



*Forever Evolving*

**19th**  
Annual Report  
**2010-11**

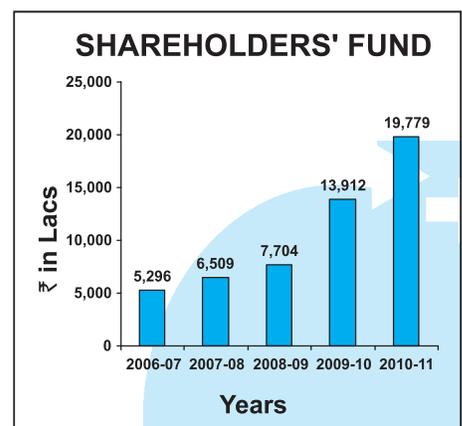
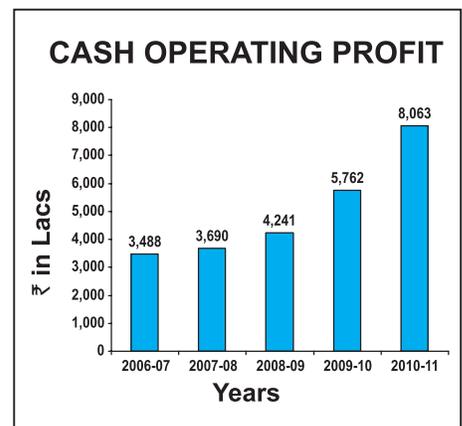
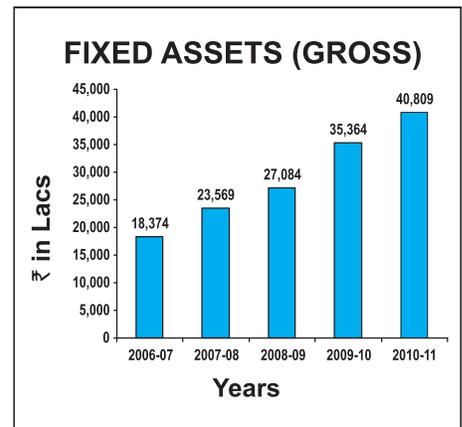
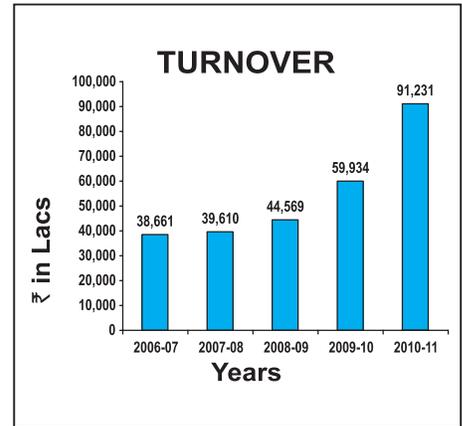


**MINDA INDUSTRIES LIMITED**

**CONTENTS**

Contents & Financial Graphs	1
Shareholders' Reference	2
Notice	3
Financial Highlights	10
Directors' Report	11
Corporate Governance Report	18
Auditors' Certificate on Corporate Governance	26
Management Discussions and Analysis Report.	26
Certificate by CEO and CFO	29
<b>Standalone Financial Statements</b>	
Auditors' Report	30
Balance Sheet	34
Profit & Loss Account	35
Schedules to Accounts	36
Balance Sheet Abstracts	58
Cash Flow Statement	59
<b>Consolidated Financial Statements</b>	
Auditors' Report	60
Balance Sheet	61
Profit & Loss Account	62
Schedules to Accounts	63
Cash Flow Statement	82
Statement pursuant to section 212(3) of the Companies Act, 1956 relating to Subsidiary Company.	83
Statement pursuant to section 212(8) of the Companies Act, 1956 relating to the Subsidiary Company.	84

Financial Graphs



**19TH ANNUAL REPORT 2010-11  
SHAREHOLDERS' REFERENCE****BOARD OF DIRECTORS**

Mr. Nirmal K. Minda - Chairman & MD  
Mr. Anand Kumar Minda - Director  
Mr. Vivek Jindal - Director  
Mr. Subhash Lakhotia - Director  
Mr. S.K. Arya - Director  
Mr. Alok Dutta - Director  
Mr. Rakesh Sony - Director  
Mr. Satish Sekhri – Director

**AUDITORS**

R.N. Saraf & Co.  
Chartered Accountants

**BRANCH AUDITORS**

Shah Khandelwal Jain & 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

**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. Sonapat, 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  
Plot No.28-F, Bidadi Industrial Area, Bidadi, Bangalore  
327-328, Sector-3, Phase-II, Industrial Growth Centre, Bawal, Rewari, Haryana

**NOTICE**

Notice is hereby given that the 19th Annual General Meeting of MINDA INDUSTRIES LTD. will be held on Thursday, August 11, 2011 at 11.00 a.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, 2011, and Profit & Loss Account for the year ended March 31, 2011 alongwith the Reports of Auditors and Directors thereon.
2. To declare dividend on 3% Cumulative Redeemable Preference Shares.
3. To declare dividend on 3% Cumulative Compulsorily Convertible Preference Shares.
4. To declare dividend on Equity Shares.
5. To appoint a Director in place of Mr. Subhash Lakhotia, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. S.K. Arya, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint M/s. B S R and Company, Chartered Accountants as Statutory Auditors of the Company in place of M/s. R. N. Saraf & Co., Chartered Accountants to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS:**

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
“RESOLVED THAT M/s. Shah Khandelwal Jain & Associates, Chartered Accountants, Pune be and is hereby re-appointed as Branch Auditors for the audit of the accounts of Pune Branches of the Company and the Company hereby authorise the Board of Directors to fix the terms and conditions of their re-appointment including the remuneration payable to them.”

9. 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 Division and Acoustic Division (after the approval of scheme of amalgamation of Minda Acoustic Ltd.) - Branches of Minda Industries Ltd. and the Company hereby authorise the Board of Directors to fix the terms and conditions of their re-appointment including the remuneration payable to them.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and all other applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), and in terms of Articles of Association of the Company, subject to the approval of Shareholders and Central Government, if any, the Company hereby accords its approval and consent to the increase of remuneration payable to Mr. Nirmal K. Minda w.e.f. April 01, 2011, for a period of three years on the terms and conditions mentioned below:-

**A) DETAILS OF REMUNERATION:**

- a) i) Basic Salary ₹ 7,25,000/- (Seven Lacs Twenty Five Thousand only) p.m. in the pay scale of ₹ 7,25,000 - 75,000 – 8,25,000.
- ii) Medical Reimbursement: Reimbursement of actual medical expenses including insurance premium for medical and hospitalization policy, if any, for self and family not exceeding one month salary per annum.
- iii) Housing Facility: The Company will provide to Mr. Nirmal K. Minda either residential accommodation or House Rent Allowance not exceeding 60% of his salary. The Company will provide the furnishing at his residential accommodation.
- iv) The Company will reimburse the Gas, Electricity and Water expenses not exceeding

- ₹ 5.40 Lacs per annum. He will be eligible for other allowances as per the policy of the Company.
- v) Club Fee: Subject to maximum of two Clubs, (Admission Fees not to be borne by the Company) not exceeding ₹ 2.00 Lacs per annum for official purpose.
- vi) Personal Accident Insurance Premium as per the Company's Policy.
- b) Commission not exceeding 2% of the Net Profit computed in accordance with Section 198, 309 & 349 of the Companies Act, 1956 as decided by the board.
- c) Apart from the above, the appointee shall also be entitled to the following:
- i) Car for use on Company's business. Company shall also pay repair, maintenance & running expenses of the Car.
- ii) Driver Salary (not exceeding ₹ 15,000/- per month).
- iii) Telephone at residence. Not exceeding ₹ 20,000/- per month.
- iv) Company's contribution to Provident Fund, Superannuation Fund, Annuity Fund, as per the Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- v) Reimbursement of the entertainment, travelling and all other expenses incurred by him for the business of the Company.
- vi) Gratuity payable at the rate not exceeding half-month's salary for each completed year of service in the Company.
- vii) Encashment of leave at the end of the tenure.
- d) During the period the appointee functions as Managing Director, he shall not be paid any sitting fees for attending the meetings of the Board of Directors or any committee thereof.
- e) In the event of loss or inadequacy of profit in any financial year during the tenure of the appointee, the remuneration as specified above shall be paid as minimum remuneration.
- f) The following perquisites shall not be included in the computation of ceiling of remuneration:-
- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable at the rate not exceeding half a month's salary for the each completed year of service.
- iii) Encashment of leave at the end of the tenure.
- "FURTHER RESOLVED THAT Mr. H.C. Dhamija, V.P. Group A/cs, Taxation & Co. Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds and things as may be required to give effect to the above."
11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
- "RESOLVED THAT Mr. Anand Kumar Minda, who was appointed as an Additional Director of the Company in the Board Meeting held on April 14, 2011 be and is hereby appointed as a Director of the Company and whose period of office shall be liable to determine by retirement of rotation.
- By Order of the Board  
For **MINDA INDUSTRIES LTD.**
- (H. C. DHAMIJA)  
V. P. - Group A/cs, Taxation &  
Company Secretary
- Place : Gurgaon, Haryana  
Date : July 15, 2011
- 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 MEETING.

- ii) Explanatory statement pursuant to section 173(2) of the Companies Act, 1956, is annexed hereto.
- iii) The Register of Members and Share Transfer Books will remain closed from Thursday, August 04, 2011 to Thursday, August 11, 2011. (Both days inclusive).
- iv) 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.
- v) The Directors recommend the payment of Dividend for the year 2010-11 of ₹ 3.00 per equity share, i.e. @ 30%, 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 Wednesday August 03, 2011 and
  - ii) As Members on the Register of Members of the Company as on August 11, 2011 after giving effect to all valid shares transfer in physical form which would be received by the Company end of the business hours on Wednesday, August 03, 2011.

The 3% Cumulative Compulsorily Convertible Preference Shares have been converted into equity with effect from April 01, 2011 and therefore will be eligible for dividend as per the term.

- vi) 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 2010-11, the Company has already transferred the unclaimed dividend on the Equity Shares for the year 2002-03 to the Investor Education and Protection Fund established by the Central Government.

Members who have not claimed the dividend for the year 2003-04 and any subsequent dividend payment(s) are requested to make their claims to the Company.

- vii) 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 Wednesday August 03, 2011, so that dividend warrant can be delivered to new address.
- viii) 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.
- ix) 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.
- x) 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. Subhash Lakhotia	Mr. S.K. Arya
Date of Birth	23/11/1949	10/11/1957
Date of Appointment	23/03/1998	29/01/2003
Qualifications	B.Com (Hons)	B.Sc.
Experience in special functional area	Tax Consultant	Industrialist
Chairman/ Director of other companies	Dhanuka Agritech Ltd. Realone Developers Pvt. Ltd.	<b>Chairman &amp; Managing Director of :</b> Jai Bharat Maruti Ltd. <b>Chairman of :</b> JBM Auto Ltd. Neel Metal Products Ltd. <b>Directors of :</b> JBM International Ltd. JBM Industries Ltd. Gurera Industries Ltd. A to Z Securities Ltd. JBM Auto Systems Pvt. Ltd. Thai Summit Neel Auto Pvt. Ltd. ANS Holding Private Ltd. JBM Builders Private Ltd. Liberty Shoes Ltd. Unitech Sai Private Ltd. Shreeaumji Infrastructure & Projects Pvt. Ltd. Shreeaumji Developers Pvt. Ltd. Shreeaumji Real Estate SEZ Pvt. Ltd. Satish Buildwell Private Ltd. Arcelor Neel Tailored Blank Private Ltd. Neel Metal Fanalca Environment Management Pvt. Ltd. ANS Steel Tubes Ltd. JBM Fanalca Environment Management Pvt. Ltd. JBM MA Automotive Pvt. Ltd. Multivision Cosntructions Pvt. Ltd. JBM Ogihara Automotive India Ltd. FJM Cylinders Pvt. Ltd. MJ Casting Ltd.
Chairman/member of Committees of Board of companies of which he is a director	<b>Member in:</b> Audit Committee and Remuneration Committee of Minda Industries Ltd.	<b>Chairman in :</b> Shareholders Committee of JBM Auto Ltd. <b>Members in :</b> Audit Committee & Remuneration Committee of JBM Auto Ltd. and Shareholders Committee of Jay Bharat Maruti Ltd.
No. of shares held	NIL	NIL

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

### **ITEM NO. 8**

It is proposed to re-appoint M/s. Shah Khandelwal Jain & Associates, Chartered Accountants, Pune to conduct the audit of the Accounts of Pune Branches of the Company. 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. 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.

### **ITEM NO. 9**

It is proposed to re-appoint M/s. Jain Ajay & Associates, Chartered Accountants, Delhi to conduct the audit of the Accounts of Autogas Division – branch of Minda Industries Ltd. The Branch Auditors will prepare a report on the accounts of the said branch examined by them and forward the same to the Company's Statutory Auditors. As the amalgamation of Minda Acoustic Ltd. with Minda Industries Ltd. is in progress, therefore, it is also proposed to appoint M/s. Jain Ajay & Associates, Chartered Accountants as Branch Auditors of the Acoustic Division of the Company.

Pursuant to section 228 (3) of the Companies Act, 1956, approval of members is sought vide item No. 9 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. 10**

The remuneration Committee and the Board of Directors of the Company in their meeting(s) held on April 14, 2011 had considered the increase in remuneration of Mr. Nirmal K. Minda, Chairman and Managing Director of the Company, subject to the shareholders/other approvals.

In terms of section 198, 269, 309, 310 read with provisions of Schedule XIII of the Companies Act, 1956. Your Directors recommend the increase in remuneration of Mr. Nirmal K. Minda, Chairman and Managing Director of the Company w.e.f. April 01, 2011.

None of the Directors of the Company except Mr. Nirmal K. Minda (himself) and Mr. Vivek Jindal shall be deemed to be concerned or interested in this resolution except and to the extent they are members of the Company.

Information under Schedule XIII to the Companies Act, 1956 as required by Notification No. G.S.R.36 (E), dated January 16,2002 is given below:-

#### **I) General Information**

- 1) Nature of industry: Automobile Industry. Minda Industries Ltd. is engaged in the manufacturing of auto electrical parts such as Switches, Lightings, Batteries, CNG/LPG Kits, Blow Moulded Products etc.
- 2) Date of Commencement of commercial production:

The Company had started its commercial production in the month of November, 1992 by taking over the running business of Minda Industries, partnership firm.

**3) Financial Performance of the Company :**

	(₹ in Lacs)
Turnover/Net Sales	91231
Other Income	1460
Total Expenditure	88017
Profit before tax	4673

**4) Export Performance and net foreign exchange earned:**

During the year 2010-11, the total export of the Company has been at ₹ 3725.50 Lacs (previous year ₹ 3255.46 Lacs), the royalty earning at ₹ 494.28 Lacs (previous year ₹ 432.58 Lacs) and dividend earning of ₹ 37.03 Lacs (previous year ₹ 25.47 Lacs).

**5) Foreign Collaborators**

Foreign collaborators of the Company are M/s P.T. Kyoraku Blow Moulding, Indonesia, and M/s. Tigers Polymer Corporation, Japan.

**II) Information about Mr. Nirmal K. Minda, Appointee**

Name	Mr. Nirmal K. Minda
Father's Name	Late Mr. S.L. Minda
Age	53 years
Qualification	B.Sc.
Past Experience	Rich experience in auto components industry of more than 32 years.
Other Directorships	Mindarika Pvt. Ltd.
	Minda Automotive Ltd.
	Minda Acoustic Ltd.
	Minda Auto Lighting Pvt. Ltd.
	Minda Sai Ltd.
	Unitech Sai Pvt. Ltd.
	Shreeaumji Infrastructure & Projects Pvt. Ltd.
	Shreeaumji Developers SEZ Pvt. Ltd.
	Shreeaumji Real Estate SEZ Pvt. Ltd.
	Minda International Ltd.
	Om Marubeni Logistics Pvt. Ltd.
	Tokairika Minda India Pvt. Ltd.
	Minda Realty & Infrastructure Ltd.
	Minda Mindpro Ltd.
	Minda Spectrum Advisory Ltd.
	Minda EMER Technologies Ltd.
	Minda Finance Ltd.
	M J Casting Ltd.
	FJM Cylinders Pvt. Ltd.
	Roki Minda Co. Private Ltd.
	Varada Auto Components Ltd.

1) Job profile and his suitability:

Mr. Nirmal K. Minda will be responsible for overall day to day management of the Company and shall be vested with substantial powers of management of Company affairs under the supervision and control of the Board of directors of the Company. The Company has undergone rapid expansion and modernization projects, which require review of operations and decision-making on day-to-day basis and the Company would be benefited by his expert advice.

2) Remuneration Proposed:

Keeping in view his responsibilities and role in the development of the Company, it is proposed to provide him monthly salary of ₹ 7,25,000 (₹ Seven Lacs Twenty Five Thousand only) in the pay scale of ₹ 7,25,000-75,000-8,25,000 plus other allowances and perquisites as mentioned in the text of proposed resolution at item No. 10 of this notice of annual general meeting.

3) Comparative remuneration profile with respects to industry, size of the Company, profile of the position and person.

The proposed remuneration would be commensurate with the size of the Company and nature of the industry. The salary structure of the managerial personnel has undergone a major change in the industry in the recent past. Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of Mr. Nirmal K. Minda, the proposed remuneration is competitive with the remuneration paid by other companies to such similar positions.

4) Pecuniary relationship with the Company or relationship with the managerial personnel, if any.

Mr. Nirmal K. Minda, being Father-in law of Mr. Vivek Jindal, Director of the Company is relative as per Schedule I-A prescribed under section 6 of the Companies Act, 1956 and except receiving director's remuneration, Mr. Nirmal K. Minda is not having any pecuniary relationship with the Company.

Approval of members is sought vide item No. 10 of the Notice of this Annual General Meeting.

#### ITEM NO. 11

The Board of Directors of the Company at its meeting held on April 14, 2011 had appointed Mr. Anand Kumar Minda as an Additional Director of the Company. The Company has received a notice from member of the Company, proposing the candidature of Mr. Anand Kumar Minda, as Director of the Company. In view of the aforesaid notice, the Board proposes to appoint Mr. Anand Kumar Minda as Director of the Company, whose period of office shall be liable to determination by retirement of rotation.

Approval of members is sought vide item No. 11 of the Notice of this Annual General Meeting.

None of the Directors except Mr. Anand Kumar Minda, himself is interested in the above resolution.

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

Place : Gurgaon, Haryana  
Date : July 15, 2011

(H. C. DHAMIJA)  
V. P. - Group A/cs, Taxation &  
Company Secretary

**FINANCIAL HIGHLIGHTS**

(₹ in Lacs)

PARTICULARS	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Operating Results							
Sales / Income from Operation	<b>91,231</b>	59,934	44,569	39,610	38,661	26,805	19,626
Gross Profit Before Interest & Depreciation	<b>9,751</b>	7,204	5,888	4,841	3,998	3,567	2,972
Financial Cost	<b>1,715</b>	1,442	1,647	1,151	510	427	499
Profit before Depreciation & Tax	<b>8,063</b>	5,762	4,241	3,690	3,488	3,140	2,473
Depreciation/Preliminary/ Share issue / Deferred revenue expenses written off.	<b>3,363</b>	2,702	2,143	1,712	1,352	1,051	920
Income Tax Provision (Net)/Deferred Tax	<b>1,189</b>	773	581	405	782	793	530
Profit After Tax	<b>3,484</b>	2,287	1,517	1,572	1,354	1,296	1,023
Dividend (incl. Corporate Dividend Tax)	<b>606</b>	417	339	339	339	330	330
Assets and Liabilities	<b>As At 31.03.2011</b>	As At 31.03.2010	As At 31.03.2009	As At 31.03.2008	As At 31.03.2007	As At 31.03.2006	As At 31.03.2005
Fixed Assets :							
– Gross Block	<b>40,119</b>	35,081	25,858	22,601	14,605	11,963	10,637
– Net Block	<b>24,922</b>	22,924	16,289	15,033	8,568	7,236	6,929
– Capital W.I.P.	<b>664</b>	228	888	927	3,299	59	3
– Project Exps. Pending capitalisation	<b>26</b>	55	338	41	470	11	–
Current Assets, Other Assets & Misc. Expenses	<b>26,971</b>	18,117	13,218	10,822	9,874	7,933	6,279
Investments	<b>1,911</b>	819	793	775	600	362	143
Total Assets	<b>54,494</b>	42,144	31,526	27,598	22,811	15,601	13,354
Represented by :							
Equity Share Capital	<b>1,291</b>	1,051	1,051	1,051	1,051	1,051	1,051
9% Cum Redeem Pref Shares Capital	<b>–</b>	300	300	300	300	300	300
3% Cumulative Compulsorily Convertible Preference Shares	<b>4,013</b>	4,013	–	–	–	–	–
3% Cumulative Redeemable Preference Shares	<b>350</b>	350	–	–	–	–	–
Reserves & Surplus	<b>14,125</b>	8,198	6,353	5,158	3,946	2,873	1,862
Shareholders' Fund	<b>19,779</b>	13,912	7,704	6,509	5,296	4,224	3,213
Borrowings							
– Working Capital Loans	<b>6,576</b>	2,626	4,635	3,027	3,741	2,409	2,360
– Other Loans	<b>10,418</b>	11,843	11,704	10,573	7,643	4,507	4,511
Deferred Tax Liability	<b>1,034</b>	632	521	528	674	757	680
Current Liabilities & Provisions	<b>16,687</b>	13,131	6,962	6,961	5,457	3,704	2,590
Total Liabilities	<b>54,494</b>	42,144	31,526	27,598	22,811	15,601	13,354

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 19th Annual Report alongwith the Audited Accounts for the year ended on March 31, 2011.

### FINANCIAL RESULTS

(₹ in Lacs)

PARTICULARS	For the Year Ended on March 31, 2011	For the Year Ended on March 31, 2010
Sales/Income from operations	91,231	59,935
Other income	1,460	106
Cash Operating Profit	8,037	5,762
<b>Profit Before Tax</b>	<b>4,673</b>	3,060
Provision for Taxation	800	650
Deferred Tax Liability/(Asset)	383	123
Short Provision of Income Tax/Wealth Tax	6	–
<b>Profit after Tax</b>	<b>3,484</b>	2,287
Brought Forward Profit from Previous Year	5,555	4,084
Profits Available for appropriation	9,039	6,372
<b>APPROPRIATION:</b>		
– General Reserve	400	400
– Proposed Dividend on Preference Shares	153	43
– Proposed Dividend on Equity Shares	387	315
– Corporate Tax on Dividend	88	59
– Balance of Profit carried forward	8,011	5,555

### FINANCIAL HIGHLIGHTS

The Financial Statements of 2010-11 includes the results of erstwhile Minda Autogas Ltd. which has been merged with the Company.

The Sales/Income from operations for the Financial Year under review were ₹ 91,231 Lacs as against ₹ 59,935 Lacs for the previous year.

During the year under review the Company carried out trading activities in street lights and LED lantern.

### DIVIDEND & APPROPRIATIONS

#### Appropriations

During the year 2010-11 an amount of ₹ 400 Lacs has been appropriated to General Reserve (last year ₹ 400 Lacs).

### Dividend

Your directors recommend

- 1) Dividend of 30% i.e. ₹ 3/- per Equity Share (previous year ₹ 3/- per equity Share) on the face value of ₹ 10/- each on 1,29,10,192 Equity Shares (previous year 10,505,064 Equity Shares), amounting to ₹ 387 Lacs (Previous Year ₹ 315 Lacs)
- 2) Dividend of 3% i.e. ₹ 0.30 per 3% Cumulative Redeemable Preference Shares of ₹ 10/- each on 35,00,000 3% Cumulative Redeemable Preference Shares, amounting to ₹ 10,50,000/- (previous year ₹ 1,23,699/- on prorata basis).
- 3) Dividend of 3% i.e. ₹ 0.30 per 3% Cumulative Compulsorily Convertible Preference Shares of ₹ 2,187/- each on 1,83,500 3% Cumulative

Compulsorily Convertible Preference Shares, amounting to ₹ 1,20,39,435/- (previous year ₹ 14,18,344/- on prorata basis). These shares have been converted into equity effective from 1st April, 2011 and will be eligible for dividend as per the terms of conversion.

### **JOINT VENTURE**

During the year under review, M J Casting Ltd, was jointly incorporated by Minda Group and JBM Group. The Company will do the die casting business and will cater the day to day demand of the customers namely Honda Motorcycles and Scooters India Ltd. Your Company has invested in the equity shares of the said Company to the tune of ₹ 500 Lacs. Your Company foresee great business opportunities through this joint venture.

During the year under review, the technical license agreement between TYC Brothers, Taiwan and Minda Industries Ltd. has been discontinued by executing termination agreement with effect from November 29, 2010.

### **PROJECTS**

Your Company is under the process of establishing a new project for developing Blow moulded products considering enormous business opportunities in the years to come. The Company has purchased the land at Bawal (Haryana) and the construction on the said land has already been started and it is expected that the commercial production of this plant will take place in 2011 - 12.

### **DISINVESTMENT IN SHARES**

Your Company was holding 1,80,000 Equity Shares of Om Marubeni Logistics Pvt. Ltd. and 4940 Equity Shares in Minda Realty & Infrastructure Ltd. Your Company sold the entire shareholding held in the said companies during the year 2010-11 as the desired result were not achieved by these companies.

### **LIASION / REPRESENTATIVE OFFICE**

Your Company has opened its liaison / representative office in Taiwan. This will help in exploring the prospective customers and sourcing for design and tool development etc. This way the Company foresee the self reliance in the field of manufacturing and developing lighting equipments.

### **AWARD AND RECOGNITION**

During the year, the following awards have been received by the various units of the Company.

- 1) The "Gold Award" won by the Switch Division, Pune in Pune Divisional Productivity Council competition held in December, 2010.
- 2) The "Excellent" in TPS and "Distinguished" Award in QC were won by the Switch Division, Pune, in QCFI-NCQC competition held at Vishakhapatnam in December, 2010.
- 3) Third "Consolation Award" was won by the Blow Moulding Division, Bangalore in CII QC Competition held in November, 2010.
- 4) "Manufacturing Excellence Award" was won by the Lighting Division from Eicher Group.
- 5) "Direct on lines Supplies" Award was won by the Lighting Division, Sonapat from the International Tractors Ltd.
- 6) The "Gold Award" was won by Lighting Division, Manesar in QCFI held in September, 2010.
- 7) The Vendor Performance - Gold Award" was won by Lighting Division from Maruti Suzuki India Ltd.
- 8) Second Prize was won by Lighting Division, Pune on QC Circles at the 23rd Regional Convention (CII) held in February, 2011 at Indore.

### **FIXED DEPOSITS**

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

### **AMALGAMATION**

The Company, Minda Autogas Ltd. has been amalgamated with Minda Industries Ltd. Vide Delhi High Court Order dated 25th January, 2011 having appointed date of April 01, 2009.

The Amalgamation of Minda Acoustic Ltd. with Minda Industries Ltd. is under process. The Court Convened meetings of the Unsecured Creditors of Minda Acoustic Ltd. and Minda Industries Ltd. and the Shareholders Meeting of Minda Industries Ltd. were held on March 26, 2011. The final hearing date of this amalgamation is fixed for August 24, 2011.

With these amalgamations, the product range of the Company will be increased and will include Switches, Lightings, Horns, Batteries, Blow Moulded products and CNG/LPG Kits.

### **REDEMPTION OF 9% CUMULATIVE REDEEMABLE PREFERENCE SHARES**

During the year under review the Company redeemed 9% Cumulative Redeemable Preference Shares of ₹ 300 Lacs.

### **CONVERSION OF 3% CUMULATIVE COMPULSORILY CONVERTIBLE PREFERENCE SHARES INTO EQUITY SHARES**

The matter relating to conversion (effective from 1st April, 2011) of 1,83,500 3% Cumulative Compulsorily Convertible Preference Shares was approved by the Board on 28th March, 2011. Therefore, against the said conversion 18,35,000 equity shares of ₹ 10/- each with a premium of ₹ 208.70 per shares, have been issued to India Business Excellence Fund I and IL&FS Trust Company Ltd., a Trustee of India Business Excellence Fund I. These shares shall rank pari passu with the existing equity shares of the Company.

### **DIRECTORS**

In accordance with the provisions of the Articles of Association of the Company and of the Companies Act, 1956, Mr. Subhash Lakhota and Mr. S.K. Arya, 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. Ashok Minda resigned from the directorship from the Board with effect from April 14, 2011. Your Company wishes to place on records the contributions and suggestions made by him during his tenure from time to time.

The designation of Mr. Vivek Jindal was changed from Whole Time Director to Director w.e.f. April 14, 2011.

Mr. Anand Kumar Minda was appointed as Director on the Board of the Company with effect from April 14, 2011. Mr. Anand Kumar Minda is a Science Graduate, having experience of more than 35 years in automobile industry. He has in-depth experience of financial controls and reviews.

### **HUMAN RESOURCE**

Your Company recognizes that people are its principal 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 to the Company by rewarding its people for the opportunities they create and the value generated for customers and shareholders. The Company conducts several training programmes to upgrade the skills of the workforce and also taken the following major initiative to take care of human resources during the year:

Pathshala – The group is having learning Centre "Pathshala", since October, 2008. Pathshala is imparting training to new joiners and also regular training to existing employees.

### **CORPORATE SOCIAL RESPONSIBILITIES**

The Corporate Social Responsibilities (CSR) progress is integral part of Company's business. No growth can happen in isolation and real success and happiness only comes when every one and any one connected to receive equal benefits.

The Company, Minda Industries Limited continues to support Moga Devi Minda Charitable Trust, which inter alia 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 following programmes are being run through this project.

**Sankranti Program:** It includes the establishment of Computer Learning Program (CLP). Uptil now, 419 students have been registered with the Centre and out of them 261 students have completed their diplomas in various courses.

**Samarth Program:** This project includes the establishment of Women Empowerment Program (WEP). Total 175 students have been registered with the centre. Out of them, 88 students have completed their diplomas in various courses.

**Sankalpa Program:** This is a Personality Development Program (PDP). Total 417 students have been registered with the Centre. Personality Development classes are being taken for students every Saturday and English spoken & learning classes are also part of this program.

**Jawala Mai Dham:** Temple of Goddess Jawala Mai surrounded with green park, where people come to worship. It is a unique in Hissar District. There is twice "Navratra Puja" in a year. It has become a holy place for the people of nearest villages.

**Minda Seva Sadan:** A glorious building for the functions like marriages, parties etc. for the surrounding village of Hissar (Bagla) has been built.

## **SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS**

During the year under review, the shareholding held in Minda Realty & Infrastructure Ltd. (a subsidiary Company) has been transferred. Hence, your Company has now one subsidiary Company namely Minda Auto Components Ltd.

Minda Auto Components Ltd. is engaged in the business of manufacturing of switches for automobiles and is located at Noida, Hosur, Mysore and Nalagarh. Consolidation of results of this subsidiary Company with the holding Company enhance the stakeholders value.

## **STATUTORY REQUIREMENT**

As required under the Listing Agreement with the Stock Exchanges, a consolidated financial statements of the Company and all its subsidiaries are required to be prepared. These Financial statements have been prepared in accordance with Accounting Standards issued by the Institute of Chartered Accountants of India.

As per section 212(8) of the Companies Act, 1956, the companies are required to attach the Balance Sheet, Profit and Loss Account and other documents of the Subsidiary Company. The Ministry of Corporate Affairs, Government of India has issued a circular, allowing the companies about non attaching of subsidiary Balance Sheet etc. provided the Company has to take Board approval. Your Company has taken the approval from the Board for not attaching the financial of the subsidiary Company namely Minda Auto Components Ltd.

The Accounts of the subsidiary will be made available for inspection by any members of the Company at its registered office and also at the registered office of the subsidiary. The accounts of the subsidiary Company and the detailed information will be made available to the members upon receipt of the request from them. The summary of the key financials of the Company's subsidiary is enclosed with this Annual Report.

## **AUDITORS AND AUDITORS' REPORT**

M/s. R.N. Saraf & Co., Chartered Accountants, were appointed as Statutory Auditor, in the Annual General Meeting of the Company held on December 24, 2010 to hold the position upto this Annual General Meeting. It is stated that M/s. R.N. Saraf & Co. 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 and Company, 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.

## **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 31st March, 2011, 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.

### **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.

### **ENVIRONMENT COMPLIANCE**

Safety and environmental performance is integral to the business performance of the Company, and received continued focus throughout the year. 'Zero accidents' is acceptable standard of safety performance. The Company organizes fire fighting training for staff and workers.

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.

### **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, 2011 with the SEBI Guidelines on Corporate Governance. A certificate from M/s. R.N. Saraf & Co., Chartered Accountants 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 and other stakeholders whose continued support has been a source of strength to the Company. 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

(Nirmal K. Minda)

Date : July 15, 2011

Chairman & Managing Director

**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) Capacitor Banks installed to maintain Power Factor 0.99.
- (ii) Energy saver installed on various machines.
- (iii) Auto drain valve provided in Air lines.
- (iv) Electrical Load balancing done for proper loading of DG set.
- (v) Using light only whenever required.
- (vi) Minimise the use of air conditioner.

**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).
- In Powder Coating Plant Multi Block provided in LPG Burner to save LPG Consumption

**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 have 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) Innovative Handle Bar Grips for two wheeler vehicle.
    - (ii) Switch with LCD Display for two wheeler vehicle.
    - (iii) Integrated Dimmer with Pass Switch.
    - (iv) Automatic/ Manual Transmission Switch.
    - (v) Intake Air Temperature Sensor to detect the temperature of incoming air.
  2. Benefits derived as a result of above R&D.
    - (i) Sweat removal mechanism via natural air flow, Ergonomic Shape with lunar support & softer material.
    - (ii) Precise dimensional control as compared to metal levers provides flexibility of forms, shapes and colors.
    - (iii) Smart System based on Embedded Technology indicates about any malfunction arising in the vehicle.
    - (iv) Dipper with pass design with three wires using single moving contact type design, fully covered design & less number of parts.
  3. Future Plan of Action.
    - (i) New range of Modular Switches.
    - (ii) Voice Operated Switch.
  4. Expenditure on R&D

(₹ In Lacs)

		Year ended on March 31, 2011	Year ended on March 31, 2010
a)	Capital	191.40	58.29
b)	Recurring	1323.98	975.08
c)	Total	1515.38	1033.37
d)	Total R&D expenditure as percentage of total turnover.	1.70%	1.76%

## ii) Technology, Absorption, Adaptation and Innovation.

## 1. Efforts, in brief, made towards Technology Absorption, Adaptation and Innovation:

- Dimmer with Pass, Automatic/ Manual Transmission, Gear Shifter & Drive – Neutral Switches are in production.

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

- Exposure to latest Technology.
- Innovative design for new products.

## 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	Technical Assistance Agreement with M/s. PT Kyoraku Blowmoulding, Indonesia for manufacturing of Blow Moulding Parts.	Technical Royalty Agreement with M/s. Tigers Polymer Corporation, Japan for manufacturing of various types of Blow Moulded Parts.
b)	Year of Imports	2007-08	2009-10
c)	Has Technology been full absorbed?	No, being absorbed	No, being absorbed
d)	If not fully absorbed, area where has not taken place, reason thereof and future plan of action.	The technology is being absorbed in phased manner.	The technology is being absorbed in phased manner.

**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 2010-11 were of ₹ 3725.50 Lacs (Previous year ₹ 3255.46 Lacs), registering increase of 14%.

g) Total Foreign Exchange used.

	(₹ In Lacs)	
	Current Year 31.03.2011	Previous Year 31.03.2010
1) CIF value of Imports		
– Raw Material	6940.94	2926.47
– Capital Goods	1117.66	3013.12
– Stores and Spares	197.85	9.87
2) Expenditure in Foreign currency.	607.27	602.20
h) Total Foreign Exchange earned.	4256.81	3713.51

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

(Nirmal K. Minda)  
Chairman & Managing Director

Place : Gurgaon, Haryana  
Date : July 15, 2011

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Minda Industries Limited believes in the concept of good Corporate Governance involving transparency, empowerment, accountability, equity and integrity with a view to enhance stakeholders' 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 2010-11 (total meetings Held = 4)	Last AGM dated 24/12/2010		Member	Chairman
Mr. Nirmal K. Minda	Executive Managing Director	4	Yes	23	1	2
Mr. Ashok Minda	Non-Executive Director (upto 14/04/2011)	2	No	13	7	4
Mr. Subhash Lakhota	Non-Executive & Independent Director	2	Yes	2	1	-
Mr. S.K. Arya	Non-Executive & Independent Director	3	Yes	26	3	1
Mr. Vivek Jindal	Executive Director @	4	No	1	2	-
Mr. Alok Dutta	Non-Executive & Independent Director	3	Yes	1	3	-
Mr. Rakesh Sony	Non-Executive & Non-Independent Director	4	No	6	4	-
Mr. Satish Sekhri	Non-Executive & Independent Director	2	No	4	-	-

@ Designation was changed from Whole Time Director to Director w.e.f. April 14, 2011.

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. Anand Kumar Minda has been appointed on the Board of the Company with effect from April 14, 2011 as an Additional Director.

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

Number of Board meetings held	4 (Four)
Dates on which held	May 27, 2010 July 29, 2010 November 10, 2010 February 07, 2011

- 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, Investments, Quarterly Results, Audit Committee and other Committee of the Board and other material information. All the information relevant to the Company as required under clause 49 of the listing agreement is also made available to the Board.

- iv) Code of Conduct and ethics for directors and senior level management

The Board of directors has implemented a Code of Conduct 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](http://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 Agreement 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 audit/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 = 7 )	Date(s) of Audit Committee Meetings
Mr. Alok Dutta	Chairman	6	May 22, 2010
Mr. Subhash Lakhotia	Member (W.e.f. 29.07.2010)	4	May 25, 2010 July 29, 2010
Mr. Vivek Jindal	Member (Upto 25.05.2010)	2	October 20, 2010 November 10, 2010
Mr. Rakesh Sony	Member	5	January 12, 2011 February 07, 2011

Mr. H.C. Dhamija, Vice President- Group-A/cs, Taxation & 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.

## i) 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	May 27, 2010
Mr. Subhash Lakhota	Member	–	
Mr. Rakesh Sony	Member	1	

Mr. H.C. Dhamija, Vice President - Group-A/cs, Taxation & Co. Secretary, acts as a Secretary to the Committee.

## ii) Remuneration Policy

The payment of remuneration to Director(s) is governed by the respective resolutions 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 and Mr. Vivek Jindal is given in this report at Para-IV under the heading “Disclosures”.

**c) Share holders / Investors Grievance Committee**

## a) Composition &amp; 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: -

- Approval and registration of transfer & transmission of shares and issue of duplicate share certificates;
- 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)
Mr. Alok Dutta	Chairman	3
Mr. Nirmal K. Minda	Member	5
Mr. Rakesh Sony	Member	4

Mr. H. C. Dhamija, Vice President- Group-A/cs, Taxation & Co. Secretary acts as Secretary to the Committee.

## c) Share Transfer System

All the Share Transfers, received are being approved by Shareholders / Investors Grievance Committee, which normally meets twice in a month.

Your Company has 3194 shareholders as on March 31, 2011. The Company and share transfer agent has received 29 complaints during the year, all of which have been attended to within a period of 15 days from the receipt of the same. As on date no complaint is pending to be resolved.

#### 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
2007-08 16th AGM	July 24, 2008	11:30 a.m.	PHD House, Opposite Asian Games Village, New Delhi.	* SR-1(One) **OR-7 (Seven)
2008-09 17th AGM	July 29, 2009	4.00 p.m.	PHD House, Opposite Asian Games Village, New Delhi.	* SR-1(One) **OR-7 (Seven)
2009-10 18th AGM	December 24, 2010	11.00 a.m.	PHD House, Opposite Asian Games Village, New Delhi.	* SR-2 (Two) **OR-12 (Twelve)

\* "SR" means Special Resolution

\*\* "OR" means Ordinary Resolution.

No special resolution was passed through postal ballot during the year under review.

#### 5. HOLDING/ SUBSIDIARY COMPANIES

Minda Auto Components Ltd. is the subsidiary of the Company, which is 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

- 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 the Audit Committee.

- Disclosure of Accounting Treatment

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

- 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.

- 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 a wholly 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 and Executive Director during the year 2010-11:

(₹ in Lacs)

Name of the Managing Director/ Executive Director	Salary & Allowances	Medical, Lease Rent & Other Expenses	Contribution to Provident Fund etc.	Total
Mr. Nirmal K Minda	66.60	22.59	6.19	95.38
Mr. Vivek Jindal	15.36	0.84	1.15	17.35

- Remuneration policy for Non-Executive Directors

The Company is not paying any sitting fee or any other benefits to the non-executive directors of 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.

## 7. CEO/CFO CERTIFICATION

Mr. Nirmal K. Minda, Managing Director & CEO and Mr. Sudhir Jain, Corp. Business Head (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](http://www.mindagroup.com).

## 9. GENERAL SHAREHOLDERS INFORMATION

- i) 19th Annual General Meeting: (AGM Date, Time & Venue)

Date: Thursday, August 11, 2011  
 Time: 11.00 A.M.  
 Venue: PHD House Opposite Asian Games Village, New Delhi. - 110016

- ii) Financial Year April 1st to March 31st

For the year ended on 31.03.2011, the results were announced on

For quarter ending	Date
June 30, 2010	July 29, 2010
September 30, 2010	November 10, 2010
December 31, 2010	February 7, 2011
March 31, 2011 (Audited)	May 30, 2011

For the year ended on 31.03.2012, the results will be announced on following tentative dates

For quarter ending	On or before
June 30, 2011	August 13, 2011
September 30, 2011	November 14, 2011
December 31, 2011	February 14, 2012
March 31, 2012 (Audited)	May 30, 2012

- iii) Date of Book Closure: August 04, 2011 to August 11, 2011 (both days inclusive).

- iv) Dividend payment date: Expected on or after August 16, 2011.

- 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

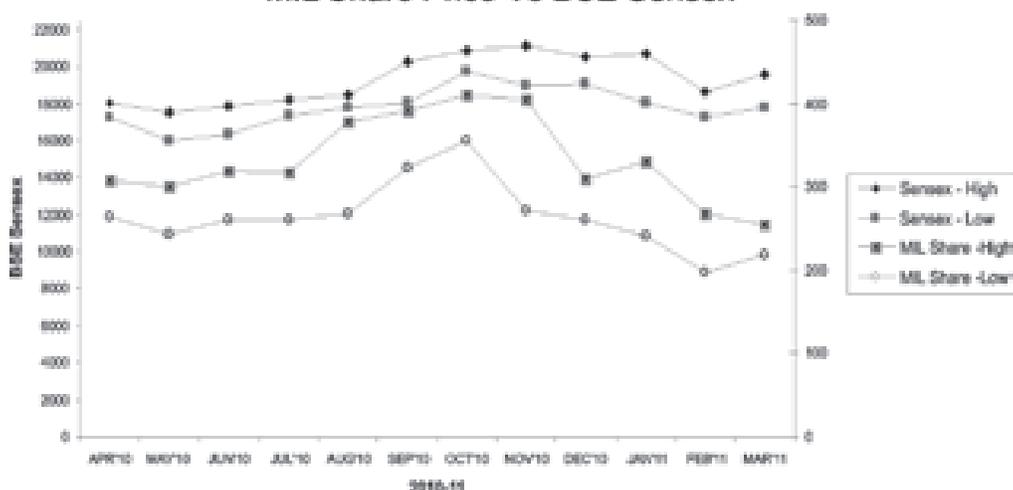
- vii & viii) Stock Prices during 2010-11

The performance of the Company's scrip on BSE and NSE as compared to the SENSEX and NIFTY during the year 2010-11 are as under

(Amount in ₹)

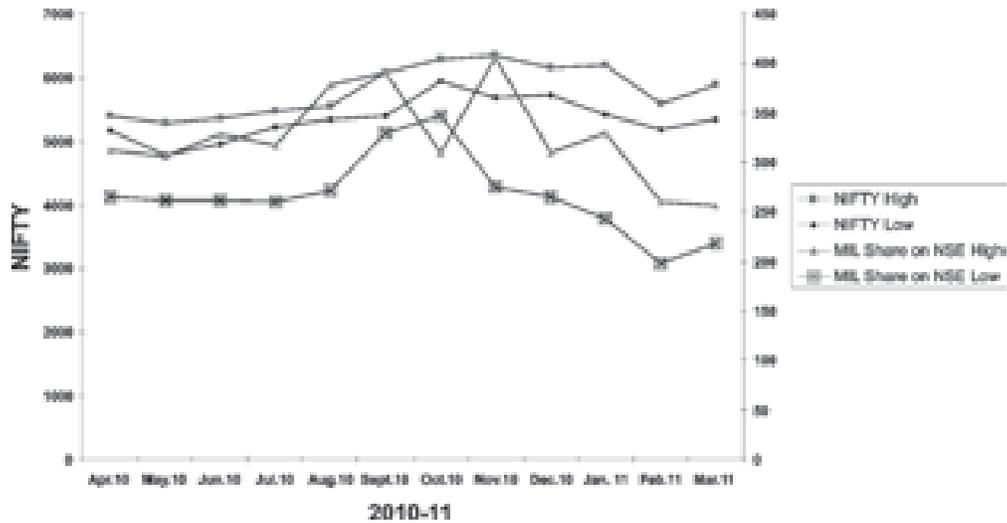
	SENSEX		MIL Share on BSE	
	High	Low	High	Low
April 10	18048	17277	308	264
May 10	17537	15960	301	243
June 10	17920	16318	320	261
July 10	18238	17396	318	260
Aug.10	18475	17820	378	269
Sept.10	20268	18027	392	324
Oct.10	20855	19769	410	355
Nov.10	21109	18955	405	271
Dec.10	20552	19075	309	260
Jan. 11	20665	18038	330	241
Feb.11	18691	17296	268	198
March 11	19575	17792	254	219

**MIL Share Price Vs BSE Sensex**



(Amount in ₹)

	NIFTY		MIL Share on NSE	
	High	Low	High	Low
April 10	5400	5161	312	265
May 10	5279	4786	306	262
June 10	5367	4961	329	262
July 10	5478	5226	317	260
Aug.10	5550	5349	378	271
Sept.10	6074	5403	391	330
Oct.10	6284	5937	310	347
Nov.10	6339	5690	405	275
Dec.10	6147	5721	310	265
Jan. 11	6181	5417	330	243
Feb.11	5599	5178	260	198
March 11	5872	5348	256	218

**MIL Shares on NSE Versus NIFTY**

**ix) Registrar and Share Transfer Agents**

For both Physical Share Transfer : M/s Link Intime India Pvt. Ltd.  
 and Electronic Mode (Dematerialized form) : A-40, 2nd Floor, Naryana 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 2011**

DISTRIBUTION SCHEDULE		
Category	No. of Shareholders	Share Amount (in ₹)
Upto 2500	2538	1,320,050
2501 - 5000	309	1,230,840
5001 - 10000	190	1,516,440
10001 - 20000	90	1,529,260
20001 - 30000	23	592,090
30001 - 40000	10	345,770
40001 - 50000	4	191,000
50001 - 100000	9	634,300
100001 and above	21	121,742,170
<b>TOTAL</b>	<b>3194</b>	<b>129,101,920</b>

SHAREHOLDING PATTERN		
Category	No. of Shares	% of Total Paid-up Capital
Promoters and Promoters Group	9,510,877	73.67
Mutual Funds/UTI	–	–
Banks, Financial Institutions, Insurance Companies	–	–
Foreign Institutional Investors	–	–
Private Bodies Corporate	2,491,166	19.30
Indian Public	835,328	6.47
Non-resident Individuals / Overseas Corporate Bodies	8,764	0.07
Others	64,057	0.49
<b>TOTAL</b>	<b>12,910,192</b>	<b>100</b>

xii) Dematerialization of Shares and Liquidity as on March 31, 2011:

79.59% of shares of the Company are in Dematerialised form.

xiii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date or likely impact on equity: 183500, 3% Cumulative Compulsorily Convertible Preference Share of ₹ 2,187/- each have been converted into 18,35,000 number of equity shares of ₹ 10 each fully paid up at a premium of ₹ 208.70 per share on April 01, 2011 and shall rank pari-passu to existing equity shareholders of the Company.

xiv) Plant Locations

- ❖ 34-35 Km. G.T. Karnal Road, Village Rasoi, Sonapat (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, Uttrakhand
- ❖ Plot No.28-F, Bidadi Industrial Area, Bidadi Ram Nagar District, Bangalore Rural District, Bangalore
- ❖ 327-328, Sector-3, Phase-II, Industrial Growth Centre, Bawal, Rewari, Haryana

xv) 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.

xvi) 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

## AUDITORS' 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, 2011 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.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained, there were no investor grievances remaining unattended / pending for more than 30 days as at March 31, 2011.

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 **R.N. SARAF & CO.**  
Chartered Accountants  
(Regn. No.002023N)

Place : New Delhi  
Date : May 30, 2011

R.N. SARAF, F.C.A.  
Membership No. 12439

Appendix IV

## MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

### Indian Economic Scenario

GDP is estimated to have grown at 8.6% in 2010-11. Agriculture sector has recorded a growth of 5.4% while industry has grown by 8.1% in 2010-11. The Planning Commission is aiming an economic growth rate of 9 - 9.5% for the 12th Five Year Plan (2012-17). According to a report by global consultancy firm PricewaterhouseCoopers (PwC), India could become the world's third largest economy by purchasing power parity (PPP).

### Indian Automobile Sector Scenario

The cumulative vehicle production data for April-March 2011 shows production growth of 27.45 percent over same period last year. The share of production of two wheelers, passenger vehicles, three wheelers and commercial vehicles were 75 percent, 17 percent, 4 percent and 4 percent respectively.

The growth rate recorded for Domestic Sales of vehicles for 2010-11 was 26.16 percent.

During April-March 2011, overall automobile exports registered a growth rate of 29.64 percent.

### Indian Auto Component Industry Scenario

The turnover of Indian auto component industry is around US \$ 26 billion with a investment of US \$ 12 billion and recorded a Compounded Annual Growth Rate (CAGR) of 21% during the year 2010-11

Poised to grow by over four-fold to US \$ 113 billion by 2020, the Indian auto component industry is one of the front runners for grabbing the global auto components outsourcing market. India's share in world Auto Components is expected to grow over 2.5% by 2015.

The total passenger car production in the country will jump four times to reach 9 million cars by 2020, according to Automotive Component Manufacturers' Association (ACMA). Although a major chunk of this will come from the fast growing domestic market, exports are likely to form around 35 per cent of the total market by 2020. It is

expected that India would be among the top-five vehicle producing countries in the world by 2020.

The report states that 40 per cent of the Auto Component Industry was dominated by body and structural products in 2009, 20 per cent by engines and exhaust and 10 per cent each by suspension and braking parts, transmission and steering parts, electronics and electrical and interiors.

By 2015, body and structural will account for 35 per cent of the Auto Component Industry, engines and exhaust 20 per cent, suspension and braking parts, transmission and steering parts and electronics and electrical will account for 13 per cent each and interiors 9 per cent.

The Indian automotive component industry manufactures a wide range of parts including castings, forging, finished and semi-finished components, assemblies and subassemblies. Its development has been aided by the arrival of OEMs to India and the increasing exposure of Indian companies to international competition and best practices.

### Outlook

India's automotive components industry is being urged by the government to partner with overseas firms with the aim of making India a platform for outsourcing as well as a global R&D hub. As the Indian vehicle production industry has grown, so has the domestic supplier industry. But the global auto industry's search for lower cost and more international outsourcing has led to a sharp growth in component output and exports in recent years.

Some of the companies such as GM, Ford, Daimler Chrysler, Valeo, Delphi, Magna, Honda, Caterpillar, Hyundai and Toyota, see India as a cost competitive base for parts sourcing and has established their design centers in India.

Factors such as superior engineering skills, modest domestic market growth, the sophistication of its IT industry and increasing free trade agreements in addition to low cost, are expected to boost India's auto-component sector growth over other countries in the environment of off-shoring to low-cost countries.

Further, the positive demographic factors, stable macro-economic environment and pro-reform policies of the government saw almost all major global auto players making their way into India. The intense competition has compelled the manufacturers to launch the latest global offering in India as early as possible. It has also enabled to keep the prices of the vehicles under check. The consumers, in turn, have benefited from wide choice of models, technologically advanced cars and better service from the car manufacturers.

### Opportunities and Threats

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

- 1) Low-cost, high-skill manpower with an abundance of engineering talent - the second largest in the world.
- 2) Well developed, globally competitive Auto Ancillary Industry.
- 3) Established automobile testing and R&D centers.
- 4) Opportunity to address the Global Auto Components market while leveraging India's large and growing domestic market.
- 5) High level of sourcing of auto components from Low Cost Countries (LCC's).

In order to face the ongoing challenges, your Company has been continuously making efforts to widen its customer base.

Your Company will focus on expanding manufacturing capabilities, enhancing its Research and Development skills.

Your Company is well placed with having nine existing plants and planning to set up a new project for developing Blow moulded products at Bawal (Haryana), considering the enormous business opportunities in the years to come. The Company has purchased the land there and the construction on the said land has already been started and it is expected that the commercial production of this plant will take place from the month September, 2011.

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) Pricing pressures from OEMs, which in turn are entering into a phase of heightened competitive intensity constraining their pricing power;
- b) Threat of rising commodity prices;
- c) Likely higher cost of funds consequent to hardening of interest rates; and
- d) Import from other low-cost locations.

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, Blow Moulded Products, Electronics Sensors/controllers and Alternate Fuel Kits. All products are carrying similar risk and returns. Hence, there is no separate reportable segment.

The Company has implemented World Class ERP system SAP which integrates all its operations under one umbrella and it helps to achieve the Mission and Vision of the Company.

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

### 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 growth of Auto Component Industry is directly linked with the growth of the auto industry. The automobile industry has reported a 26.61 per cent growth in sales in the year 2010-11.

Your Company has reported sales/turnover of ₹ 91,231 Lacs during the year 2010-11, as against ₹ 59,935 Lacs during the previous year.

Your Company has recorded profit after tax at ₹ 3,484 Lacs for the year ended on March 31, 2011, as compared to ₹ 2,287 Lacs in the previous year.

Your directors recommend:

- 1) Dividend of 30% i.e. ₹ 3/- per Equity Share (previous year ₹ 3/- per equity Share) on the face value of ₹ 10/- each on 12910192 Equity Shares (previous year 105050064 Equity Shares), amounting to ₹ 387 Lacs (Previous Year ₹ 315 Lacs).
- 2) Dividend of 3% i.e. ₹ 0.30 per 3% Cumulative Redeemable Preference Shares of ₹ 10/- each on 35,00,000 3% Cumulative Redeemable Preference Shares, amounting to ₹ 10,50,000/- (previous year ₹ 1,23,699/- on prorata basis).
- 3) Dividend of 3% i.e. ₹ 0.30 per 3% Cumulative Compulsorily Convertible Preference Shares of ₹ 2,187/- each on 1,83,500 3% Cumulative Compulsorily Convertible Preference Shares, amounting to ₹ 1,20,39,435/- (previous year ₹ 1418344/- on prorata basis). These shares have been converted into equity shares effective from 1st April, 2011 and will be eligible for dividend as per the terms of conversion.

The Company, Minda Autogas Ltd. has been amalgamated with Minda Industries Ltd. Vide Delhi High Court Order dated 25th January, 2011. The Amalgamation of Minda Acoustic Ltd. with Minda Industries Ltd. is under process. With these amalgamations, the product range of the Company will be increased and will includes Switches, Lightings, Horns, Batteries, Blow Moulded products and CNG/LPG Kits. This will enable the Company to consolidate the financials of these companies under one roof and over all the top line and bottom line will increase.

### Human Resources Management System

The Company's 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.

Pathshala - A group learning Centre was established in October, 2008, which imparts training at all level of employees to achieve the Mission and Vision of the Company.

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 efficiency 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 to meet the quality, cost, delivery aspects of customers / OEMs in growing market.

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 aspect 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, 2011 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 2010-11, 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 2010-11

Sudhir Jain  
Corp. Business Head (CFO)

Nirmal K. Minda  
Chairman & MD (CEO)

Place : New Delhi  
Date : May 30, 2011

**AUDITORS' REPORT**

To the members of Minda Industries Limited

We have audited the attached Balance Sheet of Minda Industries Limited as at March 31, 2011 and also the Profit and Loss Account and the Cash flow Statement for the year ended on that date annexed thereto( collectively referred as the ' Financial Statements'). 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, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches. The Branch Auditors report has been forwarded to us and has been appropriately dealt with;

- (iii) The Financial Statements dealt with by this report are in agreement with the books of account and with the audited returns from the branches;
- (iv) In our opinion, the Financial Statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the Directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanation given to us, the said financial statements together with schedule '1' to '16', 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 31st March, 2011;
  - (b) In the case of Profit and Loss Account, 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 **R.N. SARAF & CO.**  
Chartered Accountants  
(Regn. No.002023N)

Place : New Delhi  
Date : May 30, 2011

R.N. SARAF, F.C.A.  
Membership No. 12439

**ANNEXURE REFERRED TO THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF MINDA INDUSTRIES LTD ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011.**

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of its fixed assets;
- (b) The fixed assets of the Company are physically verified by the management according to a phased programme designed to cover all the items over a period of three years. Pursuant to the programme, physical verification of certain assets was carried out during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
- (c) The Company has not disposed off a substantial part of its fixed assets during the year.
- (ii) (a) The inventories have been physically verified by the management at reasonable intervals. In our opinion the frequency of verification is reasonable.
- (b) In our opinion, the procedures for physical verification of inventory 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 has maintained proper records of inventory. The discrepancies between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.
- (iii) (a) The Company has given unsecured interest bearing loan amounting to ₹ 72 Lacs to a Company covered in the register maintained under section 301 of the Companies Act, 1956. The outstanding balance including accrued interest at the year end is ₹74.99 Lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company, are not prima facie prejudicial to the interest of the Company.
- (c) The principal amount and interests are repayable on demand and there is no repayment schedule.
- (d) In respect of the said loans, repayable on demand and therefore the question of overdue amounts does not arise. In respect of interest, there are no overdue amounts.
- (e) Unsecured interest bearing loan amounting to ₹ 183.81 Lacs from a Company, and ₹ 43.32 Lacs from a party covered in the register maintained under section 301 of the Companies Act, 1956 is continuing since last year. The outstanding balance at the year end including accrued interest for the year from a Company is ₹ 198.70 Lacs and from other party is ₹ 46.83 Lacs.
- (f) In our opinion, the rate of interest and other terms and conditions on which the loans have been taken from a Company and other related parties covered in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
- (g) The Company is regular in repaying the principal amount and interest.
- (iv) In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. We have not observed any continuing failure to correct major weaknesses in internal controls during the course of audit.
- (v) (a) In our opinion, the particulars of the contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements exceeding value of ₹ Five Lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time except in respect of certain items, which are of special nature and suitable alternate sources do not exist for obtaining comparative quotations.
- (vi) In our opinion and according to the information and explanations given to us, the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA of the Companies Act, 1956 or

any other related provisions of the Act and Companies (Acceptance of Deposits) Rules, 1975 with regard to deposit accepted from the public, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal, Reserve Bank of India or any other court or other tribunal.

- (vii) An outside agency has carried out internal audit during the year. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
- (viii) The Central Government of India has prescribed the maintenance of cost records by the Company under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956. On the basis of the records produced, we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of such accounts and records.

- (ix) (a) According to the records, information and explanations provided to us, the Company is generally regular in depositing with appropriate authorities undisputed amount of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable to it and no undisputed amounts payable were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable;
- (b) According to the information and explanation given to us and the records of the Company examined by us at March 31, 2011, there have no dues in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess that have not been deposited on account of dispute other than certain disputed income tax, excise duty and Service Tax dues, the details of which are as follows :

Nature of Statute	Nature of Dues	Amt in ₹ Lacs	Financial Year to which matter pertains	Forum where dispute is pending
Income Tax Act	Income Tax	9.37	2002-03	Commissioner (Appeal)
Income Tax Act	Income Tax	12.39	2005-06	Income Tax Appellate Tribunal
Income Tax Act	Income Tax	21.26	2006-07	Income Tax Appellate Tribunal
Income Tax Act	Income Tax	47.32	2007-08	Commissioner (Appeal)
Central Excise Act	Central Excise Duty	35.64	2004-05 to 2007-08	Additional Commissioner (Central Excise)
Central Excise Act	Central Excise Duty	4.97	2007-08	Central Excise and Service Tax Appellate Tribunal, Delhi
Central Excise Act	Central Excise Duty	0.31	2008-09	Additional Commissioner (Central Excise)
Finance Act, 1994	Service Tax	13.85	2005-06 to 2008-09	Additional Commissioner (Central Excise)
Finance Act, 1994	Service Tax	9.37	2005-06 to 2009-10	Commissioner Central Excise (Appeal)
Finance Act, 1994	Service Tax	11.44	2006-07 to 2009-10	Joint Commissioner (Central Excise)
Finance Act, 1994	Service Tax	63.54	2007-08 to 2010-11	Additional Commissioner (Central Excise)

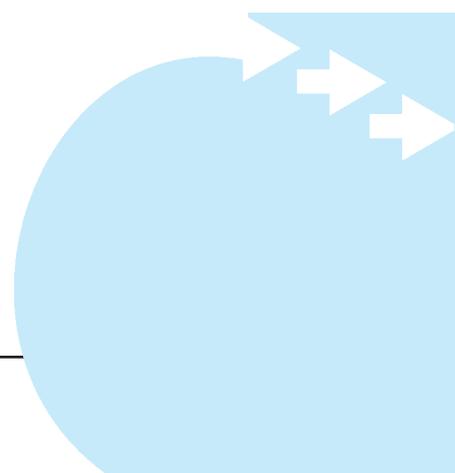
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank. There is no due to the financial institutions and to debenture holders.

- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- (xiii) The provisions of any special statute applicable to chit fund, nidhi and mutual benefit fund society are not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and any other investments. The Company has maintained proper records of transactions, contracts in respect of shares, securities and other investments and timely entries have been made therein. All shares, securities and other investments have been made in its own name.
- (xv) The Company has given guarantee for loan taken by others from banks. The terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.
- (xvi) In our opinion, 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 and Cash-Flow Statement 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) 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) Based on the audit procedures performed and information and explanations given to us by the management, we report that no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **R.N. SARAF & CO.**  
Chartered Accountants  
(Regn. No.002023N)

Place : New Delhi  
Date : May 30, 2011

R.N. SARAF, F.C.A.  
Membership No. 12439



**BALANCE SHEET AS AT 31st MARCH 2011**

	SCHEDULE	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
a) Share Capital	1	565,416,420	571,365,140
b) Reserves and Surplus	2	1,412,477,594	819,758,278
<b>Loan Funds</b>			
a) Secured Loans	3	1,279,697,647	1,074,150,135
b) Unsecured Loans	4	419,822,152	372,759,116
Deferred Tax Liability		103,415,047	63,231,228
<b>TOTAL</b>		<b>3,780,828,860</b>	<b>2,901,263,897</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
a) Gross Block	5	4,011,899,853	3,508,147,521
b) Less : Depreciation		1,519,670,679	1,215,703,953
c) Net Block		2,492,229,174	2,292,443,568
d) Capital Work in Progress		69,009,642	28,286,080
		2,561,238,816	2,320,729,648
<b>Investments</b>	6	191,098,433	81,935,608
<b>Current Assets, Loans and Advances</b>			
a) Inventories	7	787,536,650	469,490,227
b) Sundry Debtors		1,239,172,608	895,736,387
c) Cash and Bank Balances		231,631,820	131,525,935
d) Loans and Advances		437,112,460	312,638,244
		2,695,453,538	1,809,390,793
<b>Less : Current Liabilities and Provisions</b>	8		
a) Current Liabilities		1,521,691,096	1,207,423,580
b) Provisions		146,972,475	105,637,430
		1,668,663,571	1,313,061,010
<b>Net Current Assets</b>		1,026,789,967	496,329,783
Miscellaneous Expenditure	9	1,701,644	2,268,858
<b>TOTAL</b>		<b>3,780,828,860</b>	<b>2,901,263,897</b>
Accounting Policies and Notes to Financial Statements	16		

As per our report of even date  
For **R. N. SARAF & CO.**  
CHARTERED ACCOUNTANTS  
(REGN. NO. 002023N)

**R.N. SARAF, F.C.A**  
Membership No. 12439  
2659/2, Gurdwara Road,  
Karol Bagh, New Delhi - 110 005

**NIRMAL K. MINDA**  
Chairman and Managing Director

**SUDHIR JAIN**  
Corp. Business Head

**ALOK DUTTA**  
Director

**H.C. DHAMIJA**  
V.P. - Group A/cs,  
Taxation & Co. Secretary

Place : New Delhi  
Dated : 30.05.2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

	SCHEDULE	YEAR ENDED 31.03.2011 (₹)	YEAR ENDED 31.03.2010 (₹)
<b>INCOME</b>			
Sales/ Income from operations	10	<b>9,123,116,142</b>	5,993,486,854
Other Income	11	<b>145,964,009</b>	10,569,766
		<b>9,269,080,151</b>	6,004,056,620
<b>EXPENDITURE</b>			
Material and Manufacturing	12	<b>6,606,070,408</b>	4,216,989,235
Personnel	13	<b>995,237,546</b>	650,514,520
Administrative and Selling	14	<b>692,572,314</b>	416,174,462
Financial	15	<b>171,538,897</b>	144,223,744
Depreciation		<b>335,758,388</b>	269,607,867
Share Issue Expenses		<b>567,214</b>	567,214
		<b>8,801,744,767</b>	5,698,077,042
<b>Profit before Tax</b>		<b>467,335,384</b>	305,979,578
Less : Provision - Income Tax		<b>80,000,000</b>	65,000,000
: Deferred Tax Liability		<b>38,300,000</b>	12,250,000
: Short Provision of Income Tax / Wealth Tax		<b>581,366</b>	
<b>Profit after Tax</b>		<b>348,454,018</b>	228,729,578
Add : Balance brought forward from last year		<b>555,482,061</b>	408,448,548
<b>Amount available for appropriation</b>		<b>903,936,079</b>	637,178,126
Less : Appropriation :			
– General Reserve		<b>40,000,000</b>	40,000,000
– Dividend on 9% Cumulative Redeemable Preference Shares paid		<b>2,219,178</b>	–
– Proposed Dividend on			
9% Cumulative Redeemable Preference Shares		–	2,700,000
3% Cumulative Compulsorily Convertible Preference Shares		<b>12,039,435</b>	1,418,344
3% Cumulative Redeemable Preference Shares		<b>1,050,000</b>	123,699
Equity Shares		<b>38,730,576</b>	31,515,192
– Corporate Dividend Tax		<b>8,775,079</b>	5,938,830
<b>Balance being Surplus carried to Balance Sheet</b>		<b>801,121,811</b>	555,482,061
Earning Per Share (Equity Shares of nominal value ₹ 10 each)			
Basic [ Refer Schedule 16 B ( 9 ) ]		<b>25.61</b>	21.30
Diluted [ Refer Schedule 16 B ( 9 ) ]		<b>22.42</b>	18.13
Accounting Policies and Notes to Financial Statements	16		

As per our report of even date  
For **R. N. SARAF & CO.**  
CHARTERED ACCOUNTANTS  
(REGN. NO. 002023N)

**R.N. SARAF, F.C.A**  
Membership No. 12439  
2659/2, Gurdwara Road,  
Karol Bagh, New Delhi - 110 005

**NIRMAL K. MINDA**  
Chairman and Managing Director

**SUDHIR JAIN**  
Corp. Business Head

**ALOK DUTTA**  
Director

**H.C. DHAMIJA**  
V.P. - Group A/cs,  
Taxation & Co. Secretary

Place : New Delhi  
Dated : 30.05.2011

## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

	<b>AS AT 31.03.2011 (₹)</b>	<b>AS AT 31.03.2010 (₹)</b>
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
22,500,000 (Last year 15,000,000) Equity Shares of ₹ 10 each. @	<b>225,000,000</b>	150,000,000
3,000,000, 9% Cumulative Redeemable Preference Shares of ₹ 10 each (Class 'A')	<b>30,000,000</b>	30,000,000
183,500, 3% Cumulative Compulsorily Convertible Preference Shares of ₹ 2187 each (Class 'B')	<b>401,314,500</b>	401,314,500
3,500,000 3% Cumulative Redeemable Preference Shares of ₹ 10 each (Class 'C')	<b>35,000,000</b>	35,000,000
	<b>691,314,500</b>	<b>616,314,500</b>
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
12,910,192 (Last Year 10,505,064) Equity Shares of ₹ 10 each fully paid up	<b>129,101,920</b>	105,050,640
3,000,000, 9% Cumulative Redeemable Preference Shares of ₹ 10 each (Class 'A') fully paid up	-	30,000,000
183,500 ,3% Cumulative Compulsorily Convertible Preference Shares of ₹ 2187 each (Class 'B') fully paid up.	<b>401,314,500</b>	401,314,500
3,500,000 3% Cumulative Redeemable Preference Shares of ₹ 10 each (Class 'C') fully paid up.	<b>35,000,000</b>	35,000,000
	<b>565,416,420</b>	<b>571,365,140</b>
<b>@ Due to amalgamation of Minda Autogas Ltd, the Authorised Capital has been merged with the Company</b>		
1) Equity Shares Include		
- 1,233,330 Equity Shares of ₹ 10 each fully paid up issued during the year 1994-95 for consideration other than cash to the shareholders of Minda Auto Industries Ltd. pursuant to the scheme of amalgamation.		
- 392,832 Equity Shares of ₹ 10 each as Bonus Shares allotted on 15.12.1995 by capitalisation of General Reserve and 5,252,532 equity shares of ₹ 10/- each as bonus shares allotted on 31.03.2004 by capitalisation of Share Premium Account and General Reserve.		
- Re-issue of forfeited 31,800 Equity Shares of ₹ 10 each on 27.10.1998.		
- 2,405,128 equity shares of ₹ 10 each fully paid up issued during the year 2010 -11 for consideration other than cash to the shareholders of Minda Autogas Ltd. pursuant to the scheme of amalgamation.		
2) 3,000,000, 9% Cumulative Redeemable Preference Shares have been redeemed during the year.		
3) 183,500, 3% Cumulative Compulsorily Convertible Preference Shares of ₹ 2187 each were allotted on 17-02-2010, with a right of conversion into 10 Equity Share of ₹ 10 each fully paid up at a premium of ₹ 208.70 per share within a period not exceeding eighteen months from the date of allotment.		
4) 3,500,000, 3% Cumulative Redeemable Preference Share of ₹ 10 each have been allotted on 17-02-2010, 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.		
<b>SCHEDULE 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>CAPITAL RESERVE :</b>		
a) Capital profit on reissue of Equity Shares forfeited As per last Balance Sheet	<b>193,500</b>	193,500
b) Capital sales tax subsidy from Government of Haryana As per last Balance Sheet	<b>22,565,001</b>	22,565,001
	<b>22,758,501</b>	<b>22,758,501</b>
<b>CAPITAL REDEMPTION RESERVE</b>		
- Transferred from General Reserve	<b>30,000,000</b>	-
	<b>30,000,000</b>	-
<b>SHARE PREMIUM ACCOUNT</b>		
Transferred from erstwhile Minda Autogas Limited pursuant to Scheme of Amalgamation	<b>63,148,140</b>	-
	<b>63,148,140</b>	-
<b>GENERAL RESERVE :</b>		
As per last Balance Sheet	<b>241,517,716</b>	204,073,360
Add : Transferred from Profit and Loss Account	<b>40,000,000</b>	40,000,000
Transferred from erstwhile Minda Autogas Limited pursuant to Scheme of Amalgamation	<b>36,076,930</b>	-
Less : Transferred to Capital Redemption Reserve	<b>(30,000,000)</b>	-
Liability for employee cost upto 31.03.07 [Refer Note No-16(B) 11]	<b>(2,469,932)</b>	(2,555,644)
	<b>285,124,714</b>	<b>241,517,716</b>
<b>PROFIT AND LOSS ACCOUNT :</b>		
Surplus as per Profit and Loss Account	<b>801,121,811</b>	555,482,061
Transferred from erstwhile Minda Autogas Limited pursuant to Scheme of Amalgamation	<b>210,324,428</b>	-
	<b>1,011,446,239</b>	<b>555,482,061</b>
	<b>1,412,477,594</b>	<b>819,758,278</b>

	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
<b>SCHEDULE 3</b>		
<b>SECURED LOANS</b>		
From Banks		
Working Capital loans	657,647,358	262,589,072
Term Loans	615,856,788	778,428,241
Vehicle Loans	5,809,563	4,487,413
From Others		
Vehicle Loans	383,938	999,695
Deferred Payment Liability		
Volkswagen India Pvt. Ltd.	-	27,645,714
	<u>1,279,697,647</u>	<u>1,074,150,135</u>

**NOTES:**

1. a) Working Capital Loans from Canara Bank, Citi Bank N.A., HDFC Bank and State Bank of India are secured by hypothecation of stock of raw materials, finished goods, semi finished goods, bills discounted with the bank and book debts on pari-passu basis and further secured by second charge on fixed assets of the Company on pari-passu basis with Small Industries Development Bank of India.
- b) The Working Capital loans from Kotak Mahindra Bank Ltd., has been secured by subservient charge on all existing and future current and movable fixed assets of the Company.
2. a) Term Loan from State Bank of India is secured by way of first pari-passu charge on all present and future fixed assets. Term loan from State Bank of India is further secured by hypothecation of all the goods, book debts and other movable assets of the Company on pari-passu basis.
- b) Term Loan from Axis Bank Ltd. is secured by way of first pari-passu charge on all fixed assets of the Company.
3. Vehicle loans from banks/others are secured by hypothecation of assets financed by them.
4. Loan from Volkswagen India Pvt. Ltd. represents deferred payment liability in respect of specific tools and is secured by hypothecation of tools that have/will be acquired or manufactured in-house.
5. Term loans/Vehicle loans payable within one year

**From Banks**

Term Loans	221,111,668	164,561,668
Vehicle Loans	2,613,680	2,031,834

**From Others**

Vehicle Loans	383,938	635,390
---------------	---------	---------

**SCHEDULE 4**
**UNSECURED LOANS**
**Short Term Loan**

- From bank	-	100,000,000
- From a finance Company	220,116,950	-

**From other than banks**

- Director(s)	4,683,071	4,332,166
- Companies	19,870,359	18,381,461
- Customers/ Trade Deposits	12,816,655	81,735,665
- Others	90,217	160,924

**Interest Free Sales Tax Deferred Liability**

	142,724,900	142,724,900
--	-------------	-------------

**Fixed Deposits**

- from Director(s)	700,000	2,000,000
- from Others	18,820,000	23,424,000

	<u>419,822,152</u>	<u>372,759,116</u>
--	--------------------	--------------------

**Payable with in one year**
**Short Term Loan**

- From bank	-	100,000,000
- From finance company	220,116,950	-

**Interest Free Sales Tax Deferred Liability**

	818,057	-
--	---------	---

**Fixed Deposits**

	<u>7,299,000</u>	<u>8,161,000</u>
--	------------------	------------------

**SCHEDULE 5  
FIXED ASSETS**

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	AS AT 31.03.2010	ADDITIONS/ TRANSFER TO AMALGA- MATION	SALES/ TRANSFER/ ADJUST- MENT	AS AT 31-03-2011	UP TO 31.03.2010	ON ACCOUNT OF AMALGA- MATION	FOR THE YEAR	ON SALE/ WRITE OFF/ ADJUST- MENT	UP TO 31-03-2011	AS AT 31-03-2011	AS AT 31-03-2010
<b>TANGIBLE ASSETS</b>											
LAND											
- LEASEHOLD	76,403,979	21,554,270		97,958,249	3,667,853		740,366		4,408,219	93,550,030	72,736,126
- FREEHOLD	193,216,241			193,216,241					-	193,216,241	193,216,241
BUILDING	589,715,992	11,223,945		600,939,937	79,826,691		19,697,792		99,524,483	501,415,454	509,889,301
PLANT AND MACHINERY	2,169,017,028	47,056,561	98,575,830	2,545,461,630	917,684,559	9,344,960	268,914,903	40,666,123	1,155,278,299	1,390,183,331	1,251,332,469
ELECTRIC FITTINGS	87,634,819	2,295,117		89,929,936	16,294,233		3,582,131	0	19,876,364	70,053,572	71,340,586
FURNITURE AND FITTINGS	32,480,812	3,013,255	884,018	43,884,150	13,595,543	850,516	2,163,616	55,118	16,554,557	27,329,593	18,885,289
OFFICE EQUIPMENT	105,249,596	8,326,275	3,798,281	135,987,060	56,286,669	3,773,268	9,300,013	3,580,391	65,779,559	70,207,501	48,962,927
VEHICLES	72,668,822	9,832,399	14,983,968	75,906,754	25,576,343	2,101,250	7,024,903	6,377,681	28,326,815	47,579,939	47,090,479
<b>INTANGIBLE ASSETS</b>											
COMPUTER SOFTWARE	154,576,128	11,986,040	52,540	195,679,926	94,306,937	2,122,037	21,279,621	5,238	117,703,357	77,976,569	60,269,191
TECHNICAL KNOW HOW	27,184,104	4,122,707	1,629,159	32,935,970	8,463,125	687,118	3,068,783		12,219,026	20,716,944	18,720,979
SUB TOTAL	3,508,147,521	84,337,237	118,294,637	4,011,899,853	1,215,703,953	18,879,149	335,772,128@	50,684,551	1,519,670,679	2,492,229,174	2,292,443,568
<b>CAPITAL WORK-IN-PROGRESS</b>											
-BUILDING/ELECTRIC FITTINGS				30,376,201						30,376,201	
- PLANT AND MACHINERY	19,151,842	29,021,257	19,151,842	29,021,257						29,021,257	19,151,842
- OFFICE EQUIPMENTS		100,292		100,292						100,292	
- TECHNICAL KNOW HOW	3,620,490	434,943		4,055,433						4,055,433	3,620,490
- COMPUTER SOFTWARE		2,887,500		2,887,500						2,887,500	
- PROJECT EXPENSES PENDING CAPITALISATION / ALLOCATION (Annexure 5 A)	5,513,748	2,568,959	5,513,748	2,568,959						2,568,959	5,513,748
SUB TOTAL	28,286,080	65,389,152	24,665,590	69,009,642						69,009,642	28,286,080
GRAND TOTAL	3,536,433,601	84,337,237	142,960,227	4,080,909,495	1,215,703,953	18,879,149	335,772,128@	50,684,551	1,519,670,679	2,561,238,816	2,320,729,648
PREVIOUS YEAR FIGURES	2,708,388,977	-	283,359,407	3,536,433,601	956,856,405	-	269,607,866	10,760,318	1,215,703,953	2,320,729,648	1,751,532,572

@ includes ₹ 13,741/-on account of project expenses pending capitalisation/allocation.

**ANNEXURE 5A**

	AS AT 31.03.2011 (₹)		AS AT 31.03.2010 (₹)
<b>PROJECT EXPENSES PENDING CAPITALISATION/ALLOCATION</b>			
<u>MATERIAL AND MANUFACTURING</u>			
Raw material Consumed	111,351		7,501,322
Stores & Spares	249,359		2,469,165
Manufacturing Expenses	<u>68,530</u>	<u>429,240</u>	<u>6,509,113</u>
			16,479,600
<u>PERSONNEL</u>			
Salaries, Wages and Bonus	487,684		30,188,006
Contribution to Provident and other funds	38,622		1,673,223
Recruitment	55,520		184,674
Welfare	<u>31,770</u>	<u>613,596</u>	<u>2,619,930</u>
			34,665,833
<u>ADMINISTRATIVE AND SELLING</u>			
Rates and Taxes	62,000		47,347
Printing and Stationery	21,151		104,733
Travelling and Conveyance	786,343		5,693,335
Lease Rent	-		544,244
Communication Expenses	-		617,963
Legal and Professional	-		4,144,169
Insurance	8,750		159,982
General Charges	101,651		1,336,692
Testing Expenses	303,037		101,469
Books and Periodicals	451		146,855
Repairs to:			
Building	-		498,271
Plant and Machinery	-		511,596
Others	-		1,862,926
Pollution Control	-		380,905
Sales promotion/Advertisement	33,838		1,326,743
Royalty	-		106,134
Freight and Forwarding	30,862		526,492
Overhead /Software Cost	<u>179,761</u>	<u>1,527,844</u>	<u>1,366,158</u>
			19,476,014
<u>FINANCIAL</u>			
Banks and Financial Institutions			
Interest on			
- Term Loans	-		24,750,777
Financial charges	<u>882</u>	<u>882</u>	<u>752,935</u>
			25,503,712
<u>DEPRECIATION</u>			
		<u>13,741</u>	<u>-</u>
		<u>2,585,303</u>	<u>96,125,159</u>
Less:- Sales		<u>16,344</u>	<u>-</u>
		<u>2,568,959</u>	<u>96,125,159</u>
Add: Expenses brought forward from previous year		<u>5,513,748</u>	<u>33,779,974</u>
		<u>8,082,707</u>	<u>129,905,133</u>
Less: Allocation/Recovery during the year		<u>(5,513,748)</u>	<u>(124,391,385)</u>
Balance pending Capitalisation/Allocation		<u>2,568,959</u>	<u>5,513,748</u>

	Face Value of each Share	AS AT 31.03.2011 No. of Shares	AS AT 31.03.2010 No. of Shares	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
<b>SCHEDULE 6</b>					
<b>INVESTMENTS</b>					
<b>In Equity Shares:-</b>					
<b>(At cost, unquoted, other than trade-long term)</b>					
<b>Subsidiary Companies</b>					
Minda Auto Components Ltd.	₹ 10	<b>210,200</b>	210,200	<b>2,102,000</b>	2,102,000
Minda Reality & Infrastructure Ltd.	₹ 100		4,940	–	494,000
<b>Companies under same management:-</b>					
Mindarika Private Ltd.	₹ 10	<b>27,07,600</b>		<b>70,072,688</b>	
<b>Other Companies</b>					
<b>Domestic Companies:-</b>					
Om Marubeni Logistics Pvt Ltd.	₹ 10		1,80,000		1,800,000
Valeo Minda Electrical Systems India Pvt Ltd.	₹ 10		17,50,000		17,500,000
Minda Autocare Ltd.	₹ 10	<b>1,40,150</b>		<b>7,317,231</b>	
Minda Emer Technologies Ltd.	₹ 10	<b>9,49,930</b>		<b>9,499,300</b>	
Minda Acoustic Ltd.	₹ 10	<b>36,85,000</b>	36,85,000	<b>36,850,000</b>	36,850,000
Minda Autogas Ltd. @	₹ 10		1,430,492		14,304,920
<b>Overseas Company:-</b>					
P.T. Minda Asean Automotive (Indonesia)	USD \$10	<b>20250</b>	20250	<b>8,884,688</b>	8,884,688
<b>Capital in Partnership Firms</b>					
48.90% Share in Auto Component@@				<b>34,860,991</b>	
48.90% Share in Yogendra Engineering@@@				<b>21,511,535</b>	
				<b>191,098,433</b>	<b>81,935,608</b>

@Minda Autogas Ltd., has been amalgamated with Minda Industries Ltd.

@@ Other Partners' in Auto Component

- (i) Nirmal K. Minda holding 25.55 % share
- (ii) Palak Minda holding 25.55 % share
- Total Capital of Partnership Firm - ₹ 80,268,958

@@@ Other Partners' in Yogendra Engineering

- (i) Sanjeev Garg holding 22.50 % share
- (ii) Birender Garg holding 22.50 % share
- (iii) Suman Minda holding 6.10 % share
- Total Capital of Partnership Firm - ₹ 43,990,872

## SCHEDULE 7

### CURRENT ASSETS, LOANS AND ADVANCES

#### a) Inventories

(As taken, valued and certified by the Management)

Raw Materials	<b>432,431,788</b>	254,848,364
Finished Goods @	<b>51,399,219</b>	31,655,420
Stock-in-Trade	<b>22,037,410</b>	–
Work in Progress	<b>185,840,600</b>	127,230,223
Stores and Spares	<b>92,506,056</b>	47,711,215
Material in Transit	<b>3,321,577</b>	8,045,005
	<b>787,536,650</b>	<b>469,490,227</b>

@ includes in Transit

	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
<b>b) Sundry Debtors (Unsecured)</b>		
– Outstanding for a period exceeding six months :		
– Considered Good	8,442,326	7,288,057
– Considered Doubtful	11,945,359	5,263,759
– Other Debts		
– Considered Good	<u>1,230,730,282</u>	<u>888,448,330</u>
	<u>1,251,117,967</u>	<u>901,000,146</u>
Less : Provision for Doubtful Debts	<u>(11,945,359)</u>	<u>(5,263,759)</u>
	<u>1,239,172,608</u>	<u>895,736,387</u>
<b>c) Cash and Bank Balances</b>		
Cash on hand/imprest	3,159,095	3,844,535
Cheques/drafts in hand	9,237,553	6,875
Silver coins @	195,723	159,087
With Scheduled Banks		
– In current accounts @@	43,061,727	69,852,835
– In deposit accounts @@@	175,515,339	57,423,007
With Non-scheduled Banks		
– In current accounts @@@@		
Bank of China	75,389	100,604
BDS,Italy	386,994	138,992
	<u>231,631,820</u>	<u>131,525,935</u>
@ coins in numbers	1,220	1,108
@@ includes unclaimed dividend account	1,526,739	1,253,602
@@@ includes accrued interest	4,282,101	754,986
@@@@ Includes Fixed Deposits:-		
– pledged with banks for issue of bank guarantee and Margin money for issue of Letter of Credit etc.	10,279,528	4,517,979
– pledged with Sales Tax Department as security	6,962	6,962
@@@@ Maximum balance with:		
Bank of China	366,990	356,230
BDS,Italy	856,760	786,450
<b>d) Loans and Advances</b>		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received :		
– Considered Good	234,593,509	232,269,311
– Considered Doubtful	60,000	5,530
Share Application Money pending allotment	50,000,000	–
Balance with Excise authorities	53,123,634	24,376,156
Income Tax (Net of Payment)	72,102,524	35,597,806
Security Deposits with		
– Government Authorities	13,592,337	7,395,162
– others @	13,700,456	12,999,809
	<u>437,172,460</u>	<u>312,643,774</u>
Less : Provision for Doubtful Advances	<u>(60,000)</u>	<u>(5,530)</u>
	<u>437,112,460</u>	<u>312,638,244</u>
Sundry debtors and loans and advances Includes		
– Amount due from Companies under the same management		
– Mindarika Pvt. Ltd.	11,211,249	13,284,958
– Amount due from Subsidiary Companies		
– Minda Auto Components Ltd.	50,930,702	1,599,162
Maximum Balance outstanding during the year Companies under the same management		
– Mindarika Pvt. Ltd.	43,937,532	33,775,305
Subsidiary Companies		
– Minda Auto Components Ltd.	58,377,383	63,619,607
Firm in which Sh.Nirmal K. Minda, Managing Director is a Partner		
– Auto Components	5,753,446	21,328,109
@ Includes - the amount towards security deposit with Minda Industries Firm in which Sh. Nirmal K. Minda, Managing Director is a partner.	<u>60,000</u>	<u>60,000</u>

	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
<b>SCHEDULE 8</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
Current Liabilities		
Acceptances	45,471,628	39,090,113
Sundry Creditors @	1,289,363,645	1,030,689,279
Customers at credit	120,336,329	102,244,369
Unclaimed Dividend	1,526,739	1,255,017
Interest accrued but not due on		
– Fixed deposits	2,044,256	1,156,062
Other Liabilities	62,948,499	32,988,740
	<u>1,521,691,096</u>	<u>1,207,423,580</u>
Provisions		
Gratuity		
Opening Balance	36,047,946	25,252,692
Additions	15,962,379	14,011,734
Payments	1,055,914	3,216,480
	<u>50,954,411</u>	<u>36,047,946</u>
Leave encashment		
Opening Balance	21,744,070	18,386,916
Additions	16,340,884	6,764,546
Payments	12,794,408	3,407,392
	<u>25,290,546</u>	<u>21,744,070</u>
Warranty		
Opening Balance	5,575,000	2,560,000
Additions	4,475,000	3,015,000
	<u>10,050,000</u>	<u>5,575,000</u>
Wealth Tax (Net of Payment)	451,006	497,924
Fringe Benefit Tax (Net of Payment)		76,426
Proposed Dividend on		
9% Cumulative Redeemable Preference Shares		2,700,000
3% Cumulative Compulsorily Convertible Preference Shares	12,039,435	1,418,344
3% Cumulative Redeemable Preference Shares	1,050,000	123,699
Equity Shares	38,730,576	31,515,192
Corporate Dividend Tax	8,406,501	5,938,830
	<u>146,972,475</u>	<u>105,637,430</u>
	<u>1,668,663,571</u>	<u>1,313,061,010</u>

@ The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 th August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. 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.

**SCHEDULE 9**
**MISCELLANEOUS EXPENDITURE**

(to the extent not written off or adjusted)

Share Issue Expenses	1,701,644	2,268,858
	<u>1,701,644</u>	<u>2,268,858</u>

	YEAR ENDED 31.03.2011 (₹)	YEAR ENDED 31.03.2010 (₹)
<b>SCHEDULE 10</b>		
<b>SALES/ INCOME FROM OPERATIONS</b>		
Gross Sales	9,615,775,057	6,269,450,839
Less:- Excise Duty	<u>703,890,632</u>	<u>388,548,336</u>
	8,911,884,425	5,880,902,503
Other Income from Operations		
(i) Exports Benefits	10,607,141	12,942,136
(ii) Service Income	79,646,176	57,361,571
(iii) Royalty	53,178,400	42,280,644
(iv) Non Competing Fee	<u>67,800,000</u>	
	9,123,116,142	5,993,486,854
Tax Deducted at Source :		
Service Income	7,366,086	5,886,971
Royalty	<u>7,177,779</u>	<u>6,111,908</u>
<b>SCHEDULE 11</b>		
<b>OTHER INCOME</b>		
Interest		
– from banks	8,575,804	865,882
– from Others	766,452	380,228
– on income tax refund	1,135,863	831,079
Rental	115,140	5,122,780
Gain on sale of fixed assets (net of loss/written off)	12,486,060	
Gain on sale of long-term Investments(net)	7,917,500	
Gain in Currency Fluctuation	28,153,735	609,428
Dividend Income	8,114,941	2,547,446
Share of Profit from Partnership Firms:-		
– Auto Component	23,467,588	
– Yogendra Engineering	53,785,536	
Miscellaneous	<u>1,445,390</u>	212,923
	145,964,009	10,569,766
Tax Deducted at Source :		
Interest	906,717	116,748
Rental	–	1,100,632
Dividend	<u>532,586</u>	<u>382,117</u>
<b>SCHEDULE 12</b>		
<b>MATERIAL AND MANUFACTURING</b>		
Raw material consumed	6,274,138,010	4,004,650,486
Traded Goods	58,637,613	–
Stores and Spares	143,483,830	146,478,801
Power and Fuel	<u>226,031,117</u>	<u>140,956,867</u>
	6,702,290,570	4,292,086,154
<b>Add (Less) Decrease (Increase) in Finished Goods and Work in Progress</b>		
Stock at beginning		
– Finished goods	31,655,420	16,218,563
– Work in progress	<u>127,230,223</u>	<u>67,086,073</u>
	158,885,643	83,304,636
– Less : Excise Duty	<u>1,501,265</u>	<u>1,017,177</u>
	157,384,378	82,287,459
Transferred from erstwhile Minda Autogas Ltd. pursuant to Scheme of Amalgamation		
– Finished goods	3,965,071	–
– Work in progress	39,689	–
	4,004,760	–
– Less : Excise Duty	<u>420,365</u>	–
	3,584,395	–
Net Opening Stock	<u>160,968,773</u>	<u>82,287,459</u>
<b>Stock at Close</b>		
– Finished goods	51,399,219	31,655,420
– Stock-in-trade	22,037,410	–
– Work in progress	<u>185,840,600</u>	<u>127,230,223</u>
	259,277,229	158,885,643
– Less : Excise Duty	<u>2,088,294</u>	<u>1,501,265</u>
Net Closing Stock	<u>257,188,935</u>	<u>157,384,378</u>
<b>Decrease (Increase)</b>	<u>(96,220,162)</u>	<u>(75,096,919)</u>
	6,606,070,408	4,216,989,235

	YEAR ENDED 31.03.2011 (₹)	YEAR ENDED 31.03.2010 (₹)
<b>SCHEDULE 13</b>		
<b>PERSONNEL</b>		
Salaries, Wages and Bonus	818,383,322	539,690,447
Contribution to Provident and other funds	61,407,321	36,372,272
Gratuity	12,263,907	11,456,090
Recruitment	5,028,777	1,760,474
Welfare	98,154,219	61,235,237
	<u>995,237,546</u>	<u>650,514,520</u>
<b>SCHEDULE 14</b>		
<b>ADMINISTRATIVE AND SELLING</b>		
Rent	41,499,997	31,010,597
Rates and Taxes	1,811,097	1,596,634
Printing and Stationery	15,397,858	7,614,449
Travelling and Conveyance	163,736,873	95,098,987
Lease Rent	4,037,911	1,201,054
Communication	16,179,504	11,046,717
Legal and Professional	115,941,971	58,578,318
Insurance	14,512,476	7,630,455
General Charges @	55,273,781	23,943,855
Debts/Amount Written off	2,128,084	143,242
Provision for Doubtful Debts/ amounts	6,540,881	2,703,098
Warranty	41,288,206	28,062,577
Testing	13,063,948	11,296,859
Books and Periodicals	6,218,852	3,622,447
Repairs to:		
– Building	7,509,845	6,885,093
– Plant and Machinery	30,852,674	29,390,909
– Others	17,402,689	13,629,548
Pollution Control Expenses	449,713	2,902,396
Research and Development	7,469,968	5,451,533
Sales promotion/Advertisement	18,091,933	10,203,308
Freight and Forwarding	86,383,115	52,585,184
Royalty	10,005,773	7,361,919
Discount and Commission	3,435,862	235,135
Donation	12,678,261	680,651
Wealth Tax	400,000	450,000
Sales Tax / Turnover Tax	261,042	179,238
Loss on sale of fixed assets /written off (net)	–	2,670,259
	<u>692,572,314</u>	<u>416,174,462</u>
	<u>6,792</u>	<u>3,166</u>
@ Includes penalty		
<b>SCHEDULE 15</b>		
<b>FINANCIAL</b>		
<b>Banks and Financial Institutions</b>		
Interest on		
– Term Loans	78,290,239	64,896,184
– Working Capital loans	59,848,084	54,255,838
Financial Charges	6,779,268	6,522,573
<b>Other than Banks and Financial Institutions</b>		
Interest on		
– Working Capital loans	10,369,646	3,639,698
– Fixed Deposits	2,760,685	1,356,601
– Other Loans	13,490,975	13,552,850
	<u>171,538,897</u>	<u>144,223,744</u>

**SCHEDULE-16****ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENT****A) ACCOUNTING POLICIES****1. BASIS OF PREPARATION OF FINANCIAL STATEMENT**

- a) The Financial Statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles, accounting standards notified under Section 211(3C) of the Companies Act'1956 and the relevant provision thereof. All income and expenditure having a material bearing in the Financial Statements are recognized on accrual basis.

**2. USE OF ESTIMATES**

- a) The preparation of Financial Statement requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of Financial Statement and the reported amount of revenue and expenses during the reported period. Differences between the actual results and estimates are recognized in the period in which the results are known/ materialized.

**3. FIXED ASSETS**

- a) Fixed Assets except revalued assets are stated at cost of acquisition inclusive of purchase price, duties, taxes, labour costs and directly attributable costs for in house manufacturing of assets and other direct costs incurred and other incidental expenses, erection/ commissioning expenses etc. (net of Cenvat benefit availed of excise duty, cess, countervailing duty on imported capital goods, and vat/sales tax set off availed, wherever applicable) up to the date, the assets are put to use. Increase or decrease in long term liabilities on account of exchange rate fluctuations has been adjusted in the cost of fixed assets.
- b) Hardware/Software costs of Enterprises Resource Planning (ERP) system includes cost of designing software, which provide significant future economic benefits over an extended period. The cost comprises of license fee, cost of system integration and implementation cost. The costs are capitalized in the year in which the relevant system is ready for intended use.

**4. DEPRECIATION/AMORTIZATION**

- a) Depreciation on fixed assets is provided
- On Plant and Machinery on Written Down Value method
  - On other fixed assets on Straight Line Method.
- at the rates and in the manner specified in Schedule-XIV in the Companies Act, 1956.
- Hardware/ software cost of ERP are amortized over the estimated useful economic life not exceeding four years.
  - On Computer Software on straight-line method at the rate of 16.21 percent.
  - Leasehold land and lease hold improvements are amortized over the period of lease.
- b) Technical-know how fees is being amortized over a period of the agreement.

**5. IMPAIRMENT OF ASSETS**

- a) An impairment loss is recognized whenever the carrying amount of an asset is in excess of its recoverable amount and same is recognized as an expense in the statement of profit and loss account of the assets is reduced to its recoverable amount.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

**6. INVESTMENTS**

- a) Long term investments are valued at cost. Current Investments are valued at cost or fair market value whichever is lower. Provision for permanent diminution in the value of Long Term Investments, if any, is based on perception of the management of the Company.

**7. INVENTORIES**

- a) Raw material (including packing material), Finished Goods and Work-in-Progress are valued at lower of cost (Moving Average Price) or net realizable value.
- b) "Stores and Spares" and "Material in Transit" are valued at cost.

**8. SALES**

- a) Sales comprise amounts invoiced for goods sold inclusive of excise duty, cess, but net of Sales Tax/VAT and returns/rejections.
- b) Sales includes sale of own products, design income, job work, scraps, tools, dies and moulds and consumable material.

**9. GOVERNMENT GRANTS**

- a) Grants relating to fixed assets are shown as Deferred Government Grant and those of the nature of Capital Subsidy are credited to Capital Reserve.
- b) Other Government Grants are credited to Profit and Loss Account or deducted from the related expenses.

**10. BORROWING COST**

- a) Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalized as part of the cost of the assets up to the date each asset is put to use. All other borrowing costs are charged to revenue.

**11. RESEARCH AND DEVELOPMENT**

- a) Revenue expenditure incurred on research and development is charged to Profit and Loss Account in respective account heads.
- b) Capital expenditure incurred on research and development activity is included in fixed assets and depreciated at applicable rates.

**12. FOREIGN CURRENCY TRANSACTIONS**

- a) Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investments.
- b) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- c) 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.

- d) In the case of liabilities incurred for the acquisition of fixed assets, the loss or gain on conversion (at the rate prevailing at the year end or at the forward rate where forward cover has been taken) is included in the carrying amount of the related fixed assets.

- e) Current Assets and Liabilities (other than those relating to fixed assets and investments) are restated at the rates prevailing at the year end or at the forward rate where forward cover has been taken. The difference between exchange rate at the year end and at the date of the transaction is recognized as income or expense in Profit and Loss Account. In respect of transactions covered by forward exchange contracts, the difference between the contract rate and the rate on the date of the transaction is recognized as income or expense in the Profit and Loss Account over the life of the contract.

**13. COMMODITY HEDGING**

- a) The Company uses forward contracts and options to hedge its exposure to the movement of commodity price risk for metals used as raw materials. These forward contracts and options are not used for trading or speculation purpose. The gains or losses arising on this account are adjusted to the consumption of raw materials.

**14. REPRESENTATIVE OFFICES**

- a) 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 monthly average rate.

**15. CUSTOM AND EXCISE DUTY**

- a) Custom duty on material and machinery lying in bond and in transit is accounted for at the time of clearance thereof.
- b) Excise Duty has been accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in bonded warehouse.

**16. RETIREMENT BENEFITS**

- a) The payment for present liability of future payment of gratuity is being made to approved gratuity

fund, which covers the same under the policy of Life Insurance Corporation of India.

- b) Provision for Leave Encashment benefits have been made on the basis of actuarial valuation.

#### 17. SHARE ISSUE EXPENSES

- a) Share issue expenses are amortized over a period of five years.

#### 18. WARRANTY COSTS

- a) Product warranty costs are accrued in the year of sale of products, based on technical estimates.

#### 19. LIABILITIES

- a) All liabilities are provided for in the accounts except liabilities of a contingent nature, which are disclosed in the notes on accounts.

#### 20. TAXATION

- a) The provision for income tax for the year is based on the assessable profit as computed in accordance with the Income Tax Act, 1961/Income Tax Rules, 1962.
- b) Deferred tax is recognized subject to consideration, of prudence on timing differences, being the difference between Taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods.

#### 21. ACCOUNTING STANDARDS

- a) The accounts have been prepared in compliance with the applicable Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956.

#### B) NOTES ON ACCOUNTS

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

- a) Bank Guarantee: ₹ 124.55 Lacs (Previous Year: ₹ 44.90 Lacs); Central Excise and Service Tax: ₹ 139.44 Lacs (Previous Year: ₹ 52.94 Lacs); Income Tax: ₹ 91 Lacs (Previous Year: ₹ 187.02 Lacs); Bills Discounting: ₹ 1140.13 Lacs (Previous Year: ₹ 405.22 Lacs) and Others ₹ 73.94 Lacs (Previous Year: ₹ 10.26 Lacs).
- b) As per agreement executed with Maruti Suzuki India Ltd (MSIL), being Maruti Car Scheme in which loan facility has been granted to

Company's employee and other associates on the recommendation of the Company by MSIL. The Company has taken responsibility to make such payment. The amount so outstanding at the year end is ₹90.53 Lacs (Previous Year: ₹ 198.64 Lacs).

- 2 a) Pursuant to the scheme of amalgamation, sanctioned by the order dated 25th January, 2011 of Hon'ble High Court, Delhi, Minda Autogas Ltd. (MAGL) engaged in the manufacturing of CNG/LPG kits has been amalgamated with the Company with effect from April 01, 2009.

- b) The amalgamation has been accounted for under the 'pooling of interest' method as prescribed by Accounting Standard – 14 on 'Accounting for amalgamation'.

Accordingly the Assets, Liabilities and Reserves of the erstwhile MAGL as at 1st April, 2009 along with the subsequent addition/ deletion upto 31st March, 2010 has been transferred in accordance with the said scheme.

The profit of the amalgamating Company during the financial year 2009-10 has been transferred to the Company without opening the account of the Company for the financial year 2009-10, The Current Year transactions are duly incorporated in the books of the Company.

Figures for the current year include the figures of erstwhile MAGL. Therefore, current year figures are not comparable with those of previous year.,

- c) Based on the approved swap ratio as provided in the scheme of Amalgamation, 2405128 number of equity shares has been issued to the equity shareholders of erstwhile MAGL in the ratio of 4 equity shares of the face value of ₹ 10/- each in the Company for every 10 equity shares of the face value of ₹ 10/- each held in erstwhile MAGL. In term of the scheme, the said equity shares shall rank in all respect pari-passu with the existing equity shares of the Company.
- d) The difference between the amount of share capital of the erstwhile MAGL and the amount of fresh capital issued by the Company on amalgamation amounting to ₹ 36,076,930/- has been treated as General Reserve.
- e) The financial statement of the amalgamating Company Minda Autogas Ltd. till 31st March,

2010 has been audited by firm other than M/s. R.N. Saraf & Co., Chartered Accountants.

3. The estimated amount of contracts remaining to be executed on capital account, not provided for ₹ 264.21 Lacs (Previous Year: ₹ 658.99 Lacs).
4. a) During the year 2002-03, The Director, Town and Country Planning, Chandigarh issued a demand notice of ₹ 37.93 Lacs towards revised CLU charges for the land situated at Village Nawada Fatehpur, P.O. Sikenderpur Badda, Gurgaon, Haryana. The Company has filed Special Leave Petition with Hon'ble Supreme Court of India, in which leave has been granted and the Company has deposited ₹ 9.50 Lacs shown (Previous Year: ₹ 9.50 Lacs) under the head "Loans and Advances".
- b) The export obligation pending till the end of the year was of ₹ 7548.37 Lacs (Previous Year : ₹ 5681.32 Lacs) to be fulfilled in the subsequent years.
- c) Corporate Guarantee provided by the Company aggregating to ₹ 1500 Lacs (Previous Year : ₹ 2925.00 Lacs).
5. The Company has availed sales tax incentives for its unit at Gurgaon, Haryana, from Government of Haryana as sales tax capital subsidy amounting to ₹ 225.65 Lacs. 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.
6. During the year 2007-08, the Company has entered lease cum sale agreement with Karnataka Industrial Area Development Board for purchase of land, as per the agreement, the sale deed will be executed on fulfillment of terms and conditions within six years.
7. The Company is engaged in the business of manufacturing of automotive parts and accessories and there are no separate reportable segments as per Accounting Standard-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

#### 8. **Related Party Disclosure:**

Related party disclosures as required under Accounting Standard - 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

- a) Relationship:
  - (i) Holding Companies – None
  - (ii) Subsidiaries Companies  
Minda Auto Components Ltd.
  - (iii) Fellow Subsidiaries Companies – None
  - (iv) Joint Ventures:  
Mindarika Pvt. Ltd. M.J.Casting Ltd.,

#### **Key Management Personnel:**

Mr. Nirmal K. Minda, Chairman and Managing Director:

Mr. Vivek Jindal, Executive Director

#### **Relatives of Key Management Personnel:**

##### Relatives of Mr. Nirmal K. Minda

Late Sh. S.L. Minda, Father (till 17.04.2010), Savitri Devi Minda (Mother), Suman Minda (Wife), Paridhi Minda Jindal (Daughter), Palak Minda (Daughter), Ashok Minda (Brother), Sarika Minda (brother's wife), Rekha Bansal (Sister), Rajesh Bansal (Sister's husband)

##### Relatives of Mr. Vivek Jindal

Madan Jindal (Father), Anita Jindal (Mother), Paridhi Minda Jindal (Wife), Samaira Jindal (Daughter), Abhishek Jindal (Brother)

- (v) **Other Entities over which key Management Personnel is able to exercise significant influence (with which the parent Company has transactions)**

Minda Acoustic Ltd., Minda Sai Ltd., PT. Minda Asean Automotive, Minda Corporation Ltd., Unitech Sai Pvt. Ltd., Minda Stoneridge Instruments Ltd., Minda Finance Ltd., Minda Autocare Ltd., Minda Investments Ltd., Minda International Ltd., Minda EMER Technologies Ltd., Jindal Buildtech Pvt. Ltd., Jindal Mectec Pvt. Ltd., Nirmal K. Minda (HUF), Minda Industries (Firm), Auto Component (Firm), Yogendra Engineering (Firm).

b) The Following transactions were carried out with related parties in the ordinary course of business:

(₹ in lacs)

Particulars	Subsidiary Company		Joint Venture Company		Entities over which Key Personnel is able to exercise significant influence		Key Management Personnel and Relatives	
	This Year	Last Year	This year	Last year	This Year	Last Year	This Year	Last Year
Sale of finished and other goods	<b>3829</b>	3061	<b>693</b>	674	<b>8661</b>	7006	-	-
Purchase of raw materials, finished goods and spare parts		-	<b>70</b>	53	<b>4401</b>	2407	-	-
Sale of Fixed Assets		-		-	<b>18</b>	61	-	-
Purchase of Fixed Assets		-	<b>7</b>	5	-	-	-	-
Amount due from / (to)	<b>509</b>	498	<b>112</b>	517	<b>780</b>	(33)	-	-
Expenses recovered	<b>52</b>	64	<b>7</b>	9	<b>99</b>	105	-	-
Services rendered	-	-	<b>350</b>	249	<b>385</b>	324	-	-
Rent received	-	-	-	-	-	48	-	-
Design Fee Received	-	-	-	-	<b>49</b>	94	-	-
Rent paid	-	-	-	-	<b>343</b>	257	<b>14</b>	31
Dividend Received	-	-	<b>41</b>	-	<b>40</b>	25	-	-
Share Application Money Paid	-	-	<b>500</b>	-	-	-	-	-
Interest paid	-	-	-	15	<b>21</b>	4	<b>2</b>	66
Interest Received	-	-	-	-	<b>3</b>	-	-	-
Share of Profits	-	-	-	-	<b>773</b>	-	-	-
Guarantee given	-	-	-	-	<b>1500</b>	2925	-	-
Royalty received	-	-	-	-	<b>532</b>	423	-	-
Royalty Paid	-	-	-	-	<b>9</b>	-	-	-
Dividend paid on Equity share Capital	-	-	-	-	<b>94</b>	45	<b>122</b>	102
Dividend paid on 9% Cum. Redeemable Pref. Share Capital	-	-	-	-	-	3	<b>20</b>	7
Investment in shares	<b>21</b>	26	-	-	-	-	-	-
Credit Balance outstanding at the end of the year:								
- Fixed Deposits	-	-	-	-	<b>80</b>	-	<b>7</b>	34
- Unsecured Loans	-	-	<b>199</b>	184	<b>47</b>	43	-	-

The above amount does not include the amount of remuneration paid to the Mr. Nirmal K. Minda, Chairman and Managing Director and Mr. Vivek Jindal, Director, which have been disclosed in the Notes on accounts.

9. Earning Per Share (E.P.S.) computed in accordance with Accounting Standard 20, issued by the Institute of Chartered Accountants of India.

(₹ in Lacs)

Particulars	This year	Last Year
Profit for the year after Taxation, as per Profit and Loss Account	<b>3,484.54</b>	2,287.30
Less: Dividend on Preference Shares and Dividend Tax thereon.	<b>178.00</b>	49.47
Profit after Dividend on Preference Shares	<b>3,306.54</b>	2,237.37
Weighted average number of Equity Shares (in Nos.)	<b>12,910,192</b>	10,505,064
Basic Earnings per Share in ₹ (Face value ₹ 10 per share) (In ₹).	<b>25.61</b>	21.30
Diluted Earnings per Share in ₹ (Face value ₹ 10 per share) (In ₹).	<b>22.42</b>	18.13

10. The Company has recognized the cumulative net deferred tax liability in accordance with the provisions of Accounting Standard-22, issued by the Institute of Chartered Accountants of India.

Following are the major components of deferred tax assets (liabilities)

(₹ in thousand)

S.No.	Particulars	As at 31.03.2011	As at 31.03.2010
i.	Difference between book and tax depreciation.	<b>(150,325)</b>	(80,893)
ii.	Provision for gratuity and leave encashment.	<b>25,327</b>	15,873
iii.	Others	<b>21,583</b>	1,789
iv.	Total deferred Tax Assets (Liability)	<b>(103,415)</b>	(63,231)

#### 11. 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 31st March'2007 was ₹ 184.92 Lacs out of which ₹ 147.92 lacs (Previous Year : ₹ 110.95 Lacs) [net of deferred taxes of ₹ 99.08 lacs (Previous Year: ₹ 74.38 Lacs)] has been adjusted from the General Reserve .
- b) The disclosures of Employee Benefits, as required under Accounting Standard 15 are given below:

- **Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

Employer's Contribution to: (Amount in ₹)

	This Year	Last Year
Provident Fund	<b>48,010,446</b>	28,954,667
Superannuation Fund	<b>4,019,731</b>	2,013,950

- **Defined Benefit Plan**

The present value of obligation for Gratuity is determined based on actuarial valuation using the Projected Unit Credit (PUC) method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as of the beginning or end of period,

but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as of the beginning and end of the period for active members.

The obligation for Leave Encashment 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) Change in present value of obligation

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Present value of obligation as at the Beginning on the year.	<b>46,644,892</b>	37,772,872	<b>21,860,542</b>	18,386,916
b)	Acquisition adjustment		–		–
c)	Interest Cost	<b>3,731,591</b>	2,832,965	<b>1,748,843</b>	1,379,019
d)	Past Service Cost	<b>6,615,039</b>	–	–	–
e)	Current Service Cost	<b>9,763,559</b>	6,230,398	<b>6,888,503</b>	4,836,210
f)	Curtailment Cost/(Credit)	–	–	–	–
g)	Settlement Cost/(Credit)	–	–	–	–
h)	Benefits paid	<b>(3,591,254)</b>	(1,159,307)	<b>(14,258,531)</b>	(2,645,604)
i)	Actuarial (gain)/loss on obligation	<b>2,797,180</b>	967,964	<b>9,051,189</b>	(95,999)
j)	Present value of obligation as at the end of year	<b>65,961,007</b>	46,644,892	<b>25,290,546</b>	21,860,542

(ii) Change in the fair value of plan assets

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Fair value of plan assets at the beginning of the year	<b>22,048,998</b>	17,709,357	–	–
b)	Acquisition adjustment	–	–	–	–
c)	Expected return on plan assets	<b>1,929,287</b>	1,549,569	–	–
d)	Contributions	–	2,788,735	–	–
e)	Benefits paid	–	–	–	–
f)	Actuarial gain/(loss) on plan assets	–	1,337	–	–
g)	Fair value of plan assets at the end of the year	<b>23,978,285</b>	22,048,998	–	–

(iii) Fair value of plan assets

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Fair value of plan assets at the beginning of the year	<b>22,048,998</b>	17,709,357	–	–
b)	Acquisition adjustment	–	–	–	–
c)	Actual return on plan assets	<b>1,929,287</b>	1,550,906	–	–
d)	Contributions	–	2,788,735	–	–
e)	Benefits paid	–	–	–	–
f)	Fair value of plan assets at the end of the year	<b>23,978,285</b>	22,048,998	–	–
g)	Funded status	<b>(41,982,722)</b>	(24,595,894)	<b>(25,290,546)</b>	(21,860,542)
h)	Excess of actual over estimated return on plan assets	–	1,337	–	–

## (iv) Actuarial gain/loss recognized

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Actuarial gain/(loss) for the year - obligation.	<b>(2,797,180)</b>	(967,964)	<b>(9,051,189)</b>	95,999
b)	Actuarial gain/(loss) for the year - plan assets.	-	(1,337)	-	-
c)	Total (gain)/loss for the year	<b>2,797,180</b>	966,627	<b>9,051,189</b>	(95,999)
d)	Actuarial (gain)/ loss recognized in the year	<b>2,797,180</b>	966,627	<b>9,051,189</b>	(95,999)
e)	Unrecognized actuarial (gain)/losses at the end of year	-	-	-	-

## (v) The amounts to be recognized in Balance Sheet

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Present value of obligation as at the end of the year	<b>65,961,007</b>	46,644,892	<b>25,290,546</b>	21,860,542
b)	Fair value of plan assets as at the end of the year	<b>23,978,285</b>	22,048,998	-	-
c)	Funded status	<b>(41,982,722)</b>	(24,595,894)	<b>(25,290,546)</b>	(21,860,542)
d)	Excess of actual over estimated	-	1,337	-	-
e)	Unrecognized actuarial (gains)/losses	-	-	-	-
f)	Net asset/(liability) recognized in balance sheet	<b>(41,982,722)</b>	(24,595,894)	<b>(25,290,546)</b>	(21,860,542)

## (vi) Expenses recognized in the Statement of Profit and Loss

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Current Service Cost	<b>9,763,559</b>	6,230,398	<b>6,888,503</b>	4,836,210
b)	Past Service Cost	<b>6,615,039</b>	-	-	-
c)	Interest Cost	<b>3,731,591</b>	2,832,965	<b>1,748,843</b>	1,379,019
d)	Expected return on plan assets	<b>(1,929,287)</b>	(1,549,569)	-	-
e)	Curtailment Cost / (Credit)	-	-	-	-
f)	Settlement Cost / (credit)	-	-	-	-
g)	Net actuarial (gain)/ loss recognized in the year	<b>2,797,180</b>	966,627	<b>9,051,189</b>	(95,999)
h)	Expenses recognized in the statement of profit & losses	<b>20,978,082</b>	8,480,421	<b>17,688,535</b>	6,119,230

## (vii) Reconciliation Statement of Expenses in the Statement of Profit &amp; Loss

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Present value of obligation as at the end of the year.	<b>65,961,007</b>	46,644,892	<b>25,290,546</b>	21,860,542
b)	Present value of obligation as at the beginning of the year	<b>46,644,892</b>	37,772,872	<b>21,860,542</b>	18,386,916
c)	Benefits paid	<b>3,591,254</b>	1,159,307	<b>14,258,531</b>	2,645,604
d)	Actual return on plan assets	<b>(1,929,287)</b>	(1,550,906)	-	-
e)	Acquisition adjustment	-	-	-	-
f)	Expenses recognized in the statement of profit & losses.	<b>20,978,082</b>	8,480,421	<b>17,688,535</b>	6,119,230

## (viii) Amount for the Current Period

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Present value of obligation as at the end of year.	<b>65,961,007</b>	46,644,892	<b>25,290,546</b>	21,860,542
b)	Fair value of plan assets at the end of the year.	<b>23,978,285</b>	22,048,998	-	-
c)	Surplus / (deficit)	<b>(41,982,722)</b>	(24,595,894)	<b>(25,290,546)</b>	(21,860,542)
d)	Experience adjustment on plan liabilities (loss)/gain	<b>3,665,065</b>	(22,282,612)	<b>(9,134,985)</b>	27,560
e)	Experience adjustment on plan assets (loss) /gain.	-	1,337	-	-

## (ix) Movement in the Liability recognized in Balance Sheet

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Opening net liability	<b>46,644,892</b>	37,772,872	<b>21,860,542</b>	18,386,916
b)	Expenses as above.	<b>20,978,082</b>	8,480,421	<b>17,688,535</b>	6,119,230
c)	Benefits paid	<b>(3,591,254)</b>	(1,159,307)	<b>(14,258,531)</b>	(2,645,604)
d)	Actual return on plan assets	<b>1,929,287</b>	1,550,906	-	-
e)	Acquisition adjustment	-	-	-	-
f)	Closing net liability	<b>65,961,007</b>	46,644,892	<b>25,290,546</b>	21,860,542

**ADDITIONAL INFORMATION FOR THE YEAR 2010-11**

PARTICULARS		THIS YEAR (₹)	LAST YEAR (₹)
12	Managerial Remuneration		
	– Salary and allowances	<b>10,356,000</b>	10,056,000
	– Contribution to Provident Fund and other Funds	<b>734,640</b>	878,640
	– Medical and Other expenses	<b>183,000</b>	99,000
	The above remuneration does not include the accrued amount of leave encashment and gratuity as at year end as the company determines this amount through actuarial valuation and separate amount of directors is not ascertainable.		
13	Provision and/or payment in respect of auditors' remuneration.		
	– For Audit @	<b>1,450,000</b>	1,000,000
	– For Tax Audit	<b>75,000</b>	75,000
	– For Certification/Tax Assessment	<b>92,500</b>	75,000
	@ includes the fees for Limited`review .		
14	Information pursuant to paragraph 3 and 4 of Part II of Schedule VI of the Companies Act, 1956 (As far as applicable)		
A)	Manufacturing Operation		
i)	Licenced Capacity	<b>N.A</b>	N.A.
ii)	Installed Capacity (Nos. In lacs) @		
	(On Single Shift basis)		
	Switches	<b>1280</b>	910
	Head Lamps and Tail Lamps	<b>185</b>	165
	Batteries	<b>210</b>	70
	LPG/CNG Kits	<b>0.5</b>	-
	@ Being technical matter, taken as certified by Management		

**ADDITIONAL INFORMATION FOR THE YEAR 2010-11**

	PARTICULARS	THIS YEAR		LAST YEAR	
		QUANTITY	₹	QUANTITY	₹
		( in Nos. )		( in Nos. )	
iii)	Production				
	Switches	<b>69,493,020</b>		50,006,664	
	Head Lamps, Tail Lamps and Spares	<b>24,008,411</b>		14,932,891	
	Batteries	<b>2,356,887</b>		1,598,820	
	LPG/CNG Kits	<b>3,271</b>			
	Regulators/Other Assemblies	<b>395,979</b>			
iv)	Opening Stock				
	Switches	<b>362,677</b>	<b>15,365,014</b>	339,005	6,094,971
	Head Lamps, Tail Lamps and Spares	<b>66,574</b>	<b>5,617,324</b>	57,919	5,040,046
	Batteries	<b>7,696</b>	<b>2,798,357</b>	1,391	1,121,701
	Others		<b>1,623,790</b>		3,961,845
	Stock Taken Pursuant To Amalgamation				
	LPG/CNG Kits @	<b>238</b>	<b>2,865,007</b>		
	Regulators/Other Assemblies	<b>774</b>	<b>1,100,064</b>		
v)	Closing Stock				
	Switches	<b>460,573</b>	<b>18,403,598</b>	362,677	15,365,014
	Head Lamps, Tail Lamps and Spares	<b>88,816</b>	<b>9,591,435</b>	66,574	5,617,324
	Batteries	<b>18,762</b>	<b>6,734,065</b>	7,696	2,798,357
	LPG/CNG Kits	<b>93</b>	<b>893,993</b>		
	Regulators/Other Assemblies	<b>1,997</b>	<b>1,320,018</b>		
	Others		<b>771,975</b>		1,623,790
vi)	Sale @				
	Switches	<b>69,395,124</b>	<b>5,545,761,895</b>	49,982,992	3,586,888,246
	Head Lamps, Tail Lamps and Spares	<b>23,986,169</b>	<b>2,225,718,538</b>	14,924,236	849,706,866
	Batteries	<b>2,345,821</b>	<b>797,988,277</b>	1,592,515	557,297,063
	LPG/CNG Kits	<b>3,416</b>	<b>34,565,890</b>		
	Regulators/Other Assemblies	<b>394,756</b>	<b>472,763,370</b>		
	Others		<b>456,030,954</b>		604,808,661
	@ Excluding sale of Dies/Scrap/Job Income Amount of Turnover is before Rejection/Warranty Claim etc.				
vii)	Raw Materials Consumed				
	Plastic powder ( Kg)	<b>2,444,016</b>	<b>368,374,387</b>	1,735,937	204,329,772
	Bulb ( Nos)	<b>21,119,716</b>	<b>227,383,944</b>	15,371,941	165,052,727
	Wire Sets ( Nos)	<b>54,705,140</b>	<b>750,318,898</b>	51,089,786	732,089,748
	Brass (Kg.) / Pune Lighting - Levelling Motors	<b>107,845</b>	<b>34,730,320</b>	77,257	28,764,150
	Aluminium (Kg.)	<b>747,204</b>	<b>88,614,085</b>	1,094,790	101,520,703
	CRC Sheet (Kg.)	<b>933,920</b>	<b>46,976,016</b>	813,838	32,760,914
	Lead Alloy		<b>150,103,517</b>	1,189,196	147,657,195
	Pure Lead		<b>184,110,444</b>	1,174,776	141,435,352

	PARTICULARS	THIS YEAR		LAST YEAR	
		QUANTITY	₹	QUANTITY	₹
		( in Nos. )		( in Nos. )	
	Other Material (including Packing)@ @ includes various type of components as per specification of customers and other raw-materials, are being below ten percent of total value of consumption, hence no separate quantitative detail is given.		<b>4,423,526,401</b>		2,451,039,925
viii)	Value and Percentage of Imported and Indigenous Raw Material Consumed				
	Imported		<b>690,162,849</b>		349,890,321
	Percentage of total		<b>11.00%</b>		8.74%
	Indigenous		<b>5,583,975,162</b>		3,654,760,165
	Percentage of total		<b>89.00%</b>		91.26%
ix)	Value and Percentage of Imported and Indigenous Stores, Spare Parts and Components Consumed				
	Imported		<b>5,178,783</b>		1,040,196
	Percentage of total		<b>3.61%</b>		0.71%
	Indigenous		<b>138,305,047</b>		145,438,605
	Percentage of total		<b>96.39%</b>		99.29%
	The above does not include the production,sales, raw materials consumption and stores, spares and components consumed during the period of test run.				
B)	Trading Operation				
i)	<u>Purchases</u>				
	Led Lantern	<b>20,372</b>	<b>22,037,410</b>		
	Street Lights	<b>2,583</b>	<b>36,600,203</b>		
ii)	<u>Opening Stock</u>				
	Led Lantern				
iii)	<u>Closing Stock</u>				
	Led Lantern	<b>20,372</b>	<b>22,037,410</b>		
iv)	<u>Sale @</u>				
	Led Lantern				
	Street Lights	<b>2,583</b>	<b>40,871,157</b>		
	@ Stock used for samples, own manufacturing, testing, handling loss etc. has been adjusted in the quantity sold.				
C)	C.I.F. Value of Imports				
	– Raw Materials		<b>694,093,511</b>		292,647,323
	– Stores and Spares		<b>19,785,364</b>		986,585
	– Capital goods		<b>111,765,623</b>		301,312,364
	– Others		<b>485,181</b>		592,566
D)	Expenditure in Foreign Currency				
	– Travelling		<b>11,289,379</b>		7,744,351
	– Royalty		<b>7,186,288</b>		7,468,053
	– Technical Know How		<b>1,313,735</b>		17,868,771
	- Others		<b>40,937,449</b>		27,138,937

	PARTICULARS	THIS YEAR		LAST YEAR	
		QUANTITY	₹	QUANTITY	₹
		( in Nos. )		( in Nos. )	
E)	<u>Earning in Foreign Currency</u>				
	FOB value of Exports		<b>372,549,966</b>		325,545,868
	Royalty/Design Fees/Managment Fees		<b>49,428,265</b>		43,258,093
	Dividend Income		<b>3,703,166</b>		2,547,446

15 The figures of previous year have been regrouped/recast/restated wherever necessary.

For **R. N. SARAF & CO.**  
CHARTERED ACCOUNTANTS  
(REGN. NO -002023N)

**R.N. SARAF, F.C.A**  
Membership No. 12439  
2659/2, Gurdwara Road,  
Karol Bagh, New Delhi - 110 005

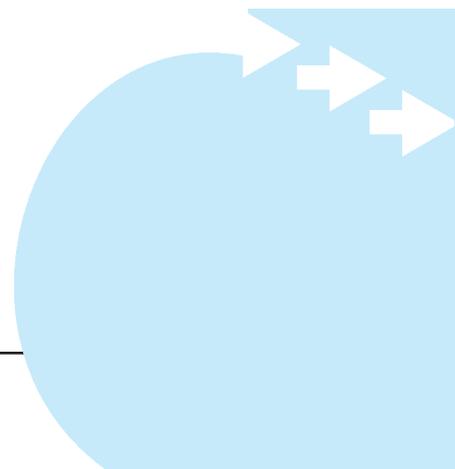
**NIRMAL K. MINDA**  
Chairman and Managing Director

**SUDHIR JAIN**  
Corp. Business Head

**ALOK DUTTA**  
Director

**H.C. DHAMIJA**  
V.P. - Group A/cs,  
Taxation & Co. Secretary

Place : New Delhi  
Dated : 30.05.2011



Information required as per part IV of Schedule VI of the Companies Act, 1956

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration No.	L 3 4 0 0 D L 1 9 9 2 P L C 0 5 0 3 3 3	State Code	5 5
Balance Sheet Date	3 1 0 3 2 0 1 1		
	Date      Month      Year		
II. Capital Raised during the year (Amount in Rs. Thousands)			
Public issue	N I L	Right Issue	N I L
Bonus Issue	N I L	Private Placement	N I L
III. Position of Mobilisation and Deployment of Funds (Amounts in Rs. Thousand)			
Total Liabilities	3 6 7 7 4 1 4	Total Assets	3 6 7 7 4 1 4
Sources of Funds			
Paid-up capital	5 6 5 4 1 6	Reserves & Surplus	1 4 1 2 4 7 8
Secured Loans	1 2 7 9 6 9 8	Unsecured Loans	4 1 9 8 2 2
Application of Funds			
Net Fixed Assets	2 5 6 1 2 3 9	Investments	1 9 1 0 9 8
Net Current Assets	1 0 2 6 7 9 0	Misc. Expenditure	1 7 0 2
Accumulated Losses		Deferred Tax Liability	- 1 0 3 4 1 5
IV. Performance of the Company (Amounts in Rs. Thousand)			
Turnover/Other Income	9 2 6 9 0 8 0	Total Expenditure	8 8 0 1 7 4 5
+ - Profit/Loss Before Tax	+ 4 6 7 3 3 5	+ - Profit/Loss After Tax	+ 3 4 8 4 5 4
Earning Per Share in Rs.	2 5 . 6 1	Dividend Rate (Equity) %	3 0
V. Generic Names of Three Principal Products/Services of Company			
Item Code No.			
(ITC Code)	8 7 0 8 9 9		
Product	S W I T C H E S , L A M P S A N D		
Description	B A T T E R I E S F O R A U T O M O B I L E S		

**NIRMAL K. MINDA**  
Chairman and Managing Director

**ALOK DUTTA**  
Director

**SUDHIR JAIN**  
Corp. Business Head

**H.C. DHAMIJA**  
V.P. - Group A/cs,  
Taxation & Co. Secretary

Place : New Delhi  
Dated : 30.05.2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011**

Pursuant to Clause 32 of the Listing Agreement

	FOR THE YEAR ENDED 31.03.2011 (₹ IN LACS)	FOR THE YEAR ENDED 31.03.2010 (₹ IN LACS)
<b>A. Cash Flow From Operating Activities :</b>		
Net Profit Before Taxation And Extraordinary Items	3,403.74	3,059.80
Adjustments For :		
Depreciation	3,253.05	2,696.08
Gain on sale of Fixed Assets	(140.37)	0.00
Interest Income	(33.58)	(20.77)
Dividend Income	(37.03)	(25.47)
Rent Income	(1.15)	(51.23)
Interest Expenditure	1,697.97	1,442.24
Amortisation of Miscellaneous Expenses	5.67	5.67
Loss on Sale of Fixed Assets	0.00	26.70
Operating Profit Before Working Capital Changes	8,148.30	7,133.02
Adjustments For:		
Inventories	(2,690.90)	(2,255.27)
Trade and Other Receivables	(3,871.72)	(1,692.44)
Trade Payables	3,231.92	6,101.64
Cash Generated From Operations	4,817.60	9,286.96
Direct Taxes Paid (Net)	(285.37)	(650.76)
Net Cash Generated From Operations	4,532.23	8,636.19
<b>B. Cash Flow From Investing Activities :</b>		
Sale of Long Term Investment/ Assets	197.94	109.49
Purchase of Fixed Assets	(4,976.86)	(8,550.20)
Interest Received	33.58	20.77
Rent Income	1.15	51.23
Dividend Income	37.03	25.47
Net Cash Used In Investing Activities	(4,707.16)	(8,343.24)
<b>C. Cash Flow From Financing Activities</b>		
Proceeds From Issue Of Share	(300.00)	4,363.14
Proceeds From Short Term Borrowings	3,764.50	(2,009.12)
Proceeds From Long Term Borrowings	(1,429.98)	138.57
Interest Paid	(1,689.09)	(1,439.66)
Dividend Paid (Including Corporate Dividend Tax)	(628.14)	(416.96)
Net Cash Used In Financing Activities	(282.72)	635.97
Net Increase in Cash and Cash Equivalents	(457.65)	928.92
Acquired on account of Amalgamation	1,458.71	
Cash and Cash Equivalents as at Opening	1,315.26	386.34
Cash and Cash Equivalents as at Closing	2,316.32	1,315.26
Cash and Cash Equivalents include Cash / Cheques in hand and silver coins	130.55	42.50
With banks		
- Current Accounts	430.62	698.53
- Deposit Accounts	1,652.29	528.98
Restricted Cash		
- Fixed Deposit Pledged	102.86	45.25
<b>Cash and Cash Equivalents at the end of the year</b>	<b>2,316.32</b>	<b>1,315.26</b>

**NIRMAL K. MINDA**  
Chairman and Managing Director

**SUDHIR JAIN**  
Corp. Business Head

**ALOK DUTTA**  
Director

**H.C. DHAMIJA**  
V.P. - Group A/cs,  
Taxation & Co. Secretary

Place : New Delhi  
Dated : 30.05.2011

**AUDITORS' CERTIFICATE**

We have checked and verified the above Cash Flow Statement which has been derived from the Audited Annual financial Statement of Minda Industries Limited and have found the same as true and correct.

As per our report of even date  
For R. N. SARAF & CO.  
CHARTERED ACCOUNTANTS  
(Regn No. 002023N)

R. N. SARAF, F.C.A.  
Membership No. 12439  
2659/2, Gurdwara Road,  
Karol Bagh, New Delhi - 110 005

Place : New Delhi  
Dated : 30.05.2011

**Auditors' Report to the Board of Directors on Consolidated Financial Statements of Minda Industries Ltd. and its Subsidiary.**

We have examined the attached consolidated Balance Sheet of Minda Industries Ltd. as at March 31, 2011 and its subsidiary, Minda Auto Components Ltd. as at March 31, 2011 (collectively, the Company) and also the consolidated Profit and Loss Account and the Consolidated 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 of Minda Industries Ltd. in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In respect of the financial statements of subsidiary, we did not carry out the audit. These financial statements have been audited by other auditor, whose reports have been furnished to us, and our opinion in so far as it relates to the amount included in respect of the subsidiary is based solely on the reports of the other auditor. The details of assets and revenues in respect of the subsidiary to the extent to which they are reflected in the consolidated financial statements are given below:-

Audited by other Auditor:

(₹ in Lacs)

	Total Assets	Total Revenues
Minda Auto Components Ltd.	131.82	4184.22

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21 "Consolidated Financial Statements", presented in the Companies (Accounting Standards) Rules, 2006.

We report that on the basis of the information and according to the explanations given to us, and on the consolidation of the separate audit report on individual Audited Financial Statements of the subsidiary, we are of the opinion that the said consolidated financial statements, read together with significant accounting policies in Schedule 16 and notes appearing thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the consolidated Balance Sheet, of the state, of affairs of the Company as at March 31, 2011.
- b) In the case of Consolidated Profit and Loss Account, of the Profit of the Company for the Year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the Cash Flow for the year ended on that that date.

For **R.N. Saraf & Co.**  
Chartered Accountants  
(Regn. No. 002023N)

Place : New Delhi  
Date : May 30, 2011

R.N. SARAF, F.C.A.  
Membership No. 12439

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2011**

	SCHEDULE	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
a) Share Capital	1	565,416,420	571,365,140
b) Reserves and Surplus	2	1,421,734,660	822,161,494
Minority Interest			5,759
<b>Loan Funds</b>			
a) Secured Loans	3	1,279,697,647	1,074,150,135
b) Unsecured Loans	4	419,822,152	372,759,116
Deferred Tax Liability		103,122,651	63,250,116
<b>TOTAL</b>		<b>3,789,793,530</b>	<b>2,903,691,759</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
a) Gross Block	5	4,030,625,110	3,523,643,970
b) Less : Depreciation		1,526,777,747	1,220,353,498
c) Net Block		2,503,847,363	2,303,290,472
d) Capital Work in Progress		69,179,442	28,286,080
		<b>2,573,026,805</b>	<b>2,331,576,552</b>
<b>Investments</b>	6	<b>188,996,433</b>	<b>79,339,608</b>
<b>Current Assets, Loans and Advances</b>			
a) Inventories		837,592,708	491,598,408
b) Sundry Debtors		1,259,747,395	898,426,857
c) Cash and Bank Balances		233,814,930	141,315,075
d) Loans and Advances		447,879,669	326,104,077
		<b>2,779,034,702</b>	<b>1,857,444,417</b>
Less : Current Liabilities and Provisions	8		
a) Current Liabilities		1,604,961,623	1,261,126,671
b) Provisions		148,004,431	105,811,004
		<b>1,752,966,054</b>	<b>1,366,937,675</b>
<b>Net Current Assets</b>		<b>1,026,068,648</b>	<b>490,506,742</b>
Miscellaneous Expenditure	9	1,701,644	2,268,858
<b>TOTAL</b>		<b>3,789,793,530</b>	<b>2,903,691,759</b>
Accounting Policies and Notes to Financial Statements	16		

As per our report of even date  
For **R. N. SARAF & CO.**  
CHARTERED ACCOUNTANTS  
(REGN. No. 002023N)

**R.N. SARAF, F.C.A**  
Membership No. 12439  
2659/2, Gurdwara Road,  
Karol Bagh, New Delhi - 110 005

**NIRMAL K. MINDA**  
Chairman and Managing Director

**SUDHIR JAIN**  
Corp. Business Head

**ALOK DUTTA**  
Director

**H.C. DHAMIJA**  
V.P. - Group A/cs,  
Taxation & Co. Secretary

Place : New Delhi  
Dated : 30.05.2011

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	SCHEDULE	YEAR ENDED 31.03.2011 (₹)	YEAR ENDED 31.03.2010 (₹)
<b>INCOME</b>			
Sales/ Income from operations	10	9,541,549,129	6,251,906,986
Other Income	11	146,178,852	10,648,279
		<u>9,687,727,981</u>	<u>6,262,555,265</u>
<b>EXPENDITURE</b>			
Material and Manufacturing	12	6,973,920,613	4,444,949,122
Personnel	13	1,013,687,549	659,217,251
Administrative and Selling	14	706,817,025	426,074,334
Financial	15	176,936,963	147,561,352
Depreciation		338,299,809	271,438,279
Share Issue Expenses		567,214	567,214
Preliminary Expenses			19,950
		<u>9,210,229,173</u>	<u>5,949,827,502</u>
<b>Profit Before Tax</b>		<b>477,498,808</b>	<b>312,727,763</b>
Less : Provision - Income Tax		83,566,105	65,000,000
: Deferred Tax Liability		37,988,716	13,620,225
: Short Provision of Income Tax / Wealth Tax		655,966	
		<u>355,288,021</u>	<u>234,107,538</u>
<b>Profit After Tax</b>		<b>556,380,960</b>	<b>408,448,548</b>
Add : Balance brought forward from last year			4,490,015
Less : Profit(Loss) of subsidiaries before acquisition of shares in subsidiaries transferred to Capital Reserve			19,848
Add : Profit(Loss) of subsidiaries before acquisition of shares in subsidiaries transferred to Goodwill		19,848	10,713
Add : Share of loss transferred to minority			241
		<u>911,688,829</u>	<u>638,077,025</u>
<b>Amount Available for Appropriation</b>		<b>911,688,829</b>	<b>638,077,025</b>
Less : Appropriation :			
- General Reserve		40,000,000	40,000,000
- Dividend on 9% Cumulative Redeemable Preference Shares paid		2,219,178	-
- Proposed Dividend			
On 9% Cumulative Redeemable Preference Shares		-	2,700,000
On 3% Cumulative Compulsorily Convertible Preference Shares		12,039,435	1,418,344
On 3% Cumulative Redeemable Preference Shares		1,050,000	123,699
On Equity Shares		38,730,576	31,515,192
- Corporate Dividend Tax		8,775,079	5,938,830
		<u>808,874,561</u>	<u>556,380,960</u>
<b>Balance being Surplus carried to Balance Sheet</b>		<b>808,874,561</b>	<b>556,380,960</b>
Earning Per Share (Equity Shares of nominal value ₹ 10 each)			
Basic [ Refer Schedule 16 B ( 9 ) ]		26.14	21.81
Diluted [ Refer Schedule 16 B ( 9 ) ]		22.89	18.57
Accounting Policies and Notes to Financial Statements	16		

As per our report of even date

For **R. N. SARAF & CO.**

CHARTERED ACCOUNTANTS

(REGN. No. 002023N)

**R.N. SARAF, F.C.A**

Membership No. 12439

2659/2, Gurdwara Road,  
Karol Bagh, New Delhi - 110 005

**NIRMAL K. MINDA**

Chairman and Managing Director

**SUDHIR JAIN**

Corp. Business Head

**ALOK DUTTA**

Director

**H.C. DHAMIJA**

V.P. - Group A/cs,  
Taxation & Co. Secretary

Place : New Delhi

Dated : 30.05.2011

## SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
22,500,000 (Last year 15,000,000) Equity Shares of ₹10 each. @	<b>225,000,000</b>	150,000,000
3,000,000, 9% Cumulative Redeemable Preference Shares of ₹ 10 each(Class 'A')	<b>30,000,000</b>	30,000,000
1,83,500, 3% Cumulative Compulsorily Convertible Preference Shares of ₹ 2187 each (Class 'B')	<b>401,314,500</b>	401,314,500
3,500,000, 3% Cumulative Redeemable Preference Shares of ₹ 10 each (Class 'C')	<b>35,000,000</b>	35,000,000
	<b>691,314,500</b>	<b>616,314,500</b>
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
12,910,192 (Last Year 10,505,064) Equity Shares of ₹ 10 each fully paid up	<b>129,101,920</b>	105,050,640
3,000,000, 9% Cumulative Redeemable Preference Shares of ₹10 each (Class 'A') fully paid up	-	30,000,000
1,83,500, 3% Cumulative Compulsorily Convertible Preference Shares of Rs 2187 each (Class 'B') fully paid up.	<b>401,314,500</b>	401,314,500
3,500,000, 3% Cumulative Redeemable Preference Shares of Rs 10 each (Class 'C') fully paid up.	<b>35,000,000</b>	35,000,000
	<b>565,416,420</b>	<b>571,365,140</b>
<b>@ Due to amalgamation of Minda Autogas Ltd, the Authorised Capital has been merged with the Company</b>		
1) Equity Shares Include		
- 1,233,330 Equity Shares of ₹ 10 each fully paid up issued during the year 1994-95 for consideration other than cash to the shareholders of Minda Auto Industries Ltd. pursuant to the scheme of amalgamation.		
- 392,832 Equity Shares of ₹ 10 each as Bonus Shares allotted on 15.12.1995 by capitalisation of General Reserve and 5252532 equity shares of ₹10/- each as bonus shares allotted on 31.03.2004 by capitalisation of Share Premium Account and General Reserve.		
- Re-issue of forfeited 31,800 Equity Shares of ₹ 10 each on 27.10.1998.		
- 2,405,128 equity shares of ₹ 10 each fully paid up issued during the year 2010 -11 for consideration other than cash to the shareholders of Minda Autogas Ltd. pursuant to the scheme of amalgamation.		
2) 30,00,000 9% Cumulative Redeemable Preference Shares have been redeemed during the year.		
3) 183500 3% Cumulative Compulsorily Convertible Preference Shares of ₹ 2187 each were allotted on 17-02-2010, with a right of conversion into 10 Equity Share of ₹ 10 each fully paid up at a premium of ₹ 208.70 per share within a period not exceeding eighteen months from the date of allotment.		
4) 35,00,000 3% Cumulative Redeemable Preference Share of ₹ 10 each have been allotted on 17-02-2010, 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.		
<b>SCHEDULE 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>CAPITAL RESERVE :</b>		
a) Capital profit on reissue of Equity Shares forfeited As per last Balance Sheet	<b>193,500</b>	193,500
b) Capital sales tax subsidy from Government of Haryana As per last Balance Sheet	<b>22,565,001</b>	22,565,001
c) Capital Reserve on acquisition of shares in subsidiaries redemption Reserve As per last Balance Sheet	<b>1,504,316</b>	
- Transfer from Profit & Loss Account		4,490,015
Less: Loss as per last year of subsidiary		2,985,699
	<b>1,504,316</b>	<b>1,504,316</b>
	<b>24,262,817</b>	<b>24,262,817</b>
<b>CAPITAL REDEMPTION RESERVE</b>		
- Transferred from General Reserve	<b>30,000,000</b>	
	<b>30,000,000</b>	-
<b>SHARE PREMIUM ACCOUNT</b>		
Transferred from erstwhile Minda Autogas Limited pursuant to Scheme of Amalgamation	<b>63,148,140</b>	-
	<b>63,148,140</b>	-
<b>GENERAL RESERVE :</b>		
As per last Balance Sheet	<b>241,517,716</b>	204,073,360
Add : Transferred from Profit and Loss Account	<b>40,000,000</b>	40,000,000
Transferred from erstwhile Minda Autogas Limited pursuant to Scheme of Amalgamation	<b>36,076,930</b>	-
Less : Transferred to Capital Redemption Reserve	<b>(30,000,000)</b>	-
Liability for employee cost upto 31.03.07	<b>(2,469,932)</b>	(2,555,644)
[Refer Note No-16 (B)11]		
	<b>285,124,714</b>	<b>241,517,716</b>
<b>PROFIT AND LOSS ACCOUNT :</b>		
Surplus as per Profit and Loss Account	<b>808,874,561</b>	556,380,961
Transferred from erstwhile Minda Autogas Limited pursuant to Scheme of Amalgamation	<b>210,324,428</b>	-
	<b>1,019,198,989</b>	<b>556,380,961</b>
	<b>1,421,734,660</b>	<b>822,161,494</b>

	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
<b>SCHEDULE 3</b>		
<b>SECURED LOANS</b>		
<b>From Banks</b>		
Working Capital Loans	657,647,358	262,589,072
Term Loans	615,856,788	778,428,241
Vehicle Loans	5,809,563	4,487,413
<b>From Others</b>		
Vehicle Loans	383,938	999,695
<b>Deferred Payment Liability</b>		
Volkswagen India Pvt. Ltd.	-	27,645,714
	<b>1,279,697,647</b>	<b>1,074,150,135</b>

**NOTES:**

1. a) Working Capital Loans from Canara Bank, Citi Bank N.A., HDFC Bank and State Bank of India are secured by hypothecation of stock of raw materials, finished goods, semi finished goods, bills discounted with the bank and book debts on pari-passu basis and further secured by second charge on fixed assets of the Company on pari-passu basis with Small Industries Development Bank of India.
- b) The Working Capital loans from Kotak Mahindra Bank Ltd., has been secured by subservient charge on all existing and future current and movable fixed assets of the Company.
2. a) Term Loan from State Bank of India is secured by way of first pari-passu charge on all present and future fixed assets. Term loan from State Bank of India is further secured by hypothecation of all the goods, book debts and other movable assets of the Company on pari-passu basis.
- b) Term Loan from Axis Bank Ltd. is secured by way of first pari-passu charge on all fixed assets of the Company.
3. Vehicle loans from banks/others are secured by hypothecation of assets financed by them.
4. Loan from Volkswagen India Pvt. Ltd. represents deferred payment liability in respect of specific tools and is secured by hypothecation of tools that have/will be acquired or manufactured in-house.
5. Term loans/Vehicle loans payable within one year

**From Bank**

Term Loans	221,111,668	164,561,668
Vehicle Loans	2,613,680	2,031,834

**From Others**

Vehicle Loans	383,938	635,390
---------------	---------	---------

**SCHEDULE 4**
**UNSECURED LOANS**
**Short Term Loan**

- From Bank	-	100,000,000
- From a Finance Company	220,116,950	-

**From other than Banks**

- Director(s)	4,683,071	4,332,166
- Companies	19,870,359	18,381,461
- Customers/ Trade Deposits	12,816,655	81,735,665
- Others	90,217	160,924
Interest Free Sales Tax Deferred Liability	142,724,900	142,724,900

**Fixed Deposits**

- from Director(s)	700,000	2,000,000
- from Others	18,820,000	23,424,000
	<b>419,822,152</b>	<b>372,759,116</b>

**Payable with in one year**
**Short Term Loan**

- From Bank	-	100,000,000
- From Company	220,116,950	-

**Interest Free Sales Tax Deferred Liability**

Fixed Deposits	818,057	8,161,000
	<b>7,299,000</b>	<b>8,161,000</b>

**SCHEDULE 5  
FIXED ASSETS**

PARTICULARS	G R O S S B L O C K						D E P R E C I A T I O N				N E T B L O C K		
	AS AT 31.03.2010		ADDITIONS/ PURSUANT TO AMALGA- MATION	SALES/ TRANSFER/ ADJUST- MENT	AS AT 31-03- 2011	UP TO 31.03.2010		ON ACCOUNT OF AMALGA- MATION	FOR THE YEAR	ON SALE/ WRITE OFF/ ADJUST- MENT	UP TO 31-03- 2011	AS AT 31-03- 2011	AS AT 31-03- 2010
	OF PARENT COMPANY	OF SUBSIDIARY COMPANY				OF PARENT COMPANY	OF SUBSIDIARY COMPANY						
<b>TANGIBLE ASSETS</b>													
LAND													
- LEASEHOLD	76,403,979		21,554,270		97,958,249	3,667,853		740,366		4,408,219	93,550,030	72,736,126	
- FREEHOLD	193,216,241				193,216,241						193,216,241	193,216,241	
BUILDING	589,715,992		11,223,945		600,939,937	79,826,691		19,897,792		99,524,483	501,415,454	509,889,301	
PLANT AND MACHINERY	2,169,017,028	13,176,882	47,056,561	430,751,574	2,560,337,963	917,684,559	3,916,112	271,140,767	0	1,161,350,181	1,398,987,782	1,260,593,239	
ELECTRIC FITTINGS	87,634,819		2,295,117		89,929,936	16,294,233		3,582,131		19,876,364	70,053,572	71,340,586	
FURNITURE AND FITTINGS	32,480,810	957,336	3,013,255	9,420,758	44,849,153	13,595,543	272,638	2,204,377	58,672	16,864,402	27,984,751	19,569,965	
OFFICE EQUIPMENT	105,249,598	1,239,018	8,326,275	26,609,057	137,492,010	56,286,669	439,420	9,513,768	3,590,642	66,422,483	71,069,527	49,762,527	
VEHICLES	72,668,822	112,500	9,832,399	9,655,972	77,285,725	25,578,343	21,375	7,085,945	6,377,681	28,409,232	48,876,493	47,181,604	
<b>INTANGIBLE ASSETS</b>													
COMPUTER SOFTWARE	154,576,128		11,986,040	29,170,298	195,679,926	94,306,837		21,279,621	5,238	117,703,357	77,976,569	60,269,191	
TECHNICAL KNOW HOW	27,184,104		4,122,707	1,623,159	32,933,970	8,463,125		3,068,783		12,219,026	20,716,944	18,720,979	
GOODWILL ON CONSOLIDATION		10,713										10,713	
<b>SUB TOTAL</b>	<b>3,508,147,521</b>	<b>15,496,449</b>	<b>84,337,237</b>	<b>542,310,150</b>	<b>4,030,625,110</b>	<b>1,215,703,953</b>	<b>4,649,545</b>	<b>338,313,550@</b>	<b>50,768,450</b>	<b>1,526,777,747</b>	<b>2,503,847,363</b>	<b>2,303,290,472</b>	
<b>CAPITAL WORK-IN- PROGRESS</b>													
- BUILDING/ELECTRIC FITTINGS	-		30,376,201		30,376,201						30,376,201		
- PLANT AND MACHINERY	19,151,842		29,021,257	19,151,842	29,021,257	100,292					29,021,257	19,151,842	
- OFFICE EQUIPMENTS	3,620,490		604,743		4,225,233						4,225,233	3,620,490	
- TECHNICAL KNOW HOW			2,887,500		2,887,500						2,887,500		
- COMPUTER SOFTWARE	5,513,748		2,568,959		2,568,959						2,568,959	5,513,748	
- PROJECT EXPENSES PENDING CAPITALISATION / ALLOCATION (Annexure 5 A)	28,286,080		65,558,952		69,179,442						69,179,442	28,286,080	
<b>SUB TOTAL</b>	<b>3,536,433,601</b>	<b>15,496,449</b>	<b>84,337,237</b>	<b>607,869,102</b>	<b>4,099,804,552</b>	<b>1,215,703,953</b>	<b>4,649,545</b>	<b>338,313,550@</b>	<b>50,768,450</b>	<b>1,526,777,747</b>	<b>2,573,026,805</b>	<b>2,331,576,552</b>	
<b>PREVIOUS YEAR FIGURES</b>	<b>2,708,388,977</b>	<b>9,821,634</b>	<b>1,117,130,846</b>	<b>283,411,407</b>	<b>3,551,930,050</b>	<b>956,856,405</b>	<b>2,823,038</b>	<b>271,438,278</b>	<b>10,764,223</b>	<b>1,220,353,498</b>	<b>2,331,576,552</b>	<b>1,758,531,168</b>	

@ includes ₹ 13741/- on account of project expenses pending capitalisation/allocation.

**ANNEXURE 5A**

	AS AT 31.03.2011 (₹)		AS AT 31.03.2010 (₹)
<b>PROJECT EXPENSES PENDING CAPITALISATION/ALLOCATION</b>			
<b><u>MATERIAL AND MANUFACTURING</u></b>			
Raw material Consumed	111,351	7,501,322	
Stores & Spares	249,359	2,469,165	
Manufacturing Expenses	<u>68,530</u>	<u>6,509,113</u>	16,479,600
<b><u>PERSONNEL</u></b>			
Salaries, Wages and Bonus	487,684	30,188,006	
Contribution to Provident and other funds	38,622	1,673,223	
Recruitment	55,520	184,674	
Welfare	<u>31,770</u>	<u>2,619,930</u>	34,665,833
<b><u>ADMINISTRATIVE AND SELLING</u></b>			
Rates and Taxes	62,000	47,347	
Printing and Stationery	21,151	104,733	
Travelling and Conveyance	786,343	5,693,335	
Lease Rent	-	544,244	
Communication Expenses	-	617,963	
Legal and Professional	-	4,144,169	
Insurance	8,750	159,982	
General Charges	101,651	1,336,692	
Testing Expenses	303,037	101,469	
Books and Periodicals	451	146,855	
Repairs to:			
Building	-	498,271	
Plant and Machinery	-	511,596	
Others	-	1,862,926	
Pollution Control	-	380,905	
Sales promotion/Advertisement	33,838	1,326,743	
Royalty	-	106,134	
Freight and Forwarding	30,862	526,492	
Overhead /Software Cost	<u>179,761</u>	<u>1,366,158</u>	19,476,014
<b><u>FINANCIAL</u></b>			
Banks and Financial Institutions Interest on			
- Term Loans	-	24,750,777	
Financial charges	<u>882</u>	<u>752,935</u>	25,503,712
<b><u>DEPRECIATION</u></b>			
		13,741	-
		<u>2,585,303</u>	<u>96,125,159</u>
Less:- Sales		<u>16,344</u>	-
		<u>2,568,959</u>	<u>96,125,159</u>
Add: Expenses brought forward from previous year		<u>5,513,748</u>	<u>33,779,974</u>
		<u>8,082,707</u>	<u>129,905,133</u>
Less: Allocation/Recovery during the year		<u>(5,513,748)</u>	<u>(124,391,385)</u>
Balance pending Capitalisation/Allocation		<u>2,568,959</u>	<u>5,513,748</u>

	Face Value of each Share	AS AT 31.03.2011 No. of Shares	AS AT 31.03.2010 No. of Shares	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
<b>SCHEDULE 6</b>					
<b>INVESTMENTS</b>					
<b>In Equity Shares:-</b>					
<b>(At cost, unquoted, other than trade-long term)</b>					
<b>Companies under same management:-</b>					
Mindarika Private Ltd.	₹ 10	27,07,600		70,072,688	
<b>Other Companies</b>					
<b>Domestic Companies:-</b>					
Om Marubeni Logistics Pvt Ltd.	₹ 10		1,80,000		1,800,000
Valeo Minda Electrical Systems India Pvt Ltd.	₹ 10		17,50,000		17,500,000
Minda Autocare Ltd.	₹ 10	1,40,150		7,317,231	
Minda Emer Technologies Ltd.	₹ 10	9,49,930		9,499,300	
Minda Acoustic Limited	₹ 10	36,85,000	36,85,000	36,850,000	36,850,000
Minda Autogas Ltd. @	₹ 10		1,430,492		14,304,920
<b>Overseas Company:-</b>					
P.T. Minda Asean Automotive( Indonesia )	USD \$10	20250	20250	8,884,688	8,884,688
<b>Capital in Partnership Firms</b>					
<b>In Capital Account</b>					
48.90% Share in Auto Component@@				34,860,991	
48.90% Share in Yogendra Engineering@@@				21,511,535	
				<b>188,996,433</b>	<b>79,339,608</b>

@Minda Autogas Ltd., has been amalgamated with Minda Industries Ltd.

@@ Other Partners' in Auto Component

- (i) Nirmal K. Minda holding 25.55 % share
- (ii) Palak Minda holding 25.55 % share
- Total Capital of Partnership Firm - ₹ 80,268,958

@@@ Other Partners' in Yogendra Engineering

- (i) Sanjeev Garg holding 22.50 % share
- (ii) Birender Garg holding 22.50 % share
- (iii) Suman Minda holding 6.10 % share
- Total Capital of Partnership Firm - ₹ 43,990,872

**SCHEDULE 7**
**CURRENT ASSETS, LOANS AND ADVANCES**
**a) Inventories**

(As taken, valued and certified by the Management)

Raw Materials	475,793,574	278,873,545
Finished Goods @	52,310,741	29,738,420
Stock -in-trade	22,037,410	
Work in Progress	185,840,600	127,230,223
Stores and Spares	92,506,056	47,711,215
Material in Transit	9,104,327	8,045,005
	<b>837,592,708</b>	<b>491,598,408</b>

@ includes in Transit

	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
<b>b) Sundry Debtors (Unsecured)</b>		
– Outstanding for a period exceeding six months :		
– Considered Good	10,511,791	7,288,057
– Considered Doubtful	13,095,359	5,763,759
– Other Debts		
– Considered Good	1,249,235,604	891,138,800
	<u>1,272,842,754</u>	<u>904,190,616</u>
Less : Provision for Doubtful Debts	<u>(13,095,359)</u>	<u>(5,763,759)</u>
	<u>1,259,747,395</u>	<u>898,426,857</u>
<b>c) Cash and Bank Balances</b>		
Cash on hand/imprest	3,262,261	4,076,810
Cheques/drafts in hand	9,237,553	6,875
Silver coins @	209,358	160,512
With Scheduled Banks		
– In current accounts @@	45,128,036	79,408,275
– In deposit accounts @@@	175,515,339	57,423,007
With Non-scheduled Banks		
– In current accounts @@@@		
Bank of China	75,389	100,604
BDS,Italy	386,994	138,992
	<u>233,814,930</u>	<u>141,315,075</u>
@ coins in numbers	1,220	1,114
@@ includes unclaimed dividend account	1,526,739	1,253,602
@@@ includes accrued interest	4,282,101	754,986
@@@ Includes Fixed Deposits:-		
– pledged with banks for issue of bank guarantee and Margin money for issue of Letter of Credit etc.	10,279,528	4,517,979
– pledged with Sales Tax Department as security	6,962	6,962
@@@ Maximum balance with:		
Bank of China	366,990	356,230
BDS,Italy	856,760	786,450
<b>d) Loans and Advances</b>		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received :		
– Considered Good	235,125,522	242,099,601
– Considered Doubtful	60,000	5,530
Share Application Money pending allotment	50,000,000	–
Balance with Excise authorities	60,938,173	25,761,363
Income Tax (Net of Payment)	71,973,117	35,597,806
Fringe Benefit Tax (Net of Provision)	–	10,272
Security Deposits with		
– Government Authorities	13,592,337	7,395,162
– others @	16,250,520	15,239,873
	<u>447,939,669</u>	<u>326,109,607</u>
Less : Provision for Doubtful Advances	<u>(60,000)</u>	<u>(5,530)</u>
	<u>447,879,669</u>	<u>326,104,077</u>
Sundry debtors and loans and advances Includes		
– Amount due from Companies under the same management		
– Mindarika Pvt. Ltd.	11,211,249	13,284,958
– Amount due from Subsidiary Companies		
– Minda Auto Components Ltd.	50,930,702	1,599,162
– Amount due from Firm, in which Sh. Nirmal K. Minda , Managing Director is a partner		
– Auto Components	–	–
Maximum Balance outstanding during the year Companies under the same management		
– Mindarika Pvt. Ltd.	43,937,532	33,775,305
Subsidiary Companies		
– Minda Auto Components Ltd.	58,377,383	63,619,607
Firm in which Sh.Nirmal K. Minda,Managing Director is a Partner		
– Auto Components	5,753,446	21,328,109
@ Includes - the amount towards security deposit with Minda Industries Firm in which Sh. Nirmal K. Minda, Managing Director is a partner.	60,000	60,000

	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
<b>SCHEDULE 8</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Acceptances	45,471,628	39,090,113
Sundry Creditors @	1,360,794,091	1,080,027,012
Customers at credit	120,336,329	102,244,369
Unclaimed Dividend	1,526,739	1,255,017
<b>Interest accrued but not due on</b>		
– Fixed deposits	2,044,256	1,156,062
<b>Other Liabilities</b>	<b>74,788,580</b>	<b>37,354,098</b>
	<u>1,604,961,623</u>	<u>1,261,126,671</u>
<b>Provisions</b>		
Gratuity	50,954,411	36,297,946
Leave encashment	26,322,502	21,744,069
Warranty	10,050,000	5,575,000
Wealth Tax (Net of Payment)	451,006	497,924
<b>Proposed Dividend</b>		
On 9% Cumulative Redeemable Preference Shares		2,700,000
On 3% Cumulative Compulsorily Convertible Preference Shares	12,039,435	1,418,344
On 3% Cumulative Redeemable Preference Shares	1,050,000	123,699
On Equity Shares	38,730,576	31,515,192
<b>Corporate Dividend Tax</b>	<b>8,406,501</b>	<b>5,938,830</b>
	<u>148,004,431</u>	<u>105,811,004</u>
	<u>1,752,966,054</u>	<u>1,366,937,675</u>
<p>@ The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 th August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. 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.</p>		
<b>SCHEDULE 9</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(to the extent not written off or adjusted)		
Share Issue Expenses	1,701,644	2,268,858
	<u>1,701,644</u>	<u>2,268,858</u>
<b>SCHEDULE 10</b>		
<b>SALES/ INCOME FROM OPERATIONS</b>		
Gross Sales	10,108,113,483	6,569,353,163
Less:- Excise Duty	777,796,071	430,030,528
	<u>9,330,317,412</u>	<u>6,139,322,635</u>
<b>Other Income from Operations</b>		
(i) Exports Benefits	10,607,141	12,942,136
(ii) Service Income	79,646,176	57,361,571
(iii) Royalty	53,178,400	42,280,644
(iv) Non Competing Fee	67,800,000	
	<u>9,541,549,129</u>	<u>6,251,906,986</u>
<b>Tax Deducted at Source :</b>		
Service Income	7,366,086	5,886,971
Royalty	7,177,779	6,111,908

	YEAR ENDED 31.03.2011 (₹)	YEAR ENDED 31.03.2010 (₹)
<b>SCHEDULE 11</b>		
<b>OTHER INCOME</b>		
Interest		
– from Banks	8,575,804	865,882
– from Others	766,452	380,228
– on Income Tax Refund	1,135,863	831,079
Rental	115,140	5,122,780
Gain on sale of fixed assets (net of loss/written off)	12,486,060	–
Gain on sale of long-term Investments(net)	7,917,500	–
Gain in Currency Fluctuation	28,153,735	609,428
Dividend Income	8,114,941	2,547,446
Share of Profit from Partnership Firms:-		
– Auto Component	23,467,588	
– Yogendra Engineering	53,785,536	
Miscellaneous	1,660,233	291,436
	<u>146,178,852</u>	<u>10,648,279</u>
Tax Deducted at Source :		
Interest	906,717	116,748
Rental		1,100,632
Dividend	532,586	382,117
<b>SCHEDULE 12</b>		
<b>MATERIAL AND MANUFACTURING</b>		
Raw material consumed	6,638,944,636	4,226,957,231
Traded Goods	58,637,613	–
Stores and Spares	148,343,003	148,569,811
Power and Fuel	226,941,445	141,467,310
	<u>7,072,866,697</u>	<u>4,516,994,352</u>
<b>Add (Less) Decrease(Increase) in Finished Goods and Work in Progress</b>		
<b>Stock at beginning</b>		
– Finished Goods	29,738,420	17,353,252
– Work in Progress	127,230,223	67,086,073
	<u>156,968,643</u>	<u>84,439,325</u>
– Less : Excise Duty	1,501,265	1,017,177
	<u>155,467,378</u>	<u>83,422,148</u>
Transferred from erstwhile Minda Autogas Ltd. pursuant to Scheme of Amalgamation		
– Finished Goods	3,965,071	
– Work in Progress	39,689	
	<u>4,004,760</u>	
– Less : Excise Duty	420,365	
	<u>3,584,395</u>	
Net Opening Stock	<u>159,051,773</u>	<u>83,422,148</u>
<b>Stock at close</b>		
– Finished Goods	52,310,741	29,738,420
– Stock-in-Trade	22,037,410	–
– Work in Progress	185,840,600	127,230,223
	<u>260,188,751</u>	<u>156,968,643</u>
– Less : Excise Duty	2,190,894	1,501,265
Net Closing Stock	<u>257,997,857</u>	<u>155,467,378</u>
<b>Decrease(Increase)</b>	<u>(98,946,084)</u>	<u>(72,045,230)</u>
	<u>6,973,920,613</u>	<u>4,444,949,122</u>

	YEAR ENDED 31.03.2011 (₹)	YEAR ENDED 31.03.2010 (₹)
<b>SCHEDULE 13</b>		
<b>PERSONNEL</b>		
Salaries, Wages and Bonus	834,673,510	547,091,381
Contribution to Provident and other funds	62,310,603	36,744,891
Gratuity	12,263,907	11,706,090
Recruitment	5,028,777	1,760,474
Welfare	99,410,752	61,914,415
	<u>1,013,687,549</u>	<u>659,217,251</u>
<b>SCHEDULE 14</b>		
<b>ADMINISTRATIVE AND SELLING</b>		
Rent	45,226,115	34,022,044
Rates and Taxes	1,871,726	1,597,661
Printing and Stationery	15,745,736	7,846,023
Travelling and Conveyance	165,355,582	96,041,223
Lease Rent	4,037,911	1,201,054
Communication	16,594,183	11,411,815
Legal and Professional	116,489,197	58,972,933
Insurance	14,584,069	7,733,458
General Charges @	57,272,181	25,005,427
Debts/Amount Written off	2,128,084	151,362
Provision for Doubtful Debts/ amounts	7,190,881	3,203,098
Warranty	41,288,206	28,062,578
Testing	13,063,948	11,296,859
Books and Periodicals	6,218,852	3,624,289
Repairs to:		
– Building	7,509,845	6,997,935
– Plant and Machinery	31,146,287	29,390,909
– Others	17,692,078	13,965,544
Pollution Control Expenses	449,713	2,902,396
Research and Development	7,469,968	5,451,533
Sales promotion/Advertisement	18,208,934	10,268,840
Freight and Forwarding	90,486,137	55,338,550
Royalty	10,005,773	7,361,919
Discount and commission	3,435,862	235,135
Donation	12,684,715	692,252
Wealth Tax	400,000	450,000
Sales Tax / Turnover Tax	261,042	179,238
Loss on sale of fixed assets /written off (net)		2,670,259
	<u>706,817,025</u>	<u>426,074,334</u>
@ Includes penalty	<u>560,775</u>	<u>106,235</u>
<b>SCHEDULE 15</b>		
<b>FINANCIAL</b>		
Banks and Financial Institutions		
Interest on		
– Term Loans	78,290,239	64,896,184
– Working Capital Loans	65,205,957	57,593,115
Financial charges	6,819,461	6,522,904
Other than Banks and Financial Institutions		
Interest on		
– Working Capital Loans	10,369,646	3,639,698
– Fixed Deposits	2,760,685	1,356,601
– Other Loans	13,490,975	13,552,850
	<u>176,936,963</u>	<u>147,561,352</u>

**SCHEDULE-16****ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENT****A) ACCOUNTING POLICIES****1. BASIS OF PREPARATION OF FINANCIAL STATEMENT**

- a) The Consolidated Financial Statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles, accounting standards notified under Section 211(3C) of the Companies Act' 1956 and the relevant provision thereof. All income and expenditure having a material bearing in the Financial Statements are recognized on accrual basis.
- b) Subsidiary Company is consolidated on a line by line basis by adding together the book value of the like items of assets, liabilities, income and expenses after eliminating all significant intra group balances and intra group transactions and also unrealized profits or losses, where ever significant.
- c) The difference between the cost of investments in subsidiary and the proportionate share in the equity of the investee Company as at the date of acquisition of stake is recognized in the Consolidated Financial Statements as goodwill or capital reserve, as the case may be.
- d) Minorities interest in net profits of consolidated subsidiary for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity in the absence of the contractual obligation on the minorities, the same is accounted for by the Company.
- e) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's stand alone financial statements.

**2. USE OF ESTIMATES**

- a) The preparation of Financial Statement requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of Financial Statement and the reported amount of revenue and expenses during the reported period. Differences between the actual results and estimates are recognized in the period in which the results are known/ materialized.

**3. FIXED ASSETS**

- a) Fixed Assets except revalued assets are stated at cost of acquisition inclusive of purchase price, duties, taxes, labour costs and directly attributable costs for in house manufacturing of assets and other direct costs incurred and other incidental expenses, erection/ commissioning expenses etc. (net of Cenvat benefit availed of excise duty, cess, countervailing duty on imported capital goods, and vat/sales tax set off availed, wherever applicable) up to the date, the assets are put to use. Increase or decrease in long term liabilities on account of exchange rate fluctuations has been adjusted in the cost of fixed assets.
- b) Hardware/Software costs of Enterprises Resource Planning (ERP) system includes cost of designing software, which provide significant future economic benefits over an extended period. The cost comprises of license fee, cost of system integration and implementation cost. The costs are capitalized in the year in which the relevant system is ready for intended use.

**4. DEPRECIATION/AMORTIZATION**

- a) Depreciation on fixed assets is provided
  - On Plant and Machinery on Written Down Value method.
  - On other fixed assets on Straight Line Method.  
  
at the rates and in the manner specified in Schedule-XIV in the Companies Act, 1956.
  - Capitalized hardware/software cost of ERP are amortized over the estimated useful economic life not exceeding four years.
  - On Computer Software on straight-line method at the rate of 16.21 percent.

- Leasehold land and lease hold improvements are amortized over the period of lease.
- b) Technical-know how fees is being amortized over a period of the agreement.

## 5. IMPAIRMENT OF ASSETS

- a) An impairment loss is recognized whenever the carrying amount of an asset is in excess of its recoverable amount and same is recognized as an expense in the statement of profit and loss account of the assets is reduced to its recoverable amount.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

## 6. INVESTMENTS

- a) Long term investments are valued at cost. Current Investments are valued at cost or fair market value whichever is lower. Provision for permanent diminution in the value of Long Term Investments, if any, is based on perception of the management of the Company.

## 7. INVENTORIES

- a) Raw material (including packing material), Finished Goods and Work-in-Progress are valued at lower of cost (Moving Average Price) or net realizable value.
- b) "Stores and Spares" and "Material in Transit" are valued at cost.

## 8. SALES

- a) Sales comprise amounts invoiced for goods sold inclusive of excise duty, cess, but net of sales tax /VAT and returns/rejections.
- b) Sales includes sale of own products, design income, job work, scraps, tools, dies and moulds and consumable material.

## 9. GOVERNMENT GRANTS

- a) Grants relating to fixed assets are shown as Deferred Government Grant and those of the nature of Capital Subsidy are credited to Capital Reserve.

- b) Other Government Grants are credited to Profit and Loss Account or deducted from the related expenses.

## 10. BORROWING COST

- a) Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalized as part of the cost of the assets up to the date each asset is put to use. All other borrowing costs are charged to revenue.

## 11. RESEARCH AND DEVELOPMENT

- a) Revenue expenditure incurred on research and development is charged to Profit and Loss Account in respective account heads.
- b) Capital expenditure incurred on research and development activity is included in fixed assets and depreciated at applicable rates.

## 12. FOREIGN CURRENCY TRANSACTIONS

- a) Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investments.
- b) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- c) 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.
- d) In the case of liabilities incurred for the acquisition of fixed assets, the loss or gain on conversion (at the rate prevailing at the year end or at the forward rate where forward cover has been taken) is included in the carrying amount of the related fixed assets.
- e) Current Assets and Liabilities (other than those relating to fixed assets and investments) are restated at the rates prevailing at the year end or at the forward rate where forward cover has been taken. The difference between exchange rate at the year end and at the date of the transaction is recognized as income or expense in Profit and Loss Account. In respect of transactions covered by forward exchange contracts, the difference

between the contract rate and the rate on the date of the transaction is recognized as income or expense in the Profit and Loss Account over the life of the contract.

**13. COMMODITY HEDGING**

- a) The Company uses forward contracts and options to hedge its exposure to the movement of commodity price risk for metals used as raw materials. These forward contracts and options are not used for trading or speculation purpose. The gains or losses arising on this account are adjusted to the consumption of raw materials.

**14. REPRESENTATIVE OFFICES**

- a) 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 monthly average rate.

**15. CUSTOM AND EXCISE DUTY**

- a) Custom duty on material and machinery lying in bond and in transit is accounted for at the time of clearance thereof.
- b) Excise Duty has been accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in bonded warehouse.

**16. RETIREMENT BENEFITS**

- a) The payment for present liability of future payment of gratuity is being made to approve gratuity fund, which covers the same under the policy of Life Insurance Corporation of India.
- b) Provision for Leave Encashment benefits have been made on the basis of actuarial valuation.

**17. SHARE ISSUE EXPENSES**

- a) Share issue expenses are amortized over a period of five years.

**18. WARRANTY COSTS**

- a) Product warranty costs are accrued in the year of sale of products, based on technical estimates.

**19. LIABILITIES**

- a) All liabilities are provided for in the accounts except liabilities of a contingent nature, which are disclosed in the notes on accounts.

**20. TAXATION**

- a) The provision for income tax for the year is based on the assessable profit as computed in accordance with the Income Tax Act, 1961/Income Tax Rules, 1962.
- b) Deferred tax is recognized subject to consideration, of prudence on timing differences, being the difference between Taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods.

**21. ACCOUNTING STANDARDS**

- a) The accounts have been prepared in compliance with the applicable Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956.

**B) NOTES ON ACCOUNTS**

The Consolidated Financial Statements as at and for the year ended on March 31, 2011 include the financial statements of the following entity:-

Name of the subsidiary included in the financial statements are:-

S.No.	Name of the Subsidiary Company	Country of Incorporation	Proportion of Ownership interest (%)	Proportion of voting power held (%)
1.	Minda Auto Components Ltd.	India	100%	100%

1. Contingent liabilities not provided for in the books of accounts are:
  - a) Bank Guarantee: ₹ 124.55 Lacs (Previous Year: ₹ 44.90 Lacs); Central Excise and Service Tax: ₹ 139.44 Lacs (Previous Year: ₹ 52.94 Lacs); Income Tax: ₹ 91 Lacs (Previous Year: ₹ 187.02 Lacs); Bills Discounting: ₹ 1140.13 Lacs (Previous Year: ₹ 405.22 Lacs) and Others ₹ 73.94 Lacs (Previous Year: ₹ 10.26 Lacs).
  - b) As per agreement executed with Maruti Suzuki India Ltd (MSIL), being Maruti Car Scheme in which loan facility has been granted to Company's employee and other associates on the recommendation of the Company by MSIL. The Company has taken responsibility to make such payment. The amount so outstanding at the year end is ₹ 90.53 Lacs (Previous Year: ₹ 198.64 Lacs).
2. a) Pursuant to the scheme of amalgamation, sanctioned by the order dated 25th January, 2011 of Hon'ble High Court, Delhi, Minda Autogas Ltd. (MAGL) engaged in the manufacturing of CNG/LPG kits has been amalgamated with the Company with effect from April 01, 2009.
  - b) The amalgamation has been accounted for under the 'pooling of interest' method as prescribed by Accounting Standard – 14 on 'Accounting for amalgamation'.  
Accordingly the Assets, Liabilities and Reserves of the erstwhile MAGL as at 1st April, 2009 along with the subsequent addition/ deletion upto 31st March, 2010 has been transferred in accordance with the said scheme.  
The profit of the amalgamating Company during the financial year 2009-10 has been transferred to the Company without opening the account of the Company for the financial year 2009-10, The Current Year transactions are duly incorporated in the books of the Company.  
Figures for the current year include the figures of erstwhile MAGL. Therefore, current year figures are not comparable with those of previous year.,
  - c) Based on the approved swap ratio as provided in the scheme of Amalgamation, 2,405,128 number of equity shares has been issued to the equity shareholders of erstwhile MAGL in the ratio of 4 equity shares of the face value of ₹ 10/- each in the Company for every 10 equity shares held in erstwhile MAGL. In term of the scheme, the said equity shares shall rank in all respect pari-passu with the existing equity shares of the Company.
- d) The difference between the amount of share capital of the erstwhile MAGL and the amount of fresh capital issued by the Company on amalgamation amounting to ₹ 36,076,930 has been treated as General Reserve.
- e) The financial statements of the amalgamating Company Minda Autogas Ltd. till 31st March, 2010 has been audited by firm other than M/s. R.N. Saraf & Co., Chartered Accountants.
3. The estimated amount of contracts remaining to be executed on capital account, not provided for ₹ 264.21 Lacs (Previous Year: ₹ 658.99 Lacs).
4. a) During the year 2002-03, The Director, Town and Country Planning, Chandigarh issued a demand notice of ₹ 37.93 Lacs towards revised CLU charges for the land situated at Village Nawada Fatehpur, P.O. Sikenderpur Badda, Gurgaon, Haryana. The Company has filed Special Leave Petition with Hon'ble Supreme Court of India, in which leave has been granted and the Company has deposited ₹ 9.50 Lacs shown under the head "Loan and Advances".
  - b) The export obligation pending till the end of the year was of ₹ 7,548.37 Lacs (Previous Year: ₹ 5,681.32 Lacs) to be fulfilled in the subsequent years.
  - c) Corporate Guarantee provided by the Company aggregating to ₹ 1,500 Lacs (Previous Year: ₹ 2,925.00 Lacs).
5. The parent Company has availed sales tax incentives for its unit at Gurgaon, Haryana, from Government of Haryana as sales tax capital subsidy amounting to ₹ 225.65 Lacs. 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.
6. During the year 2007-08, the parent Company entered the lease cum sale agreement with Karnataka Industrial Area Development Board for purchase of land, as per the agreement, the sale deed will be executed on fulfillment of terms and conditions within six years.
7. The parent Company is engaged in the business of manufacturing of automotive parts and accessories. Minda Auto Component Ltd., a subsidiary Company

is also engaged in manufacturing/assembling and trading of auto electrical parts. There are no separate reportable segments as per Accounting Standard-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

8. Related Party Disclosure:

Related party disclosures as required under Accounting Standard - 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

**a) Relationship:**

**(i) Joint Ventures:**

Mindarika Pvt. Ltd.  
M.J.Casting Ltd.,

**(ii) Key Management Personnel:**

Mr. Nirmal K. Minda, Chairman and Managing Director:  
Mr. Vivek Jindal, Executive Director (Whole Time Director)

**(iii) Relatives of Key Management Personnel:**

Relatives of Mr. Nirmal K. Minda

Late Sh. S.L. Minda, Father (till 17/04/2010), Smt. Savitri Devi Minda (Mother), Suman Minda (Wife),

Paridhi Minda Jindal (Daughter), Palak Minda (Daughter), Ashok Minda (Brother), Sarika Minda (brother's wife), Rekha Bansal (Sister), Rajesh Bansal (Sister's husband)

Relatives of Mr. Vivek Jindal

Madan Jindal (Father), Anita Jindal (Mother), Paridhi Minda Jindal (Wife), Samaira Jindal (Daughter), Abhishek Jindal (Brother)

**(iv) Other Entities over which key Management Personnel is able to exercise significant influence (with which the parent Company has transactions)**

Minda Acoustic Ltd., Minda Sai Ltd., PT. Minda Asean Automotive, Minda Corporation Ltd., Unitech Sai Pvt. Ltd., Minda Stoneridge Instruments Ltd., Minda Finance Ltd., Minda Autocare Ltd., Minda Investments Ltd., Minda International Ltd., Minda EMER Technologies Ltd., Jindal Buildtech Pvt. Ltd., Jindal Mectec Pvt. Ltd., Nirmal K. Minda (HUF), Minda Industries (Firm), Auto Component (Firm), Yogendra Engineering (Firm),

b) The Following transactions were carried out with related parties in the ordinary course of business:

(₹ in Lacs)

Particulars	Joint Venture Company		Entities over which Key Personnel is able to exercise significant influence		Key Management Personnel and Relatives	
	This year	Last year	This year	Last year	This year	Last year
Sale of finished & other goods	693	674	8661	7006	-	-
Purchase of raw materials, finished goods and spare parts	70	53	4401	2407	-	-
Sale of Fixed Assets	-	-	18	61	-	-
Purchase of Fixed Assets	7	5	-	-	-	-
Amount due from / (to)	112	517	780	(33)	-	-
Expenses recovered	7	9	99	105	-	-
Services rendered	350	249	385	324	-	-
Rent received	-	-	-	48	-	-
Design Fee Received	-	-	49	94	-	-

Particulars	Joint Venture Company		Entities over which Key Personnel is able to exercise significant influence		Key Management Personnel and Relatives	
	This year	Last year	This year	Last year	This year	Last year
Rent paid	-	-	343	257	14	31
Dividend Received	41	-	41	25	-	-
Share Application Money Paid	500	-	-	-	-	-
Interest paid	-	15	21	4	2	66
Interest Received	-	-	3	-	-	-
Share of Profits	-	-	773	-	-	-
Guarantee given	-	-	1500	2925	-	-
Royalty received	-	-	532	423	-	-
Royalty Paid	-	-	9	-	-	-
Dividend paid on Equity share Capital	-	-	94	45	122	102
Dividend paid on 9% Cum. Redeemable Pref. Share Capital	-	-	-	3	20	7
Credit Balance outstanding at the end of the year:						
- Fixed Deposits	-	-	80	-	7	34
- Unsecured Loans	199	184	47	43	-	-

The above amount does not include the amount of remuneration paid to the Mr. Nirmal K. Minda, Chairman and Managing Director and Mr. Vivek Jindal, Director, which have been disclosed in the Notes on accounts.

9. Earning Per Share (E.P.S.) computed in accordance with Accounting Standard 20, issued by the Institute of Chartered Accountants of India.

(₹ in Lacs)

Particulars	This Year	Last Year
Profit for the year after Taxation, as per Profit and Loss Account	3552.88	2341.08
Less: Dividend on Preference Shares and Dividend Tax thereon.	178.00	49.47
Profit after Dividend on Preference Shares	3374.88	2291.61
Weighted average number of Equity Shares (in Nos.)	12910192	10505064
Basic Earnings per Share in ₹ (Face value ₹ 10 per share)	26.14	21.81
Diluted Earnings per Share in ₹ (Face value ₹ 10 per share)	22.89	18.57

10. The Company has recognized the cumulative net deferred tax liability in accordance with the provisions of Accounting Standard-22, issued by the Institute of Chartered Accountants of India.

Following are the major components of deferred tax assets (liabilities)

(₹ in thousand)

S.No.	Particulars	As at 31.03.2011	As at 31.03.2010
i.	Difference between book and tax depreciation.	(150,325)	(81,372)
ii.	Provision for gratuity and leave encashment.	25,327	15,950
iii.	Others	21,875	1,406
iv.	Total deferred Tax Assets (Liability)	(103,123)	(63,250)

#### 11. 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 31st March' 2007 was ₹ 184.92 Lacs out of which ₹ 147.92 Lacs (Previous Year: ₹ 110.95 Lacs) [net of deferred taxes of ₹ 99.08 Lacs (Previous Year: ₹ 74.38 Lacs)] has been adjusted from the General Reserve .

b) The disclosures of Employee Benefits, as required under Accounting Standard 15 are given below:

- **Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

Employer's Contribution to

(Amount in ₹)

	This Year	Last Year
Provident Fund	48,913,728	28,954,667
Superannuation Fund	4,019,731	2,013,950

- **Defined Benefit Plan**

The present value of obligation for Gratuity is determined based on actuarial valuation using the Projected Unit Credit (PUC) method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as of the beginning or end of period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as of the beginning and end of the period for active members.

The obligation for Leave Encashment 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) Change in present value of obligation

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Present value of obligation as at the Beginning on the year.	<b>46,644,892</b>	37,772,872	<b>21,860,542</b>	18,386,916
b)	Acquisition adjustment		–		–
c)	Interest cost	<b>3,731,591</b>	2,832,965	<b>1,748,843</b>	1,379,019
d)	Past Service Cost	–	–	–	–
e)	Current service cost	<b>9,763,559</b>	6,230,398	<b>6,888,503</b>	4,836,210
f)	Curtailment cost/(Credit)	–	–	–	–
g)	Settlement cost/(Credit)	–	–	–	–
h)	Benefits paid	<b>(3,591,254)</b>	(1,159,307)	<b>(14,258,531)</b>	(2,645,604)
i)	Actuarial (gain)/loss on obligation	<b>2,797,180</b>	967,964	<b>9,051,189</b>	(95,999)
j)	Present value of obligation as at the end of year	<b>65,961,007</b>	46,644,892	<b>25,290,546</b>	21,860,542

## (ii) Change in the fair value of plan assets

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Fair value of plan assets at the beginning of the year	<b>22,048,998</b>	17,709,357	–	–
b)	Acquisition adjustment	–	–	–	–
c)	Expected return on plan assets	<b>1,929,287</b>	1,549,569	–	–
d)	Contributions	–	2,788,735	–	–
e)	Benefits paid	–	–	–	–
f)	Actuarial gain/(loss) on plan assets	–	1,337	–	–
g)	Fair value of plan assets at the end of the year	<b>23,978,285</b>	22,048,998	–	–

## (iii) Fair value of plan assets

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Fair value of plan assets at the beginning of the year	<b>22,048,998</b>	17,709,357	–	–
b)	Acquisition adjustment	–	–	–	–
c)	Actual return on plan assets	<b>1,929,287</b>	1,550,906	–	–
d)	Contributions	–	2,788,735	–	–
e)	Benefits paid	–	–	–	–
f)	Fair value of plan assets at the end of the year	<b>23,978,285</b>	22,048,998	–	–
g)	Funded status	<b>(41,982,722)</b>	(24,595,894)	<b>(25,290,546)</b>	(21,860,542)
h)	Excess of actual over estimated return on plan assets	–	1,337	–	–

## (iv) Actuarial gain/loss recognized

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Actuarial gain/(loss) for the year - obligation.	<b>(2,797,180)</b>	(967,964)	<b>(9,051,189)</b>	95,999
b)	Actuarial gain/(loss) for the year - plan assets.	-	(1,337)	-	-
c)	Total (gain)/loss for the year	<b>2,797,180</b>	966,627	<b>9,051,189</b>	(95,999)
d)	Actuarial (gain)/ loss recognized in the year	<b>2,797,180</b>	966,627	<b>9,051,189</b>	(95,999)
e)	Unrecognized actuarial (gain)/losses at the end of year	-	-	-	-

## (v) The amounts to be recognized in Balance Sheet

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Present value of obligation as at the end of the year	<b>65,961,007</b>	46,644,892	<b>25,290,546</b>	21,860,542
b)	Fair value of plan assets as at the end of the year	<b>23,978,285</b>	22,048,998	-	-
c)	Funded status	<b>(41,982,722)</b>	(24,595,894)	<b>(25,290,546)</b>	(21,860,542)
d)	Excess of actual over estimated	-	1,337	-	-
e)	Unrecognized actuarial (gains)/losses	-	-	-	-
f)	Net asset/(liability) recognized in balance sheet	<b>(41,982,722)</b>	(24,595,894)	<b>(25,290,546)</b>	(21,860,542)

## (vi) Expenses recognized in the Statement of Profit and Loss

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Current Service Cost	<b>9,763,559</b>	6,230,398	<b>6,888,503</b>	4,836,210
b)	Past Service Cost	<b>6,615,039</b>	-	-	-
c)	Interest cost	<b>3,731,591</b>	2,832,965	<b>1,748,843</b>	1,379,019
d)	Expected return on plan assets	<b>(1,929,287)</b>	(1,549,569)	-	-
e)	Curtailment cost / (Credit)	-	-	-	-
f)	Settlement cost / (credit)	-	-	-	-
g)	Net actuarial (gain)/ loss recognized in the year	<b>2,797,180</b>	966,627	<b>9,051,189</b>	(95,999)
h)	Expenses recognized in the statement of profit & losses	<b>20,978,082</b>	8,480,421	<b>17,688,535</b>	6,119,230

## (vii) Reconciliation Statement of Expenses in the Statement of Profit &amp; Loss

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Present value of obligation as at the end of the year.	<b>65,961,007</b>	46,644,892	<b>25,290,546</b>	21,860,542
b)	Present value of obligation as at the beginning of the year	<b>46,644,892</b>	37,772,872	<b>21,860,542</b>	18,386,916
c)	Benefits paid	<b>3,591,254</b>	1,159,307	<b>14,258,531</b>	2,645,604
d)	Actual return on plan assets	<b>(1,929,287)</b>	(1,550,906)	-	-
e)	Acquisition adjustment	-	-	-	-
f)	Expenses recognized in the statement of profit & losses.	<b>20,978,082</b>	8,480,421	<b>17,688,535</b>	6,119,230

## (viii) Amount for the Current Period

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Present value of obligation as at the end of year.	<b>65,961,007</b>	46,644,892	<b>25,290,546</b>	21,860,542
b)	Fair value of plan assets at the end of the year.	<b>23,978,285</b>	22,048,998	-	-
c)	Surplus / (deficit)	<b>(41,982,722)</b>	(24,595,894)	<b>(25,290,546)</b>	(21,860,542)
d)	Experience adjustment on plan liabilities (loss)/gain	<b>3,665,065</b>	(22,282,612)	<b>(9,134,985)</b>	27,560
e)	Experience adjustment on plan assets (loss) /gain.	-	1,337	-	-

## (ix) Movement in the Liability recognized in Balance Sheet

S.No.	Particulars	Gratuity		Leave Encashment	
		This Year	Last Year	This Year	Last Year
		(₹)	(₹)	(₹)	(₹)
a)	Opening net liability	<b>46,644,892</b>	37,772,872	<b>21,860,542</b>	18,386,916
b)	Expenses as above.	<b>20,978,082</b>	8,480,421	<b>17,688,535</b>	6,119,230
c)	Benefits paid	<b>(3,591,254)</b>	(1,159,307)	<b>(14,258,531)</b>	(2,645,604)
d)	Actual return on plan assets	<b>1,550,906</b>	1,929,287	-	-
e)	Acquisition adjustment	-	-	-	-
f)	Closing net liability	<b>65,961,007</b>	46,644,892	<b>25,290,546</b>	21,860,542

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011**

Pursuant to Clause 32 of the Listing Agreement

	FOR THE YEAR ENDED 31.03.2011 (₹ IN LACS)	FOR THE YEAR ENDED 31.03.2010 (₹ IN LACS)
<b>A. Cash Flow From Operating Activities :</b>		
Net Profit Before Taxation And Extraordinary Items	3,504.42	3,127.59
Adjustments For :		
Depreciation	3,278.46	2,714.38
Gain on sale of Fixed Assets	(140.37)	(41.50)
Interest Income	(33.58)	(20.77)
Dividend Income	(37.03)	(25.47)
Rent Income	(1.15)	(51.23)
Interest Expenditure	1,751.95	1,475.61
Amortisation of Miscellaneous Expenses	5.67	5.67
Loss on Sale of Fixed Assets	0.00	68.20
Operating Profit Before Working Capital Changes	<u>8,328.37</u>	<u>7,252.49</u>
Adjustments For:		
Inventories	(2,969.43)	(2,204.28)
Trade and Other Receivables	(4,092.71)	(1,040.19)
Trade Payables	<u>3,596.75</u>	<u>5,464.68</u>
Cash Generated From Operations	<u>4,862.97</u>	<u>9,477.46</u>
Direct Taxes Paid (Net)	<u>(319.62)</u>	<u>(650.98)</u>
Net Cash Generated From Operations	<b>4,543.36</b>	<b>8,826.48</b>
<b>B. Cash Flow From Investing Activities :</b>		
Sale of Long Term Investment/ Assets	197.94	109.97
Purchase of Fixed Assets	(5,010.09)	(8,603.29)
Interest Received	33.58	20.77
Rent Income	1.15	51.23
Dividend Income	<u>37.03</u>	<u>25.47</u>
Net Cash Used in Investing Activities	<b>(4,740.39)</b>	<b>(8,395.85)</b>
<b>C. Cash Flow From Financing Activities</b>		
Proceeds From Issue of Share	(300.00)	4,363.14
Proceeds From Short Term Borrowings	3,764.50	(2,032.40)
Proceeds From Long Term Borrowings	(1,429.98)	138.57
Interest Paid	(1,743.07)	(1,473.03)
Dividend Paid (Including Corporate Dividend Tax)	<u>(628.14)</u>	<u>(416.96)</u>
Net Cash Used in Financing Activities	<b>(336.69)</b>	<b>579.32</b>
Net Increase in Cash and Cash Equivalents	<b>(533.72)</b>	<b>1,009.95</b>
Acquired on account of Amalgamation	1,458.71	
Cash and Cash Equivalents as at Opening	<u>1,413.15</u>	<u>403.21</u>
Cash and Cash Equivalents as at Closing	<u>2,338.15</u>	<u>1,413.15</u>
Cash and Cash Equivalents include Cash / Cheques in hand and silver coins	131.72	44.84
With banks		
– Current Accounts	451.28	794.08
– Deposit Accounts	1,652.29	528.98
Restricted Cash		
– Fixed Deposit Pledged	<u>102.86</u>	<u>45.25</u>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>2,338.15</b>	<b>1,413.15</b>

**NIRMAL K. MINDA**  
Chairman and Managing Director

**ALOK DUTTA**  
Director

Place : New Delhi  
Dated : 30.05.2011

**SUDHIR JAIN**  
Corp. Business Head

**H.C. DHAMIJA**  
V.P. - Group A/cs,  
Taxation & Co. Secretary

**AUDITORS' CERTIFICATE**

We have checked and verified the above Cash Flow Statement which has been derived from the Audited Annual financial Statement of Minda Industries Limited and have found the same as true and correct.

As per our report of even date  
For R. N. SARAF & CO.  
CHARTERED ACCOUNTANTS  
(Regn No. 002023N)

R. N. SARAF, F.C.A.  
Membership No. 12439  
2659/2, Gurdwara Road,  
Karol Bagh, New Delhi - 110 005

Place : New Delhi  
Dated : 30.05.2011

**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)			
		Financial Year of the Subsidiary ended on	Number of Shares held	% of Total Paid up Capital	Profit /(Loss) not dealt with in the Holding Company's Account		Profit dealt with or (Losses) provided for in the Holding Company's Accounts	
					For the Financial Year of the Subsidiary (₹/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.	31/03/2011	210200 Equity Shares of ₹ 10/- each fully paid up.	100%	67.39	N.A.	NIL	N.A.

**For and on behalf of the Board**

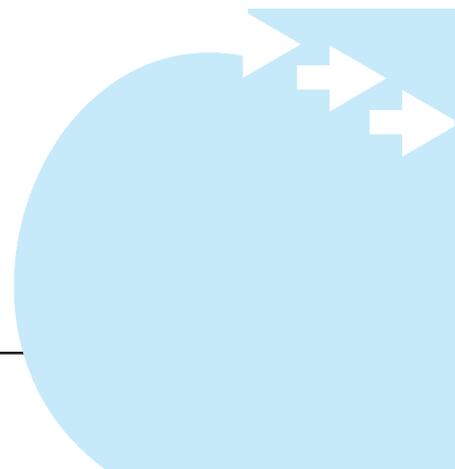
**NIRMAL K. MINDA**  
Chairman and Managing Director

**SUDHIR JAIN**  
Corp. Business Head

**ALOK DUTTA**  
Director

**H.C. DHAMIJA**  
V.P. - Group A/cs,  
Taxation & Co. Secretary

Place : New Delhi  
Dated : 30.05.2011



**Statement pursuant to section 212 (8) of the Companies Act, 1956 relating to the Subsidiary Company**Name of the Subsidiary Company : **Minda Auto Components Ltd.**

(₹ in Lacs)

<b>S.No.</b>	<b>Particulars</b>	<b>As at 31.03.2011</b>	<b>As at 31.03.2010</b>
(a)	Paid up Share Capital	<b>21.02</b>	21.02
(b)	Reserves & Surplus	<b>110.80</b>	43.40
(c)	Total Assets	<b>131.82</b>	64.61
(d)	Total Liabilities	<b>131.82</b>	64.61
(e)	Details of Investment (Except in case of investment in the subsidiaries)	<b>NIL</b>	NIL
(f)	Turnover	<b>8356.84</b>	4630.66
(g)	Profit/(Loss) before Taxation	<b>100.69</b>	86.96
(h)	Provision for Taxation/ short provision / deferred tax.	<b>33.30</b>	13.70
(i)	Profit/(Loss) after Taxation	<b>67.39</b>	73.26
(j)	Proposed Dividend	<b>NIL</b>	NIL

**For and on behalf of the Board****NIRMAL K. MINDA**  
Chairman and Managing Director**SUDHIR JAIN**  
Corp. Business Head**ALOK DUTTA**  
Director**H.C. DHAMIJA**  
V.P. - Group A/cs,  
Taxation & Co. SecretaryPlace : New Delhi  
Dated : 30.05.2011

# 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 19th Annual General Meeting of the Company being held at PHD House, Opp. Asian Games Village, New Delhi-110016, on Thursday, August 11, 2011 at 11.00 a.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 19th Annual General Meeting of the Company to be held at PHD House, Opp. Asian Games Village, New Delhi-110 016 on on Thursday, August 11, 2011 at 11.00 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Folio No. / DP ID/ Client ID #  
No. of Equity Shares held

Affix ₹ 1/- Revenue Stamp
------------------------------

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