121743 |
| TOTAL | 3383 | 15865356 |

| SHAREHOLDING PATTERN | | |
|---|---|---|
| Category | No. of Shares | % of Total Paid-up Capital |
| Promoters and Promoters Group | 10467800 | 65.98 |
| Mutual Funds/UTI | 458750 | 2.89 |
| Foreign Mutual Fund | 1376250 | 8.67 |
| Banks, Financial Institutions, Insurance Companies | 0 | 0 |
| Foreign Institutional Investors | 0 | 0 |
| Private Bodies Corporate | 2638988 | 16.63 |
| Indian Public | 914056 | 5.77 |
| Non-resident Individuals / Overseas Corporate Bodies | 9512 | 0.06 |
| **TOTAL** | **15865356** | 100 |

xii) Dematerialization of Shares and Liquidity as on March 31, 2012:

89.38% of shares of the company are in Dematerialised form.

xiii) Plant Locations

- 34-35 Km. G.T. Karnal Road Village Rasoi, Sonepat (Haryana)
- Village Naharpur Kasan P.O. Nakhrola Distt. Gurgaon (Haryana)
- Village Nawada Fatehpur, P.O. Sikanderpur Badda, Distt. Gurgaon (Haryana)
- B-6, Chakan Industrial Area, Village-Mahalunge, Taluka-khed Distt. Pune, Maharasthra
- B-1/5, Chakan Industrial Area, Village-Mahalunge, Taluka-khed Distt. Pune, Maharasthra
- Plot No. 5, Sector-10, IIE, Pant Nagar, Udham Singh Nagar, Utttranchal.

xiv) Non-mandatory Requirement

The Company has not adopted the non-mandatory requirements as specified in Annexure 1D of the Listing Agreement to the extent applicable except clauses relating to Remuneration Committee and Whistle Blower Policy.

xv) Address for Correspondence: Minda Industries Limited
Regd.Off.:B-64/1,Wazirpur Industrial Area,
Delhi - 110 052.
(Tel) - 011-27374444, 0124-2291604
(Fax) - 0124-2290676
E-mail: hcdhamija@mindagroup.com

APPENDIX – III

## CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of Minda Industries Limited

We have examined the compliance of conditions of Corporate Governance by Minda Industries Limited for the year ended March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Grover & Associates**
Company Secretaries

Place : Gurgaon
Date : June 19, 2012

Sanjay Grover
C.P. No. 3850

APPENDIX – IV

## MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

### Overview

Financial Year 2011-12 was a challenging year. The global economy after recession, witnessed lower economic growth, resulting primarily from the Euro Zone debt crisis and high oil prices, which were fuelled by uncertainties of supply. The European economies stagnated and the US witnessed a downgrade in its credit rating, while the growth engines of the global economy, China and India were forced to tighten liquidity to tame rising inflation. In addition, civil unrest in Libya and the tsunami in Japan posed further challenges. According to the International Monetary Fund (IMF), the global economy is estimated to grow at a modest pace of 3.8% in 2011, as compared to a robust 5.2% in 2010.

### Indian Economic Scenario

Source: Economic survey and ACMA Report

The Indian economy is estimated to grow by 6.9 per cent in 2011-12, after having grown at the rate of 8.4 per cent in each of the two preceding years, with the exception of the year 2008-09 when the growth rate was 6.7 per cent, the growth in real GDP in 2011-12 has been the lowest in nine years.

At sectoral level, growth is estimated to be 2.5 per cent for 2011-12 for agriculture and allied sectors. Growth in the services sector is likely to be 9.4 per cent in 2011-12 as against 9.3 per cent in 2010-11. Thus, it is primarily the dip in growth in industry to 3.9 per cent in 2011-12 that has led to the slowdown in real gross domestic product (GDP) growth. Agriculture and services continuing to perform well, India's slowdown can be attributed almost entirely to weakening industrial growth. The manufacturing sector grew by 2.7 per cent and 0.4 per cent in the second and third quarters of 2011-12.

### Indian Automobile Sector Scenario

Source: SIAM Report April 2012 and report on 12th five year plan 2012-17

Indian Automobile Industry embarked a new journey in 1991 with relicensing of the sector and subsequent opening up for 100% Foreign Direct Investment (FDI) through automatic route. Since number of manufacturing facilities has grown progressively, it produces a wide variety of vehicles: passenger cars, light, medium and heavy commercial vehicles, multi-utility vehicles such as jeeps, SUV, two wheelers such as scooters, motor-cycles and mopeds, three wheelers, tractors and other agricultural equipments etc. With a CAGR of over 15% during the last 5-7 years, it is aptly described as the next sun rise sector of the Indian economy. In fact, in the last ten years, the volumes, exports and turnover have increased by 3.8, 19.6 and 6 times respectively. The contribution of this sector to the National GDP has risen from 2.77% in 1992-93 to close to 6% now.

At present, there are 19 manufacturers of passenger cars & multi utility vehicles, 14 manufacturers of commercial vehicles, 16 of 2/3 wheelers and 12 of tractors besides 5 manufacturers of engines in India. This includes virtually all the major global Original Equipment Manufacturers (OEMs) and also home grown companies. In 2010-11, India becomes the 6th largest vehicle manufacturer globally. Today, it is the largest manufacturer of tractors, second largest manufacturer of two wheelers, 5th largest manufacturer of commercial vehicles and the 4th largest passenger car market in Asia. During April-March 2012, the industry exported 3 million automobiles which is growth of 25.44 percent. For the first time in history car exports crossed half a million in a financial year. Today, the automobile industry provides direct and indirect employment to 13.1 million people.

In 2010-11, the total turnover of the automotive Industry stood at USD 73 Billion (Rs. 3,27,300 Crores) of which the turnover of the automobile industry was USD 53.1 billion (Rs. 2,39,000 Crores) with a 27% growth on year to year basis. The turnover of the auto component industry, in 2010-11 was USD 40 Billion (Rs. 1,79,320 Crores approx.). The export of vehicles and auto components during 2010-11 stood at USD 6 Billion and USD 5 Billion respectively. In 2010-11, the contribution of the automotive industry to the manufacturing GDP and the excise duty was at 22% and 21% respectively.

As already indicated, in future the growth in the global automotive industry will come mainly from the emerging economies. In 2010-11 the total global demand of passenger vehicles was 73 million units, of which the volume in India was 3 million units (4%). It is estimated that by 2020, Asia, Pacific and Africa region will witness a demand of 54 million passenger vehicles out of a total global demand of 108 million units (50%), of which the demand from India will be 9 million units (8%). Further, in 2020, the market for commercial vehicle and two wheelers in India is expected to reach 2.7 million and 30 million respectively, thereby making India the third largest vehicle market in the world. This will translate into an overall industry turnover of USD 162 billion, with the component industry attaining a turnover of USD 113 billion. However, for this potential to be fully realized, a lot of effort, both by the industry and the Government will be required.

The cumulative vehicle production data for April-March 2012 shows production growth of 13.83 percent over same period last year. In 2011-12 the industry produced over 20 million vehicles of which share of production of two wheelers, passenger vehicles, three wheelers and commercial vehicles were 76 percent, 15 percent, 4 percent and 4 percent respectively.

The growth rate recorded for Domestic Sales of vehicles for 2011-12 was 12.24 percent amounting to more than 17 million vehicles.

### Indian Automobile Industry outlook: Vision 2020

Source : Report of the Working Group on Automotive Sector for the 12th five year plan 2012-17

Passenger vehicles - projected to be 5 million units by 2015 and over 9 million by 2020 driven by domestic demand and as a global hub for export of small cars.

- Commercial vehicles - volumes of over 1.4 million by 2015 and over 2.2 million by 2020. Small Commercial Vehicles (SCV), a relatively new segment, expected to grow 28% annually over the next few years.
- Two and three wheelers - expected to double to 22 million units by 2015 and reach 30 million by 2020 driven by present low penetration levels, expanding rural sales and growth in exports.

- Tractors - projected to be over 0.7 million by 2015 and over 1 million by 2020 with steady growth expected in domestic and export volumes.
- Construction equipment - likely to grow 2.5 times to 0.1million units by 2015 and almost double again to 0.18 million by 2020 driven by the expected growth in infrastructure sector.

These volumes will catapult India to the position of one of the top 5 vehicle producing countries in the world.

## Indian Auto Component Industry Scenario

Source: ACMA and ICRA Report March 2012

Indian auto components industry has been witnessing a moderation in its revenue growth since the beginning of this fiscal following the deceleration in sales volume growth across all automobile segments. As per industry estimates, out of the total turnover of the Indian auto components industry, around 60% is derived from sales to domestic OEMs, around 25% comes from sales to the domestic replacement market and around 15% is derived from exports.

The turnover of Indian Auto Component industry is expected to go up to USD 66 billion in 2015-16 and USD 113 billion upto 2020-21. Exports of the auto component industry are expected to grow to USD 29 billion by 2020. India's share in the global auto components market is expected to rise to 2.5% in 2015.

According to ACMA report, Engine parts form the largest segment (31%) of auto part industry followed by drive transmission and steering parts (19%). Suspension & braking parts and Body & Chassis account for 12% each in the entire product range, followed by equipment accounting for 10% of the same and Electrical parts 9% of auto part industry.

An analysis of historical revenue trends of auto component manufacturers suggests that component suppliers whose business has been concentrated on a few customers, geographies or automotive segments have been able to maintain a rather healthy financial profile, while the performance of their more diversified peers has experienced stress. This peculiarity is not unusual in the Indian context as a relatively small set of OEMs enjoy a significantly high market share in each of the automotive segments; plus, most Indian ancillaries lack adequate scale to enjoy the full benefits of geographical or product diversity as compared to their global counterparts. The same theme has been on show in 2011-12 as well when the revenue growth of auto component manufacturers dependent entirely on the two wheelers (2W) segment has remained healthy due to continued resilience shown by this segment; while the performance of companies dependent on the passenger vehicles (PV) segment has been in stark contrast as volumes suffered due to both demand side as well as supply side concerns.

## Outlook

Source: ICRA Report March 2012

The long term prospects for the industry remain strong in line with the outlook for the OEM segment, the industry faces strong challenges in the form of threat of low cost imports, currency volatility and ability to invest on product development to be able to move up the value chain.

Currently, the auto components industry in India is around two-thirds the size of the OEM segment. This proportion is around one to two times in mature markets of Europe, America and Japan. This indicates (a) higher proportion of imports of auto components in India by OEMs and (b) lower replacement market sales.

Given the healthy growth prospects of the Indian automobile industry over the medium term, the size of the auto components industry is likely to grow at a rate faster than the OEM segment, driven by OEMs' thrust on localization and steadily growing replacement market demand.

Also, the following components appear to have a larger scope for business growth over the medium term: Electronics (Engine-side and Body-side) - The localization proportion of electronic components in Indian cars remains low as of now.

Given the growing need to offer driver information systems, engine management systems and emission control systems in cars to meet the advancing safety and emission regulations, the use of electronics in Indian cars is likely to see a proliferation in the times to come.

This should translate into strong growth for auto ancillaries having capabilities in this segment. Plastics - Although this segment is already quite competition intensive, considering OEMs' focus on adopting light-weighting technologies and already several instances where material of components has been changed by OEMs from sheet metal to plastic; it augurs well for auto component manufacturers having strong capability in the plastics space. Sheet moulded composites, bulk moulded composites and long fibre thermoplastic are some of the new materials being used to replace metal and conventional plastics. Aluminium die-casting - In the boom period of 2009-10 and 2010-11, the auto Industry had experienced significant capacity constraints for aluminium die-cast components.

While various positives characterize the Indian auto component manufacturers including proven manufacturing capabilities, improving design abilities and high production efficiency, the industry is exposed to several risk factors, including: Localization of auto components is high on the agenda of Indian auto OEMs; yet, the Free Trade Agreements (FTAs) between India and other countries/regions including ASEAN, Japan, South Korea, European Union etc is a significant risk that may encourage OEMs to go for global sourcing. In the process, this will eat into the potential business for ancillaries located in India.

## Opportunities and Threats

Source : ACMA report April 2012

India has several advantages making it an attractive destination for investment in the automobile sector like-

1) Large and growing Domestic demand.
2) Availability of skilled manpower.
3) Export capabilities.
4) Conversant with Global Automotive Standards
5) High Quality Standards

Your company will focus on expanding manufacturing capabilities and will make efforts to enter into Joint Ventures with foreign collaborators.

Your company is putting its focus on product quality, design, cost reduction, automation, strengthening IT capabilities for design, development and stimulation process.

## Risk and Concern(s)

The Company is exposed to external and internal risks associated with the business.

a) High Raw Material Prices
b) Foreign exchange fluctuations
c) Rising fuel prices
d) High Logistics cost for exports
e) Price decrease pressure from customers

In addition, companies engaged in select product categories within the auto components industry are expected to incur large capex for enhancing production capacities to meet the growing demand, which could affect the capital structure and return metrics of such companies over the short term.

Your company's established reputation, close customer relationship, ability to provide high level of satisfaction, gives it a competitive edge. In order to address these risks, the company has implemented adequate risk managed approach.

Your company is engaged in the manufacturing of automotive components for two wheelers, three wheelers, off road, passenger cars & commercial vehicles parts such as electrical switches, Handle Bar Assemblies, Lamps, batteries, horns, electronics sensors/controllers and alternate fuel kits. All products are carrying similar risk and returns. Hence, there is no separate reportable segment.

Company's ongoing efforts on cost reduction, productivity and efficiency improvements in all areas of operations, that should help the Company stay in good stead to continue growing at a healthy rate in the years to come.

In addition to the above risk and concerns auto component industry have following challenges too-

1. Raising capital & scaling capacities
   a) Raise capital - balance sheets have to be strengthened by divesting non-performing and non-core assets and by optimizing the debt / equity structure
   b) Scale capacities - manage cost and flexibility of new assets to successfully navigate any market cyclicality. Flexible production systems and supply chain agility and scalability need to be addressed in parallel
2. Infrastructure challenges
   a) Roads
   b) Ports
   c) Power
3. Inflation
4. Managerial depth across tiers
5. R & D Competence

   In order to face the ongoing challenges, your company has been continuously making efforts to take appropriate steps to achieve its target of higher productivity with low cost and superior quality.

## Internal Control Systems

The company has adequate internal control systems for assessment and eliminating various kinds of risks which include strategic, operational, financial, environment and reputation risk. Such risks are reviewed at various meetings like internal audit committee meeting and management committee review meeting where members of senior management are involved. The Board also reviews such risks procedures periodically.

The Company also has a proper and adequate system of internal controls for financial reporting of various transactions, efficiency of operations, safeguarding of assets and compliance with applicable statutes and regulations. In order to ensure that all checks and balances are in place and all internal control system are in order, transactions are authorized as per the accounts manual, recorded and reported promptly and correctly.

The audit committee of the company is reviewing the internal controls including the internal audit reports, financial results of the company at least once in every four months and provides its support to all operational and finance functions of the company through regular monitoring and suggestions.

The company has exhaustive budgetary control system. Actual performance is reviewed with reference to budgeted by the management review committee on an ongoing basis.

Financial performance with respect to operational performance.

The sales/ income from operations for the financial year under review were Rs.110540 Lacs as against Rs. 91232 Lacs for the previous year, registering growth of 21.16%.

Minda Autogas Ltd. and Minda Acoustic Ltd. were amalgamated with the company during 2010-11 and 2011-12 respectively. Therefore, the financial statements include the results of these entities.

Your directors recommend:

1) Dividend of 30% i.e. Rs. 3/- per Equity Share (previous year Rs. 3/- per equity share) on the face value of Rs. 10/- each on 1,58,65,356 Equity Shares (previous year 1,29,10,192 Equity Shares), amounting to Rs. 476 Lacs (Previous Year Rs. 387 Lacs)

2) Dividend of 3% i.e. Rs. 0.30 per 3% Cumulative Redeemable Preference Shares `of Rs. 10/- each on 35,00,000 3% Cumulative Redeemable Preference Shares, amounting to Rs. 10,50,000 /- (previous year Rs. 10,50,000/-).

Minda Acoustic Ltd. has been amalgamated with Minda Industries Ltd. Vide Delhi High Court Order dated 25th August, 2011. With this amalgamation, the product range of the company will be increased and will include Switches, Lightings, Horns, Batteries and CNG/LPG Kits. This will enable the company to consolidate the financials of the company under one roof and over all the top line and bottom line will increase.

## Human Resources Management System

The company' HR processes ensure the availability of a competent and motivated team of employees. The Company is providing a fair compensation amongst industry of like nature, a clear career path, reward for performance and regular training and development for each level of employee.

Job enrichment is ensured through job rotation / transfer, so that the employees are motivated and gain experience in different functional areas. Improvement activities through kaizen, quality circle, 5S are being done at all level to improve the productivity and effeciency of the employees.

Industrial relation among employees at all plants of the company continued to be cordial. The Directors places on record their sincere appreciation for dedicated teamwork by employees at all levels for improvement in the quality, cost, delivery aspects of customers / OEMs.

For effective communication among employees across the group companies, your company publishes an in-house journal titled "Jagriti" to cover important events and achievements across the group. It is an effective tool of communication.

All employees are made aware of and have access to the central database of HR policies covering all aspects of welfare, benefits and administration.

## Cautionary Statement

The above statement describing the company's objective, projections, estimates, expectations or predictions may be forward looking statement within the applicable laws and regulations. These are based on certain assumptions and expectations of future events. Actual results may differ materially from those expressed, implied or written since the company's operations are influenced by external factors beyond the control of the company. Company assumes no responsibility to publicly amend, modify or revise any forward looking statement. Readers are cautioned that the risks outlined here are not exhaustive. Readers are requested to exercise their own judgment in assessing the risk associated with the company.

**APPENDIX – V**

# CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We hereby certify that we, the undersigned have reviewed the Financial Statements and the Cash Flow Statement of Minda Industries Ltd. (the Company) for the year ended March 31, 2012 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2011-12, which are fraudulent, illegal or violate the Company's code of conduct;
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:-
   (a) there have been no significant changes in internal control over financial reporting during this year.
   (b) there have been no significant changes in accounting policies during this year.
   (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.
6. We further declare that all board members and senior management have affirmed compliance with the code of conduct for the year 2011-12

| | |
|---|---|
| Sudhir Jain | Nirmal K. Minda |
| Corp. Business Head | Chairman & MD (CEO) |
| & Group CFO | |

Place : Gurgaon, Haryana
Date : 19 June 2012

# Auditors' Report

To the Members of

**Minda Industries Limited**

We have audited the attached Balance Sheet of Minda Industries Limited ("the Company") as at 31 March 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 ('Order'), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

(a) *subject to our comment in para (f) below*, we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes 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) *subject to our comment in para (f) below*, in our opinion the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable;

(e) on the basis of written representations received from the directors of the Company as on 31 March 2012, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and

(f) *The Battery Division of the Company is incurring continuous losses. Based on its estimates and report of an independent valuer, the management has recorded an impairment charge amounting to Rs 2,206.03 lacs during the year ended 31 March 2012, being the excess of the carrying amount of the assets at the Battery Division over their recoverable amount. In the absence of sufficient appropriate evidence, we are unable to comment on the accuracy of the impairment charge created during the year ended 31 March 2012 as required by the Accounting Standard 28 on Impairment of Assets. The carrying value of fixed assets (including capital work in progress) after providing for the above mentioned impairment charge amounts to Rs 1,994 lacs as at 31 March 2012.*

(g) *subject to our comment at para (a), (d) and (f) above*, the impact of which is not ascertainable, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

  (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2012;

  (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

  (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **B S R and Company**
Chartered Accountants
Firm Registration No. 128900W

**Rajesh Arora**
Partner
Membership No. 076124

Place : Gurgaon
Date : 19 June 2012

## Annexure to the Auditors' report

(Referred to in 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 Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this program certain fixed assets were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

(c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

(ii) (a) The inventories, except stocks lying with third parties and goods in transit, have been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records for inventories. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.

(iii) (a) The Company had granted a loan to a company covered in the register maintained under section 301 of the Companies Act, 1956 in the previous year which has been repaid during the current year. The maximum amount outstanding during the year was Rs. 77.28 lacs and the year-end balance of such loan is Rs. Nil.

(b) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the company listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

(c) There were no stipulations on repayment of principal and interest as the same were repayable on demand. Hence, we are unable to comment on the regularity of payment of principal and the over due amount as per Para (iii) (c) and (d) of the Order, if any, due to the company/party covered in the register maintained under Section 301 of the Companies Act, 1956.

(d) The Company had taken loans from a company and a director covered in the register maintained under section 301 of the Companies Act, 1956 in the previous years, which have been repaid during the current year. The maximum amount outstanding during the year was Rs 209.46 lacs and Rs. 49.37 lacs respectively and the year-end balance of such loans is Rs. Nil.

(e) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from company, firm or other party listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.

(f) In the case of loans taken from company, firm or other party listed in the register maintained under section 301, there are no stipulations on repayment of principal and interest as the same were repayable on demand. Hence, we are unable to comment on the regularity of payment of principal and interest and overdue amount, if any, due to the company, firm or other party covered in the register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchase of certain items of inventory and fixed assets are for the Company's specialised requirements and similarly certain goods sold and services rendered are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.

(v) (a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section.

(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in para (v)(a) above and exceeding the value of Rs. 5 lacs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for purchases of certain items of inventories and fixed assets which are for the Company's specialised requirements and similarly for sale of certain goods and services which are for the specialised requirements of the buyers and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.

(vi) The Company has not accepted any new deposits during the year. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A, Section 58AA or other relevant provisions of the Companies Act, 1956 and the rules framed thereunder/the directives issued by the Reserve Bank of India (as applicable) with regard to deposits accepted from the public in earlier years. Accordingly, there have been no proceedings before the Company Law Board or National Company Law Tribunal (as applicable) or Reserve Bank of India or any Court or any other Tribunal in this matter and no order has been passed by any of the aforesaid authorities.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty, Investor Education and Protection Fund and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities, though there has been a slight delay in a few cases. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Wealth Tax, Customs duty, Excise duty and other material statutory dues were in arrears as at 31 March 2012 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues on account of Income-tax, Sales tax, Wealth tax, Customs duty, Excise duty and Service tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned in Annexure – 1.

(x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or financial institutions. The Company did not have any outstanding dues to any debenture-holders during the year.

(xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) The Company has given guarantees for loan taken by others from banks. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks are not prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from financial institutions.

(xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.

(xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues during the year.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **B S R and Company**
Chartered Accountants
Firm Registration No. 128900W

**Rajesh Arora**
Partner
Membership No. 076124

Place: Gurgaon
Date : 19 June 2012

**Annexure-I**

| Name of the statute | Nature of the Dues | Amount (Rs. in Lacs) | Financial Year to which matter pertains | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act,1961 | Income tax | 7.48 | 2001 – 2002 | Delhi High Court |
| Income Tax Act,1961 | Income tax | 9.37 | 2002 – 2003 | Commissioner (Appeals) of Income tax |
| Income Tax Act,1961 | Income Tax | 152 | 2005 – 2006 | Income tax Appellate Tribunal |
| Income Tax Act,1961 | Income Tax | 218.09 | 2006 – 2007 | Income tax Appellate Tribunal |
| Income Tax Act,1961 | Income Tax | 48.96 | 2007 – 2008 | Commissioner (Appeals) of Income tax |
| Income Tax Act,1961 | Income Tax | 147.94 | 2008 – 2009 | Commissioner (Appeals) of Income tax |
| Income Tax Act,1961 | Transfer pricing -Against Section 143(3) and Section 144C | 686.00 | 2005 – 2006 | Income tax Appellate Tribunal |
| Cenvat Credit Rules 2004 | Credit on input services | 114.17 | 2008-2009 | Dept. in appeal before CESTAT |
| Cenvat Credit Rules 2004 | Credit on input services | 14.07 | 2009-2010 | Dept. in appeal before CESTAT |
| Cenvat Credit Rules 2004 | Credit on input services | 7.00 | 2010-2011 | Dept. in appeal before CESTAT |
| Cenvat Credit Rules 2004 | Credit on input services | 11.03 | 2008-2009 | Additional Commissioner |
| Central Excise Act 1944 | Sale Tax Subsidy | 30.20 | 2008-2009 | Commissioner Central Excise |
| Central Excise Act 1944 | Sale Tax Subsidy | 5.40 | 2009-2010 | Commissioner Central Excise |
| Cenvat Credit Rules 2004 | Credit on input services | 4.52 | 2010-2011 | Commissioner (Appeals) Central Excise |
| Cenvat Credit Rules 2004 | Credit on input services | 30.34 | 2010-2011 | Additional Commissioner |
| Cenvat Credit Rules 2004 | Credit on input services | 2.60 | 2006-2007 to 2007-2008 | Assistant Commissioner |
| Cenvat Credit Rules 2004 | Credit on input services | 2.75 | 2008-2009 to 2010-2011 | Commissioner (Appeals) Central Excise |
| Cenvat Credit Rules 2004 | Credit on input services | 3.85 | 2009-2010 | Assistant commissioner Central Excise |
| Cenvat Credit Rules 2004 | Credit on input service | 15.00 | 2009-2010 | Commissioner (Appeals) Central Excise |
| Cenvat Credit Rules 2004 | Credit on input services | 29.64 | 2007 - 2008 to 2009 – 2010 | Commissioner (Appeals) Central Excise |
| Cenvat Credit Rules 2004 | Credit on input services | 49.93 | 2009-2010 | Commissioner (Appeals) Central Excise |
| Cenvat Credit Rules 2004 | Credit on input services | 10.59 | 2008-2009 | Appeal before CESTAT |
| Cenvat Credit Rules 2004 | Credit on input services | 31.42 | 2011-2012 | Additional Commissioner for adjudication |
| Cenvat Credit Rules 2004 | Denial of Cenvat credit | 4.97 | 2008-2009 | Appeal before CESTAT |
| Haryana Vat Act | Demand for filing of short Form D-1 | 10.49 | 2008-2009 | Appeal to be filed before Joint Excise and Taxation Commissioner-Rohtak |

# Balance sheet as at 31 March 2012

**Rupees in lacs**

| Particulars | Note No. | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|---|
| **Equity and liabilities** | | | |
| **Shareholders' funds** | | | |
| Share capital | 3 | **1,936.54** | 5,654.16 |
| Reserves and surplus | 4 | **26,830.99** | 14,124.78 |
| **Non-current liabilities** | | | |
| Long-term borrowings | 5 | **4,841.96** | 5,519.30 |
| Deferred tax liabilities (net) | 6 | **117.96** | 1,034.15 |
| Other long-term liabilities | 7 | **18.38** | 15.57 |
| Long-term provisions | 8 | **1,540.98** | 745.09 |
| **Current liabilities** | | | |
| Short-term borrowings | 9 | **9,276.49** | 9,500.98 |
| Trade payables | 10 | **16,179.95** | 13,285.64 |
| Other current liabilities | 11 | **4,994.15** | 4,368.42 |
| Short-term provisions | 12 | **980.53** | 778.13 |
| | | **66,717.93** | 55,026.22 |
| **Assets** | | | |
| **Non-current assets** | | | |
| Fixed assets | 13 | | |
| Tangible assets | | **21,959.05** | 23,935.36 |
| Intangible assets | | **735.58** | 986.93 |
| Capital work-in-progress | | **456.76** | 620.67 |
| Intangible assets under development | | **29.36** | 69.43 |
| Non-current investments | 14 | **6,637.10** | 1,910.98 |
| Long term loans and advances | 15 | **1,884.50** | 1,303.01 |
| Other non-current assets | 16 | **146.85** | 169.19 |
| **Current assets** | | | |
| Current investments | 17 | **73.17** | - |
| Inventories | 18 | **7,083.62** | 7,875.37 |
| Trade receivables | 19 | **18,554.92** | 12,869.53 |
| Cash and bank balances | 20 | **4,794.24** | 2,271.44 |
| Short-term loans and advances | 21 | **4,100.47** | 2,918.71 |
| Other current assets | 22 | **262.31** | 95.60 |
| | | **66,717.93** | 55,026.22 |
| Significant accounting policies | 2 | | |

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **B S R and Company**
Chartered Accountants
Firm Registration No.: 128900W

For and on behalf of the Board of Directors of
**Minda Industries Limited**

**Rajesh Arora**
Partner
Membership No. 076124

**Nirmal K. Minda**
Chairman and Managing Director

**Anand Kumar Minda**
Director

**Sudhir Jain**
Corp. Business Head
& Group CFO

**H.C. Dhamija**
V.P. - Group Accounts &
Co. Secretary

Place : Gurgaon
Date : 19 June, 2012

Place : Gurgaon
Date : 19 June, 2012

# Statement of profit and loss for the year ended 31 March 2012

**Rupees in lacs**

| **Particulars** | **Note No.** | **As at 31 March 2012** | As at 31 March 2011 |
|---|---|---|---|
| Revenue from operations | 23 | **110,540.41** | 91,232.31 |
| Other income | 24 | **1,599.99** | 1,458.08 |
| Total revenue | | **112,140.40** | 92,690.39 |
| Expenses: | | | |
| Cost of materials consumed | 25 | **74,688.70** | 60,856.54 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 26 | **874.49** | (963.87) |
| Employee benefits | 27 | **13,032.98** | 9,952.38 |
| Financial costs | 28 | **1,840.04** | 1,615.41 |
| Depreciation and amortization | 29 | **3,847.90** | 3,363.25 |
| Other expenses | 30 | **14,705.12** | 13,193.32 |
| Total expenses | | **108,989.23** | 88,017.03 |
| Profit before exceptional items and tax | | **3,151.17** | 4,673.36 |
| Exceptional items | 31 | **190.42** | - |
| Profit for the year before tax | | **3,341.59** | 4,673.36 |
| Income tax expense | | | |
| Current tax | | **688.00** | 805.81 |
| Deferred tax-current year | | **(636.83)** | 383.00 |
| - relating to earlier years | | **(50.84)** | - |
| Profit for the year after tax | | **3,341.26** | 3,484.55 |
| Earnings per equity share: | | | |
| nominal value of share Rs. 10 (Previous year Rs. 10) | 32 | | |
| Basic | | **20.98** | 25.61 |
| Diluted | | **20.98** | 22.43 |
| Information on discontinued business | | | |
| (Blow Moulding Division of Minda Industries Ltd.) | | | |
| Net profit /(loss) before tax from ordinary activities | | **67.76** | (72.35) |
| Income tax expense related to above | | **13.61** | (24.59) |
| Profit /(loss) on disposal of discontinued business (pre-tax) | | **958.83** | - |
| Income tax expense related to above | | **196.34** | - |
| Significant accounting policies | 2 | | |

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **B S R and Company**
Chartered Accountants
Firm Registration No.: 128900W

For and on behalf of the Board of Directors of
**Minda Industries Limited**

**Rajesh Arora**
Partner
Membership No. 076124

**Nirmal K. Minda**
Chairman and Managing Director

**Anand Kumar Minda**
Director

**Sudhir Jain**
Corp. Business Head
& Group CFO

**H.C. Dhamija**
V.P. - Group Accounts &
Co. Secretary

Place : Gurgaon
Date : 19 June, 2012

Place : Gurgaon
Date : 19 June, 2012

# Cash Flow Statement for the year ended 31 March 2012

(Pursuant to Clause 32 of the Listing Agreement)

Rupees in lacs

| | Particulars | Year ended 31 March 2012 | Year ended 31 March 2011 |
|---|---|---|---|
| **A.** | **Cash flow from operating activities :** | | |
| | Net Profit before exceptional items and tax | **3,151.16** | 3,403.74 |
| | Adjustments For : | | |
| | Depreciation and amortisation | **3,847.90** | 3,253.06 |
| | Interest expense | **1,741.89** | 1,530.21 |
| | Interest income | **(189.96)** | (33.58) |
| | Dividend income | **(123.18)** | (37.03) |
| | Share of profit from partnership firm | **(612.56)** | - |
| | Liabilities / provisions no longer required written back | **(330.74)** | - |
| | Fixed assets scrapped/ written off | **40.99** | (34.93) |
| | Doubtful trade and other receivables provided for | **131.20** | - |
| | Amounts written off | **21.60** | - |
| | Profit on sale of fixed assets | **(107.98)** | (105.45) |
| | Provision for contingencies-income tax | **42.17** | - |
| | Preliminary expenses written off | **17.02** | 5.67 |
| | Rental income | **(4.62)** | (1.15) |
| | | **4,473.75** | 4,576.80 |
| | Operating profit before working capital changes | **7,624.92** | 7,980.54 |
| | Adjustments for working capital changes: | | |
| | (Increase)/decrease in inventories | **2,004.86** | (2,690.90) |
| | (Increase)/decrease in trade and other receivables | **(2,547.98)** | (2,807.74) |
| | (Increase)/decrease in short-term loans and advances | **(263.38)** | 609.68 |
| | (Increase)/decrease in long-term loans and advances | **(457.35)** | (1,431.56) |
| | (Increase)/decrease in other non-current assets | **5.33** | (146.51) |
| | (Increase)/decrease in other current assets | **(166.31)** | (95.60) |
| | Increase/(decrease) in trade payables | **1,344.58** | 1,458.39 |
| | Increase/(decrease) in other current liabilities | **603.30** | 1,378.90 |
| | Increase/(decrease) in short-term provisions | **(113.85)** | (311.50) |
| | Increase/(decrease) in long-term provisions | **758.91** | 708.10 |
| | | **1,168.11** | (3,328.74) |
| | Cash generated from operations | **8,793.03** | 4,651.80 |
| | Income tax paid | **(695.15)** | (285.37) |
| | **Net cash flow from operating activities** | **8,097.88** | 4,366.43 |
| **B.** | **Cash flow from investing activities :** | | |
| | Long term investment/ assets acquired/ sold | | |
| | Non-current investments | **(4,983.01)** | 340.99 |
| | Gain on sale of investment | **-** | (143.05) |
| | Purchase of fixed assets | **(5,730.75)** | (6,005.07) |
| | Sale of fixed assets | **6,851.24** | 1,028.21 |
| | Interest received | **189.56** | 33.57 |
| | Property rental income | **4.62** | 1.15 |
| | Share of profit from partnership firm | **427.78** | - |
| | Dividend income | **123.18** | 37.03 |
| | Increase in cash and cash equivalent acquired on amalgamation | **1,372.94** | 1,458.71 |
| | **Net cash used in investing activities** | **(1,744.44)** | (3,248.46) |

# Cash Flow Statement for the year ended 31 March 2012

(Pursuant to Clause 32 of the Listing Agreement)

**Rupees in lacs**

| **Particulars** | **Year ended 31 March 2012** | Year ended 31 March 2011 |
|---|---|---|
| **C. Cash flow from financing activities** | | |
| Conversion/redemption of preference shares | **-** | (300.00) |
| Proceeds/(repayment) from short term borrowings | **(672.75)** | 3,717.66 |
| Proceeds from long term borrowings | **1,295.67** | - |
| Repayment of long term borrowings | **(2,047.28)** | (1,429.98) |
| Interest paid | **(1,740.03)** | (1,521.33) |
| Dividend paid (including corporate dividend tax) | **(666.25)** | (628.14) |
| **Net cash used in financing activities** | **(3,830.64)** | (161.79) |
| Net increase in cash and cash equivalents(A+B+C) | **2,522.80** | 956.19 |
| Cash and cash equivalents as at opening | **2,271.44** | 1,315.26 |
| Cash and cash equivalents as at closing | **4,794.24** | 2,271.44 |
| Cash and cash equivalents include cash/ cheques in hand | | |
| Cash in hand | **28.49** | 31.59 |
| With banks | | |
| Current accounts | **1,100.39** | 419.97 |
| Deposit accounts | **3,643.68** | 1,712.24 |
| Cheques, drafts in hand | **3.51** | 92.38 |
| Unpaid dividend accounts | **18.17** | 15.27 |
| **Cash and cash equivalents at the end of the year** | **4,794.24** | 2,271.44 |

As per our report of even date attached.

For **B S R and Company**
Chartered Accountants
Firm Registration No.: 128900W

For and on behalf of the Board of Directors of
**Minda Industries Limited**

**Rajesh Arora**
Partner
Membership No. 076124

**Nirmal K. Minda**
Chairman and Managing Director

**Anand Kumar Minda**
Director

**Sudhir Jain**
Corp. Business Head
& Group CFO

**H.C. Dhamija**
V.P. - Group Accounts &
Co. Secretary

Place : Gurgaon
Date : 19 June, 2012

Place : Gurgaon
Date : 19 June, 2012

# Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**1. Company overview**

Minda Industries Limited is a public company domiciled and headquartered in India. It was incorporated on 16 September, 1992 under the Companies Act, 1956 and its shares are listed on the National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and Delhi Stock Exchange (DSE). The Company is engaged in a diversified business of manufacturing of auto electrical parts including switches, lights, horns, CNG/LPG kits and batteries for the off road, two, three and four wheeler. The Company caters to both domestic and international markets.

**2. Significant accounting policies** The accounting policies set out below have been applied consistently to the period presented in these financial statements.

**A. Basis of preparation of financial statements**

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest lacs. This is the first year of application of the revised Schedule VI to the Companies Act, 1956 for the preparation of the financial statements of the Company. The revised Schedule VI introduces some significant conceptual changes as well as new disclosures. These include classification of all assets and liabilities into current and non-current. The previous year figures have also undergone a major reclassification to comply with the requirements of the revised Schedule VI.

**B. Use of estimates**

The preparation of financial statements in conformity 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 and 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.

**Current–non-current classification**

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

<u>Assets</u>

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.

## Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

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 an 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.

**C. Fixed assets and depreciation**

**a) Tangible fixed assets**

Tangible fixed assets except revalued assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset 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 tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Tangible fixed assets acquired wholly or partly with specific grant/subsidy from government, if any, are recorded at the net acquisition cost to the Company.

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that 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 tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Exchange differences (favorable as well as unfavorable) arising in respect of translation/settlement of long term foreign currency borrowings attributable to the acquisition of a depreciable asset are also included in the cost of the asset.

The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the 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 than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the

## Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

useful life/remaining useful life. Depreciation is accordingly provided at the rates which are equal to or higher than the rates prescribed in Schedule XIV to the Companies Act, 1956 and are stated below:

- on plant and machinery : on written down value method as per rates specified in Schedule XIV.
- on tools and dies : 30/40 % on written down value method on all tools except those used in Acoustic (Horn) division which are depreciated at the rate of 30% on straight line method basis
- on other fixed assets : on straight line method as per rates specified in Schedule XIV.

Leasehold land and leasehold improvements are amortised on a straight line basis over the period of lease or their useful lives, whichever is shorter. Freehold land is not depreciated.

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

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule XIV to the Companies Act, 1956) unless it is reasonably certain that the Company will obtain ownership by the end of the lease term, in which case the depreciation rates applicable for similar assets owned by the Company are applied.

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

Depreciation for the year is recognised in the Statement of Profit and Loss.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use.

Assets retired from active use and held for disposal, if any, are stated at the lower of their net book value and net realisable value and shown under ‘Other current assets’.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

**b) Intangible fixed assets**

(i) Goodwill: Goodwill that arises on an amalgamation or on the acquisition of a business is presented as an intangible asset. Goodwill arising from amalgamation is measured at cost less accumulated amortisation and any accumulated impairment loss. Such goodwill is amortised over its estimated useful life or five years whichever is shorter. Goodwill arising on acquisition of a business is measured at cost less any accumulated impairment loss. Goodwill is tested for impairment annually.

(ii) Acquired intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortised in the Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic

## Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

benefits of the asset. Accordingly, at present, these are being amortised on straight line basis. In accordance with the applicable Accounting Standard, the Company follows a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. However, if there is persuasive evidence that the useful life of an intangible asset is longer than ten years, it is amortised over the best estimate of its useful life. Such intangible assets and intangible assets that are not yet available for use are tested annually for impairment.

The amortization rates are as follows:

i) Technical knowhow: Amortised over the period of agreement

ii) Computer software : 16.21% straight line method (except in the case of Enterprise Resource Planning (ERP) system, which is depreciated over a period not exceeding four years)

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

**c) Capital work-in-progress**

Fixed assets under construction and cost of assets not put to use before the year-end, are disclosed as capital work-in-progress.

**D. Impairment**

The carrying values of all assets are reviewed at each reporting date to determine if there is an indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognised in the Statement of Profit and Loss Account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

**E. Leases**

**a) Operating leases**

Assets acquired under leases other than finance leases are classified as operating leases. 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 unless another systematic basis is more representative of the time pattern of the benefit.

## Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

b) **Finance leases**

Assets acquired under finance leases are recognised as an asset and a liability at the lower of the fair value of the leased assets at the inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability and charged to the Statement of Profit and Loss.

**F. Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under ‘current assets’ as “current portion of long term investments” in consonance with the current–non-current classification scheme of revised Schedule VI.

Long-term investments (including current portion thereof) are carried at cost less any other-thantemporary diminution in value, determined separately for each individual investment. Current investments are carried at the lower of cost and fair value.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

Investment in the capital of a partnership firm is shown by reference to the capital of the firm on the balance sheet date. The Company’s share of profit or loss in a partnership firm is recognised in the Statement of Profit and Loss as and when it accrues i.e. when it is computed and credited or debited to the capital/current/any other account of the company in the books of the partnership firm.

**G. Inventories**

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, stores and spares, and loose tools are carried at the lower of cost and net realisable value.

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

In determining the cost, weighted average cost method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

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

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.
The comparison of cost and net realisable value is made on an item-by-item basis.
Finished goods inventory is inclusive of excise duty.
Inventories in transit are valued at cost.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management’s current best estimate.

# Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**H. Revenue recognition**

a) Revenue from sale of goods in the course of ordinary activities is recognised when the property in the goods or all significant risks and rewards of 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 goods and regarding its collection. The amount recognized as revenue is exclusive of sales tax, value added taxes (VAT) and is net of returns and trade discounts.

b) Designing and service revenue is recognised on an accrual basis as and when the services are rendered in accordance with the terms of the underlying contract.

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

d) Dividend income is recognised when the right to receive dividend is established.

e) Royalty income is recognised based on the terms of the underlying agreement.

f) Claims lodged with insurance companies are accounted for on an accrual basis, to the extent these are measurable and the ultimate collection is reasonably certain.

g) Export entitlement under Duty Entitlement Pass Book Scheme (‘DEPB’) is recognised on accrual basis and when the right to entitlement has been established.

h) Share of profit from partnership firms is recognized on accrual basis.

**I. Government grants**

Government grants in the nature of promoters’ contribution are credited to capital reserve and treated as a part of shareholders’ funds. Grants from State Government towards revenue expenditure are recognised as income either till the period of benefit expires or the financial cap is reached, whichever occurs earlier.

**J. Research and development**

a) Revenue expenditure on research and development is charged off under the respective heads of account in the year in which it is incurred.

b) Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses, if any. Fixed assets used for research and development are depreciated in accordance with the Company’s policy as stated above.

**K. Foreign currency transactions**

a) Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date. The resultant exchange differences are recognised in the Statement of Profit and Loss except exchange differences pertaining to long term foreign currency monetary items that are related to acquisition of depreciable assets and are adjusted in the carrying amount of the related fixed assets

b) The Company uses forward contracts to hedge its foreign currency risk relating to an existing asset/liability, which are covered under Accounting Standard – Accounting for the effects of changes in foreign exchange rates’.

Exchange difference on a forward exchange contract is the difference between:

(a) the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period; and

## Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

(b) the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date;

and is recognised in the Statement of Profit and Loss.

The forward exchange contracts taken to hedge existing assets/ liabilities are translated at the closing exchange rates and the resultant exchange differences are recognised in the same manner as those on the underlying foreign currency asset or liability. Any profit or loss arising on cancellation/ renewal of such contracts is recognised in the Statement of Profit and Loss for the year.

c) Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investments.

d) Foreign currency loans covered by forward exchange contracts are translated at the rate prevailing on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognized over the life of the contract.

e) Commodity hedging

The Company enters into derivative contracts such as forward contracts in relation to commodity options to hedge against the risk of adverse movement in commodity price risk for metals used as raw materials. However, the Company does not conduct speculative operations in the future markets.

f) Increase or decrease in non-current liabilities on account of exchange rate fluctuations have been adjusted in the cost of tangible fixed assets.

### L. Provisions

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.

Warranties

Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods.

Contingencies

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.

### M. 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.

## Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**N. Employee Benefits**

**a) 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.

**b) Post employment benefits**

**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 which is a 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.

The Company makes specified monthly contribution towards superannuation fund to Superannuation Trust which is managed by the Life Insurance Corporation of India ("LIC")

**Defined benefit plan**

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 of the two plans 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. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit or Loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

The Company's gratuity fund is administered and managed by the Life Insurance Corporation of India ("LIC"). Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

**Compensated absences**

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit.

The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent

## Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

actuarial valuation using the projected unit credit method.

Actuarial gains and losses are recognised in the Statement of Profit and Loss.

**Termination benefits**

Termination benefits are recognised as an expense when, 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.

**O. 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 Statement of Profit or Loss except that tax expense related to items recognised directly in reserves is also recognized in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation 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. differences 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 assets 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.

Minimum Alternate Tax (‘MAT’) under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent, the aforesaid convincing evidence no longer exists.

**P. Representative offices**

In translating the financial statements of representative offices, the monetary assets and liabilities are translated at the rate prevailing at the balance sheet date; non-monetary assets and liabilities are translated at exchange rate prevailing at the date of transaction and income and expense items are converted at the respective month end rate.

# Notes forming part of the financial statements

Rupees in lacs

## Note 3 : Share capital

| Particulars | As at 31 March 2012 Number | As at 31 March 2012 Amount | As at 31 March 2011 Number | As at 31 March 2011 Amount |
|---|---|---|---|---|
| (a) Authorised | | | | |
| Equity shares of Rs. 10 each with voting rights | **22,500,000** | **2,250.00** | 22,500,000 | 2,250.00 |
| Preference share capital | | | | |
| 9% Cumulative Redeemable Preference Shares of Rs. 10 each (Class 'A') | **3,000,000** | **300.00** | 3,000,000 | 300.00 |
| 3% Cumulative Compulsorily Convertible Preference Shares of Rs.2,187 each (Class 'B') | **183,500** | **4,013.14** | 183,500 | 4,013.14 |
| 3% Cumulative Redeemable Preference Shares of Rs. 10 each (Class 'C') | **3,500,000** | **350.00** | 3,500,000 | 350.00 |
| | **29,183,500** | **6,913.14** | 29,183,500 | 6,913.14 |
| (b) Issued, subscribed and fully paid up | | | | |
| Equity share capital | | | | |
| Equity shares of Rs. 10 each with voting rights | **15,865,356** | **1,586.54** | 12,910,192 | 1,291.02 |
| Preference share capital | | | | |
| 3% Cumulative Compulsorily Convertible Preference Shares of Rs.2,187 each (Class 'B') | **-** | **-** | 183,500 | 4,013.14 |
| 3% Cumulative Redeemable Preference Shares of Rs. 10 each (Class 'C') | **3,500,000** | **350.00** | 3,500,000 | 350.00 |
| | **19,365,356** | **1,936.54** | 16,593,692 | 5,654.16 |

Notes:

Equity shares includes

i Re-issue of forfeited 31,800 equity shares of Rs. 10 each on 27 October 1998

ii (a) 2,405,128 Equity Shares of Rs. 10 each fully paid up issued during the year 2010-11 for consideration other than cash to the shareholders of Minda Autogas Limited, pursuant to the scheme of amalgamation.

ii (b) 1,120,164 Equity Shares of Rs. 10 each fully paid up issued during the year 2011-12 for consideration other than cash to the shareholders of Minda Acoustic Limited, pursuant to the scheme of amalgamation.

iii During the current year (1 April 2011) 183,500, 3% Cumulative Compulsarily Convertible Preference Shares of Rs. 2,187 each allotted on 17 February 2010, with a right of conversion into 10 Equity Shares of Rs. 10 each fully paid up at a premium of Rs. 208.70 per equity share within a period not exceeding eighteen months from the date of allottment were converted into 1,835,000 equity shares of Rs. 10 each at a premium of Rs. 208.70 per equity share.

iv 3,500,000 3% Cumulative Compulsarily Convertible Preference Shares of Rs. 10 each have been allotted on 17 February 2010, shall be redeemed at par, after seven years from the date of allotment. However, same can be redeemed earlier in view of availability of profitability / surplus fund.

## Notes forming part of the financial statements

Rupees in lacs

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|

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

| Particulars | Number | Amount | Number | Amount |
|---|---|---|---|---|
| Equity shares of Rs. 10 each with voting rights | | | | |
| Opening balance | **12,910,192** | **1,291.02** | 10,505,064 | 1,050.51 |
| Add: | | | | |
| Shares issued on conversion of 3% Cumulative Compulsorily Convertible Preference Shares of Rs. 2,187 each (Class 'B') into 1,835,000 equity shares of Rs. 10 each | **1,835,000** | **183.50** | - | - |
| Shares issued in the ratio of 100:1798, to shareholder of erstwhile Minda Acoustic Limited pursuant to the scheme of amalgamation (refer to note 38) | **1,120,164** | **112.02** | - | - |
| Shares issued in the ratio of 4:10, to the shareholder of erstwhile Minda Autogas Limited pursuant to the scheme of amalgamation (refer to note 38) | **-** | **-** | 2,405,128 | 240.51 |
| Closing balance | **15,865,356** | **1,586.54** | 12,910,192 | 1,291.02 |
| 3% Cumulative Compulsorily Convertible Preference Shares of Rs. 2,187 each (Class 'B') | | | | |
| Opening balance | **183,500** | **4,013.14** | 183,500 | 4,013.14 |
| Conversion into equity shares | **183,500** | **4,013.14** | - | - |
| Closing balance | **-** | **-** | 183,500 | 4,013.14 |
| 3% Cumulative Redeemable Preference Shares of Rs. 10 each (Class 'C') | | | | |
| Opening balance | **3,500,000** | **350.00** | 3,500,000 | 350.00 |
| Movement during the year | **-** | **-** | - | - |
| Closing balance | **3,500,000** | **350.00** | 3,500,000 | 350.00 |

(d) Rights, preferences and restrictions attached to equity shares

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

## Notes forming part of the financial statements

(e) Details of shares held by each shareholder holding more than 5% shares:

| Class of Shares/ Name of the Shareholder | **As at 31 March 2012** Number of shares held | % holding in that class of shares | As at 31 March 2011 Number of shares held | % holding in that class of shares |
|---|---|---|---|---|
| **Equity shares with voting rights** | | | | |
| Mr. Nirmal K. Minda | **2,401,869** | **15.1%** | 2,299,645 | 17.8% |
| Nirmal K. Minda (HUF) | **1,502,142** | **9.5%** | 1,370,350 | 10.6% |
| Mrs. Suman Minda | **2,476,140** | **15.6%** | 2,344,348 | 18.2% |
| Minda Investments Ltd. | **3,399,385** | **21.4%** | 2,828,281 | 21.9% |
| Pioneer Finest Ltd. | **1,086,807** | **6.9%** | 1,012,194 | 7.8% |
| India Business Excellence Fund -I | **1,376,250** | **8.7%** | - | |
| **3% Cumulative Compulsorily Convertible Preference Shares of Rs.2,187 each (Class 'B')** | | | | |
| India Business Excellence Fund I | **-** | **-** | 137,625 | 75.0% |
| IL & FS Trust Company Ltd | - | - | 45,875 | 25.0% |
| **3% Cumulative Redeemable Preference Shares of Rs. 10 each (Class 'C')** | | | | |
| Mr. Nirmal K. Minda | **1,500,000** | **42.9%** | 1,500,000 | 42.9% |
| Mrs. Suman Minda | **2,000,000** | **57.1%** | 2,000,000 | 57.1% |

(f) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash for the period of five years immediately preceding the Balance Sheet Date:

| Particulars | **Aggregate number of shares** Number | **Amount** | Aggregate number of shares Number | Amount |
|---|---|---|---|---|
| **Equity shares with voting rights** | | | | |
| Shares issued in the ratio of 100:1798, to the shareholders of erstwhile Minda Acoustic Limited pursuant to the scheme of amalgamation | **1,120,164** | **112.02** | - | - |
| Shares issued in the ratio of 4:10, to the shareholders of erstwhile Minda Autogas Limited pursuant to the scheme of amalgamation | **-** | **-** | 2,405,128 | 240.51 |
| Conversion of 3% Cumulative Compulsorily Convertible Preference Shares | **1,835,000** | **183.50** | - | - |
| **3% Cumulative Compulsorily Convertible Preference Shares of Rs.2,187 each (Class 'B')** | | | | |
| Converted into equity shares | **183,500** | **4,013.15** | - | - |

Note:

The Company has not allotted any bonus shares or bought back any shares during the current year or for a period of five years immediately preceding the balance sheet date. Further, no shares have been issued for a consideration other than cash during the period 1 April 2007 to 31 March 2010.

# Notes forming part of the financial statements

Rupees in lacs

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 4 : Reserves and surplus** | | |
| **Capital reserves** | | |
| Opening balance | **227.59** | 227.59 |
| Add: Additions during the year | **-** | - |
| Closing balance | **227.59** | 227.59 |
| **Capital redemption reserve** | | |
| Opening balance | **300.00** | - |
| Add: Additions during the year | | |
| Transferred from general reserve | **-** | 300.00 |
| Closing balance | **300.00** | 300.00 |
| **Securities premium reserve** | | |
| Opening balance | **631.48** | - |
| Add : | | |
| Transferred from erstwhile Minda Autogas Limited pursuant to scheme of amalgamation | **-** | 631.48 |
| Premium on conversion of 183,500 3% Cumulative Compulsorily Convertible Preference Shares into 1,835,000 Equity Shares of Rs. 10 each, having pari passu rights | **3,829.65** | - |
| Closing balance | **4,461.13** | 631.48 |
| **General reserve** | | |
| Opening balance | **2,851.25** | 2,415.18 |
| Add: | | |
| Transferred from erstwhile Minda Autogas Limited pursuant to scheme of amalgamation (refer to note 37) | **-** | 360.77 |
| Transferred from erstwhile Minda Acoustic Limited pursuant to scheme of amalgamation (refer to note 37) | **1,902.03** | - |
| Transferred from surplus in Statement of Profit and Loss | **450.00** | 400.00 |
| Less: | | |
| Transferred to Capital Redemption Reserve | **24.98** | 24.70 |
| Adjustment of transitional provision as per Accounting Standard-15 (Revised) | | |
| Closing balance | **5,178.30** | 2,851.25 |
| **Surplus in Statement of Profit and Loss** | | |
| Opening balance brought forward | **10,114.46** | 5,554.82 |
| Add: | | |
| Net Profit for the year | **3,341.26** | 3,484.55 |
| Amounts transferred from: | | |
| Accumulated Profits acquired on amalgamation (refer to note 37) | **4,287.62** | - |
| Transferred from erstwhile Minda Autogas Limited pursuant to scheme of amalgamation (refer to note 37) | **-** | 2,103.24 |
| Less: | | |
| Dividend paid | | |
| Dividend paid on converted Compulsorily Convertible Preference Shares (Class B) | **55.05** | - |
| Tax on dividend paid | **8.93** | - |
| Proposed Dividend | | |
| Dividends proposed to be distributed to equity shareholders | **475.97** | 387.31 |
| Dividends proposed to be distributed to preference shareholders | **10.50** | 153.09 |
| Tax on dividend | **78.92** | 87.75 |
| Transferred to General reserve | **450.00** | 400.00 |
| Closing balance | **16,663.97** | 10,114.46 |
| | **26,830.99** | 14,124.78 |

# Notes forming part of the financial statements

Rupees in lacs

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 5 : Long-term borrowings** | | |
| **Term loans** | | |
| Secured | | |
| from banks | **3,424.26** | 3,973.33 |
| Unsecured | | |
| from others | **6.01** | 4.69 |
| | **3,430.27** | 3,978.02 |
| **Deferred payment liabilities** | | |
| Unsecured | **1,385.80** | 1,419.07 |
| | **1,385.80** | 1,419.07 |
| Deposits | | |
| Unsecured | **25.89** | 122.21 |
| | **4,841.96** | 5,519.30 |

**Nature of security:**

| | |
|---|---|
| - from Axis Bank amounting to Rs. 1,052.72 (Previous year Rs.1,473.58) is secured by first pari passu charge over fixed assets, including furniture and fixtures, both present and future installed at factory premises and goods purchased under Letter of Credit. | Total loan sanctioned amounting to Rs. 2,500 (Previous year Rs. 2,500), repayable in 24 quarterly instalments of Rs. 104.17. |
| - from Axis Bank amounting to Rs. 285.17 (Previous year Rs.757.98) and is secured by first pari passu charge on all the current assets of the Company, both present and future. Second pari passu charge on entire fixed assets of the Company both present and future | Total loan sanctioned amounting to Rs. 1,500 (Previous year Rs.1,500), repayable in 16 quarterly instalments of Rs. 93.75 |
| - from Axis Bank amounting to Rs. 986.14 (Previous year Rs.1,212.50) is secured by first pari passu charge over fixed assets and second pari passu charge over current assets and equitable mortgage of Company's immovbale property at Gurgaon, Pune Sonepat and Pantnagar, India. | Total loan sanctioned amounting to Rs. 1,200 (Previous year Rs.1,200), repayable in 16 quarterly instalments of Rs. 75. |
| - from HDFC Bank amounting to Rs. 375 (Previous year Rs. NIL) and is secured by first pari passu charge on all the present and future movable plant and machinery consisting of furniture and fixtures, electrical fittings, vehicles, etc. Second pari passu charge on all the book debts and stock in trade both present and future. | Total loan sanctioned amounting to Rs. 2,000 (Previous year Rs.2,000). Disbursed amount of Rs. 375 (Previous year Rs. Nil) repayable in 20 quarterly instalments of Rs. 18.75 each. |
| - from State Bank of India amounting to Rs. 1,773.84 (Previous year Rs.2,714.51) and is secured by first pari passu charge on all current assets including stocks of raw material, stores, stock in progress, finished goods including goods in transit and bills receivable, both present and future. Second charge on the entire fixed assets, both present and future. | Total loan sanctioned amounting to Rs. 4,055 (Previous year Rs.4,055). Disbursed amount of Rs. 3,795.64 (Previous year Rs. 3,795.64) repayable in<br>- 12 instalments during 2009-10 of Rs. 22.22 each<br>- 12 instalments during 2010-11 of Rs. 63.35 each<br>- 12 instalments during 2011-12 of Rs. 80 each<br>- 12 instalments during 2012-13 of Rs. 85 each<br>- 7 instalments during 2013-14 of Rs. 100 each<br>- 1 instalments during 2014-15 of Rs. 88.80 each |
| - External Commercial Borrowings from Standard Chartered Bank amounting to Rs.994.94 (Previous year -nil), is secured by first pari passu charge over all present and future movable fixed assets of the Company. Second pari passu charge over all present and future book debts, outstanding moneys receivables, claims and bills due and all present and future stock in trade consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise etc. | Total loan sanctioned amounting to USD 20 lac (Previous year Rs. Nil), repayable in 16 quarterly instalments of USD 1.25 lac on quarterly basis. |
| - Vehicle loans from banks/ others are secured hypothication of respective vehicles financed by them | |

# Notes forming part of the financial statements

Rupees in lacs

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 6 : Deferred tax liabilities** | | |
| Difference between books and written down value of fixed assets as per Income tax Act, 1961 | **828.46** | 1,503.25 |
| Total | **828.46** | 1,503.25 |
| Deferred tax assets | **-** | - |
| Provision for employee benefits | **451.13** | 253.27 |
| Unabsorbed depreciation/ carry forward business losses | **-** | - |
| Others | **259.37** | 215.83 |
| Total | **710.50** | 469.10 |
| Deferred tax liabilities (Net) | **117.96** | 1,034.15 |
| **Note 7 : Other long-term liabilities** | | |
| Others | | |
| Interest accrued but not due on long term borrowings | **18.38** | 15.57 |
| | **18.38** | 15.57 |
| **Note 8 : Long-term provisions** | | |
| Provision for employee benefits | | |
| Provision for gratuity | **947.83** | 470.40 |
| Provision for leave encashment | **359.42** | 231.63 |
| | **1,307.25** | 702.03 |
| Others | | |
| Provision for warranty | **233.73** | 43.06 |
| | **1,540.98** | 745.09 |
| **Note 9 : Short-term borrowings** | | |
| Loans repayable on demand | | |
| Secured | | |
| from banks* | **7,455.25** | 6,663.63 |
| Unsecured | | |
| from Banks | **130.68** | 390.65 |
| | **7,585.93** | 7,054.28 |
| Other loans and advances | | |
| Unsecured | | |
| from directors | **-** | 46.83 |
| from others | **1,690.56** | 2,399.87 |
| | **1,690.56** | 2,446.70 |
| | **9,276.49** | 9,500.98 |

* includes cash credit and overdraft facilities from banks are secured by hypothecation of fixed assets, inventories of raw materials and finished goods and book debts (net of creditors), both present and future.

# Notes forming part of the financial statements

Rupees in lacs

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 10 : Trade payables** | | |
| Trade payables | **15,315.37** | 11,825.06 |
| Provision for expenses | **864.58** | 1,460.58 |
| | **16,179.95** | 13,285.64 |
| **Note 11 : Other current liabilities** | | |
| Current maturities of long-term borrowings | **2,246.79** | 2,321.06 |
| Interest accrued but not due on current maturities of long term borrowings | **3.92** | 4.87 |
| Advance from customers | **1,152.94** | 1,203.36 |
| Unpaid dividends | **18.17** | 15.27 |
| Other payables: | | |
| Statutory dues | **1,022.41** | 629.49 |
| Contractually reimbursable expenses | **346.41** | 186.19 |
| Forward exchange contracts | **143.85** | - |
| Employee accounts | **5.93** | - |
| Deferred payment liabilities | **53.73** | 8.18 |
| | **4,994.15** | 4,368.42 |
| **Note 12 : Short-term provisions** | | |
| Provision for employee benefits | | |
| Provision for gratuity | **33.81** | 39.14 |
| Provision for leave encashment | **11.65** | 21.28 |
| | **45.46** | 60.42 |
| Others: | | |
| Provision for Wealth Tax (net of advances Rs. 3.57, previous year Rs. Nil) | **4.34** | 4.51 |
| Provision for Income Tax (net of advance income tax Rs. 1,171.51, previous year Rs. 1,171.51) | **53.49** | 53.49 |
| Provision for warranty | **311.86** | 57.45 |
| Provision for dividend | | |
| Provision for proposed equity dividend | **475.96** | 387.31 |
| Provision for proposed preference dividend | **10.50** | 130.89 |
| Provision for tax on proposed dividends | **78.92** | 84.06 |
| | **935.07** | 717.71 |
| | **980.53** | 778.13 |

## Note 13 : Fixed assets

### As at 31 March 2012

Rupees in lacs

| Particulars | Gross Block | | | | | | Accumulated Depreciation | | | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 1 April, 2011 | Additions pursuant to amalgamation | Additions/ Transfers | Disposals | Disposals through hiving off | Balance as at 31 March, 2012 | Balance as at 1 April, 2011 | On account of amlgamation | Depreciation / amortisation expense for the year | Eliminated on disposal of assets | Impairment losses recognised in statement of profit and loss | Eliminated on disposal through hiving off | Balance as at 31 March, 2012 | Balance as at 31 March, 2012 | Balance as at 31 March, 2011 |
| **A. Tangible assets** | | | | | | | | | | | | | | | |
| Land | | | | | | | | | | | | | | | |
| Land-Freehold | 1,932.16 | - | 159.75 | 763.86 | 322.31 | 1,005.74 | - | - | - | - | - | - | - | 1,005.74 | 1,932.16 |
| Land-Leasehold | 979.58 | 45.42 | 99.24 | - | 49.27 | 1,074.97 | 44.08 | 3.45 | 9.24 | - | 75.36 | 0.37 | 131.76 | 943.21 | 935.50 |
| Buildings | 6,009.40 | 236.22 | 612.37 | 26.00 | 476.21 | 6,355.78 | 995.25 | 29.60 | 233.86 | 1.25 | 366.11 | 34.14 | 1,589.43 | 4,766.35 | 5,014.15 |
| Plant and Machinery | 26,353.92 | 5,030.33 | 4,487.65 | 2,077.99 | 935.05 | 32,858.86 | 11,751.55 | 3,359.40 | 3,017.78 | 279.99 | 1,590.40 | 259.18 | 19,179.96 | 13,678.90 | 14,602.37 |
| Furniture and Fixtures | 438.84 | 4.27 | 61.28 | 1.82 | 10.82 | 491.75 | 165.54 | 3.05 | 26.61 | 0.82 | 8.91 | 1.10 | 202.19 | 289.56 | 273.30 |
| Vehicles | 759.07 | 138.74 | 197.70 | 240.84 | 39.23 | 815.44 | 283.27 | (11.06) | 80.46 | 122.39 | 8.51 | 0.45 | 238.34 | 577.10 | 475.80 |
| Office Equipment | 1,359.87 | 151.12 | 113.75 | 50.14 | 29.31 | 1,545.29 | 657.79 | 102.54 | 91.03 | 23.93 | 24.84 | 5.17 | 847.10 | 698.19 | 702.08 |
| | 37,832.84 | 5,606.10 | 5,731.74 | 3,160.65 | 1,862.20 | 44,147.83 | 13,897.48 | 3,486.98 | 3,458.98 | 428.38 | 2,074.13 | 300.41 | 22,188.78 | 21,959.05 | 23,935.36 |
| **B. Intangible assets** | | | | | | | | | | | | | | | |
| Goodwill | - | 21.94 | - | - | - | 21.94 | - | 21.94 | - | - | - | - | 21.94 | - | - |
| Technical Knowhow | 329.36 | - | 31.43 | - | 81.90 | 278.89 | 122.19 | - | 6.94 | - | 118.83 | 13.41 | 234.55 | 44.34 | 207.17 |
| Computer Software | 1,956.80 | 241.67 | 171.55 | 20.35 | 9.88 | 2,339.79 | 1,177.04 | 81.44 | 381.98 | 2.94 | 13.07 | 2.04 | 1,648.55 | 691.24 | 779.76 |
| | 2,286.16 | 263.61 | 202.98 | 20.35 | 91.78 | 2,640.62 | 1,299.23 | 103.38 | 388.92 | 2.94 | 131.90 | 15.45 | 1,905.04 | 735.58 | 986.93 |
| **C. Capital work in progress** | 620.67 | - | (96.03) | 31.53 | 36.35 | 456.76 | - | - | - | - | - | - | - | 456.76 | 620.67 |
| **D. Intangible assets under development** | 69.43 | - | (40.07) | - | - | 29.36 | - | - | - | - | - | - | - | 29.36 | 69.43 |
| Total | 40,809.10 | 5,869.71 | 5,798.62 | 3,212.53 | 1,990.33 | 47,274.57 | 15,196.71 | 3,590.36 | 3,847.90 | 431.32 | 2,206.03 | 315.86 | 24,093.82 | 23,180.75 | 25,612.39 |

### As at 31 March 2011

Rupees in lacs

| Particulars | Gross Block | | | | | | Accumulated Depreciation | | | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 1 April, 2010 | Additions pursuant to amalgamation | Additions/ Transfers | Disposals | Disposals through hiving off | Balance as at 31 March, 2011 | Balance as at 1 April, 2010 | On account of amlgamation | Depreciation / amortisation expense for the year | Eliminated on disposal of assets | Impairment losses recognised in statement of profit and loss | Eliminated on disposal through hiving off | Balance as at 31 March, 2011 | Balance as at 31 March, 2011 | Balance as at 31 March, 2010 |
| **A. Tangible assets** | | | | | | | | | | | | | | | |
| Land | | | | | | | | | | | | | | | |
| Land-Freehold | 1,932.16 | - | - | - | - | 1,932.16 | - | - | - | - | - | - | - | 1,932.16 | 1,932.16 |
| Land-Leasehold | 764.04 | - | 215.54 | - | - | 979.58 | 36.68 | - | 7.40 | - | - | - | 44.08 | 935.50 | 727.36 |
| Buildings | 5,897.16 | - | 112.24 | - | - | 6,009.40 | 798.27 | - | 196.98 | - | - | - | 995.25 | 5,014.15 | 5,098.89 |
| Plant and Machinery | 22,566.52 | 470.57 | 4,302.59 | 985.76 | - | 26,353.92 | 9,339.79 | 93.45 | 2,724.97 | 406.66 | - | - | 11,751.55 | 14,602.37 | 13,226.73 |
| Furniture and Fixtures | 324.81 | 30.13 | 92.74 | 8.84 | - | 438.84 | 135.96 | 8.51 | 21.64 | 0.55 | - | - | 165.54 | 273.30 | 188.85 |
| Vehicles | 726.69 | 98.32 | 83.90 | 149.84 | - | 759.07 | 255.78 | 21.01 | 70.25 | 63.78 | - | - | 283.27 | 475.80 | 470.90 |
| Office Equipment | 1,052.50 | 83.26 | 262.09 | 37.98 | - | 1,359.87 | 562.87 | 37.73 | 93.00 | 35.80 | - | - | 657.79 | 702.08 | 489.63 |
| | 33,263.88 | 682.28 | 5,069.10 | 1,182.42 | - | 37,832.84 | 11,129.34 | 160.70 | 3,114.24 | 506.79 | - | - | 13,897.48 | 23,935.36 | 22,134.53 |
| **B. Intangible assets** | | | | | | | | | | | | | | | |
| Goodwill | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Technical Knowhow | 271.84 | 41.23 | 16.29 | - | - | 329.36 | 84.63 | 6.87 | 30.69 | - | - | - | 122.19 | 207.17 | 187.21 |
| Computer Software | 1,545.76 | 119.86 | 291.70 | 0.53 | - | 1,956.80 | 943.07 | 21.22 | 212.80 | 0.05 | - | - | 1,177.04 | 779.76 | 602.69 |
| | 1,817.60 | 161.09 | 307.99 | 0.53 | - | 2,286.16 | 1,027.70 | 28.09 | 243.49 | 0.05 | - | - | 1,299.23 | 986.93 | 789.90 |
| **C. Capital work in progress** | 246.66 | - | 620.67 | 246.66 | - | 620.67 | - | - | - | - | - | - | - | 620.67 | 246.66 |
| **D. Intangible assets under development** | 36.20 | - | 33.22 | - | - | 69.43 | - | - | - | - | - | - | - | 69.43 | 36.20 |
| Total | 35,364.34 | 843.37 | 6,030.99 | 1,429.60 | - | 40,809.10 | 12,157.04 | 188.79 | 3,357.72 | 506.85 | - | - | 15,196.71 | 25,612.39 | 23,207.30 |

## Notes forming part of the financial statements

Rupees in lacs

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 14 : Non-Current Investments** | | |
| Non trade, unquoted investments | | |
| Investments in Equity Instruments | | |
| (i) Subsidiaries | | |
| Minda Auto Components Limited | | |
| - 210,200 equity shares (previous year 210,200 equity shares) of Rs. 10 each | **21.02** | 21.02 |
| Minda Kyoraku Limited | | |
| - 29,550,000 equity shares (previous year Nil equity shares) of Rs. 10 each (8,740,000 equity shares (previous year Nil equity shares) issued at a premium of Rs. 2.5 each) | **3,173.50** | - |
| (ii) Associates | | |
| Minda Autocare Limited | | |
| - 140,150 equity shares (previous year 140,150 equity shares) of Rs. 10 each (refer to note 40) | **-** | 73.17 |
| Mindarika Private Limited | | |
| - 2,707,600 equity shares (previous year 2,707,600 equity shares) of Rs. 10 each | **700.73** | 700.73 |
| Minda NexGenTech Ltd. | | |
| - 2,470,000 equity shares (previous year Nil equity shares) of Rs. 10 each | **247.00** | - |
| (iii)Joint Ventures | | |
| Minda Emer Technologies Limited | | |
| - 2,230,000 equity shares (previous year 949,930 equity shares) of Rs. 10 each | **223.00** | 94.99 |
| M J Casting Limited | | |
| - 14,345,000 equity shares (previous year Nil equity shares) of Rs. 10 each | **1,434.50** | - |
| Minda Acoustic Limited | | |
| - Nil equity shares ( Previous year 3,685,000 equity shares) of Rs. 10 each (refer to note 37) | **-** | 368.50 |
| (iv) Others | | |
| PT Minda Asean Automotive (Indonesia) | | |
| - 20,250 equity shares (previous year 20,250 equity shares) of USD $10 | **88.85** | 88.85 |
| Investments in partnership firms | | |
| - Auto Component | **494.26** | 348.61 |
| - Yogendra Engineering | **254.24** | 215.11 |
| | **6,637.10** | 1,910.98 |

**Note:**

Investment in Partnership Firms

| Partnership Firm | Name of the Partners | Share in Profit (%) | Share in Profit (%) |
|---|---|---|---|
| Auto Component | Minda Industries Limited | 48.90% | 48.90% |
| | Nirmal K. Minda | 25.55% | 25.55% |
| | Palak Minda | 25.55% | 25.55% |
| Yogendra Engineering | Minda Industries Limited | 48.90% | 48.90% |
| | Sanjeev Garg | 22.50% | 22.50% |
| | Birender Garg | 22.50% | 22.50% |
| | Suman Minda | 6.10% | 6.10% |
| Total Capital of the firm | | Amount | Amount |
| Auto Component | | 1,101.51 | 802.69 |
| Yogendra Engineering | | 519.93 | 439.91 |

# Notes forming part of the financial statements

Rupees in lacs

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 15 : Long term loans and advances** | | |
| Capital advances | **592.80** | 394.64 |
| Advance income tax (Net of provision for tax Rs. 2,800.64, previous year Rs. 2,070.47) | **909.41** | 772.45 |
| Security deposits | | |
| Unsecured, considered good | **382.29** | 135.92 |
| | **1,884.50** | 1,303.01 |
| **Note 16 : Other non-current assets** | | |
| Others | | |
| Miscellaneous expenditure not yet written off | **-** | 17.01 |
| Duty entitlement available | **146.85** | 152.18 |
| | **146.85** | 169.19 |
| **Note 17 : Current investments** | | |
| Non trade, unquoted investments in Equity Instruments | | |
| Associates | | |
| Minda Autocare Limited | | |
| 140,150 equity shares (previous year 140,150 shares) of Rs. 10 each | **73.17** | - |
| | **73.17** | - |
| **Note 18 : Inventories** | | |
| Raw materials | **4,063.46** | 4,357.54 |
| Work-in-progress | **1,120.39** | 1,858.40 |
| Finished goods | **597.89** | 513.99 |
| Stock-in-trade | **-** | 220.38 |
| Stores and spares | **765.95** | 249.37 |
| Loose tools | **535.93** | 675.69 |
| | **7,083.62** | 7,875.37 |
| **Note 19 : Trade receivables** | | |
| (Unsecured, considered good unless otherwise stated) | | |
| Trade receivables outstanding for a period exceeding six months | | |
| Unsecured considered good | **169.21** | 84.42 |
| Doubtful | **100.04** | 119.45 |
| | **269.25** | 203.87 |
| Less: Provision for doubtful debts | **100.04** | 119.45 |
| | **169.21** | 84.42 |
| Others | | |
| Unsecured considered good | **18,385.71** | 12,785.11 |
| | **18,554.92** | 12,869.53 |

# Notes forming part of the financial statements

Rupees in lacs

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 20 : Cash and bank balances** | | |
| Cash and cash equivalents | | |
| Cash in hand | **26.31** | 26.79 |
| Cheques, drafts in hand | **3.51** | 92.38 |
| Balances with banks | | |
| Current accounts | **1,100.39** | 419.97 |
| Fixed deposits (refer note below) | **3,643.68** | 1,712.24 |
| | **4,773.89** | 2,251.38 |
| Others | | |
| Cash on imprest accounts | **2.18** | 4.79 |
| Unpaid dividend accounts | **18.17** | 15.27 |
| | **20.35** | 20.06 |
| | **4,794.24** | 2,271.44 |
| Notes: | | |
| Fixed deposits for a period more than 3 months and less than or equal to 12 months | **485.01** | 928.72 |
| | **485.01** | 928.72 |
| **Note 21 : Short-term loans and advances** | | |
| Loans to related parties* | - | 72.00 |
| Security deposits | **63.34** | 137.64 |
| Advances to employees | **140.63** | 134.85 |
| Prepaid expenses - unsecured, considered good | **157.21** | 131.50 |
| MAT credit entitlement | **67.31** | - |
| Balances with government authorities - unsecured, considered good | **1,019.02** | 669.45 |
| Others | | |
| Unsecured, considered good | | |
| Advance for investment in securities | **-** | 500.00 |
| Advance to suppliers | **2,652.96** | 1,273.27 |
| Doubtful advances | **-** | 0.60 |
| Provision for bad/doubtful loans and advances | **-** | (0.60) |
| | **4,100.47** | 2,918.71 |
| *Loan to related parties include: | | |
| Minda Emer Technologies Ltd - Rs. Nil (previous year Rs. 72) | | |
| **Note 22 : Other current assets** | | |
| Interest income accrued on fixed deposits | **43.32** | 42.92 |
| Others | | |
| Duty entitlement available | **48.95** | 50.72 |
| Forward exchange receivable | **151.84** | - |
| Insurance claims | **15.60** | - |
| Silver coins/items | **2.60** | 1.96 |
| | **262.31** | 95.60 |

# Notes forming part of the financial statements

Rupees in lacs

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 23 : Revenue from operations** | | |
| Sale of products | **116,813.08** | 95,662.59 |
| Sale of services | **916.09** | 817.10 |
| Other operating revenues | **1,301.56** | 1,791.53 |
| | **119,030.73** | 98,271.22 |
| Less: | | |
| Excise duty | **8,490.32** | 7,038.91 |
| | **110,540.41** | 91,232.31 |
| **Note 24 : Other income** | | |
| Interest income | **189.96** | 104.78 |
| Dividend income | **123.18** | 81.15 |
| Share of profit from partnership firms | **612.56** | 772.53 |
| Net gain on sale of: | | |
| long-term investments | **-** | 79.17 |
| Net gain on foreign currency transactions and translation (other than considered as finance cost) | **223.30** | 281.54 |
| Profit on sale of fixed assets (Net) | **107.98** | 124.86 |
| Other non-operating income: | | |
| Liabilities / provisions no longer required written back | **330.74** | 3.09 |
| Excess Provision of income tax written back | **1.00** | - |
| Miscellaneous income | **11.27** | 10.90 |
| Commission income | **-** | 0.06 |
| | **1,599.99** | 1,458.08 |
| **Note 25 : Cost of materials consumed** | | |
| Raw materials (including purchased components and packing materials consumed ) | | |
| Imported material | **7,290.90** | 6,189.49 |
| Indigenous material | **67,397.80** | 54,667.05 |
| | **74,688.70** | 60,856.54 |
| **Note 26 : Changes in inventories** | | |
| Inventories at the end of the year: | | |
| Work-in-progress | **1,120.39** | 1,858.40 |
| Finished goods (other than those acquired for trading) | **597.89** | 513.99 |
| Stock-in-trade (acquired for trading) | **-** | 220.38 |
| Goods in transit | **-** | - |
| | **1,718.28** | 2,592.77 |
| Inventories at the beginning of the year: | | |
| Work-in-progress | **1,858.40** | 1,272.70 |
| Finished goods (other than those acquired for trading) | **513.99** | 356.20 |
| Stock-in-trade (acquired for trading) | **220.38** | - |
| Goods in transit | **-** | - |
| | **2,592.77** | 1,628.90 |
| Net (increase) / decrease in stocks | **874.49** | (963.87) |

## Notes forming part of the financial statements

Rupees in lacs

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 27 : Employee benefit expenses** | | |
| Salaries and wages * | **10,693.98** | 8,183.84 |
| Gratuity | **395.39** | 122.64 |
| Contribution to provident and other funds (refer to note 43) | **786.36** | 614.07 |
| Staff welfare and other expenses | **1,157.25** | 1,031.83 |
| | **13,032.98** | 9,952.38 |
| * includes prior year expenses of Rs. 27.24 (previous year- Rs. Nil) | | |
| **Note 28 : Financial Costs** | | |
| Interest expense on borrowings | **1,741.89** | 1,547.62 |
| Other finance costs | **98.15** | 67.79 |
| | **1,840.04** | 1,615.41 |
| **Note 29 : Depreciation and amortization** | | |
| Depreciation on tangible assets | **3,458.97** | 3,120.02 |
| Amortisation on intangible assets * | **388.93** | 243.23 |
| | **3,847.90** | 3,363.25 |
| * includes prior period expenses of Rs. 65.75 (previous year- Rs. Nil) | | |
| **Note 30 : Other expenses** | | |
| Consumption of stores and spare parts | **1,792.66** | 1,434.84 |
| Job work charges | **1,494.15** | 2,389.82 |
| Power and fuel | **2,263.33** | 2,260.31 |
| Rent including lease rentals (refer to note 52) | **794.60** | 455.38 |
| Repairs and maintenance: | | |
| Buildings | **330.52** | 75.10 |
| Machinery | **684.12** | 308.53 |
| Others | **91.82** | 174.03 |
| Insurance | **87.16** | 145.12 |
| Rates and taxes | **83.10** | 18.11 |
| Travelling and conveyance | **1,673.55** | 1,637.37 |
| Legal and professional | **819.84** | 1,143.24 |
| Payments to auditors (Refer Note (i) below) | **36.61** | 16.18 |
| Expenses relating to earlier years | **74.05** | - |
| Miscellaneous expenses | **4,479.61** | 3,135.29 |
| | **14,705.12** | 1 3,193.32 |
| Note: (i) Payments to the auditors comprises( net of service tax input credit, where applicable): | | |
| Statutory audit | **36.00** | 14.50 |
| For other services | **0.61** | 1.68 |
| | **36.61** | 16.18 |
| **Note 31 : Exceptional Items** | | |
| Profit on sale of fixed assets- Hiving off (refer to note 38) | **958.83** | - |
| Profit on sale of fixed assets- Land sale | **1,331.96** | - |
| Impairment of assets (Loss) (refer to note 35) | **(2,206.03)** | - |
| Insurance claim received (Net gain) (refer to note 36) | **105.66** | - |
| | **190.42** | - |

## Notes forming part of the financial statements

Rupees in lacs

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 32 : Earnings per share** | | |
| Net profit after tax as per Statement of Profit and loss | **3,341.26** | 3,484.55 |
| Adjustment to net profit after tax: | | |
| Dividend on Preference Shares and Dividend Tax thereon. | **12.20** | 177.92 |
| Net profit attributable to equity shares | **3,329.06** | 3,306.63 |
| Weighted average number of Equity Shares (in Nos.): | | |
| for Basic EPS | **158.65** | 129.10 |
| for Diluted EPS | **158.65** | 147.45 |
| Basic earnings per share in rupees (Face value Rs. 10 per share) (In rupees) | **20.98** | 25.61 |
| Diluted earnings per share in rupees (Face value Rs. 10 per share) (In rupees) | **20.98** | 22.43 |

Calculation of weighted average number of shares for basic/diluted earnings per share

| **Particulars** | **Effective Date** | | | |
|---|---|---|---|---|
| **<u>for basic earnings per share:</u>** | | | | |
| Opening balance of Equity Shares as on 1 April 2011 | 01 April 2011 | 129.10 | 01 April 2011 | 105.05 |
| Shares issued to shareholders of erstwhile Minda Autogas Limited | | | 01 April 2011 | 24.05 |
| Shares issued to shareholders of erstwhile Minda Acoustic Limited | 01 April 2011 | 11.20 | | - |
| Conversion of Compulsorily Convertible Preference Shares | 01 April 2011 | 18.35 | | - |
| | | 158.65 | | 129.10 |
| **<u>Add : for diluted earnings per share:</u>** | | | | |
| 3% Cumulative Compulsorily Convertible Preference Shares of Rs.2,187 each (Class 'B') | | - | 01 April 2011 | 18.35 |
| | | 158.65 | | 147.45 |

# Notes to financial statements for the year ended 31 March 2012

(All amounts in Rupees lacs, unless otherwise stated)

**Note 33 : Contingent liabilities:**

(a) Claims made against the Company not acknowledged as debts (including interest, wherever applicable):

| Name of the statute | Nature of the Dues | Amount | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act,1961 | Income tax | 7.48 | Assessment year 2002 - 2003 | Honorable High Court of Delhi |
| Income Tax Act,1961 | Income Tax | 4.62 | Assessment year 2004- 2005 | Income Tax Appellate Tribunal |
| Income Tax Act,1961 | Transfer pricing – Against Section 143(3) and Section 144C | 686 | Assessment year 2006- 2007 | Income Tax Appellate Tribunal |
| Income Tax Act,1961 | Income Tax | 10.32 | Assessment year 2007- 2008 | Income Tax Appellate Tribunal |
| Income Tax Act,1961 | Income Tax | 4.11 | Assessment year 2008- 2009 | Commissioner (Appeals) of Income Tax |
| Income Tax Act,1961 | Income Tax | 82.49 | Assessment year 2009- 2010 | Commissioner (Appeals) of Income Tax |

Contingent liabilities relating to other cases Rs. 14.70 (Previous year Rs. 73.94)
Future cash outflows in respect of the above would be determinable on finalization of judgments /decisions pending with various forums / authorities.

(b) Corporate guarantee : Corporate Guarantee given by the Company and outstanding as on 31 March 2012 amounting to Rs.1,500 (previous year: Rs. 1,500) in respect of loans borrowed by related parties. Further, the Company has also provided a 'letter of comfort' amounting to Rs.1,777 (previous year Rs Nil) in respect of a loan taken by a related party from banks.

(c) As per an agreement executed with Maruti Suzuki India Ltd (MSIL) under the 'Maruti Car Scheme', a loan facility was granted to the Company's employees and other associates, whereby the Company has guaranteed to repay the loan in case of any default. The amount outstanding at the year end is Rs.32.61 (previous year: Rs. 90.53).

(d) The export obligations outstanding as at 31 March 2012 amount to Rs. 5,644.76 (previous year: Rs 7,548.37).

(e) The Company has availed sales tax incentives for its unit at Gurgaon, Haryana, from the Government of Haryana as sales tax capital subsidy amounting to Rs. 225.65 (previous year Rs 225.65). In accordance with Scheme of Government of Haryana for Development of Industries, the amount may be refundable to the Government, if specified conditions are not fulfilled, within the prescribed time.

# Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**34 : Capital and other commitments (net of advance)**

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at 31 March 2012 aggregates to Rs. 1,754.02 (previous year: Rs. 264.21).

(b) Detail of other commitments – Rs. Nil (previous year: Rs Nil)

**35 : Impairment**

The Battery division of the Company was incurring continuous losses. The shareholders of the Company had approved the hiving off of this division to a separate entity through postal ballot on 28 December 2011. Subsequently, the Board of Directors in their meeting held on 30 March 2012 reviewed the financial position of the division and decided to revive the unit and approved to scale down the operations instead of hiving off division. Accordingly, the Board's approval has been considered as withdrawn and the operations of the Battery Division have been disclosed under 'Revenue from operations'.

Management has, however, created an impairment charge amounting to Rs 2,206.03(previous year: Rs. Nil) as at 31March 2012 based on the valuation of an independent valuer. The carrying value of tangible fixed assets of the battery division after providing for the above mentioned impairment charge amounts to Rs 1,994.42 (previous year: Rs 4,614.56) as at 31 March 2012.

**36 : Fire at Light division, Pune**

During the current year (August 2011), one of the manufacturing facilities of the Light division at Pune had incurred loss of fixed assets and inventory on account of fire. The break-up of assets damaged (i.e. W D V) and expenses due to fire are as follows:

| **Particulars** | **Amount** |
|---|---:|
| Inventory | 75.01 |
| Fixed assets | - |
| - Buildings | 24.76 |
| - Plant and machinery | 674.58 |
| - Office equipment | 5.44 |
| Expenses | 184.21 |
| **Total** | **964.00** |

The Company had filed a claim with its insurers and the claim is expected to settle at a total amount of Rs. 1,320 (based on replacement cost of the assets). As at 31 March 2012, out of the above, the Company has received Rs 1,070 from the Insurance company as an interim payment. The same has been disclosed as an 'Exceptional item' in the Statement of Profit and Loss.

**37 : Amalgamation**

(i) During the current year, the Honorable High Court of Delhi vide it's order dated 25 August 2011, approved the scheme of Amalgamation of Minda Acoustic Limited (Transferor Company) with the Company as per the provisions of section 391 to 394 and other related provisions of the Companies Act, 1956. The transferor company is engaged in the business of manufacturing and marketing of automotive horns for disks of two, three and four wheelers. The amalgamation is in the nature of a purchase and had been accounted for under the pooling of interests method. The appointed date of the amalgamation as per the scheme was 1 April 2010. The effective date of amalgamation being the date of filing the order with the Registrar of Companies (ROC) was 26 September 2011.

## Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

a) All assets and liabilities recorded in the books of the transferor company have been transferred at their respective book values in the books of the Company as on the appointed date.

b) All assets, liabilities, rights and obligations of the transferor company have been transferred and stand vested with the Company with effect from the appointed date.

c) The valuation exercise was carried out by independent valuers and swap ratios were considered based on their reports. Accordingly, the equity shares were allotted as under:

- 1,120,164 equity shares of Rs. 10 each of the Company were issued to the shareholders of the transferor

company in the ratio of 100 fully paid equity shares of Rs. 10 each of the Company for each 1,798 fully paid up equity shares of Rs. 10 each held in the transferor company as on record date.

The difference between the amount of share capital of the erstwhile Minda Acoustic Limited (MAL) and the amount of fresh share capital issued by the Company on amalgamation amounting to Rs. 1,902.04 has been treated as General Reserve as detailed below:

| Particulars | As at 1 April 2011 |
|---|---|
| **Assets** | |
| Net fixed assets | 2,306.28 |
| Current assets | 6,886.90 |
| **Deferred tax assets** | 216.52 |
| | 9409.70 |
| **Liabilities** | |
| Secured loan | (448.26) |
| Current liabilities and provisions | (2,291.26) |
| **Reserve and surplus** | |
| General reserve | (2,500.00) |
| Capital reserve | (22.31) |
| Profit & loss A/c (Reserve & Surplus) | (1,765.31) |
| **Net assets/(liabilities)** | 2,382.56 |
| MIL investment in shares of Minda Acoustic Limited | (368.50) |
| Shares issued by MIL to MAL Shareholders except MIL shareholding | (112.02) |
| **Amount transferred to General reserve** | 1,902.04 |

As per the scheme, the equity shares shall rank pari-passu in all respects with the existing equity shares of the Company.

(ii) During previous year, the Honorable High Court of Delhi vide it's order dated 25 January 2011, approved the scheme of Amalgamation of Minda Autogas Limited (Transferor Company) with the Company as per the provisions of section 391 to 394 and other related provisions of the Companies Act, 1956. The transferor company was engaged in the business of manufacturing of CNG/LPG Kits. The amalgamation is in the nature of a merger and had been accounted for under the pooling of interests method. The appointed date of the amalgamation as per the scheme was 1 April 2009. The effective date of amalgamation being the date of filing the order with the Registrar of Companies (ROC) was 23 February 2011.

# Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**As per the scheme sanctioned:**

a) All assets and liabilities recorded in the books of the transferor company have been transferred at their respective book values in the books of the Company as on the appointed date.

b) All assets, liabilities, rights and obligations of the transferor company have been transferred and stand vested with the Company with effect from the appointed date.

c) The valuation exercise was carried out by independent valuers and swap ratios were considered based on their reports. Accordingly, the equity shares were allotted as under:

- 2,405,128 equity shares of Rs. 10 each of the Company were issued to the shareholders of the transferor in the ratio of 4 fully paid equity shares of Rs. 10 each of the Company for each 10 fully paid up equity shares of Rs. 10 each held in the transferor company as on record date.

The difference between the amount of share capital of the erstwhile Minda Autogas Limited and the amount of fresh capital issued by the Company on amalgamation amounting to Rs. 360.77 has been treated as General Reserve.

In terms of scheme, the equity shares as and when issued and allotted by the Company shall rank pari-passu in all respects with the existing equity shares of the Company.

**38. Discontinued operations**

The Board of Directors of the Company at its meeting held on 10 August 2011 approved the hiving off of the Blow-moulding division of the Company and issued the notice for postal ballot for shareholder's approval. Approval of shareholders for hiving off the Blow Moulding division was received on 27 September 2011 and the assets and liabilities of the Blow Moulding Division were transferred to Minda Kyoraku Limited, a subsidiary, at a fair value amounting to Rs. 2,276.71 as on 31 December 2011 based on a Business/ asset transfer agreement. The Company earned a profit amounting to Rs. 958.83 on the transaction and the surplus has been disclosed under 'Exceptional Items' in the Statement of Profit and Loss.

The financial information on this discontinued business for the current year is detailed below:

| **Particulars** | **For the year ended 31 March 2012** |
|---|---|
| Net Profit/(Loss) before tax from ordinary activities | **67.76** |
| Income tax expense related to above | **13.61** |
| Profit/(Loss) on disposal of discontinued business (pre-tax) | **958.83** |
| Income tax expense related to above | **196.34** |

**39**. During the year 2002-03, the Director, Town and Country Planning, Chandigarh issued a demand notice on the Company amounting to Rs. 37.93 (previous year Rs. 37.93) towards revised CLU charges for the land situated at Village Nawada Fatehpur, P.O. Sikanderpur Badda, Gurgaon, and Haryana. The Company had filed a Special Leave Petition (SLP) with the Hon'ble Supreme Court of India, basis which a leave had been granted. Further, the Company had deposited Rs. 9.50 (previous year Rs. 9.50) as under protest with the authorities. During the current year, the Company has filed a writ petition with the High Court of Punjab and Haryana in order to cancel the demand notice and obtain a stay on the balance demand. Further, the Company has filed a letter to the High Court seeking permission to withdraw the petition and accordingly have agreed to pay the total liability of Rs.37.93 (previous year Rs.37.93) and the interest thereon amounting to Rs.28.14, towards revised CLU charges after adjusting the amount of Rs. 9.50 (previous year Rs. 9.50) paid earlier.

# Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**40. Sale of investment**

Subsequent to the year end (April 2012), the Company has disposed off its investment in the equity shares of Minda Automotive Solutions Limited (formerly known as Minda Autocare Limited) to Minda Corporation Limited. The carrying value of these investments as at the year-end amounts to Rs. 73.17 (previous year Rs 73.17). The same has been disclosed as a current investment as at the Balance Sheet date and valued at cost (cost being lower than the fair value). The profit on sale of investment amounting to Rs. 117 will be recognized in the first quarter of 2012-13. These investments are long term investments within the meaning of Accounting Standard 13 and have been classified as current investments for presentation purposes in consonance with the overall scheme of Revised Schedule VI.

**41. Segment Information**

Disclosure requirements under Accounting Standard 17 on ‘Segment Reporting’, specified by the Companies (Accounting Standards) Rules, 2006 are not applicable as the Company’s business activity falls within a single primary business segment i.e. manufacturing of automotive parts and accessories and no reportable geographical segment.

**42. Related Party Disclosures**

**(i) Related parties where control exists:**

| | |
|---|---|
| Subsidiaries: | Minda Auto Components Limited<br>Minda Kyoraku Limited |

**(ii) Other related parties with whom transactions have taken place during the year/ previous year and the nature of related party relationship:**

| | |
|---|---|
| Associates: | Auto Component (Firm)<br>Yogendra Engineering (Firm)<br>Minda Automotive Solutions Limited (formerly known as Minda Autocare Limited) Mindarika Private Limited (Previous year considered as Joint Venture ) Minda NexGenTech Limited |
| Joint Ventures (Jointly controlled entities): | M.J. Casting Limited<br>Minda Emer Techonologies Limited |
| Key Management Personnel: | Mr. Nirmal K. Minda, Chairman & Managing Director (‘CMD’) |
| Relatives of Key Management Personnel: | Mrs. Suman Minda (wife of CMD)<br>Mrs. Paridhi Minda Jindal (daughter of CMD)<br>Mrs. Palak Minda (daughter of CMD) |
| Other Entities over which key Management Personnel is able to exercise significant influence: | Minda Finance Limited<br>Minda Investments Limited<br>Minda International Limited<br>Nirmal K. Minda (HUF)<br>Minda Industries (Firm)<br>Minda Automotive Limited<br>Minda Spectrum Advisory Limited<br>Samaira Engineering (Firm)<br>S.M.Auto Industries |

# Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

(iii) Transactions with related parties:

| Transactions with related parties | Subsidiaries | | Associates | | Joint Venture Companies | | Entities over which key managerial personnel exercise significant influence | | Key management personnel and relatives | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **31 March 2012** | 31 March 2011 | **31 March 2012** | 31 March 2011 | **31 March 2012** | 31 March 2011 | **31 March 2012** | 31 March 2011 | **31 March 2012** | 31 March 2011 |
| Sale of goods | **3,891** | 3,829 | **6,972** | 5,237 | **24** | 388 | **93** | 3,729 | **-** | - |
| Purchase of goods | **2** | - | **719** | 73 | **2** | 70 | **292** | 4,328 | **-** | - |
| Sale of fixed assets | **61** | - | **38** | - | **41** | 18 | **-** | - | **-** | - |
| Purchase of fixed assets | | - | **-** | 7 | **-** | - | **-** | - | **-** | - |
| Expenses recovered | **43** | 52 | **17** | 7 | **136** | 2 | **-** | 97 | **-** | - |
| Re-imbursement of expenses | **-** | - | **37** | - | **14** | - | **179** | - | **-** | - |
| Services rendered | **4** | - | **382** | 350 | **91** | 350 | **-** | 35 | **-** | - |
| Remuneration | **-** | - | **-** | - | **-** | - | **-** | - | **136** | 113 |
| Design fee received | | - | **-** | - | **-** | - | **-** | 49 | **-** | - |
| Rent paid | | - | **-** | - | **-** | - | **638** | 343 | **99** | 14 |
| Electricity paid | | - | **-** | - | **-** | - | **-** | - | **22** | - |
| Job Work charges | **-** | - | **-** | - | **13** | - | **-** | - | **-** | - |
| Dividend received | **-** | - | **81** | 4 | **-** | 41 | **-** | 36 | **-** | - |
| Share application money paid | **-** | - | **-** | - | **-** | 500 | **-** | - | **-** | - |
| Interest paid | **-** | - | **-** | 3 | **-** | - | **3** | 18 | **1** | 2 |
| Interest Received | **-** | - | | - | **5** | - | **-** | 3 | **-** | - |
| Share of profits | **-** | - | **613** | - | **-** | - | **-** | 773 | **-** | - |
| Royalty received | **-** | - | **59** | 50 | **-** | - | **-** | 482 | **-** | - |
| Royalty paid | **-** | - | **-** | 9 | | - | | - | **-** | - |
| Dividend paid on equity share Capital | **-** | - | **-** | - | | - | **133** | 94 | **123** | 122 |
| Dividend paid on 9% cumulative redeemable preference share capital | **-** | - | **-** | - | **-** | - | **-** | - | **-** | 20 |
| Dividend paid on 3% cumulative redeemable preference share capital | **-** | - | **-** | - | **-** | - | **-** | - | **11** | 11 |
| Investment in shares | **3,174** | 21 | **247** | - | **1,563** | - | **-** | - | **-** | - |
| Credit balance outstanding at the end of the year: | | | | | | | | | | |
| - Fixed deposits | **-** | - | **-** | - | **-** | 72 | **-** | 8 | **7** | 7 |
| - Unsecured loan | **-** | - | **-** | - | **-** | 199 | **-** | 47 | **-** | - |
| Balance outstanding | | | | | | | | | | |
| Receivable/(Payable) | **395** | 509 | **1,517** | - | **38** | 511 | **287** | 381 | **-** | - |
| Guarantee / Letter of comfort | **-** | - | **1,500** | 1,500 | **1,777** | - | **-** | - | **-** | - |

# Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**Details of related parties with whom transactions exceed 10% of the class of transactions**

| Related party | Nature of transaction | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|---|---|---|---|
| Minda Auto Components Limited | Sale of goods | **3,891** | 3,829 |
| Minda Autocare Limited | Sale of goods | **6,076** | - |
| Minda NexGenTech Limited | Purchase of goods | **577** | - |
| Minda Auto Components Limited | Sale of fixed assets | **61** | - |
| Mindarika Private Limited | Sale of fixed assets | **17** | - |
| Minda Emer Techonologies Limited | Sale of fixed assets | **30** | - |
| Minda Kyoraku Limited | Receivables | **284** | - |
| Minda NexGenTech Limited | Receivables | **507** | - |
| Minda Autocare Limited | Receivables | **836** | - |
| Minda Investments Limited | Re imbursement of expenses | **452** | 332 |
| Mindarika Private Limited | Services Rendered | **366** | 350 |
| Minda Emer Techonologies Limited | Services Rendered | **73** | - |
| Auto Component Firm | Share of Profits | **196** | - |
| Yogendra Engineering Firm | Share of Profits | **417** | - |
| Minda NexGenTech Limited | Gurantee Given | **1,500** | 1,500 |
| MJ Casting Limited | Letter of comfort | **1,777** | - |
| Yogendra Engineering Firm | Royalty Received | **47** | - |
| MJ Casting Limited | Investment in Shares | **1,435** | 500 |
| Minda Kyoraku Limited | Investment in Shares | **3,174** | - |
| Mr Nirmal K Minda | Remuneration | **136** | 113 |
| NK Minda HUF | Equity Dividend | **41** | 40 |
| Minda Investments Limited | Equity Dividend | **85** | 47 |
| Mr Nirmal K Minda | Equity Dividend | **51** | 51 |
| Smt. Suman Minda | Equity Dividend | **62** | 62 |
| Minda Investments Limited | Rent | **592** | 332 |

**43. Disclosure pursuant to Accounting Standard-15 on “Employee Benefits”**

a) Pursuant to the adoption of Accounting Standard (AS) 15 (revised 2005) “Employee Benefits”, the additional obligations of the Company with respect of certain employee benefits upto 31 March’2007 amounted to Rs.184.92 out of which Rs.184.92 (previous year: Rs.147.92) has been adjusted from the General Reserve.

**b) Defined contribution plan**

An amount of Rs. 632.66 (Previous year: Rs. 480.10) for the year, has been recognized as an expense in respect of the Company’s contribution towards Provident Fund, deposited with the government authorities and has been included under employee benefit expense in the Statement of Profit and Loss. Further, an amount of Rs. 37.61 (previous year: Rs. 40.20) for the year, has been recognized as an expense in respect of the Company’s contribution towards Superannuation Fund, and has been included under employee benefit expense in the Statement of Profit and Loss

# Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**c) Defined benefit plans**

Gratuity is payable to all eligible employees of the Company on superannuation, death or permanent disablement in terms of the provisions of the Payment of Gratuity Act or as per the Company's Scheme, whichever is more beneficial.

The obligation for compensated absences is recognized in the same manner as Gratuity. Provision on earned leave has been made.In the previous year the sick leaves were also provided for.

**(i) Changes in present value of obligation:**

| Particulars | Gratuity For the year ended | | Leave Encashment For the year ended | |
|---|---|---|---|---|
| | **31 March 2012** | 31 March 2011 | **31 March 2012** | 31 March 2011 |
| Present value of obligation as at the beginning of the year | **659.61** | 517.73 | **252.91** | 218.61 |
| Acquisition adjustment | **(1.10)** | - | **-** | - |
| Interest cost | **56.07** | 41.41 | **21.50** | 17.49 |
| Past service cost | **-** | - | **-** | |
| Current service cost | **161.85** | 97.64 | **93.06** | 68.89 |
| Curtailment cost/(credit) | **-** | - | **-** | - |
| Settlement cost/(credit) | **-** | - | **-** | - |
| Benefits paid | **(74.86)** | (35.91) | **(144.00)** | (142.59) |
| Actuarial (gain)/loss on obligation | **330.14** | 38.74 | **147.60** | 90.51 |
| Present value of obligation as at the end of year | **1131.71** | 659.61 | **371.07** | 252.91 |
| Long term | **1097.90** | 620.47 | **359.42** | 231.63 |
| Short term | **33.81** | 39.14 | **11.65** | 21.28 |
| | **1131.71** | 659.61 | **371.07** | 252.91 |

**(ii) Changes in the fair value of plan assets:**

| Particulars | Gratuity For the year ended | | Leave Encashment For the year ended | |
|---|---|---|---|---|
| | **31 March 2012** | 31 March 2011 | **31 March 2012** | 31 March 2011 |
| Fair value of plan assets at the beginning of the year | **239.78** | 220.49 | - | - |
| Acquisition adjustment | **(1.10)** | - | - | - |
| Actual return on plan assets | **19.78** | 19.29 | - | - |
| Contributions | **-** | - | - | - |
| Benefits paid | **-** | - | - | - |
| Excess of actual over estimated return on plan asset | **(0.09)** | - | - | - |
| Fair value of plan assets at the end of the period | **258.37** | 239.78 | - | - |

# Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**(iii) Actuarial gain/ loss recognized is as follows:**

| Particulars | Gratuity For the year ended | | Leave Encashment For the year ended | |
|---|---|---|---|---|
| | **31 March 2012** | 31 March 2011 | **31 March 2012** | 31 March 2011 |
| Actuarial gain/(loss) for the year -obligation | **(330.14)** | (38.74) | **(147.60)** | (90.51) |
| Actuarial (gain)/loss for the year -plan assets | **0.09** | - | **-** | - |
| Total (gain)/loss for the year | **330.23** | 38.74 | **147.60** | 90.51 |
| Actuarial (gain)/ loss recognized in the year | **330.23** | 38.74 | **147.60** | 90.51 |
| Unrecognized actuarial (gain)/losses at the end of year | **-** | - | **-** | - |

**(iv) The amounts recognized in the Balance Sheet are as follows:**

| Particulars | Gratuity For the year ended | | Leave Encashment For the year ended | |
|---|---|---|---|---|
| | **31 March 2012** | 31 March 2011 | **31 March 2012** | 31 March 2011 |
| Present value of obligation as at the end of the year | **1131.71** | 659.61 | **371.07** | (252.91) |
| Fair value of plan assets as at the end of the year | **258.37** | 239.78 | **-** | - |
| Funded status | **(873.34)** | (419.83) | **(371.07)** | (252.91) |
| Excess of actual over estimated | **(0.09)** | - | **-** | - |
| Unrecognized actuarial (gains)/losses | **-** | - | **-** | - |
| Net asset/(liability)recognized in balance sheet | **(873.34)** | (419.83) | **(371.07)** | (252.91) |

**(v) Expenses recognized in the Statement of Profit and Loss:**

| Particulars | Gratuity For the year ended | | Leave Encashment For the year ended | |
|---|---|---|---|---|
| | **31 March 2012** | 31 March 2011 | **31 March 2012** | 31 March 2011 |
| Current Service Cost | **161.85** | 97.64 | **93.06** | 68.89 |
| Past Service Cost | **-** | - | **-** | - |
| Interest cost | **56.07** | 41.41 | **21.50** | 17.49 |
| Expected return on plan assets | **(19.78)** | (19.29) | **-** | - |
| Curtailment cost / (Credit) | **-** | - | **-** | - |
| Settlement cost / (credit) | **-** | - | **-** | - |
| Net actuarial (gain)/ loss recognized in the year | **330.23** | 38.74 | **147.60** | 90.51 |
| Expenses recognized in the statement of profit & losses | **528.37** | 158.50 | **262.16** | 176.89 |

# Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**(vi) Experience adjustments**

| Particulars | Gratuity | | | |
|---|---|---|---|---|
| | For the year ended | | For the year ended | |
| | **31 March 2012** | 31 March 2011 | 31 March 2010 | 31 March 2009 |
| Defined benefit obligation | **(112.39)** | (40.53) | 44.83 | - |
| Plan assets | **(1.29)** | - | 0.01 | - |

**(vii) Enterprise best estimate of contribution during the next year is-**

| **Particulars** | **Amount** |
|---|---|
| Leave Encashment | 117.79 |
| Gratuity | 260.24 |

**(viii) Principal actuarial assumptions at the Balance Sheet date are as follows:**

a) Economic assumptions: The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

| **Particulars** | **For the year ended 31 March 2012** | For the year ended 31 March 2011 |
|---|---|---|
| Discount rate per annum | **8.50%** | 8.00% |
| Salary Escalation Rate (per annum) | **8.00%** | 5.50% |
| Withdrawal rates | | |
| Age - Upto 30 years | **3%** | 3% |
| 31-44 years | **2%** | 2% |
| Above 44 years | **1%** | 1% |
| Mortality rate | **LIC (1994-96)** | LIC (1994-96) |

b) Demographic assumptions:

| | **Particulars** | **Assumptions as at 31 March 2012** | Assumptions as at 31 March 2011 |
|---|---|---|---|
| i) | Retirement Age (Years) | **58** | 58 |
| ii) | Mortality Table | **LIC (1994-96)** | LIC (1994-96) |
| iii) | Ages | **Withdrawal Rate (%)** | Withdrawal Rate (%) |
| | Up to 30 Years | **3.00** | 3.00 |
| | From 31 to 44 years | **2.00** | 2.00 |
| | Above 44 years | **1.00** | 1.00 |

# Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

### 44. CIF Value of Imports

| Particulars | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|---|---|---|
| Raw material | **6,409.78** | 6,940.94 |
| Stores and spares | **169.16** | 197.85 |
| Capital goods | **1,387.47** | 1,117.66 |
| Others | **8.47** | 4.85 |
| Total | **7,974.88** | 8,261.3 |

### 45. Earnings in foreign currency

| Particulars | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|---|---|---|
| FOB value of exports | **8,613.40** | 3,725.50 |
| Royalty/design fee/management fee | **797.28** | 494.28 |
| Dividend Total | **41.94** | 37.03 |
| Total | **9,452.62** | 4,256.81 |

### 46. Expenditure in foreign currency

| Particulars | For the year ended 31 March 2012 | For the year ended 31 March 2011 |
|---|---|---|
| Travelling | **176.79** | 112.89 |
| Royalty | **100.47** | 71.86 |
| Technical know how | **0.51** | 13.14 |
| Others | **330.05** | 409.37 |
| Total | **607.82** | 607.26 |

### 47. Details for finished goods

| Manufactured Goods | Sale value | Closing inventory | Opening inventory |
|---|---|---|---|
| Finished Goods : | | | |
| Switches | 67, 634.49 | 226.41 | 266.97 |
| Head Lamps, Tail Lamps and Spares | 26 ,777.42 | 199.19 | 149.98 |
| Horns | 15, 396.46 | 113.76 | - |
| Batteries | 4,100.10 | 11.05 | 67.34 |
| LPG/CNG kits | 1,055.37 | 37.62 | 23.54 |
| LED/Street light | 946.05 | - | 220.37 |
| Others | 903.19 | 9.86 | 6.16 |
| **Total** | **116,813.08** | **597.89** | **734.36** |

# Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

| **Work in Progress** | **For the year ended 31 March 2012** | For the year ended 31 March 2011 |
|---|---|---|
| Switches | **619.80** | 470.08 |
| Head lamps, Tail lamps and Spares | **154.73** | 208.89 |
| Horns | **85.42** | - |
| Batteries | **238.28** | 483.48 |
| LPG/CNG Kits | **19.28** | 78.77 |
| Others | **2.88** | 617.19 |
| **Total** | **1120.39** | 1858.41 |

**48. Details of consumption and purchases**

(a) Details of Raw materials/Packing materials consumed during the year exceeding 10% individually

| **Particulars** | **For the year ended 31 March 2012** | | For the year ended 31 March 2011 | |
|---|---|---|---|---|
| | **Amount** | **%** | Amount | % |
| Handle Bar | **8,909.92** | **11.93** | 9,526.38 | 15.65 |
| Plastics | **8,470.89** | **11.34** | 6,855.43 | 11.26 |
| Die Castings | **8,298.53** | **11.11** | 5,875.27 | 9.65 |
| Others | **49,009.36** | **65.62** | 38,599.46 | 63.44 |
| **Total** | **74,688.70** | **100.00** | 60,856.54 | 100.00 |

(b) Value of Imported and indigenous materials consumed

| **Particulars** | **For the year ended 31 March 2012** | | For the year ended 31 March 2011 | |
|---|---|---|---|---|
| | **Amount** | **%** | Amount | % |
| **Raw material** | | | | |
| Imported: | **7,290.90** | **9.76%** | 6,189.49 | 11.00% |
| Indigenous: | **67,397.80** | **90.24%** | 54,667.05 | 89.00% |
| **Total** | **74,688.70** | **100%** | 60,856.54 | 100% |
| **Stores and spare parts** | | | | |
| Imported: | **179.67** | **10.02%** | 51.78 | 3.61% |
| Indigenous: | **1,612.99** | **89.98%** | 1,383.06 | 96.39% |
| **Total** | **1,792.66** | **100%** | 1,434.84 | 100% |

# Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**49. Particulars on unhedged foreign currency exposure:**

| Currency | As at 31 March 2012 | | | As at 31 March 2011 | | |
|---|---|---|---|---|---|---|
| | **Foreign currency Amount in lacs** | **Exchange rate (in Rs.)** | **Rupees in lacs** | Foreign currency Amount in lacs | Exchange rate (in Rs.) | Rupees in lacs |
| **Trade Receivables** | | | | | | |
| USD | **39.44** | **50.10** | **1,976.02** | 28.95 | 44.36 | 1,284.41 |
| EUR | **8.77** | **67.73** | **593.79** | 1.54 | 62.61 | 96.20 |
| JPY | **289.54** | **0.63** | **183.02** | 103.23 | 53.51 | 5,524.00 |
| **Advance from customers** | | | | | | |
| USD | **1.85** | **49.48** | **91.76** | 1.01 | 44.97 | 45.23 |
| EUR | **.66** | **66.39** | **43.96** | 2.39 | 63.61 | 152.22 |
| JPY | **.25** | **0.64** | **15,710** | - | - | - |
| **Trade Payables** | | | | | | |
| USD | **15.29** | **49.51** | **757.11** | 10.76 | 44.97 | 484.02 |
| JPY | **340.84** | **0.65** | **221.55** | 40.13 | 0.55 | 22.07 |
| EUR | **1.62** | **64.41** | **104.58** | .89 | 63.61 | 56.89 |
| GBP | **.01** | **77.18** | **0.81** | .01 | 72.56 | 0.76 |
| TWD | **.19** | **1.79** | **0.34** | 4.60 | 1.53 | 7.03 |
| CNY | **.03** | **8.21** | **0.24** | - | - | - |
| HKD | **.01** | **6.89** | **0.10** | - | - | - |
| **Advance to Vendors** | | | | | | |
| USD | **5.31** | **49.87** | **264.66** | 3.81 | 44.36 | 169.05 |
| EUR | **1.06** | **66.15** | **69.99** | .99 | 62.61 | 61.87 |
| JPY | **19.91** | **0.62** | **12.42** | 23.75 | 0.54 | 12.71 |
| RMB | **.05** | **6.75** | **0.36** | - | - | - |
| TWD | **.20** | **1.75** | **0.35** | - | - | - |

**50.** Based on the information available with the management there are no over dues outstanding to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act 2006. Further, the Company has not received any claim for interest from any supplier under the said Act.

**51. Provision for warranty**

The following disclosures have been made in accordance with the provisions of Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets':

| **Particulars** | **As at 31 March 2012** | As at 31 March 2011 |
|---|---|---|
| Balance as at beginning of the year | **100.50** | 55.75 |
| Add:-Balance transferred pursuant to amalgamation of Minda Acoustic Limited | **96.41** | - |
| Add: Provision made during the year | **818.48** | 457.63 |
| Less: Utilised during the year | **469.80** | 412.88 |
| Balance as at the end of the year | **545.59** | 100.50 |

# Notes forming part of the financial statements

(All amounts in Rupees lacs, unless otherwise stated)

The Company has made a warranty provision on account of sale of components. These provisions are based on management's best estimate and past trends. Actual expenses for warranty are charged directly against the provision. Unutilised provision is reversed on expiry of the warranty period.

**52. Leases**

The Company has taken offices on cancellable operating leases. The lease rentals recognised in the Statement of Profit and Loss for the year 31 March 2012 are Rs 794.60 (Previous Year Rs 455.38)

**53. Joint ventures**

(a) The Company has the following investment in the jointly controlled entity:

| Name of Joint Venture | Country of incorporation | Proportion of ownership interest |
|---|---|---|
| Minda Emer Technologies Limited | India | 48.90% |
| M J Casting Limited | India | 50.00% |

(b) In respect of jointly controlled entities, the Company's share of assets, liabilities, income and expenditure of the joint venture companies are as follows:

| Particulars | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| Non current assets | **3,065.83** | 874.21 |
| Current assets | **853.60** | 725.60 |
| Non current liabilities | **1,777.64** | 2.00 |
| Current liabilities | **597.40** | 402.84 |
| Revenue | **1,298.18** | 70.00 |
| Expenses (including income tax expense) | **1,618.61** | 79.00 |
| Capital commitment | **9.79** | 14.66 |

**54. Derivative instruments**

The Company has entered into the following derivative instruments, which are outstanding as at 31March 2012:

| Nature of contracts | Outstanding as at 31 March 2012 | | Outstanding as at 31 March 2011 | |
|---|---|---|---|---|
| | Number of contracts | Foreign currency amount | Number of contracts | Foreign currency Amount |
| Forward cover (Sell) | **3** | **USD 150,000** | 4 | USD 250,000 |
| Forward cover (Sell) | **2** | **Euro 100,000** | 9 | Euro 450,000 |

The purpose of entering into a forward exchange contract is to hedge the foreign currency exposure on payment from debtors. During the current year, the Company has not entered into any derivative instrument for speculation purpose.

55. Previous year figures have been reclassified/ regrouped, wherever required, to confirm to current year classification

56. Previous year financial statements have been audited by another firm of Chartered Accountants.

For **B S R and Company**
Chartered Accountants
Firm Registration No.: 128900W

For and on behalf of the Board of Directors of
**Minda Industries Limited**

**Rajesh Arora**
Partner
Membership No. 076124

**Nirmal K. Minda**
Chairman and Managing Director

**Anand Kumar Minda**
Director

**Sudhir Jain**
Corp. Business Head
& Group CFO

**H.C. Dhamija**
V.P. - Group Accounts &
Co. Secretary

Place : Gurgaon
Date : 19 June, 2012

Place : Gurgaon
Date : 19 June, 2012

# Auditors' Report to the Board of Directors on Consolidated Financial Statements of Minda Industries Ltd.

1. We have audited the attached Consolidated Balance Sheet of Minda Industries Limited ("the Company") and its subsidiaries, joint ventures and associates (collectively referred to as 'the Group'), as described in summary of significant accounting policies to the consolidated financial statements as at 31 March 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement (collectively referred to as 'consolidated financial statements') for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements and other financial information of a subsidiary, a joint venture entity and certain associates, interests in which have been incorporated in the Statement. This subsidiary, joint venture entity and associates account for 8% of the total assets as at 31 March 2012 as well as 7% of the total revenue for the year ended 31 March 2012 and 4% of net cash flows generated from operating activities (on a standalone entity basis). Their financial statements and other financial information has been audited by other auditors whose reports have been furnished to us, and our opinion on this statement, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21- Consolidated financial statements, Accounting Standard (AS) 23- Accounting for investments in associates in consolidated financial statements and Accounting Standard (AS) 27- Financial reporting of interest in joint ventures, prescribed by Companies (Accounting Standards) Rules, 2006.

5. *The Battery Division of the Company is incurring continuous losses. Based on its estimates and report of an independent valuer, the management has recorded an impairment charge amounting to Rs. 2,206.03 lacs during the year ended 31 March 2012 being the excess of the carrying amount of the assets at the Battery Division over their recoverable amount. In the absence of sufficient appropriate evidence, we are unable to comment on the amount of the impairment charge created during the year ended 31 March 2012 as required by Accounting Standard 28 on Impairment of Assets. The carrying value of fixed assets (including capital work in progress) after providing for the above mentioned impairment charge amounts to Rs 1,994 lacs as at 31 March 2012.*

6. Without qualifying our report, attention is drawn to note 50 of the Consolidated Financial Statements that during the previous periods, the management had not consolidated certain joint ventures and associates as part of their consolidated financial statements. Accordingly, during the current year, management has adjusted the effect of the same with the current year profits in accordance with Accounting Standard – 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'. Had these joint ventures and associates been consolidated in the previous periods, the profit for the current year would have been lower by Rs. 340.20 lacs.

7. *Except for the impact, if any, on account of our comments in paragraph 5 above, the effect of which is not ascertainable,* on the basis of the information and explanation given to us, and on consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, joint ventures and associates, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:

   (i) the Consolidated Balance Sheet of the state of affairs of the Group as at 31 March 2012;

   (ii) the Consolidated Statement of Profit and Loss of the profit of the Group for the year ended on that date; and

   (iii) the Consolidated Cash Flow Statement of the consolidated cash flows of the Group for the year ended on that date.

For **B S R and Company**
Chartered Accountants
Firm Registration No. 128900W

**Rajesh Arora**
Partner
Membership No. 076124

Place: Gurgaon
Date : 19 June 2012

# Consolidated Balance sheet as at 31 March 2012

(Also refer to Note 50 of notes forming part of consolidated financial statements)

Rupees in lacs

| Particulars | Note No. | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|---|
| **Equity and liabilities** | | | |
| **Shareholders' funds** | | | |
| Share capital | 3 | **1,936.54** | 5,654.16 |
| Reserves and surplus | 4 | **26,679.31** | 14,217.35 |
| **Minority interest** | 5 | **1,147.85** | - |
| **Non-current liabilities** | | | |
| Long-term borrowings | 6 | **6,612.23** | 5,519.30 |
| Deferred tax liabilities (net) | 7 | **56.62** | 1,031.13 |
| Other long term liabilites | 8 | **60.38** | 15.57 |
| Long term provisions | 9 | **1,570.86** | 745.09 |
| **Current liabilities** | | | |
| Short-term borrowings | 10 | **9,378.44** | 9,500.98 |
| Trade payables | 11 | **17,729.87** | 13,996.93 |
| Other current liabilities | 12 | **5,517.15** | 4,489.83 |
| Short-term provisions | 13 | **988.12** | 790.48 |
| | | **71,677.37** | 55,960.82 |
| **Assets** | | | |
| **Non-current assets** | | | |
| Fixed assets | 14 | | |
| Tangible assets | | **26,539.45** | 24,051.54 |
| Intangible assets | | **918.86** | 986.93 |
| Capital work-in-progress | | **472.25** | 622.37 |
| Intangible assets under development | | **41.36** | 69.43 |
| Non-current investments | 15 | **2,171.71** | 1,889.96 |
| Long-term loans and advances | 16 | **2,164.52** | 1,328.51 |
| Other non-current assets | 17 | **152.81** | 169.19 |
| **Current assets** | | | |
| Current investments | 18 | **109.46** | - |
| Inventories | 19 | **8,081.31** | 8,375.93 |
| Trade receivables | 20 | **19,626.03** | 13,075.27 |
| Cash and bank balances | 21 | **6,657.15** | 2,293.14 |
| Short-term loans and advances | 22 | **4,462.70** | 3,003.95 |
| Other current assets | 23 | **279.76** | 94.60 |
| | | **71,677.37** | 55,960.82 |
| Significant accounting policies | 2 | | |

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached.

For **B S R and Company**
Chartered Accountants
Firm Registration No.: 128900W

For and on behalf of the Board of Directors of
**Minda Industries Limited**

**Rajesh Arora**
Partner
Membership No. 076124

**Nirmal K. Minda**
Chairman and Managing Director

**Anand Kumar Minda**
Director

**Sudhir Jain**
Corp. Business Head
& Group CFO

**H.C. Dhamija**
V.P. - Group Accounts &
Co. Secretary

Place : Gurgaon
Date : 19 June, 2012

Place : Gurgaon
Date : 19 June, 2012

# Consolidated Statement of profit and loss for the year ended 31 March 2012

(Also refer to Note 50 of notes forming part of consolidated financial statements)

Rupees in lacs

| Particulars | Note No. | **Year ended 31 March 2012** | Year ended 31 March 2011 |
|---|---|---|---|
| Revenue from operations | 24 | **117,920.62** | 95,421.66 |
| Other income | 25 | **1,633.78** | 1,460.64 |
| **Total revenue** | | **119,554.40** | 96,882.30 |
| Expenses: | | | |
| Cost of materials consumed | 26 | **80,458.49** | 64,468.78 |
| Changes in inventories of finished goods, work-in-progress and stock in trade | 27 | **819.82** | (953.75) |
| Employee benefits | 28 | **13,432.33** | 10,136.88 |
| Financial costs | 29 | **1,978.08** | 1,669.39 |
| Depreciation and amortisation | 30 | **4,017.72** | 3,388.67 |
| Other expenses | 31 | **15,623.88** | 13,398.49 |
| **Total expenses** | | **116,330.32** | 92,108.46 |
| **Profit before exceptional items and tax** | | **3,224.08** | 4,773.84 |
| Exceptional items | 32 | **(768.46)** | - |
| **Profit for the year before tax** | | **2,455.62** | 4,773.84 |
| **Tax expense:** | | | |
| Current tax | | **777.23** | 841.18 |
| Deferred tax -current year | | **(695.15)** | 379.79 |
| -relating to earlier years | | **(50.84)** | - |
| **Profit for the year after tax** | | **2,424.38** | 3,552.87 |
| Less: Minority interest | | **22.15** | - |
| Add: Share of net profit of associates/joint ventures including prior period profit | | **422.58** | - |
| **Profit for the year** | | **2,824.81** | 3,552.87 |
| **Earnings per equity share** | 33 | | |
| Basic | | **17.73** | 26.14 |
| Diluted | | **17.73** | 22.89 |
| Information on discontinued business (Blow Moulding division of Minda Industries Limited) | | | |
| Net Profit/(Loss) before tax from ordinary activities | | **67.76** | (72.35) |
| Income Tax expense related to above | | | |
| Profit /(Loss) on disposal off discontinued business (pre-tax) | | **958.83** | - |
| Income Tax expense related to above | | **196.34** | - |
| Significant accounting policies | 2 | | |

The notes referred to above form an intergral part of the consolidated financial statements.

As per our report of even date attached.

For **B S R and Company**
Chartered Accountants
Firm Registration No.: 128900W

For and on behalf of the Board of Directors of
**Minda Industries Limited**

**Rajesh Arora**
Partner
Membership No. 076124

**Nirmal K. Minda**
Chairman and Managing Director

**Anand Kumar Minda**
Director

**Sudhir Jain**
Corp. Business Head
& Group CFO

**H.C. Dhamija**
V.P. - Group Accounts &
Co. Secretary

Place : Gurgaon
Date : 19 June, 2012

Place : Gurgaon
Date : 19 June, 2012

# Consolidated Cash Flow Statement for the year ended 31 March 2012

(Also refer to Note 50 of notes forming part of consolidated financial statements)

Rupees in lacs

| Particulars | Year ended 31 March 2012 | Year ended 31 March 2011 |
|---|---|---|
| **A. Cash flow from operating activities :** | | |
| Net profit before exceptional items and tax | **3,224.08** | 3,504.42 |
| Add: Share of profit from associates including prior period | | |
| ~ Minda Autocare Limited | **36.28** | - |
| ~ Mindarika Private Limited | **456.75** | - |
| ~ Minda NexGenTech Limited | **(70.12)** | - |
| Opening profit of Minda Emer Techonologies Limited | **(4.78)** | - |
| Adjustments for : | | |
| Depreciation | **4,017.72** | 3,278.46 |
| Interest expenditure | **1,876.46** | 1,751.95 |
| Interest income | **(220.10)** | (33.58) |
| Dividend income | **(123.17)** | (37.03) |
| Share of profit from partnership firms | **(612.56)** | - |
| Liabilities / provisions no longer required written back | **(331.08)** | - |
| Fixed assets scrapped/ written off | **40.99** | - |
| Doubtful trade and other receivables provided for | **143.88** | - |
| Amounts written off | **26.66** | - |
| Preliminary expense written off | **17.02** | 5.68 |
| Provision for contigencies-income tax | **42.17** | - |
| Profit on sale of fixed assets | **(107.98)** | (140.37) |
| Gain on sale of investment | **-** | (79.18) |
| Rental income | **(4.62)** | (1.15) |
| | **5,183.52** | 4,744.78 |
| Operating profit before working capital changes | **8,407.60** | 8,249.20 |
| Adjustments for working capital changes: | | |
| (Increase)/decrease in inventories | **1,507.73** | (2,969.43) |
| (Increase)/decrease in trade receivables | **(3,431.08)** | (3,588.18) |
| (Increase)/decrease in short-term loans and advances | **(540.36)** | 11.76 |
| (Increase)/decrease in long term loans and advances | **(667.47)** | (279.11) |
| (Increase)/decrease in other non-current assets | **(0.63)** | (146.51) |
| (Increase)/decrease in other current assets | **(166.33)** | (92.76) |
| Increase/(decrease) in trade payables | **2,183.56** | 2,607.95 |
| Increase/(decrease) in other current liabilities | **984.00** | 557.98 |
| Increase/(decrease) in other long-term liabilities | **42.00** | 8.88 |
| Increase/(decrease) in short-term provisions | **(123.24)** | 217.38 |
| Increase/(decrease) in long-term provisions | **788.79** | 204.56 |
| | **576.97** | (3,467.48) |
| Cash generated from operations | **8,984.57** | 4,781.72 |
| Income tax paid | **(824.15)** | (319.62) |
| **Net cash flow from operating activities** | **8,160.42** | 4,462.10 |
| **B. Cash flow from investing activities :** | | |
| Non-current investments | **(574.92)** | 277.12 |
| Purchase of fixed assets | **(10,480.74)** | (5,823.93) |
| Sale of fixed assets | **5,896.58** | 813.84 |
| Interest received | **201.27** | 33.58 |
| Rental income | **4.62** | 1.15 |
| Share of profit from partnership firms | **427.78** | - |
| Dividend income | **123.17** | 37.03 |
| **Net cash used in investing activities** | **(4,402.24)** | (4,661.21) |

# Consolidated Cash Flow Statement for the year ended 31 March 2012

(Also refer to Note 50 of notes forming part of consolidated financial statements)

Rupees in lacs

| Particulars | Year ended 31 March 2012 | Year ended 31 March 2011 |
|---|---|---|
| **C. Cash flow from financing activities** | | |
| Proceeds from issue of shares of Subsidiary related to minority shareholders | **1,045.00** | - |
| Conversion/redemption of Preference Shares | **-** | (300.00) |
| Securities premium received from subsidiary related to minority shareholders | **260.00** | - |
| Proceeds/(repayment) from short term borrowings | **(570.81)** | 3,721.58 |
| Proceeds from long term borrowings | **1,222.52** | - |
| Repayment of long term borrowings | **(203.86)** | (1,429.98) |
| Interest paid | **(1,853.71)** | (1,743.07) |
| Dividend paid (including corporate dividend tax) | **(666.25)** | (628.14) |
| **Net cash used in financing activities** | **(767.11)** | (379.61) |
| | | |
| **Net increase in cash and cash equivalents (A+B+C)** | **2,991.07** | (578.72) |
| Cash acquired on amalgamation | **1,372.94** | 1,458.71 |
| Cash and cash equivalents as at opening | **2,293.14** | 1,413.15 |
| Cash and cash equivalents as at closing | **6,657.15** | 2,293.14 |
| **Cash and cash equivalents include cash/ cheques in hand** | | |
| Cash in hand | **32.88** | 27.83 |
| With banks: | | |
| Current accounts | **1,573.87** | 440.64 |
| Deposit accounts | **5,026.54** | 1,712.22 |
| Cheques, drafts in hand | **3.51** | 92.38 |
| | | |
| Restricted cash: | | |
| Unpaid dividend accounts | **18.17** | 15.26 |
| Cash on imprest accounts | **2.18** | 4.81 |
| | **6,657.15** | 2,293.14 |

As per our report of even date attached.

For **B S R and Company**
Chartered Accountants
Firm Registration No.: 128900W

For and on behalf of the Board of Directors of
**Minda Industries Limited**

**Rajesh Arora**
Partner
Membership No. 076124

**Nirmal K. Minda**
Chairman and Managing Director

**Anand Kumar Minda**
Director

**Sudhir Jain**
Corp. Business Head
& Group CFO

**H.C. Dhamija**
V.P. - Group Accounts &
Co. Secretary

Place : Gurgaon
Date : 19 June, 2012

Place : Gurgaon
Date : 19 June, 2012

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**1. Principles of consolidation**

The consolidated financial statements include the financial statements of Minda Industries Limited, ("the Company" or "the Parent Company"), its subsidiaries, joint ventures and associates (collectively known as "the Group").

| Name of subsidiaries / joint venture / associates | Country of incorporation | Effective group shareholding (%) |
|---|---|---|
| **Subsidiaries** | | |
| Minda Auto Components Limited | India | 100.00 |
| Minda Kyoraku Limited | India | 73.88 |
| **Joint Ventures** | | |
| MJ Casting Limited | India | 50.00 |
| Minda Emer Technologies Limited | India | 48.90 |
| Associates | | |
| Mindarika Private Limited | India | 27.08 |
| Minda NexGenTech Limited | India | 26.00 |
| Minda Autocare Limited | India | 50.00 |
| Yogendra Engineering (partnership firm) | India | 48.90 |
| Auto Component (partnership firm) | India | 48.90 |

The consolidated financial statements have been prepared on the following basis:

(a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealized profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance Sheet of the Parent Company and its share in the post-acquisition increase/decrease in the reserves of the consolidated entities.

(b) The excess/deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which investment in such entities was made is recognized in the consolidated financial statements as goodwill/capital reserve. The Parent Company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

(c) Entities acquired/ sold during the year have been consolidated from/ up to the respective date of their acquisition/ disposal.

(d) Minority interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Group.

(e) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Group's shareholders.

(f) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 - "Financial Reporting of Interest in Joint Ventures".

(g) An investment in an associate has been accounted for by the equity method of consolidation from the date on which it falls within the definition of associates in accordance with Accounting Standard-23 "Accounting for investments in Associates in Consolidated Financial Statements".

## Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

(h) The Company accounts for its share in change in net assets of the associates, post acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss to the extent such change is attributable to the associates Profit or Loss through its reserves for the balance, based on available information.

(i) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

(j) The consolidated financial statements are presented, to the extent possible and required, in the same format as that adopted by the Parent Company for its standalone financial statements.

**2. Significant accounting policies**

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

**A. Basis of preparation of financial statements**

These consolidated financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest lacs.

During the previous periods management had not consolidated certain joint ventures and associates as part of their consolidated financial statements. Accordingly, during the current year, management has adjusted the effect of the same with the current year profits in accordance with Accounting Standard – 5 ‘Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies’. The effect of the same has been disclosed by way of a pro forma note in Note 50.

This is the first year of application of the revised Schedule VI to the Companies Act, 1956 for the preparation of the financial statements of the group. The revised Schedule VI introduces some significant conceptual changes as well as new disclosures. These include classification of all assets and liabilities into current and non-current. The previous year figures have also undergone a major reclassification to comply with the requirements of the revised Schedule VI.

**B. Use of estimates**

The preparation of consolidated financial statements in conformity 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 and expenses and the disclosure of contingent liabilities on the date of the consolidated 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.

**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 group’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

## Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

(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 group'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 group does not have an 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.

**C. Fixed assets and depreciation**

**(a) Tangible fixed assets**

Tangible fixed assets except revalued assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset 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 tangible fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Tangible fixed assets acquired wholly or partly with specific grant/subsidy from government, if any, are recorded at the net acquisition cost to the Group.

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

Exchange differences (favourable as well as unfavourable) arising in respect of translation/settlement of long term foreign currency borrowings attributable to the acquisition of a depreciable asset are also included in the cost of the asset.

The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the 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 than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Depreciation is accordingly provided at the rates which are equal to or higher than the rates prescribed in Schedule XIV to the Companies Act, 1956 and are stated below:

## Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

- on plant and machinery : on written down value method as per rates specified in Schedule XIV.
- on tools and dies : 30/40 % per annum on written down value method on all tools except those used in Acoustic (Horn) division which are depreciated at the rate of 30% per annum on straight line method basis
- on other fixed assets : on straight line method as per rates specified in Schedule XIV.

Leasehold land and leasehold improvements are amortised on a straight line basis over the period of lease or their useful lives, whichever is shorter. Freehold land is not depreciated.

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

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule XIV to the Companies Act, 1956) unless it is reasonably certain that the Group will obtain ownership by the end of the lease term, in which case the depreciation rates applicable for similar assets owned by the Group are applied.

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

Depreciation for the year is recognised in the Consolidated Statement of Profit and Loss.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Assets retired from active use and held for disposal, if any, are stated at the lower of their net book value and net realisable value and shown under ‘Other current assets’.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Consolidated Statement of Profit and Loss.

**b) Intangible fixed assets**

(i) Goodwill: Goodwill that arises on an amalgamation or on the acquisition of a business is presented as an intangible asset. Goodwill arising from amalgamation is measured at cost less accumulated amortisation and any accumulated impairment loss. Such goodwill is amortised over its estimated useful life or five years whichever is shorter. Goodwill arising on acquisition of a business is measured at cost less any accumulated impairment loss. Goodwill is tested for impairment annually.

(ii) Acquired intangible assets

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortised in Consolidated Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis. In accordance with the applicable Accounting Standard, the Group follows a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. However, if there is persuasive evidence that the useful life of an intangible asset is

## Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

longer than ten years, it is amortised over the best estimate of its useful life. Such intangible assets and intangible assets that are not yet available for use are tested annually for impairment.

The amortization rates are as follows :

i) Technical Knowhow: Amortised over the period of agreement

ii) Computer Software : 16.21% straight line method (except in the case of Enterprise Resource Planning (ERP) system, which is depreciated over a period not exceeding four years) Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss.

**c) Capital work-in-progress**

Fixed assets under construction and cost of assets not put to use before the year-end, are disclosed as capital work-in-progress.

**d)** Below mentioned are the differences in depreciation and amortization as followed by the Group entities other than stated above -:

| Name of subsidiaries / joint venture /associates | | Difference in accounting policies |
|---|---|---|
| **Joint ventures** | | |
| (a) Minda Emer Technologies Limited | - | All fixed assets: on written down value method |
| **Associates** | | |
| (a) Mindarika Pvt. Limited | - | On tools and dies : 20 % per annum on straight line method. |
| | - | Expenses incurred on technical know how are amortised over a period of six years from the date of commencement of commercial production of the products. |
| | - | Building constructed on leasehold land is depreciated over the period of lease of five years. |
| | - | Other fixed assets: on written down value method. |
| (b) Minda Autocare Limited | - | Computer software: on straight line method. |
| (Now known as Minda Automotive Solutions Limited) | - | Building is amortized over the period of lease. |
| | - | Other fixed assets: on written down value method. Full year depreciation is charged on the assets acquired during the year and no depreciation is charged on the assets sold / written off during the year. |

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**D. Impairment of assets**

The carrying values of all assets are reviewed at each reporting date to determine if there is an indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognised in the Consolidated Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

**E. Leases**

**(a) Operating lease**

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Consolidated 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.

**(b) Finance lease**

Assets acquired under finance leases are recognised as an asset and a liability at the lower of the fair value of the leased assets at the inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability and charged to the Consolidated Statement of Profit and Loss.

**F. Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current–non-current classification scheme of revised Schedule VI.

Long-term investments (including current portion thereof) are carried at cost less any other than temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Consolidated Statement of Profit and Loss.

Investment in the capital of a partnership firm is shown by reference to the capital of the firm on the balance sheet date. The Company's share of profit or loss in a partnership firm is recognised in the Consolidated Statement of Profit and Loss as and when it accrues i.e. when it is computed and credited or debited to the capital/current/any other account of the company in the books of the partnership firm.

**G. Inventories**

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, stores and spares; and loose tools are carried at the lower of cost and net realisable value.

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

## Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

In determining the cost, weighted average cost method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

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

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

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

Finished goods inventory is inclusive of excise duty.

Inventories in transit are valued at cost.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventory based on management's current best estimate.

Below mentioned are the differences in inventory valuation of Group with Parent -:

| Name of subsidiaries / joint venture /associates | Difference in accounting policies |
|---|---|
| Associates | |
| Minda Autocare Limited | -Inventories of stock in trade, packing material are valued at lower of cost or net realisable value. Cost is computed on the First in first out basis. |

### H. Revenue recognition

a) Revenue from sale of goods in the course of ordinary activities is recognised when the property in the goods or all significant risks and rewards of 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 goods and regarding its collection. The amount recognized as revenue is exclusive of sales tax, value added taxes (VAT) and is net of returns and trade discounts.

b) Designing and service revenue is recognised on an accrual basis as and when the services are rendered in accordance with the terms of the underlying contract.

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

d) Dividend income is recognised when the right to receive dividend is established.

e) Royalty income is recognised based on the terms of the underlying agreement.

f) Claims lodged with Insurance companies are accounted for on an accrual basis, to the extent these are measurable and the ultimate collection is reasonably certain.

g) Export entitlement under Duty Entitlement Pass Book Scheme ('DEPB') is recognised on accrual basis and when the right to entitlement has been established.

h) Share of profit from partnership firms is recognized on accrual basis.

### I. Government grants

Government grants in the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds. Grants from State Government towards revenue expenditure are recognised as income either till the period of benefit expires or the financial cap is reached, whichever occurs earlier.

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**J. Research and development**

a) Revenue expenditure on research and development is charged off under the respective heads of account in the year in which it is incurred.

b) Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses, if any. Fixed assets used for research and development are depreciated in accordance with the Group's policy as stated above.

**K. Foreign currency transactions**

a) Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date. The resultant exchange differences are recognised in the Consolidated Statement of Profit and Loss except exchange differences pertaining to long term foreign currency monetary items that are related to acquisition of depreciable assets are adjusted in the carrying amount of the related fixed assets

b) The Group uses forward contracts to hedge its foreign currency risk relating to an existing asset/ liability, which are covered under AS 11 – Accounting for the effects of changes in foreign exchange rates'.

Exchange difference on a forward exchange contract is the difference between:

(a) the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period; and

(b) the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date; and is recognised in the Consolidated Statement of Profit and Loss.

The forward exchange contracts taken to hedge existing assets/ liabilities are translated at the closing exchange rates and the resultant exchange differences are recognised in the same manner as those on the underlying foreign currency asset or liability. Any profit or loss arising on cancellation/ renewal of such contracts is recognised in the Consolidated Statement of Profit and Loss for the year.

c) Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investments.

d) Foreign currency loans covered by forward exchange contracts are translated at the rate prevailing on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognized over the life of the contract.

e) Commodity hedging
The Group enters into derivative contracts such as forward contracts in relation to commodity options to hedge against the risk of adverse movement in of commodity price risk for metals used as raw materials. However, the Group does not conduct speculative operations in the future markets.

f) Increase or decrease in non-current liabilities on account of exchange rate fluctuations has been adjusted in the cost of tangible fixed assets.

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**L. Provisions**

A provision is recognised if, as a result of a past event, the Group 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.

**Warranties**

Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods.

**Contingencies**

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.

**M. 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 Consolidated 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.

**N. Employee benefits**

**(a) 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.

**b) Post employment benefits**

**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 Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the Consolidated Statement of Profit and Loss during the period in which the employee renders the related service.

The Company makes specified monthly contribution towards superannuation fund to Superannuation Trust and managed by the Life Insurance Corporation of India ("LIC")

**Defined benefit plan**

The Group's gratuity benefit scheme is a defined benefit plan. The Group'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.

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

The calculation of the Group's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in the Consolidated Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Consolidated Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Consolidated Statement of Profit or Loss on a straight-line basis over the average period until the benefits become vested. The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

The Company's gratuity fund is administered and managed by the Life Insurance Corporation of India ("LIC"). Actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss.

**Compensated absences**

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss.

**Termination benefits**

Termination benefits are recognised as an expense when, as a result of a past event, the Group 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.

**O. 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 Consolidated Statement of Profit or Loss except that tax expense related to items recognised directly in reserves is also recognized in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation 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. differences 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 assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or

## Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Minimum Alternate Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Consolidated Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

**P. Representative offices**

In translating the financial statements of representative offices, the monetary assets and liabilities are translated at the rate prevailing at the balance sheet date; non-monetary assets and liabilities are translated at exchange rate prevailing at the date of transaction and income and expense items are converted at the respective month end rate.

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

## Note 3 : Share capital

| Particulars | As at 31 March 2012 Number | As at 31 March 2012 Amount | As at 31 March 2011 Number | As at 31 March 2011 Amount |
|---|---|---|---|---|
| a) Authorised | | | | |
| Equity shares of Rs.10 each with voting rights | | | | |
| Preference Share Capital | **22,500,000** | **2,250.00** | 22,500,000 | 2,250.00 |
| 9% Cumulative Redeemable Preference Shares of Rs.10 each (Class 'A') | **3,000,000** | **300.00** | 3,000,000 | 300.00 |
| 3% Cumulative Compulsorily Convertible Preference Shares of Rs.2,187 each (Class 'B') | **183,500** | **4,013.14** | 183,500 | 4,013.14 |
| 3% Cumulative Redeemable Preference Shares of Rs.10 each (Class 'C') | **3,500,000** | **350.00** | 3,500,000 | 350.00 |
| | | **6,913.14** | | 6,913.14 |
| b) Issued, subscribed and fully paid up | | | | |
| Equity share capital | | | | |
| Equity shares of Rs.10 each with voting rights | | | | |
| Preference Share Capital | **15,865,356** | **1,586.54** | 12,910,192 | 1,291.02 |
| 3% Cumulative Compulsorily Convertible Preference Shares of Rs.2,187 each (Class 'B') | **-** | **-** | 183,500 | 4,013.14 |
| 3% Cumulative Redeemable Preference Shares of Rs.10 each (Class 'C') | **3,500,000** | **350.00** | 3,500,000 | 350.00 |
| | | **1,936.54** | | 5,654.16 |

Notes:

Equity Shares include

i Re-issue of forfeited 31,800 Equity Shares of Rs. 10 each on 27 October 1998

ii (a) 2,405,128 Equity Shares of Rs. 10 each fully paid up issued during the year 2010-11 for consideration other than cash to the shareholders of Minda Autogas Limited, pursuant to the scheme of amalgamation.

ii (b)1,120,164 Equity Shares of Rs. 10 each fully paid up issued during the year 2011-12 for consideration other than cash to the shareholders of Minda Acoustic Limited, pursuant to the scheme of amalgamation.

iii During the current year (1 April 2011), 183,500, 3% Cumulative Compulsorily Convertible Preference Shares of Rs. 2,187 each allotted on 17 February 2010, with a right of conversion into 10 Equity Shares each of Rs. 10 each fully paid up at a premium of Rs. 208.70 per equity share within a period not exceeding eighteen months from the date of allottment were converted into 1,835,000 equity shares of Rs.10 each at a premium of Rs. 208.70 per equity share.

iv) 3,500,000 3% Cumulative Compulsarily Convertible Preference Shares of Rs. 10 each have been allotted on 17 February 2010. These shall be redeemed at par, after seven years from the date of allotment. However, same can be redeemed earlier in view of availability of profitability / surplus fund

c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

| | As at 31 March 2012 Nos. | As at 31 March 2012 Amount | As at 31 March 2011 Nos. | As at 31 March 2011 Amount |
|---|---|---|---|---|
| Equity shares of Rs.10 each with voting rights | | | | |
| Opening balance | **12,910,192** | **1,291.02** | 10,505,064 | 1,050.51 |
| Add: | | | | |
| Shares issued on conversion of 3% cumulative compulsory convertible preference shares of Rs 2,187 each (Class B) | **1,835,000** | **183.50** | - | - |
| Shares issued in the ratio of 100:1798 to the shareholders of erstwhile Minda Acoustic Limited, pursuant to the scheme of amalgamation (refer to note 38) | **1,120,164** | **112.02** | - | - |
| Shares issued in the ratio of 4:10 to the shareholders of erstwhile Minda Autogas Limited pursuant of scheme of amalgamation (refer to Note 38) | **-** | **-** | 2,405,128 | 240.51 |
| Closing balance | **15,865,356** | **1,586.54** | 12,910,192 | 1,291.02 |
| 3% Cumulative Compulsorily Convertible Preference Shares of Rs.2187 each (Class 'B') | | | | |
| Opening balance | **183,500** | **4,013.14** | 183,500 | 4,013.14 |
| Conversion into equity shares | **183,500** | **4,013.14** | - | - |
| Closing balance | **-** | **-** | - | 4,013.14 |
| 3% Cumulative Redeemable Preference Shares of Rs.10 each (Class 'C') | | **-** | | - |
| Opening balance | **3,500,000** | **350.00** | 3,500,000 | 350.00 |
| Movement during the year | **-** | **-** | - | - |
| Closing balance | **3,500,000** | **350.00** | 3,500,000 | 350.00 |

d) Rights, preferences and restrictions attached to equity shares

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

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

e) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | **As at 31 March 2012** Number of shares held | % holding in that class of shares | As at 31 March 2011 Number of shares held | % holding in that class of shares |
|---|---|---|---|---|
| Equity shares with voting rights | | | | |
| Mr. Nirmal K. Minda | **2,401,869** | **15.1%** | 2,299,645 | 17.8% |
| Nirmal K. Minda (HUF) | **1,502,142** | **9.5%** | 1,370,350 | 10.6% |
| Mrs. Suman Minda | **2,476,140** | **15.6%** | 2,344,348 | 18.2% |
| Minda Investments Limited | **3,399,385** | **21.4%** | 2,828,281 | 21.9% |
| Pioneer Finest Limited | **1,086,807** | **6.9%** | 1,012,194 | 7.8% |
| India Business Excellence Fund -I | **1,376,250** | **8.7%** | - | - |
| 3% Cumulative Compulsorily Convertible Preference Shares of Rs. 2,187 each (Class 'B') | | | | |
| India Business Excellence Fund I | **-** | **-** | 137,625 | 75.0% |
| IL & FS Trust Company Limited | **-** | **-** | 45,875 | 25.0% |
| 3% Cumulative Redeemable Preference Shares of Rs. 10 each (Class 'C') | | | | |
| Mr. Nirmal K. Minda | **1,500,000** | **42.9%** | 1,500,000 | 42.9% |
| Mrs. Suman Minda | **2,000,000** | **57.1%** | 2,000,000 | 57.1% |

f) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceeding the Balance Sheet date:

| Particulars | Aggregate number of shares | | Aggregate number of shares | |
|---|---|---|---|---|
| Equity shares with voting rights | Number | Amount | Number | Amount |
| Shares issued in the ratio of 100:1798 to the shareholders of erstwhile Minda Acoustic Limited pursuant to scheme of amalgamation | 1,120,164 | 112.02 | - | - |
| Shares issued in the ratio of 4:10 to the shareholders of erstwhile Minda Autogas Limited pursuant to scheme of amalgamation | - | - | 2,405,128 | 240.51 |
| Conversion of 3% Cumulative Compulsory Convertible Preference Shares | 1,835,000 | 183.50 | - | - |

The Company has not alloted any bonus shares or bought back any shares during the current year or for a period of five years immediately preceding the Balance Sheet date.

| Note 4 : Reserves and surplus | **As at 31 March 2012** | As at 31 March 2011 |
|---|---|---|
| **Capital reserves** | | |
| **Opening balance** | **242.63** | 242.63 |
| Add: Additions during the year | **-** | - |
| **Closing balance** | **242.63** | 242.63 |
| **Capital redemption reserve** | | |
| Opening balance | **300.00** | - |
| Add: Additions during the year | **-** | - |
| Transferred from general reserve | **-** | 300.00 |
| **Closing balance** | **300.00** | 300.00 |
| **Securities premium account** | | |
| Opening balance | **631.48** | - |
| Add : | **-** | - |
| Premium on conversion of 183,500 3% Cumulative Compulsorily Convertible Preference shares into 1,835,000 equity shares of Rs. 10 each, having pari passu rights | **3,829.65** | - |
| Securities premium on issue of 19,140,000 shares of Rs 10 each at a premium of Rs 2.5 per share Transferred from erstwhile Minda Autogas Limited pursuant to scheme of amalgamation | **478.50** | 631.48 |
| Less: | | |
| Securities premium adjusted against goodwill on account of consolidation of Minda Kyoraku Limited | **(271.08)** | |
| Securities premium transferred to minority interest | **(125.01)** | |
| **Closing balance** | **4,543.54** | 631.48 |

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **General reserve** | | |
| Opening balance | **2,851.25** | 2,415.18 |
| Add: | | |
| Transferred from erstwhile Minda Autogas Limited pursuant to scheme of amalgamation (refer to Note 38) | **-** | 360.77 |
| Transferred from erstwhile Minda Acoustic Limited pursuant to scheme of amalgamation (refer to Note 38) | **1,902.04** | - |
| Transferred from surplus in Statement of Profit and Loss | **450.00** | 400.00 |
| Less: | | |
| Transferred to capital redemption reserve | **-** | 300.00 |
| Adjustment of transitional provision as per Accounting Standard -15 (Revised) | **24.98** | 24.70 |
| **Closing balance** | **5,178.31** | 2,851.25 |
| **Surplus in Statement of Profit and Loss** | | |
| Opening balance | **10,191.98** | 5,563.81 |
| Add: | **-** | |
| Net profit for the year | **2,424.38** | 3,553.08 |
| Amounts transferred from: | | |
| Accumulated profits acquired on amalgamation (refer to Note 38) | **4,287.62** | - |
| Transferred from erstwhile Minda Autogas Limited pursuant to scheme of amalgamation (refer to Note 38) | **-** | 2,103.24 |
| Other reserves (opening profit and loss account balance of Minda Emer Techonologies Limited) | **(4.78)** | - |
| Less: | | |
| Dividend paid: | | |
| Dividend paid on converted Compulsorily Preference Shares (Class B) | **55.05** | - |
| Tax on dividend paid | **8.93** | - |
| Proposed dividend: | | |
| Dividends proposed to be distributed to equity shareholders (Rs. 3 per share) | **475.96** | 387.31 |
| Dividends proposed to be distributed to preference shareholders | **10.50** | 153.09 |
| Tax on dividend | **78.92** | 87.75 |
| Transferred to general reserve | **450.00** | 400.00 |
| Adjustment on account of consolidation: | | |
| Goodwill on investment in MJ Casting Limited | **97.32** | - |
| Goodwill on investment in Minda Kyoraku Limited | **52.58** | - |
| Loss transferred to minority interest | **22.16** | - |
| Share of profit from associates including prior period | | |
| Minda Autocare Limited | **36.28** | - |
| Mindarika Private Limited | **456.75** | - |
| Minda NexGenTech Limited | **(70.12)** | - |
| **Closing balance** | **16,414.83** | 10,191.98 |
| | **26,679.31** | 14,217.34 |

**Note 5 : Minority interest**

| | | |
|---|---|---|
| Share capital | 1045.00 | - |
| Reserves and surplus | (22.16) | - |
| Securities premium | 125.01 | - |
| | **1,147.85** | **-** |

**Note 6 : Long-term borrowings**

| | | |
|---|---|---|
| Term loans | | |
| Secured | | |
| from banks (refer note below) | 5,194.53 | 3,973.33 |
| | **5,194.53** | 3,973.33 |
| Unsecured | 6.01 | 4.69 |
| from others | 6.01 | 4.69 |
| Deferred payment liabilities | | |
| Unsecured | 1,385.80 | 1,419.07 |
| | **1,385.80** | 1,419.07 |
| Deposits | | |
| Unsecured | 25.89 | 122.21 |
| | 25.89 | 122.21 |
| | **6,612.23** | **5,519.30** |

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**Nature of Security**

| | |
|---|---|
| - from Axis Bank amounting to Rs. 1,052.72 (previous year Rs.1,473.58) is secured by first pari passu charge over fixed assets, including furniture and fixtures, both present and future installed at factory premises and goods purchased under Letter of Credit | Total loan sanctioned amounting to Rs. 2,500 (previous year Rs. 2,500), repayable in 24 quarterly instalments of Rs. 104.17 |
| - from Axis Bank amounting to Rs. 285.17 (previous year Rs.757.98) and is secured by first pari passu charge on all the current assets of the Company, both present and future. Second pari passu charge on entire fixed asset of the Company both present and future | Total loan sanctioned amounting to Rs. 1,500 (previous year Rs. 1,500), repayable in 16 quarterly instalments of Rs. 93.75 |
| - from Axis Bank amounting to Rs. 986.14 (previous year Rs.1,212.50) is secured by first pari passu charge over fixed assets and second pari passu charge over current assets and equitable mortgage of Company's immovbale property at Gurgaon, Pune Sonepat and Pantnagar, India. | Total loan sanctioned amounting to Rs. 1,200 (previous year Rs. 1,200), repayable in 16 quarterly instalments of Rs. 75 |
| - from HDFC Bank amounting to Rs. 375 (previous year Rs. NIL) and is secured by first pari passu charge on all the present and future movable plant and machinery consisting of furniture and fixtures, electrical fittings, vehicles, etc. Second pari passu charge on all the book debts and stock in trade both present and future. | Total loan sanctioned amounting to Rs. 2,000 (previous year Rs. 2,000). Disbursed amount of loan of Rs. 375 (previous year Nil) repayable in 20 quarterly instalments of Rs. 18.75 |
| - from State Bank of India amounting to Rs. 1,773.84 (previous year Rs. 2,714.51) and is secured by first pari passu charge on all current assets including stocks of raw material, stores, stock in progress, finished goods including goods in transit and bills receivable, both present and future. Second charge on the entire fixed assets, both present and future. | Total loan sanctioned amounting to Rs. 4,055 (previous year Rs. 4,055). Disbursed amount of Rs.3,795.64 (previous year Rs.3,795.64) repayable in<br>- 12 instalments during 2009-10 of Rs.22.22 each<br>- 12 instalments during 2010-11 of Rs.63.35 each<br>- 12 instalments during 2011-12 of Rs. 80 each<br>- 12 instalments during 2012-13 of Rs. 85 each<br>- 7 instalments during 2013-14 of Rs.100 each<br>- 1 instalments during 2014-15 of Rs. 88.80 each |
| - External Commercial Borrowings from Standard Chartered Bank amounting to Rs.994.94 (previous year -nil), is secured by first pari passu charge over all present and future movable fixed assets of the Company. Second pari passu charge over all present and future book debts, outstanding moneys receivables, claims and bills due and all present and future stock in trade consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise etc. | Total loan sanctioned amounting to USD 20 lacs (previous year Rs. Nil), repayable in 16 quarterly instalments of USD 1.25 lacs on quarterly basis. |
| - from axis bank amounting to Rs 3540.54 (previous year Rs Nil), is primary secured by equitable mortgage over land and building situated at 323, phase-II/IV,sector-3,Industrial Growth centre Bawal ,Distt. Rewari, (Haryana) & Collateral charge on the entire current assets of the company both present and future. Out of which 50% amounting to Rs 1770.27 is proportionately consolidated | Term loan sanctioned amounting to Rs 3,554.54 (previous year Rs. Nil), repayable in 20 quarterly instalments of Rs 177.70 |

Vehicle loans from banks/others amounting to Rs. 108.14 lacs are secured against hypothecation of the respective vehicles financed by them

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 7 : Deferred tax liabilities (net)** | | |
| **Deferred tax liabilities** | | |
| Difference between books and written down value of fixed assets as per Income tax Act, 1961 | **937.33** | 1,503.15 |
| | **937.33** | 1,503.15 |
| **Deferred tax assets** | | |
| Provision for employee benefits | **461.79** | 253.27 |
| Unabsorbed depreciation/ carry forward business losses | **150.61** | |
| Others | **268.31** | 218.75 |
| | **880.71** | 472.02 |
| **Deferred tax liabilities (net)** | **56.62** | 1,031.13 |
| **Note 8 : Other long-term liabilities** | | |
| Interest accrued but not due on borrowings | **18.38** | 15.57 |
| Advances from customers | **42.00** | - |
| | **60.38** | 15.57 |
| **Note 9 : Long term provisions** | | |
| Provision for employee benefits | | |
| Provision for gratuity | **966.26** | 470.41 |
| Provision for leave encashment | **369.71** | 231.63 |
| Others | | |
| Provision for warranty | **234.89** | 43.05 |
| | **1,570.86** | 745.09 |

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 10 : Short-term borrowings** | | |
| (a) Loans repayable on demand | | |
| Secured | | |
| from banks* | **7,557.20** | 6,185.82 |
| Unsecured | | |
| from banks | **130.68** | 868.45 |
| | **7,687.88** | 7,054.28 |
| (b) Other loans and advances | | |
| Unsecured | | |
| from directors | **-** | 46.83 |
| from others | **1,690.56** | 2,399.87 |
| | **1,690.56** | 2,446.70 |
| | **9,378.44** | 9,500.98 |

* includes cash credit and overdraft facilities secured by hypothecation of fixed assets, inventories of raw materials and finished goods and book debts (net of creditors), both present and future.

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 11 : Trade payables** | | |
| Trade payables | **16,833.07** | 12,533.28 |
| Provision for expenses | **896.80** | 1,463.65 |
| | **17,729.87** | 13,996.93 |
| **Note 12 : Other current liabilities** | | |
| Current maturities of long-term debt | **2,246.79** | 2,321.06 |
| Interest accrued but not due on current maturities of long term borrowings | **3.92** | 4.87 |
| Interest accrued and due on borrowings | **20.89** | - |
| Advances from customers | **1,524.97** | 1,203.36 |
| Unpaid dividends | **18.17** | 15.27 |
| Statutory dues | **1,131.30** | 747.89 |
| Contractually reimbursable expenses | **373.53** | 189.20 |
| Forward exchange contracts | **143.85** | - |
| Deferred payment liabilities | **53.73** | 8.18 |
| | **5,517.15** | 4,489.83 |
| **Note 13 : Short-term provisions** | | |
| (a) Provision for employee benefits | | |
| Provision for gratuity | **34.05** | 39.14 |
| Provision for leave encashment | **12.12** | 31.60 |
| | **46.17** | 70.74 |
| (b) Others: | | |
| Provision for wealth tax (net of advance tax of Rs. 3.57 (previous year Rs. Nil) | **4.56** | 4.51 |
| Provision for income tax (net of advance tax of Rs. 1,261.14 (previous year Rs. 1,206.62) | **60.16** | 55.52 |
| Provision for warranty | **311.86** | 57.45 |
| Provision for proposed equity dividend | **475.96** | 387.31 |
| Provision for proposed preference dividend | **10.50** | 130.89 |
| Provision for tax on proposed dividends | **78.92** | 84.07 |
| | **941.96** | 719.75 |
| | **988.12** | 790.48 |

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

## Note 14 : Fixed assets

| Particulars | Gross Block | | | | | | | Accumulated Depreciation | | | | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2011 | As at 1 April 2011 Joint venture companies | Additions pursuant to amalgamation (refer to Note 38) | Additions/ Transfers | Disposals | Disposals through hiving off ( refer to Note 39) | As at 31 March 2012 | As at 1 April 2011 | As at 1 April 2011 Joint venture companies | Addition pursuant to amalgmation (refer to Note 38) | Depreciation / amortisation expense for the year | Eliminated on disposal of assets | Impairment losses recognised in statement of profit and loss (refer to Note 36) | Eliminated on disposal of assets through hiving off (refer to Note 39) | As at 31 March 2012 | As at 31 March 2012 | As at 31 March 2011 |
| **A. Tangible assets** | | | | | | | | | | | | | | | | | |
| Land | | | | | | | | | | | | | | | | | |
| Freehold | 1,932.16 | - | - | 1,333.67 | 763.86 | 322.31 | 2,179.66 | - | - | - | - | - | - | - | - | 2,179.66 | 1,932.16 |
| Leasehold | 979.58 | - | 45.41 | 148.51 | - | 49.27 | 1,124.23 | 44.08 | - | 3.45 | 9.24 | - | 75.36 | 0.37 | 131.75 | 992.47 | 935.50 |
| Buildings | 6,009.40 | - | 236.22 | 1,479.12 | 26.00 | 476.21 | 7,222.53 | 995.25 | - | 29.60 | 238.70 | 1.25 | 366.12 | 34.14 | 1,594.28 | 5,628.25 | 5,014.15 |
| Plant and machinery | 26,502.68 | 10.03 | 5,030.33 | 6,859.12 | 2,082.58 | 935.05 | 35,384.53 | 11,812.27 | 0.16 | 3,359.40 | 3,152.85 | 280.52 | 1,590.40 | 259.18 | 19,375.38 | 16,009.15 | 14,690.41 |
| Furniture and fixtures | 448.49 | 0.77 | 4.27 | 82.59 | 1.81 | 10.82 | 523.49 | 168.64 | - | 3.06 | 29.14 | 0.82 | 8.90 | 1.10 | 207.81 | 315.68 | 279.85 |
| Vehicles | 772.86 | 2.07 | 138.74 | 259.79 | 240.83 | 39.23 | 893.40 | 284.09 | - | (11.06) | 83.90 | 122.39 | 8.51 | 0.45 | 242.60 | 650.80 | 488.77 |
| Office equipment | 1,374.92 | 2.08 | 151.11 | 173.32 | 50.12 | 29.31 | 1,622.00 | 664.22 | - | 102.54 | 96.06 | 23.93 | 24.84 | 5.17 | 858.56 | 763.44 | 710.70 |
| | 38,020.09 | 14.95 | 5,606.08 | 10,336.12 | 3,165.20 | 1,862.20 | 48,949.84 | 13,968.55 | 0.16 | 3,486.99 | 3,609.89 | 428.91 | 2,074.13 | 300.42 | 22,410.39 | 26,539.45 | 24,051.54 |
| **B. Intangible assets** | | | | | | | | | | | | | | | | | |
| Goodwill | - | - | 21.94 | - | - | - | 21.94 | - | - | 21.94 | - | - | - | - | 21.94 | - | - |
| Goodwill on account of consolidation | - | - | - | 97.33 | - | - | 97.33 | | - | - | - | - | - | - | - | 97.33 | - |
| Technical knowhow | 329.36 | - | - | 99.94 | - | 81.90 | 347.40 | 122.19 | - | - | 25.15 | - | 118.83 | 13.42 | 252.75 | 94.65 | 207.17 |
| Computer software | 1,956.80 | - | 241.67 | 207.88 | 20.35 | 9.88 | 2,376.12 | 1,177.04 | - | 81.43 | 382.68 | 2.94 | 13.07 | 2.04 | 1,649.24 | 726.88 | 779.76 |
| | 2,286.16 | - | 263.61 | 405.15 | 20.35 | 91.78 | 2,842.79 | 1,299.23 | - | 103.37 | 407.83 | 2.94 | 131.90 | 15.46 | 1,923.93 | 918.86 | 986.93 |
| **C. Capital work in progress** | 622.37 | - | - | (80.54) | 33.23 | 36.35 | 472.25 | - | - | - | - | - | - | - | - | 472.25 | 622.37 |
| **D. Intangible assets under development** | 69.43 | - | - | (28.07) | - | - | 41.36 | - | - | - | - | - | - | - | - | 41.36 | 69.43 |
| **Total** | 40,998.05 | 14.95 | 5,869.69 | 10,632.66 | 3,218.78 | 1,990.33 | 52,306.24 | 15,267.78 | 0.16 | 3,590.36 | 4,017.72 | 431.85 | 2,206.03 | 315.88 | 24,334.32 | 27,971.92 | 25,730.27 |

| Particulars | Gross Block | | | | | | Accumulated Depreciation | | | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2010 | Additions pursuant to amalgamation (refer to Note 38) | Additions/ Transfers | Disposals | Disposals through hiving off (refer to Note 39) | As at 31 March 2011 | As at 1 April 2010 | Additions pursuant to amalgamation (refer to Note 38) | Depreciation / amortisation expense for the year | Eliminated on disposal of assets | Impairment losses recognised in Statement of Profit and Loss (refer to Note 36) | Eliminated on disposal through hiving off (refer to Note 39) | Eliminated on disposal through hiving off (refer to Note 39) | As at 31 March 2011 | As at 31 March 2010 |
| A. Tangible assets | | | | | | | | | | | | | | | |
| Land | | | | | | | | | | | | | | | |
| Freehold | 1,932.16 | - | - | - | - | 1,932.16 | - | - | - | - | - | - | - | 1,932.16 | 1,932.16 |
| Leasehold | 764.04 | - | 215.54 | - | - | 979.58 | 36.68 | - | 7.40 | - | - | - | 44.08 | 935.50 | 727.36 |
| Buildings | 5,897.16 | - | 112.24 | - | - | 6,009.40 | 798.27 | - | 196.98 | - | - | - | 995.25 | 5,014.15 | 5,098.89 |
| Plant and machinery | 22,698.29 | 470.57 | 4,330.46 | 996.64 | - | 26,502.68 | 9,378.95 | 93.45 | 2,747.23 | 407.36 | - | - | 11,812.27 | 14,690.41 | 13,319.34 |
| Furniture and fixtures | 334.38 | 30.13 | 94.21 | 10.23 | - | 448.49 | 138.68 | 8.51 | 22.04 | 0.59 | - | - | 168.64 | 279.85 | 195.70 |
| Vehicles | 727.81 | 98.32 | 96.57 | 149.84 | - | 772.86 | 256.00 | 21.01 | 70.86 | 63.78 | - | - | 284.09 | 488.77 | 471.82 |
| Office equipment | 1,064.89 | 83.26 | 266.09 | 39.32 | - | 1,374.92 | 567.26 | 37.73 | 95.14 | 35.91 | - | - | 664.22 | 710.70 | 497.62 |
| | 33,418.73 | 682.28 | 5,115.11 | 1,196.03 | - | 38,020.09 | 11,175.84 | 160.70 | 3,139.65 | 507.64 | - | - | 13,968.55 | 24,051.54 | 22,242.89 |
| **B. Intangible assets** | | | | | | | | | | | | | | | |
| Goodwill | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Technical knowhow | 271.84 | 41.23 | 16.29 | - | - | 329.36 | 84.63 | 6.87 | 30.69 | - | - | - | 122.19 | 207.17 | 187.21 |
| Computer software | 1,545.77 | 119.86 | 291.70 | 0.53 | - | 1,956.80 | 943.07 | 21.22 | 212.80 | 0.05 | - | - | 1,177.04 | 779.76 | 602.70 |
| Goodwill on consolidation | 0.11 | - | - | 0.11 | - | - | - | - | - | - | - | - | - | - | 0.11 |
| | 1,817.72 | 161.09 | 307.99 | 0.64 | - | 2,286.16 | 1,027.70 | 28.09 | 243.48 | 0.05 | - | - | 1,299.23 | 986.93 | 790.02 |
| **C. Capital work in progress** | 246.66 | - | 622.37 | 246.66 | - | 622.37 | - | - | - | - | - | - | - | 622.37 | 246.66 |
| **D. Intangible assets under development** | 36.20 | - | 33.23 | - | - | 69.43 | - | - | - | - | - | - | - | 69.43 | 36.20 |
| Total | 35,519.31 | 843.37 | 6,078.70 | 1,443.33 | - | 40,998.05 | 12,203.54 | 188.79 | 3,383.14 | 507.69 | - | - | 15,267.78 | 25,730.27 | 23,315.77 |

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 15 : Non-current investments** | | |
| Non-trade, unquoted investments in equity instruments | | |
| (i) Associates | | |
| Minda Autocare Limited | | |
| - 140,150 equity shares (previous year 140,150 shares) of Rs.10 each (refer Note 41) | **-** | 73.17 |
| Minda NexGenTech Limited | | |
| 2,470,000 equity shares (previous year Nil shares) of Rs.10 each | **176.87** | - |
| Mindarika Pvt. Ltd. | | |
| - 2,707,600 equity shares (previous year 2,707,600 shares) of Rs.10 each | **1,157.47** | 700.73 |
| (ii) Joint ventures | | |
| Minda Emer Technologies Limited | | |
| - 22,30,000 equity shares (previous year 949,930 shares) of Rs.10 each | **-** | 94.99 |
| - Nil equity shares ( Previous year 36,85,000 shares) of Rs.10 each | **-** | 368.50 |
| PT Minda Aseam Automotive (Indonesia) | | |
| - 20,250 equity shares (previous year 20,250 shares) of USD $10 | **88.85** | 88.85 |
| Investment in partnership firms | | |
| Auto Component | **494.26** | 348.60 |
| Yogendra Engineering | **254.26** | 215.12 |
| | **2,171.71** | 1,889.96 |

| Investment in Partnership Firms | Share in Profit (%) | Share in Profit (%) |
|---|---|---|
| (a) Investment in Auto Component | | |
| Name of the Partners | | |
| Minda Industries Limited | **48.90%** | 48.90% |
| Nirmal K. Minda | **25.55%** | 25.55% |
| Palak Minda | **25.55 %** | 25.55% |
| (b) Investment in Yogendra Engineering | | |
| Minda Industries Limited | **48.90%** | 48.90% |
| Sanjeev Garg | **22.50%** | 22.50% |
| Birender Garg | **22.50%** | 22.50% |
| Suman Minda | **6.10%** | 6.10% |
| Total capital of the firm | | |
| Auto Component | **1,101.51** | 802.69 |
| Yogendra Engineering | **519.93** | 439.91 |

| | | |
|---|---|---|
| **Note 16 : Long term loans and advances** | | |
| Capital advances | | |
| Unsecured, considered good | **834.85** | 394.64 |
| Advance income tax (net of provision for tax Rs. 2,828.44 (previous year Rs. 2,107.62) | **916.24** | 772.45 |
| Security deposits | | |
| Unsecured, considered good | **413.43** | 161.42 |
| | **2,164.52** | 1,328.51 |
| **Note 17 : Other non-current assets** | | |
| Deposits with bank original maturity for more than 12 months | **5.51** | - |
| Interest accrued on bank deposits | **0.45** | - |
| Others | | |
| Miscellaneous expenditure to the extent not written off or adjusted | **-** | 17.01 |
| Duty entitlement available | **146.85** | 152.18 |
| | **152.81** | 169.19 |

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 18: Current investments** | | |
| Non-trade, unquoted investments in equity instruments | | |
| Associates | | |
| Minda Autocare Limited -140,150 equity shares (previous year nil equity shares) of Rs 10 each (refer Note 41) | **109.46** | - |
| | **109.46** | **-** |
| **Note 19 : Inventories** | | |
| Raw materials | **4,782.10** | 4,848.17 |
| Goods in transit | **49.93** | - |
| Work-in-progress | **1,151.81** | 1,858.41 |
| Finished goods | **611.65** | 523.92 |
| Stock-in-trade | **19.43** | 220.37 |
| Stores and spares | **930.46** | 249.37 |
| Tools, moulds and dies including loose tools | **535.93** | 675.69 |
| | **8,081.31** | 8,375.93 |
| **Note 20 :Trade receivables (Unsecured, considered good unless otherwise stated)** | | |
| Trade receivables outstanding for a period exceeding six months | | |
| Unsecured, considered good | **201.21** | 20.69 |
| Doubtful | **112.80** | 130.95 |
| Less: Provision for doubtful trade receivables | **112.80** | 130.95 |
| Other trade receivables | | |
| Unsecured, considered good | **19,424.82** | 13,054.57 |
| | **19,626.03** | 13,075.27 |
| **Note 21 : Cash and bank balances** | | |
| Cash and cash equivalents | | |
| Cash in hand | **32.88** | 27.83 |
| Cheques, drafts on hand | **3.51** | 92.38 |
| Balances with banks | | |
| Current accounts | **1,573.87** | 440.64 |
| Fixed deposits ( refer to Note below) | **5,026.54** | 1,712.22 |
| Others | | |
| Unpaid dividend accounts | **18.17** | 15.27 |
| Cash on imprest accounts | **2.18** | 4.80 |
| | **6,657.15** | 2,293.14 |
| Note: | | |
| Fixed deposits for a period more than 3 months and less than or equal to 12 months | **913.54** | 985.51 |
| **Note 22 : Short-term loans and advances** | | |
| Loans and advances to related parties * | **-** | 72.00 |
| Security deposits | **66.87** | 137.64 |
| Loans and advances to employees | **153.34** | 140.17 |
| Prepaid expenses -unsecured, considered good | **159.56** | 131.50 |
| Minuimum alternate tax credit entitlement | **67.31** | 1.78 |
| Balances with government authorities- unsecured, considered good | **1,270.97** | 747.59 |
| Others | | |
| Unsecured, considered good | | |
| Advance for investment in securities | **-** | 500.00 |
| Advance to suppliers | **2,744.65** | 1,273.27 |
| | **4,462.70** | 3,003.95 |
| Doubtful advances | **4.94** | 0.60 |
| Allowance for bad/doubtful loans and advances | **4.94** | 0.60 |
| | **4,462.70** | 3,003.95 |

* includes due to :
Minda Emer Technologies Limited- Rs.Nil (previous year Rs.72.00)

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 23 : Other current assets** | | |
| Interest income accrued on fixed deposits | **60.61** | 41.78 |
| Duty entitlement available | **48.95** | 50.73 |
| Forward exchange receivable | **151.84** | - |
| Insurance claims | **15.60** | - |
| Silver coins/items | **2.76** | 2.09 |
| | **279.76** | 94.60 |

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 24: Revenue from operations** | | |
| Sale of products | **125,319.21** | 100,590.89 |
| Sale of services | **866.11** | 817.20 |
| Other operating revenues | **1,303.23** | 1,791.53 |
| Less: | | |
| Excise duty | **9,567.93** | 7,777.96 |
| | **117,920.62** | 95,421.66 |
| **Note 25 : Other income** | | |
| Interest income | **220.10** | 106.93 |
| Dividend income | **123.17** | 81.15 |
| Share of profit from partnership firms | **612.56** | 772.53 |
| Net gain on sale of long-term investments | **-** | 79.18 |
| Net gain on foreign currency transactions and translation (other than considered as finance cost) | **223.31** | 281.54 |
| Profit on sale of fixed assets (net) | **107.98** | 124.86 |
| Others: | | |
| Liabilities / provisions no longer required written back | **331.08** | 3.09 |
| Excess provision of income tax written back | **1.00** | - |
| Miscellaneous income | **14.58** | 11.30 |
| Commission income | **-** | 0.06 |
| | **1,633.78** | 1,460.64 |
| **Note 26 :Cost of materials consumed** | | |
| Raw materials (including purchase components and packing materials) | | |
| Imported material | **7,842.09** | 6,189.49 |
| Indigenous material | **72,616.40** | 58,279.29 |
| | **80,458.49** | 64,468.78 |
| **Note 27 : Changes in inventories** | | |
| Inventories at the end of the year: | | |
| Work-in-progress | **1,151.81** | 1,858.41 |
| Finished goods (other than those acquired for trading) | **611.65** | 523.91 |
| Stock-in-trade (acquired for trading) | **19.42** | 220.37 |
| | **1,782.87** | 2,602.68 |
| Inventories at the beginning of the year: | | |
| Work-in-progress | **1,858.41** | 1,272.70 |
| Finished goods (other than those acquired for trading) | **523.91** | 376.23 |
| Stock-in-trade (acquired for trading) | **220.37** | - |
| | **2,602.69** | 1,648.93 |
| Net (increase) / decrease | **819.82** | (953.75) |
| **Note 28 : Employee benefit expenses** | | |
| Salaries and wages* | **11,034.41** | 8,346.74 |
| Contribution to gratuity fund | **395.71** | 122.63 |
| Contribution to provident and other funds | **811.22** | 623.11 |
| Staff welfare expenses | **1,190.99** | 1,044.40 |
| | **13,432.33** | 10,136.88 |

* includes prior period expenses of Rs. 27.24 lacs (previous year Rs. Nil)

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 29 : Financial costs** | | |
| Interest expense on borrowings | **1,876.46** | 1,597.87 |
| Other finance cost | **101.62** | 71.52 |
| | **1,978.08** | 1,669.39 |
| **Note 30 : Depreciation and amortization** | | |
| Depreciation on tangible assets* | **3,608.17** | 3,145.44 |
| Amortisation on intangible assets | **409.54** | 243.23 |
| | **4,017.71** | 3,388.67 |
| * includes prior period expenses of Rs. 65.75 (previous year Rs. Nil) | | |
| **Note 31 : Other expenses** | | |
| Consumption of stores and spare parts | **2,248.63** | 1,483.43 |
| Job work charges | **1,496.85** | 2,389.82 |
| Power and fuel | **2,341.93** | 2,269.41 |
| Rent including lease rentals | **854.94** | 492.64 |
| Repairs and maintenance | **1,130.98** | 563.48 |
| Rates and taxes | **119.91** | 18.72 |
| Travelling and conveyance | **1,732.91** | 1,650.85 |
| Legal and professional | **827.17** | 1,145.22 |
| Payments to auditors (Refer Note (i) below) | **45.10** | 19.68 |
| Expenses relating to earlier years | **74.57** | - |
| Insurance | **88.51** | 145.84 |
| Miscellaneous expenses | **4,662.38** | 3,219.40 |
| | **15,623.88** | 13,398.49 |
| Notes: | | |
| (i) Payments to the auditors comprises | | |
| (net of service tax input credit, where applicable ): | | |
| As auditor | | |
| Statutory audit | **32.56** | 17.00 |
| Tax audit | **2.94** | 1.75 |
| Limited review of quarterly results | **9.00** | - |
| In other capacity | | |
| Taxation matters | **-** | 0.93 |
| For other services | **0.60** | - |
| | **45.10** | 19.68 |
| **Note 32 : Exceptional items** | | |
| Profit on sale of fixed assets- land sale | **1,331.97** | - |
| Impairment of assets (Loss) (refer to note 36) | **(2,206.03)** | - |
| Insurance claim received (net gain) (refer to note 37) | **105.62** | - |
| | **(768.46)** | **-** |

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

| | As at 31 March 2012 | As at 31 March 2011 |
|---|---|---|
| **Note 33 : Earnings per share** | | |
| Net profit after tax, minority interest as per statement of profit and loss | **2,824.80** | 3,552.87 |
| Adjustment to net profit after tax: | | |
| Dividend on preference shares and dividend tax thereon | **12.20** | 177.92 |
| Net proft attributable to equity shares | **2,812.60** | 3,374.95 |
| Weighted average number of equity shares (Nos. in Lacs) | | |
| for Basic EPS | **158.65** | 129.10 |
| for Diluted EPS | **158.65** | 147.45 |
| Basic earnings per share (in rupees) (Face value Rs 10 per share) | **17.73** | 26.14 |
| Diluted earnings per share (in rupees) (Face value Rs 10 per share) | **17.73** | 22.89 |

Calculation of weighted average number of shares for basic/diluted earnings per share

| **Particulars** | **Effective Date** | | **Effective Date** | |
|---|---|---|---|---|
| **for basic earnings per share:** | | | | |
| Opening balance of equity share as on 1April 2011 | 1 April 2011 | 129.10 | 1 April 2011 | 105.05 |
| Shares issued to shareholders of erstwhile Minda Autogas Limited | - | - | 1 April 2011 | 24.05 |
| Shares issued to shareholders of erstwhile Minda Acoustic Limited | 1 April 2011 | 11.20 | | - |
| Conversion of compulsorily convertible preference ahares | 1 April 2011 | 18.35 | | - |
| **Add for diluted earnings per share:** | | 158.65 | | 129.10 |
| 3% Cumulative compulsorily convertible preference shares of Rs.2,187 each (Class 'B') | | - | 1 April 2011 | 18.35 |
| | | 158.65 | | 147.45 |

**34. Contingent liabilities not provided for in the books of accounts are:**

(a) Claims made against the Group not acknowledged as debts (including interest, wherever applicable):

| Name of the statute | Nature of the Dues | Amount | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act,1961 | Income tax | 7.48 | Assessment year 2002 - 2003 | Honorable High Court of Delhi |
| Income Tax Act,1961 | Income Tax | 4.62 | Assessment year 2004- 2005 | Income Tax Appellate Tribunal |
| Income Tax Act,1961 | Transfer pricing – Against Section 143(3) and Section 144C | 686 | Assessment year 2006- 2007 | Income Tax Appellate Tribunal |
| Income Tax Act,1961 | Income Tax | 10.32 | Assessment year 2007- 2008 | Income Tax Appellate Tribunal |
| Income Tax Act,1961 | Income Tax | 4.11 | Assessment year 2008- 2009 | Commissioner (Appeals) of Income Tax |
| Income Tax Act,1961 | Income Tax | 82.49 | Assessment year 2009- 2010 | Commissioner (Appeals) of Income Tax |

Contingent liabilities relating to other cases Rs. 14.70 (Previous year Rs. 73.94)

Future cash outflows in respect of the above would be determinable on finalization of judgments /decisions pending with various forums / authorities.

(b) Corporate guarantee: Corporate guarantee given by the Group and outstanding as on 31 March 2012 amounting to Rs.1,500 (Previous Year: Rs. 1,500) in respect of loans borrowed by related parties. Further, the Group has also provided a 'letter of comfort' amounting to Rs.1,777 (previous year Rs Nil) in respect of a loan taken by a related party from banks.

(c) As per an agreement executed with Maruti Suzuki India Ltd (MSIL) under the 'Maruti Car Scheme', a loan facility was granted to the Company's employees and other associates, whereby the Company has guaranteed to repay the loan in case of any default. The amount outstanding at the year end is Rs.32.61 (previous year: Rs. 90.53).

(d) The export obligations outstanding as at 31 March 2012 amount to Rs.5,644.76 (previous year: Rs.7,548.37).

## Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

(e) The Company has availed sales tax incentives for its unit at Gurgaon, Haryana, from the Government of Haryana as sales tax capital subsidy amounting to Rs. 225.65 (previous year Rs.225.65). In accordance with scheme of Government of Haryana for Development of Industries, the amount may be refundable to the Government, if specified conditions are not fulfilled, within the prescribed time.

**35. Capital and other commitments (net of advances)**

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at 31 March 2012 aggregates to Rs. 2660.95 (previous year: Rs. 264.21).

(b) Detail of other commitments – Rs. Nil (previous year: Rs. Nil)

**36. Impairment**

The Battery division of the Company was incurring continous losses. The shareholders of the Company had approved the hiving off of this division to a separate entity through postal ballot on 28 December 2011.Subsequently, the Board of Directors in their meeting held on 30 March 2012 reviewed the financial position of the division and decided to revive the unit and approved to scale down the operations instead of hiving off division. Accordingly, the Board's approval has been considered as withdrawn and the operations of the Battery Division have been disclosed under 'Revenue from operations'.

Management has, however, created an impairment charge amounting to Rs. 2,206.03 (previous year: Rs. Nil) as at 31 March 2012 based on the valuation of an independent valuer. The carrying value of tangible fixed assets of the battery division after providing for the above mentioned impairment charge amounts to Rs. 1,994.42 (previous year: Rs 4,614.56) as at 31 March 2012.

**37. Fire at Light division, Pune**

During the current year (August 2011), one of the manufacturing facilities of the Light division of the Company at Pune had incurred loss of fixed assets and inventory on account of fire. The break-up of assets damaged (i.e. W D V) and expenses due to fire are as follows:

| Particulars | Amount |
|---|---|
| Inventory | 75.01 |
| Fixed assets | - |
| - Buildings | 24.76 |
| - Plant and machinery | 674.58 |
| - Office equipment | 5.44 |
| Expenses | 184.21 |
| Total | 964.00 |

The Company had filed a claim with its insurers and the claim is expected to settle at a total amount of Rs. 1,320 (basis of replacement cost of the assets). As at 31 March 2012, out of the above, the Company has received Rs 1,070 from the Insurance Company as an interim payment. The same has been disclosed as an 'Exceptional item' in the Statement of Profit and Loss.

**38. Amalgamation**

(i) During the current year, the Honorable High Court of Delhi vide its' order dated 25 August 2011, approved the scheme of Amalgamation of Minda Acoustic Limited (Transferor Company) with the Company as per the provisions of section 391 to 394 and other related provisions of the Companies Act, 1956. The transferor

## Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

company is engaged in the business of manufacturing and marketing of automotive horns for two, three and four wheelers. The amalgamation is in the nature of a purchase and had been accounted for under the pooling of interests method. The appointed date of the amalgamation as per the scheme was 1 April 2010. The effective date of amalgamation being the date of filing the order with the Registrar of Companies (ROC) was 26 September 2011.

As per the scheme sanctioned:

a) All assets and liabilities recorded in the books of the transferor company have been transferred at their respective book values in the books of the Company as on the appointed date.

b) All assets, liabilities, rights and obligations of the transferor company have been transferred and stand vested with the Company with effect from the appointed date.

c) The valuation exercise was carried out by independent valuers and swap ratios were considered based on their reports. Accordingly, the equity shares were allotted as under:

- 1,120,164 equity shares of Rs. 10 each of the Company were issued to the shareholders of the transferor in the ratio of 100 fully paid equity shares of Rs. 10 each of the Company for each 1,798 fully paid up equity shares of Rs. 10 each held in the transferor company as on record date.

The difference between the amount of share capital of the erstwhile Minda Acoustic Limited (MAL) and the amount of fresh share capital issued by the Company on amalgamation amounting to Rs. 1,902.04 has been treated as General Reserve as detailed below:

| **Particulars** | **As at 1 April 2011** |
|---|---|
| **Assets** | |
| Net fixed assets | 2,306.28 |
| Current assets | 6,886.90 |
| Deferred tax assets | 216.52 |
| | **9,409.70** |
| **Liabilities** | |
| Secured loan | 448.26 |
| Current liabilities and provision | 2,291.26 |
| **Reserve and surplus** | |
| General reserve | 2,500.00 |
| Capital reserve | 22.31 |
| Profit & Loss A/c (Reserve & Surplus) | 1,765.31 |
| **Net assets/(liabilities)** | **2,382.56** |
| MIL investment in shares of Minda Acoustic Limited | 368.50 |
| Shares issued by MIL to MAL shareholders except MIL shareholdings | 112.02 |
| **Amount transferred to General reserve** | **1,902.04** |

As per the scheme, the equity shares shall rank pari-passu in all respects with the existing equity shares of the Company.

(ii) During the previous year, the Honorable High Court of Delhi vide it's order dated 25 January 2011, approved the scheme of Amalgamation of Minda Autogas Limited (Transferor Company) with the Company as per the

## Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

provisions of section 391 to 394 and other related provisions of the Companies Act, 1956. The transferor company was engaged in the business of manufacturing of CNG/LPG Kits. The amalgamation is in the nature of a merger and had been accounted for under the pooling of interests method. The appointed date of the amalgamation as per the scheme was 1 April 2009. The effective date of amalgamation being the date of filing the order with the Registrar of Companies (ROC) was 23 February 2011.

As per the scheme sanctioned:

a) All assets and liabilities recorded in the books of the transferor company have been transferred at their respective book values in the books of the Company as on the appointed date.

b) All assets, liabilities, rights and obligations of the transferor company have been transferred and stand vested with the Company with effect from the appointed date.

c) The valuation exercise was carried out by independent valuers and swap ratios were considered based on their reports. Accordingly, the equity shares were allotted as under:

- 2,405,128 equity shares of Rs. 10 each of the Company were issued to the shareholders of the transferor in the ratio of 4 fully paid equity shares of Rs. 10 each of the Company for each 10 fully paid up equity shares of Rs. 10 each held in the transferor company as on record date.

The difference between the amount of share capital of the erstwhile Minda Autogas Limited and the amount of fresh capital issued by the Company on amalgamation amounting to Rs. 360.77 has been treated as General Reserve.

In terms of scheme, the equity shares as and when issued and allotted by the Company shall rank paripassu in all respects with the existing equity shares of the Company.

**39. Discontinued operations**

The Board of Directors of the Company at its meeting held on 10 August 2011 approved the hiving off of the Blow-moulding division of the Company and issued the notice for postal ballot for shareholder's approval. Approval of shareholders for hiving off the Blow Moulding division was received on 27 September 2011 and the assets and liabilities of the Blow Moulding Division were transferred to Minda Kyoraku Limited, a subsidiary, at a fair value amounting to Rs. 2,276.71 as on 31 December 2011 based on a Business/ asset transfer agreement. The Company earned a profit amounting to Rs. 958.83 on the transaction and the surplus has been disclosed under 'Exceptional Items' in the Statement of Profit and Loss.

The financial information on this discontinued business for the current year is detailed below:

| **Particulars** | **For the year ended 31 March 2012** | **For the year ended 31 March 2011** |
|---|---|---|
| Net Profit/(Loss) before tax from ordinary activities | **67.76** | (72.35) |
| Income tax expense related to above | **13.61** | (24.59) |
| Profit/(Loss) on disposal of discontinued business (pre-tax) | **958.83** | - |
| Income tax expense related to above | **196.34** | - |

**40.** During the year 2002-03, the Director, Town and Country Planning, Chandigarh issued a demand notice on the Company amounting to Rs. 37.93 (previous year Rs. 37.93) towards revised CLU charges for the land situated at Village Nawada Fatehpur, P.O. Sikanderpur Badda, Gurgaon, and Haryana. The Company had filed a Special Leave Petition (SLP) with the Honorable Supreme Court of India, basis which a leave had been granted. Further, the Company had deposited Rs. 9.50 (previous year Rs. 9.50) as under protest with the authorities. During the current year, the Company has filed a writ petition with the High Court of Punjab and Haryana in order to cancel the demand

## Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

notice and obtain a stay on the balance demand. Further, the Company has filed a letter to the High Court seeking permission to withdraw the petition and accordingly have agreed to pay the total liability of Rs.37.93 (previous year Rs.37.93) and the interest thereon amounting to Rs.28.14, towards revised CLU charges after adjusting the amount of Rs. 9.50 (previous year Rs. 9.50) paid earlier.

**41. Sale of investment**

Subsequent to the year end (April 2012), the Company has disposed off its investment in the equity shares of Minda Auto Solution Limited (formerly known as Minda Autocare Limited) to Minda Corporation Limited. The carrying value of these investments as at the year-end amounts to Rs. 73.17 (previous year Rs 73.17). The same has been disclosed as a current investment as at the Balance Sheet date and valued at cost (cost being lower than the fair value). The profit on sale of investment amounting to Rs. 117 will be recognized in the first quarter of 2012-13. These investments are long term investments within the meaning of Accounting Standard 13 and have been classified as current investments for presentation purposes in consonance with the overall scheme of Revised Schedule VI.

**42. Segment Information**

Disclosure requirements under Accounting Standard 17 on ‘Segment Reporting’, specified by the Companies (Accounting Standards) Rules, 2006 are not applicable as the Group’s business activity falls within a single primary business segment i.e. manufacturing of automotive parts and accessories and no reportable geographical segment.

**43. Related Party Disclosures**

(i) Related parties with whom transactions have taken place during the year/ previous year and the nature of related party relationship:

| | |
|---|---|
| Key management personnel: | Mr. Nirmal K. Minda,<br>Chairman & Managing Director (‘CMD’) |
| Relatives of key management personnel: | Mrs. Suman Minda (wife of CMD)<br>Mrs. Paridhi Minda Jindal (daughter of CMD)<br>Mrs. Palak Minda (daughter of CMD) |
| Other entities over which key management personnel is able to exercise significant influence: | Minda Finance Limited<br>Minda Investments Limited<br>Minda International Limited<br>Nirmal K. Minda (HUF)<br>Minda Industries (Firm)<br>Minda Automotive Limited<br>Minda Spectrum Advisory Limited<br>Samaira Engineering<br>S.M. Auto Industries |

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

(ii) Transactions with related parties:

| Transactions with related parties | Entities over which key personnel are able to exercise significant influence | | Key management personnel and relatives | |
|---|---|---|---|---|
| | **March 31 2012** | March 31 2011 | **March 31 2012** | March 31 2011 |
| Sale of goods | **93** | 3729 | **-** | - |
| Purchase of goods | **-** | 4328 | **-** | - |
| Sale of Fixed Assets | **-** | - | **-** | - |
| Expenses recovered | **-** | 97 | **-** | - |
| Reimbursements of expense | **471** | - | **-** | - |
| Services rendered | **-** | 35 | **-** | - |
| Remuneration | **-** | - | **136** | 113 |
| Design fee Received | **-** | 49 | **-** | - |
| Rent paid | **638** | 343 | **99** | 14 |
| Electricity | **-** | - | **22** | |
| Dividend received | **-** | 36 | **-** | - |
| Interest paid | **3** | 18 | **1** | 2 |
| Interest received | **-** | 3 | **-** | - |
| Share of profits | **-** | 773 | **-** | - |
| Guarantee given | **-** | 1,500 | **-** | - |
| Royalty received | **-** | 482 | **-** | - |
| Royalty paid | **-** | 9 | **-** | - |
| Dividend paid on equity share capital | **133** | 94 | **123** | 122 |
| Dividend paid on 9% cumulative redeemable preference share capital | **-** | - | **-** | 20 |
| Dividend paid on 3% cumulative redeemable preference share capital | **-** | - | **11** | 11 |
| Credit balance outstanding at the end of the year: | | | | |
| -Fixed deposits | **-** | 8 | **7** | 7 |
| -Unsecured loan | **-** | 47 | **-** | - |
| **Balance outstanding** | **-** | - | **-** | - |
| Receivable | **287** | 381 | **-** | - |

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

(iii) Details of related party with whom transactions exceed 10% of the class of transactions

| Related party | Nature of transaction | **For the year ended 31 March 2012** | For the year ended 31 March 2011 |
|---|---|---|---|
| Minda NexGenTech Limited | Receivables | **507** | - |
| Minda Autocare Limited | Receivables | **836** | - |
| Mr Nirmal K. Minda | Remuneration paid | **136** | 113 |
| NK Minda HUF | Equity dividend paid | **41** | 40 |
| Minda Investment Limited | Equity dividend paid | **85** | 47 |
| Mr Nirmal K. Minda | Equity dividend paid | **51** | 51 |
| Mrs. Suman Minda | Equity dividend paid | **62** | 62 |
| Minda International Limited | Sale of services | **93** | 70 |
| Minda Investment Limited | Rent paid | **592** | 332 |
| Minda Investment Limited | Re imbursement of expenses paid | **452** | 332 |

44. Disclosure pursuant to Accounting Standard-15 on “Employee Benefits”

a) Pursuant to the adoption of accounting standard (AS) 15 (revised 2005) “Employee Benefits”, the additional obligation of the Company with respect of certain employee benefits upto 31 March 2007 was Rs.184.92 out of which Rs.184.92 (Previous Year: Rs.147.92) has been adjusted from the General reserve.

b) Defined contribution plan

An amount of Rs. 651.51 (Previous year: Rs.489.14) for the year, has been recognized as an expense in respect of the Group’s contribution towards Provident Fund, deposited with the government authorities and has been included under employee benefit expense in the Statement of Profit and loss. Further an amount of Rs. 37.61 (Previous year: Rs. 40.20) for the year, has been recognized as an expense in respect of the Group’s contribution towards Superannuation Fund, and has been included under employee benefit expense in the Statement of Profit and loss.

c) Defined benefit plans

Gratuity is payable to all eligible employees of the Group on superannuation, death or permanent disablement in terms of the provisions of the Payment of Gratuity Act or as per the Company’s Scheme, whichever is more beneficial.

The obligation for compensated absences is recognized in the same manner as Gratuity. Provision on earned leave has been created basis the Group’s policies.

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

(i) Changes in present value of obligation:

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | For the year ended | | For the year ended | |
| | **31 March 2012** | 31 March 2011 | **31 March 2012** | 31 March 2011 |
| Present value of obligation as at the beginning of the year | **659.61** | 517.73 | **252.91** | 218.61 |
| Present value of obligation at the beginning of the year on account of consolidation (refer to Note 50) | **9.53** | - | **5.37** | - |
| Acquisition adjustment | **(1.10)** | - | **-** | - |
| Interest cost | **56.28** | 41.42 | **21.66** | 17.49 |
| Past service cost | **-** | - | **-** | |
| Current service cost | **167.81** | 97.64 | **94.17** | 68.89 |
| Curtailment cost/(Credit) | **-** | - | **-** | - |
| Settlement cost/(Credit) | **-** | - | **-** | - |
| Benefits paid | **(74.94)** | (35.91) | **(144.49)** | (142.58) |
| Actuarial (gain)/loss on obligation | **333.19** | 38.74 | **149.80** | 90.51 |
| Present value of obligation as at the end of year | **1150.38** | 659.61 | **381.45** | 252.91 |
| - Long term | **1,111.42** | 620.47 | **369.715** | 231.63 |
| - Short term | **38.95** | 39.14 | **12.11** | 21.28 |
| | **1150.38** | 659.61 | **381.45** | 252.91 |

(ii) Changes in the fair value of plan assets:

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | For the year ended | | For the year ended | |
| | **31 March 2012** | 31 March 2011 | **31 March 2012** | 31 March 2011 |
| Fair value of plan assets at the beginning of the year | **239.78** | 220.49 | **-** | - |
| Acquisition adjustment | **(1.10)** | - | **-** | - |
| Expected return on plan assets | **19.78** | 19.29 | **-** | - |
| Contributions | **-** | - | **-** | - |
| Benefits paid | **-** | - | **-** | - |
| Actuarial gain/(loss) on plan assets | **(0.09)** | - | **-** | - |
| Fair value of plan assets at the end of the period | **258.37** | 239.78 | **-** | - |

## Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

(iii) Actuarial gain/ loss recognized is as follows:

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | For the year ended | | For the year ended | |
| | **31 March 2012** | 31 March 2011 | **31 March 2012** | 31 March 2011 |
| Actuarial gain/(loss) for the year – obligation | **(333.19)** | (38.74) | **(149.80)** | (90.51) |
| Actuarial (gain)/loss for the year -plan assets | **(0.09)** | - | **-** | - |
| Total (gain)/loss for the year | **333.28** | 38.74 | **149.80** | 90.51 |
| Actuarial (gain)/ loss recognized in the year | **333.28** | 38.74 | **149.80** | 90.51 |
| Unrecognized actuarial (gain)/losses at the end of year | **-** | - | **-** | - |

(iv) The amounts recognized in the Consolidated Balance Sheet are as follows:

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | For the year ended | | For the year ended | |
| | **31 March 2012** | 31 March 2011 | **31 March 2012** | 31 March 2011 |
| Present value of obligation as at the end of the year | **1150.38** | 659.61 | **381.45** | (252.91) |
| Fair value of plan assets as at the end of the year | **258.37** | 239.78 | **-** | - |
| Funded status | **(888.17)** | (419.83) | **(379.40)** | (252.91) |
| Excess of actual over estimated | **(0.09)** | - | **-** | - |
| Unrecognized actuarial (gains)/losses | **-** | - | **-** | - |
| Net asset/(liability)recognized in balance sheet | **(892.01)** | (419.83) | **(381.45)** | (252.91) |

(v) Expenses recognized in the Consolidated Statement of Profit and Loss:

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | For the year ended | | For the year ended | |
| | **31 March 2012** | 31 March 2011 | **31 March 2012** | 31 March 2011 |
| Current Service Cost | **167.81** | 97.64 | **94.03** | 68.89 |
| Past Service Cost | **-** | - | **-** | - |
| Interest cost | **56.28** | 41.42 | **21.64** | 17.49 |
| Expected return on plan assets | **(19.78)** | (19.29) | **-** | - |
| Curtailment cost / (Credit) Settlement cost / (credit) | | | | |
| Net actuarial (gain)/ loss recognized in the year | **333.28** | 38.74 | **149.80** | 90.51 |
| Expenses recognized in the statement of profit & losses | **533.75** | 158.50 | **265.23** | 176.89 |

## Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

(vi) Experience adjustments

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | For the year ended | | For the year ended | |
| | **31 March 2012** | 31 March 2011 | **31 March 2012** | 31 March 2011 |
| Defined benefit obligation | **(106.78)** | (40.53) | **44.83** | - |
| Plan assets | **(1.29)** | - | **0.01** | - |

(vii) Enterprise best estimate of contribution during next year is-

| Particulars | Amount |
|---|---|
| Leave encashment | 122.10 |
| Gratuity | 269.44 |

(viii) Principal actuarial assumptions at the Balance Sheet date are as follows:

a) Economic assumptions: The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. Assumptions used for the Group are common except for Minda Auto Components Limited and Minda Emer Technologies Limited which has been disclosed separately.

| Particulars | **For the year ended 31 March 2012** | For the year ended 31 March 2011 |
|---|---|---|
| Discount rate | **8.50%** | 8.00% |
| Salary Escalation Rate (per annum) | **8.00%** | 5.50% |
| Withdrawal rates | | |
| Age- Upto 30 years | **3%** | 3% |
| 31-44 years | **2%** | 2% |
| Above 44 years | **1%** | 1% |
| Mortality rate | **LIC (1994-96)** | LIC (1994-96) |

Assumptions for Minda Auto Components Limited and Minda Emer Technologies Limited

| Particulars | **For the year ended 31 March 2012** |
|---|---|
| Discount rate | **8.50%** |
| Salary Escalation Rate (per annum) | **6.00%** |
| Withdrawal rates | |
| Age- Upto 30 years | **3%** |
| 31-44 years | **2%** |
| Above 44 years | **1%** |
| Mortality rate | **LIC (1994-96)** |

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

b) Demographic assumptions:

| | Particulars | Assumptions as at 31 March 2012 | Assumptions as at 31 March 2011 |
|---|---|---|---|
| i) | Retirement Age (Years) | **58** | 58 |
| ii) | Mortality Table | **LIC (1994-96)** | LIC (1994-96 |
| iii) | Ages | **Withdrawal Rate (%)** | Withdrawal Rate (%) |
| | Up to 30 Years | **3.00** | 3.00 |
| | From 31 to 44 years | **2.00** | 2.00 |
| | Above 44 years | **1.00** | 1.00 |

**45. Particulars on unhedged foreign currency exposure:**

| Currency | As at 31 March 2012 | | | As at 31 March 2011 | | |
|---|---|---|---|---|---|---|
| | Amount in foreign currency (in lacs) | Exchange rate (in Rs.) | Amount (Rs. in lacs) | Amount in foreign currency | Exchange rate (in Rs.) | Amount (Rs. in lacs) |
| **Trade Receivables** | | | | | | |
| USD | **39.44** | **50.10** | **1,976.02** | 28.95 | 44.36 | 1,284.41 |
| EUR | **8.77** | **67.73** | **593.79** | 1.54 | 62.61 | 96.20 |
| JPY | **289.54** | **0.63** | **183.02** | 103.23 | 53.51 | 5,524.00 |
| **Advance from customers** | | | | | | |
| USD | **1.85** | **49.48** | **91.76** | 1.01 | 44.97 | 45.23 |
| EUR | **0.66** | **66.39** | **43.96** | 2.39 | 63.61 | 152.22 |
| JPY | **0.24** | **0.64** | **15,710** | - | - | - |
| **Trade Payables** | | | | | | |
| USD | **15.29** | **49.51** | **757.11** | 10.76 | 44.97 | 484.02 |
| JPY | **340.84** | **0.65** | **221.55** | 40.13 | 0.55 | 22.07 |
| EUR | **3.97** | **67.87** | **269.46** | 0.89 | 63.61 | 56.89 |
| GBP | **0.01** | **77.18** | **0.81** | 0.01 | 72.56 | 0.76 |
| TWD | **0.19** | **1.79** | **0.34** | 4.60 | 1.53 | 7.03 |
| CNY | **0.03** | **8.21** | **0.24** | - | - | - |
| HKD | **0.01** | **6.89** | **0.10** | - | - | - |
| **Advance to Vendors** | | | | | | |
| USD | **5.31** | **49.87** | **264.66** | 3.81 | 44.36 | 169.05 |
| EUR | **1.48** | **67.42** | **99.95** | 0.99 | 62.61 | 61.87 |
| JPY | **19.91** | **0.62** | **12.42** | 23.75 | 0.54 | 12.71 |
| RMB | **0.05** | **6.75** | **0.36** | - | - | - |
| TWD | **0.20** | **1.75** | **0.35** | - | - | - |

**46.** Based on the information available with the management there are no over dues outstanding to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Further, the Group has not received any claim for interest from any supplier under the said Act.

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

## 47. Provision for warranty

The following disclosures have been made in accordance with the provisions of Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets':

| Particulars | **As at 31 March 2012** | As at 31 March 2011 |
|---|---|---|
| Opening balance as at beginning of the year | **100.50** | 55.75 |
| Add:- Balance transferred pursuant to amalgamation of Minda Acoustic Limited | **96.41** | - |
| Add: Provision made during the year | **819.63** | 457.63 |
| Less: Utilisation during the year | **469.80** | 412.88 |
| Closing balance as at the end of the year | **546.74** | 100.50 |

The Group has made a warranty provision on account of sale of components. These provisions are based on management's best estimate and past trends. Actual expenses for warranty are charged directly against the provision. Unutilised provision is reversed on expiry of the warranty period.

## 48. Joint Ventures

(a) The Company has the following investment in the jointly controlled entity:

| **Name of Joint Venture** | **Country of Incorporation** | **Proportion of Ownership Interest** |
|---|---|---|
| Minda Emer Technologies Limited | India | 48.90% |
| M J Casting Limited | India | 50.% |

(b) In respect of jointly controlled entities, the Company's share of assets, liabilities, income and expenditure of the joint Companies are as follows :

| **Particulars** | **As at 31 March 2012** | As at 31 March 2011 |
|---|---|---|
| Noncurrent assets | **3,065.83** | 874.21 |
| Current assets | **853.60** | 725.60 |
| Noncurrent liabilities | **1,777.64** | 2.00 |
| Current liabilities | **597.40** | 402.84 |
| Revenues | **1,298.18** | 70.00 |
| Expenses( including income tax expense) | **1,618.61** | 79.00 |
| Capital commitment | **9.79** | 14.66 |

## 49. Derivative instruments

The Company has entered into the following derivative instruments, which are outstanding as at 31 March 2012:

| **Nature of Contracts** | **Outstanding as at 31 March 2012** | | Outstanding as at 31 March 2011 | |
|---|---|---|---|---|
| | **Number of contracts** | **Foreign currency Amount (in lacs)** | Number of contracts | Foreign currency Amount (in lacs) |
| Forward cover (Sell) | **3** | **USD 1.50** | 4 | USD 2.50 |
| Forward cover (Sell) | **2** | **Euro 1.00** | 9 | Euro 4.50 |

The purpose of entering into a forward exchange contract is to hedge the foreign currency exposure on payment from trade receivables. During the current year, the Company has not entered into any derivative instrument for speculation purpose.

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**50. Proforma comparative information:**

**(Also refer to Note 2A-Basis of preparation of Financial Statements)**

The Company till the previous year did not consolidate certain joint ventures and associates in the consolidated financial statements. Had these joint ventures and associates been consolidated in the previous periods, the profit for the current year would have been lower by Rs. 340.20 and the Balance Sheet and Statement of Profit and Loss would have been as below:

**Consolidated Balance Sheet as at 31 March 2011**

| Particulars | Amount |
|---|---|
| **Equity and liabilities** | |
| **Shareholder's fund** | |
| Share capital | 5,654.16 |
| Reserves and surplus | 14,557.21 |
| Minority interest | - |
| **Non-current liabilities** | |
| Long term borrowings | 5,519.30 |
| Deferred tax liabilities (net) | 1,031.13 |
| Other long term liabilities | 15.57 |
| Long term provisions | 745.91 |
| **Current liabilities** | |
| Short term borrowings | 9,543.63 |
| Trade payables | 14,086.65 |
| Other current liabilities | 4,492.77 |
| Short term provisions | 790.48 |
| | **56,436.81** |
| **Assets** | |
| **Non-current assets** | |
| Fixed assets | |
| Tangible assets | 24,065.93 |
| Intangible assets | 991.24 |
| Capital work-in-progress | 622.37 |
| Intangible assets under development | 69.43 |
| Non-current investments | 2,135.17 |
| Long term loans and advances | 1,332.27 |
| Other non-current assets | 169.19 |
| **Current assets** | |
| Current investments | - |
| Inventories | 8,427.22 |
| Trade receivables | 13,101.27 |
| Cash and bank balance | 2,348.33 |
| Short term loans and advances | 3,079.50 |
| Other current assets | 94.89 |
| | **56,436.81** |

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**Consolidated Statement of Profit and Loss for the year ended 31 March 2011**

| Particulars | Amount |
|---|---|
| Revenue from operations | 95,454.47 |
| Other income | 1,460.54 |
| **Total revenue** | **96,915.01** |
| Expenses: | |
| Cost of material consumed | 64,493.16 |
| Changes in inventories of finished goods, work-in-progress and stock in trade | (953.75) |
| Employee benefit expenses | 10,142.10 |
| Finance costs | 1,670.09 |
| Depreciation and amortization expenses | 3,388.83 |
| Other expenses | 13,405.37 |
| **Total expenses** | **92,145.80** |
| **Profit before exceptional items and tax** | **4,769.21** |
| Exceptional items | - |
| **Profit before tax** | **4,769.21** |
| Tax expense : | |
| Current tax | 841.18 |
| Deferred tax charge /(credit) | 379.79 |
| **Profit for the year after tax** | **3,548.24** |
| Less : Minority interest | |
| Add : Share of net profit of associates/joint venture including prior period profit | 340.20 |
| Profit/(loss) for the year | **3,888.44** |

**Consolidated Cash Flow Statement for the year ended 31 March 2011**

| Particulars | Amount |
|---|---|
| **A. Cash flow from operating activities :** | |
| Net profit before exceptional items and tax | 4,769.21 |
| Add: Share of profit from associates including prior period | |
| ~ Minda Autocare Limited | (8.21) |
| ~ Mindarika Private Limited | 348.41 |
| ~ Minda NexGen Tech Limited | - |
| Adjustments for : | |
| Depreciation | 3,388.83 |
| Interest expenditure | 1,598.52 |
| Interest income | (107.25) |
| Dividend income | (81.15) |
| Share of profit from partnership firms | (772.53) |
| Liabilities / provisions no longer required written back | 3.09 |

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

**Consolidated Cash Flow Statement for the year ended 31 March 2011**

| Particulars | Amount |
|---|---|
| Doubtful trade and other receivables provided for | 98.21 |
| Preliminary expense written off | 1.14 |
| Profit on sale of fixed assets | (124.86) |
| Gain on sale of investment | (79.18) |
| | 4,265.03 |
| Operating profit before working capital changes | **9,034.23** |
| Adjustments for working capital changes: | |
| ('Increase)/decrease in inventories | (3,021.67) |
| ('Increase)/decrease in trade receivables | (4,069.61) |
| ('Increase)/decrease in short-term loans and advances | 894.47 |
| ('Increase)/decrease in long term loans and advances | (526.85) |
| ('Increase)/decrease in other non-current assets | (147.65) |
| ('Increase)/decrease in other current assets | (94.89) |
| Increase/(decrease) in trade payables | 775.14 |
| Increase/(decrease) in other current liabilities | 4,492.79 |
| Increase/(decrease) in other long-term liabilities | 15.57 |
| Increase/(decrease) in short-term provisions | (578.47) |
| Increase/(decrease) in long-term provisions | 748.28 |
| | (1,512.89) |
| Cash generated from operations | 7,521.34 |
| Income tax paid | (319.62) |
| Net cash flow from operating activities | **7,201.72** |
| **B. Cash flow from investing activities :** | |
| Non-current investments | (1,537.34) |
| Purchase of fixed assets | (5,850.34) |
| Sale of fixed assets | 813.85 |
| Interest received | 72.29 |
| Share of profit from partnership firms | 628.18 |
| Dividend income | 81.15 |
| Net cash used in investing activities | **(5,792.21)** |
| **C. Cash flow from financing activities** | |
| Conversion/ redemption of preference shares | (300.00) |
| Proceeds/(repayment) from short term borrowings | 9,535.18 |
| Repayment of long term borrowings | (8,949.79) |
| Interest paid | (1,590.29) |
| Dividend paid (including corporate dividend tax) | (628.14) |
| Net cash used in financing activities | (1,933.04) |
| **Net increase in cash and cash equivalents (A+B+C)** | (523.53) |
| Cash acquired on amalgamation | 1,458.71 |
| Cash and cash equivalents as at opening | 1,413.15 |
| Cash and cash equivalents as at closing | 2,348.33 |

# Notes forming part of the consolidated financial statements

(All amounts in Rupees lacs, unless otherwise stated)

| Particulars | Amount |
|---|---|
| **Cash and cash equivalents include cash/ cheques in hand** | |
| Cash in hand | 27.91 |
| With banks: | |
| Current accounts | 440.64 |
| Deposit accounts | 1,767.10 |
| Cheques, drafts in hand | 92.61 |
| Restricted cash: | |
| Unpaid dividend accounts | 15.26 |
| Cash on imprest accounts | 4.81 |
| | **2,348.33** |

**51**. Previous year figures have been reclassified/ regrouped, wherever required, to confirm to current year classification.

**52**. Previous year financial statements have been audited by another firm of Chartered Accountants. As per our report attached to the balance sheet

For B S R and Company
Chartered Accountants
Firm Registration No.: 128900W

For and on behalf of the Board of Directors of
Minda Industries Limited

Nirmal K Minda
Chairman & Managing Director

Anand Kumar Minda
Director

Rajesh Arora
Partner
Membership No. : 076124

Sudhir Jain
Corp. Business Head
& Group CFO

H C Dhamija
V.P.-Group Accounts
& Co. Secretary

Place : Gurgaon
Date : 19 June 2012

Place : Gurgaon
Date : 19 June 2012

# Statement pursuant to section 212 (3) of the Companies Act, 1956 relating to the Subsidiary Company

| S.No. | Name of the Subsidiary Company | Extent of Interest in the Subsidiary at the end of Financial Year of the Subsidiary | | | Net aggregate amount of the subsidiary's Profits after deducting its losses or vice versa (so far as it concerns members of the Holding Company) | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Profit /(Loss) not dealt with in the Holding Company's Account | | Profit dealt with or (Losses) provided for in the Holding Company's Accounts | |
| | | Financial Year of the Subsidiary ended on | Number of Shares held | % of Total Paid up Capital | For the Financial Year of the Subsidiary (rupees in Lacs) | For the Previous Financial Year of Subsidiary since it became a subsidiary | For the Financial Year of the subsidiary | For the previous Financial Years of Subsidiary since it became a subsidiary |
| 1 | Minda Auto Components Ltd. | 31/03/2012 | 210200 Equity Shares of rupees 10/- each fully paid up. | 100% | 240.48 | 68.54 | NIL | NIL |
| 2 | Minda Kyoraku Ltd. | 31/03/2012 | 20810333 Equity Shares of rupees 10/- each fully paid up. 8740000 Equity Shares of rupees 12.50 each fully paid up | 73.875% | (62.66) | NA* | NIL | NIL |

* During financial year 2011-12 Minda Kyoraku Limited has become subsidiary of Minda Industries Limited hence previous year data is not applicable.

For and on behalf of the Board of Directors of
Minda Industries Limited

Nirmal K Minda
Chairman & Managing Director

Anand Kumar Minda
Director

Sudhir Jain
Corp. Business Head
& Group CFO

H C Dhamija
V.P.-Group Accounts
& Co. Secretary

Place : Gurgaon
Date : 19 June 2012

# Statement pursuant to section 212 (8) of the Companies Act, 1956 relating to the Subsidiary Company

Name of the Subsidiary Companies : Minda Auto Components Ltd. & Minda Kyoraku Limited

Rupees in lacs

| Sr. No. | Particulars | Minda Auto Components Limited As at 31.03.2012 | Minda Kyoraku Limited As at 31.03.2012 |
|---|---|---|---|
| a) | Paid up Share Capital | **21.02** | **4000** |
| b) | Reserves & Surplus | **352.41** | **393.68** |
| c) | Total Assets | **1917.75** | **5007.19** |
| d) | Total Liabilities | **1917.75** | **5007.19** |
| e) | Details of Investment (Except in case of investment in the subsidiaries) | **NIL** | **NIL** |
| f) | Turnover | **9552.82** | **424.99** |
| g) | Profit/(Loss) before Taxation | **295.81** | **(61.59)** |
| h) | Provision for Taxation/ short provision / deferred tax. | **59.65** | **23.23** |
| i) | Profit/(Loss) after Taxation | **240.48** | **(84.82)** |
| j) | Proposed Dividend | **NIL** | **NIL** |

For and on behalf of the Board of Directors of
Minda Industries Limited

Nirmal K Minda
Chairman & Managing Director

Anand Kumar Minda
Director

Sudhir Jain
Corp. Business Head
& Group CFO

H C Dhamija
V.P.-Group Accounts
& Co. Secretary

Place : Gurgaon
Date : 19 June 2012

# E-MAIL REGISTRATION FORM

Dear Shareholder

Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs ('Ministry') has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with the recent circulars no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, companies can now send documents like Notice of Annual General Meeting, Annual Report, Postal Ballot Notice or any other notice/intimation etc. to their shareholders through electronic mode, to their registered e-mail addresses.

We invite you to take part in this opportunity to contribute to the Corporate Social Responsibility initiative of the Company. We therefore request you to register your Email Id by sending this form duly filled in and signed to the Company's Registrar & Share Transfer Agent "Link Intime India Pvt. Ltd." or your concerned Depository Participant.

| IF SHARE(S) IS/ARE HELD IN PHYSICAL MODE | IF SHARE(S) IS/ARE HELD IN DEMAT (ELECTRONIC) MODE |
|---|---|
| Please send the form to the Registrar at following address-<br>Link Intime India Pvt. Ltd.<br>Unit – Minda Industries Limited<br>A-40 (Second Floor),<br>Naraina Industrial Area, Phase-II,<br>New Delhi – 110 028 | Please send the form to your concerned Depository Participant where you maintain your Demat Account. |

Dear Sir/Madam,

Green Initiative in Corporate Governance

I agree to receive all communication from the Company in electronic mode. Please register my following e-mail id in your records for sending communication through e-mail -

E-mail ID to be registered

| | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | | | | | | | | | | |

| Name of Sole/Joint Holder(s) | Folio No./DP ID and Client ID | Signature |
|---|---|---|
| | | |

Date ………………………………

Important Notes:

1) After registration, all the communication will be sent to your registered e-mail Id. However, you can anytime ask for physical copy of the document.
2) The form is also available on the website of the Company viz www.mindagroup.com
3) Shareholders are requested to keep company informed as and when there is any change in the e-mail address. Unless the email Id given hereunder is changed by you by sending another communication in writing, the company will continue to send the notices/documents to you on the above mentioned email ID.

# MINDA INDUSTRIES LIMITED

Regd.Office: B-64/1, Wazirpur Industrial Area, Delhi-110052

ATTENDANCE SLIP

Folio No. / DP ID/ Client ID #

No. of Equity Shares held

I hereby record my presence at the 20th Annual General Meeting of the Company being held at PHD House, Opp. Asian Games Village, New Delhi-110016, on Tuesday, September 25, 2012 at 2:30 p.m.

Name of the Shareholder

(in Block Letter)

Name of Proxy / Authorised

Representative attending* (in Block Letter)

*Strike out whichever is not applicable.

# Applicable for investors holding shares in dematerialised form.

Signature of the attending Shareholder/Proxy/Authorised Representative*

Notes: Please produce this Admission Slip duly filled and signed at the entrance of the meeting hall. Shareholders intending to appoint a proxy may use the Proxy Form given below.

---

# MINDA INDUSTRIES LIMITED

Regd.Office: B-64/1, Wazirpur Industrial Area, Delhi-110052

PROXY FORM

I, We ____________________ of ____________________ being a member/ members of Minda Industries Ltd. hereby appoint Shri/Smt./Km.____________________of____________________ or failing him / her Shri/Smt./Km.______________ of ______________ or failing him / her Shri/Smt./ Km.____________________ of ______________ as my/ our proxy in my/our absence to attend and vote for me/ us and on my / our behalf at the

20th Annual General Meeting of the Company to be held at PHD House, Opp. Asian Games Village, New Delhi-110 016 on Tuesday, September 25, 2012 at 2:30 p.m. and at any adjournment thereof.

Signed this________ day of ______________ 2012.

Affix Re 1/-
Revenue
Stamp

Folio No. / DP ID/ Client ID #

No. of Equity Shares held

Signature(s)…………

# Applicable for investors holding shares in dematerialised form.

Note:

The proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company at B-64/1, Wazirpur Industrial Area, Delhi-110052 at least 48 hours before the scheduled time.

**Minda Industries Limited**
Regd. Office
B-64/1, Wazirpur Industrial Area
Delhi-110052, India.