

BOARD'S REPORT

To the Members of

Minda Industries Limited

The Board of Directors hereby submit their twenty-ninth report along with the audited financial statements of the Company for the financial year ended on March 31, 2021. The standalone and consolidated performance of the Company is summarised below:

Financial Results

(Amount ₹ in Crores, unless otherwise stated)

Particulars	Standalone		Consolidated	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Revenue from Operations	3,700.64	3,524.72	6,373.74	6,222.03
Other Income	54.62	64.85	47.03	40.49
Profit Before Tax	177.44	155.06	323.07	278.05
Add: Exceptional item	(10.00)	(42.75)	1.73	(34.46)
Less: Tax Expense	48.46	23.14	100.53	68.62
Profit before share of profit in associates and joint ventures	118.98	89.17	224.27	174.97
Add: Share of net profit in associates and joint ventures			24.17	12.97
Less: Non-controlling interest			41.81	32.76
Profit for the year attributable to the Owner of the Company	118.98	89.17	206.63	155.18
Add: Other Comprehensive income for the year attributable to the Owners of the Company	2.66	(3.80)	14.31	(1.93)
Total Comprehensive income for the year attributable to the Owners of the Company	121.64	85.37	220.94	153.25
Earnings per share (EPS)				
Basic (in ₹)	4.45	3.40	7.73	5.92
Diluted (in ₹)	4.27	3.25	7.41	5.65
Other Equity attributable to the Owners of the Company	1,593.45	1,296.97	2,202.18	1,808.64

The financial statements for the year ended March 31, 2021 have been prepared after giving effect to the scheme of amalgamation of five Harita Group Companies namely (i) Harita Limited (ii) Harita Venu Private Limited, (iii) Harita Cheema Private Limited, (iv) Harita Financial Services Limited and (v) Harita Seating Systems Limited with Minda Industries Limited. For details, refer Notes to Accounts forming part of this Annual Report.

Company's Performance

Standalone

The standalone revenue from Operations for the FY 2020-21 was ₹ 3,700.64 Crores as against ₹ 3,524.72 Crores in previous year. The profit after tax for the FY 2020-21 was ₹ 118.98 Crores as against ₹ 89.17 Crores in the previous year. Total comprehensive income for the FY 2020-21 was ₹ 121.64 Crores as against ₹ 85.37 Crores in the previous year.

Consolidated

The consolidated revenue from operations during the year for the FY 2020-21 was ₹ 6,373.74 Crores as against ₹ 6,222.03 Crores in previous year. The profit after tax attributed to the Owners for the FY 2020-21 was ₹ 206.63 Crores, as against ₹ 155.18 Crores in the previous year. Total comprehensive income attributed to the Owners of the Company for the FY 2020-21 was ₹ 220.94 Crores as against ₹ 153.25 Crores in the previous year.

Consolidated Financial Statements

Pursuant to Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company and its subsidiaries, associates and joint ventures, prepared in accordance with the relevant Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, forms part of this Annual Report.

COVID-19

The WHO declared COVID-19 outbreak as a pandemic which continues to spread across the country. On March 23, 2020, the Government of India also declared this pandemic a health emergency and ordered on March 24, 2021 nation-wide lockdown of all non-essential business, imposed restrictions on movement of goods/ materials travel etc. which continued till May end. The lockdown was withdrawn in a phased manner in the next 6 months. During the lockdown, production was suspended at all the locations. Lockdown has

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significantly impacted the business operations. Consequently, revenues and profitability have been adversely affected. In order to mitigate some of the impact, Company had taken various initiatives to manage its costs across the organisation and also took actions to conserve cash which is critical in times of crisis. This enabled the company to mitigate some of the adverse effect of the lockdown. From September, 2020 as the lockdown was gradually withdrawn green shoots of revival in the economy including auto sector started to emerge. The Company's operations started to recover after effect of the pandemic, and the results for the quarter/nine months ended were promising.

However, the fangs of the pandemic again started to emerge from the beginning of the current year with much more severe impact on health and life of the people. This has again compelled various state governments to impose lockdown and create containment zones. The re-emergence of the pandemic in the current financial year has already impacted the operations of the Company and the economy as a whole. Based on current indicators of future economic conditions, the Company expects to recover as the demand comes from the customers.

Well-being and safety of the employees is of utmost priority. We are carefully monitoring the rapidly evolving Covid-19 pandemic and will continue to proactively respond based on the evolving situation. The Company is undertaking all the necessary measures to ensure compliance with the terms and conditions put in place by concerned authorities. The Company will work towards an orderly return to production once conditions permit.

Dividends

The Board at its meeting held on 04th February 2021, declared an interim dividend of ₹ 0.35 per equity share i.e. 17.50% on 27,19,28,704 equity shares of ₹ 2 each. Further, the Board at its Meeting held on June 13, 2021 has recommended a final dividend of ₹ 0.50 per equity share for the financial year ended on March 31, 2021, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company. The total dividend for the financial year ended on March 31, 2021 aggregates to ₹ 0.85 per equity shares of ₹ 2 each i.e. 42.50%.

The Company has complied with the dividend distribution policy of the Company, the copy of which is available on the website of the Company at https://www.unominda.com/images/Corporate_governance/Corporate_Governance_Policies/Dividend-Policy.pdf

Transfer to Reserve

The Company has not proposed any amount to be transferred to the General Reserve.

Share Capital

Authorised Share Capital

The authorised share capital of the company during the year has increased from ₹ 1,20,13,14,500/- to ₹ 2,14,28,20,500/- due to addition of authorised share capital upon merger of 4 wholly owned subsidiaries viz (i) M J Casting Limited, (ii) Minda Distribution Services Limited, (iii) Minda Auto Components Limited and (iv) Minda Rinder Private Limited, w.e.f. August 01, 2020 with the Company.

Further the authorised share capital of the Company has been increased to ₹ 5,11,69,20,500/- due to addition of authorised share capital upon merger of 5 Transferor Companies viz (i) Harita Limited, (ii) Harita Venu Private Limited, (iii) Harita Cheema Private Limited, (iv) Harita Financial Services Limited and (v) Harita Seating Systems Limited, w.e.f. April 01, 2021

Issue of equity shares on Rights Issue basis

The Board of Directors at their meeting held on June 29, 2020 and August 11, 2020 approved the issue of 97,11,739 fully paid up equity shares at an issue price of ₹ 250 each (including premium of ₹ 248 per equity share over face value of ₹ 2 each) under rights issue basis. The Company allotted 97,11,739 equity shares on rights issue basis on September 15, 2020.

Issued, Subscribed and Paid-up Share Capital

The issued, subscribed and paid-up equity share capital of the Company as on March 31, 2020 was ₹ 52,44,33,930/- comprising of 26,22,16,965 Equity Shares of ₹ 2 each. The Company came out of Right Issue and allotted 97,11,739 equity shares on September 15, 2020. As a result the Issued, Subscribed and Paid-up share capital of the Company increased to ₹ 54,38,57,408/- comprising of 27,19,28,704 Equity Shares of ₹ 2 each. The Issued, Subscribed and Paid-up share capital of the Company as on March 31, 2021 remains at ₹ 54,38,57,408.

Key Business developments during the year under review

i. Merger of four wholly-owned subsidiaries with the Company

The National Company Law Tribunal (NCLT) Delhi Bench has vide its order dated June 1, 2020 sanctioned the composite scheme of merger of Company's wholly owned subsidiaries i.e. M J Casting Limited, Minda Distribution and Services Limited, Minda Auto Components Limited and Minda Rinder Private Limited (formerly known as Rinder India Private Limited), with the Company. The order of NCLT was filed with Registrar of Companies (ROC) on August 01, 2020 and the said merger is effective from the date of filing with the ROC. It may be noted that in terms of relevant provisions of INDAS the financials statements of the Company for the

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previous financial year (FY 2019-20) has already been prepared after giving effect to the aforesaid scheme of the amalgamation.

ii. Merger of Harita Limited, Harita Venu Private Limited, Harita Cheema Private Limited, Harita Financial Services Limited., and Harita Seating Systems Limited with the Company

The National Company Law Tribunal (NCLT) Chennai Bench having jurisdiction over Transferor Companies and NCLT, Delhi Bench having jurisdiction over Transferee Company, have vide their order dated February 23, 2021 and February 01, 2021, respectively sanctioned the composite scheme of merger of Harita Limited, Harita Venu Private Limited, Harita Cheema Private Limited, Harita Financial Services Limited and Harita Seating Systems Limited ("Transferor Companies") with the Transferee Company i.e. Minda Industries Limited.

The said order of NCLT, Chennai Bench was filed with ROC on March 26, 2021 and order of NCLT, Delhi Bench was filed with ROC on April 01, 2021 and as such the said merger is effective from the date of filing with the ROC.

In terms of the scheme the Company had sent Election Notice to the shareholders of Harita Limited, Harita Venu Private Limited, Harita Cheema Private Limited to opt either to receive equity shares of the Company or to receive Non-Convertible Redeemable Preference shares of the Company. Election Notice was not sent to the shareholders of Harita Financial Services Limited as the entire shares of Harita Financial Services Limited was held by Harita Limited. The Company has allotted on May 12, 2021 securities to the shareholders of the said companies.

Further in terms of the composite scheme of the amalgamation, Company has sent Election Notice to the shareholders of Harita Seating Systems Limited to opt either to receive equity shares of the Company or to receive Non-Convertible Redeemable Preference shares of the Company. The Election period ends on June 11, 2021. After the end of Election period Company shall allot securities to the shareholders of Harita Seating Systems Limited as per option exercised by them.

iii. Update on Merger of Minda I Connect Private Limited

The Board of Directors of your Company had, its meeting held on February 6, 2020, approved the merger of Minda I Connect Private Limited ("Transferor Company" or "Minda I Connect") with Minda Industries Limited (Transferee Company) by way of Scheme of Amalgamation under Section 230-232 of the Companies Act, 2013.

In-principle approval of Stock Exchanges has been received on December, 2020. The said merger is subject to approval of shareholders, creditors, NCLT and other regulatory authorities.

Minda I Connect is inter alia engaged in telematics business and development of related software, hardware, designing, programming in automotive mobility and information technology segment. Transferor Company Brands - I-Connect and Carot have been established as a leading telematics brand in India (Hardware and software).

Your Company desires to expand its business in automotive components and this amalgamation would lead to improved customer connect and enhanced market share across product segments relating to auto sector. The Transferor Company's products like software, hardware, designing, programming in automotive mobility and information technology segment will synergise well with the product groups of the Company. In consideration for amalgamation the shareholders of the Minda I Connect, shall receive 10 (Ten) fully paid up equity shares of the Company of ₹ 2 each for every 179 (One Hundred Seventy-Nine) fully paid up equity shares of Minda I Connect of ₹ 10 each.

The Scheme is available on the website of the Company at https://www.unominda.com/uploads/Investor/June_2020/scheme-of-amalgamation.pdf

iv. Setting up a Project for 4Wheel Lighting in Gujarat

Company has proposed to set up a new plant for 4 wheel lighting in Gujarat, by incremental expansion and transfer of existing business (existing product line/small lamp) from Manesar to Gujarat and existing project line (Tail lamp) from Pune to Gujarat. The estimated cost of the project is ₹ 89.69 Crore. The project is expected to commence in Quarter 4 of 2021-22.

v. Major Expansion in Joint Venture/Subsidiary Companies

(A) Minda Kyoraku Limited

Minda Kyoraku Limited, a subsidiary of the Company has decided to expand its Blow Moulding plant in Bangalore and to install a paint shop facility therein at an estimated cost of ₹ 87.29 Crore. The expected SOP is Q1 of 2022-23.

(B) Minda Kosei Aluminum Wheel Private Limited

Minda Kosei Aluminum Wheel Private Limited manufactures aluminium alloy wheels mainly for OEMs. It has two plants in India, 1st plant is located in Bawal, Haryana and the 2nd plant in Dekavada, Gujarat.

Minda Kosei has proposed to increase capacity of its Bawal Plant from 1,20,000 wheel per month to 1,80,000 wheel per month at an estimated investment of ₹ 167 Crore. The expanded production is expected to start from Quarter 4 of 2021-22.

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Change in Nature of Business

There is no change in the nature of business of your Company during the year.

Material Changes and Commitments

Except for impact of lockdown due to COVID-19 pandemic, there were no material changes and commitments occurred between the end of the financial year as on March 31, 2021 and the date of this report which affects financial position of the Company.

Employee Stock Option Scheme

Your Company has implemented UNOMINDA Employee Stock Option Scheme 2019 or UNOMINDA ESOS 2019 (hereinafter referred to as the "Scheme"). The maximum number of options to be granted under the ESOS 2019 shall not exceed 78,66,500 options, convertible into equity shares of the Company, which is approximate 3% of the paid-up share capital of the Company as on the date of approval of the scheme. One option shall entitle the eligible employee to one equity share. The NRC of the Board is empowered to administer this scheme including to determine the eligible employees, the vesting period and exercise price of the options.

NRC, on January 28, 2021, has granted 88,325 number of options convertible into equal no. of Equity shares having face value of ₹ 2 each to the eligible employees of the Company and its Subsidiaries at a price of ₹ 325 per option.

Pursuant to the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014, disclosure with respect to the Scheme of the Company as on March 31, 2021 is enclosed as **Annexure-A** to this Report. The ESOS 2019 has also been uploaded on the Company's website at www.unominda.com.

The Scheme is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 ('Employee Benefits Regulations') and there has been no change to the plan during the financial year.

Issuance of Commercial Paper and its Listing

During the year, Company has issued Commercial paper (CP) 4 times to meet its short term funds requirement resulting into the savings in finance cost of the Company.

The following CPs were issued during 2020-21 :-

S. No.	Date of allotment	Date of maturity	CP Issue Value	Whether Listed
1	June 19, 2020	September 17, 2020	₹ 50 Crores	Listed
2	July 28, 2020	October 26, 2020	₹ 25 Crores	Unlisted
3	August 07, 2020	December 05, 2020	₹ 25 Crores	Listed
4	March 18, 2021	June 16, 2021	₹ 50 Crores	Unlisted

Corporate Social Responsibility Initiatives

As part of its initiatives under Corporate Social Responsibility (CSR), the CSR Committee has been entrusted with the prime responsibility of recommending to the Board about Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013, the amount of expenditure to be incurred on CSR activities and monitoring the implementation of the framework of the CSR Policy.

During the year under review, the CSR policy has been revised as per the Companies (CSR Policy) Amendment Rules, 2021 dated January 22, 2021. The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company as adopted by the Board and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure B** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on <https://www.unominda.com/investor/corporate-governance>

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule-8 of the Companies (Accounts) Rules, 2014, is enclosed as **Annexure-C** to the Board's Report.

Corporate Governance

The Company has complied with the Corporate Governance requirements as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the report on the same as stipulated in Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as **Annexure-D** to the Board's Report.

The Certificate issued by M/s. Sanjay Grover & Associates, Company Secretaries in practice confirming the Compliance of conditions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as **Annexure-E** to the Board's Report.

Risk Management Policy

The Board of Directors of the Company has constituted a Risk Management Committee to frame, implement, and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and its effectiveness. The Company has Risk Management Policy which can be accessed on Company's website www.unominda.com.

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unominda.com. The Company has also laid down the procedures to inform Board members about risk assessment and minimisation procedures.

Regular meeting of the Risk Management Committee are held to review and further improve the risk management systems of the Company. During the year under review, the Committee re-assessed top 10 risks and its mitigation plan. Risk management is an ongoing activity considering the dynamic business environment in which Company operates. Continuous re-assessment of risks and mitigation plan has helped the Company to mitigate new evolving risks and minimise adverse effect of such risk in the interest and for the benefit of all the stakeholders.

Internal Financial Control and its adequacy

The Board has adopted policies and procedures for governance of orderly and efficient conduct of its business including adherence to Company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information and its disclosures. The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations.

The internal control and governance process are duly reviewed for the adequacy and effectiveness through regular testing of key controls by management and independent internal auditors.

Human Resource Management

This year was full of challenges, we started the year with an outbreak of COVID 19. Our focus shifted primarily to three important areas: Employee safety & wellbeing, Effective Communication and Managing teams & work remotely.

We created special COVID task force teams to take care of employees. We also conducted regular townhalls to boost employee morale and for effective and continued communication

This year we strengthened our focus on organisation processes and systems. We identified all unique roles in the organisation and created task force to rewrite all role descriptors for each such role. To position right person for right job, we conducted virtual assessment center for all Manager and above employees.

To achieve our group goals, we cascaded Organisation goals to KPIs and cascaded KPIs till last level of the organisation. This will help employees to align with organisation goals. We further strengthened our process by relooking and updating our SOPs to align them to internal and external need

We also redesigned and further strengthened Human Resource function by crafting a new role of regional hub in all geographies where we have our presence. This makes HR support accessible to all employees.

During this year we became more agile by moving employee data to eHRM module of Success Factors where we have completed our first performance management cycle. eHRM helps Organisation to make quick and right decision on Successional planning and other initiatives related to employee as employee data is now available on a click of button.

At the end of the last quarter when things started coming back to normal, second wave hit us more hard, this is clear indication that focus on employee safety and well-being will remain our key focus for some more time.

Particulars of Employees

The ratio of remuneration of each director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure-F**.

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are available with the Company. In terms of provisions of Section 136(1) of the Act, any member intends to obtain a copy of the said details may write to the Company Secretary.

Vigil Mechanism

Your Company is deeply committed to highest standards of ethical, moral and legal business conduct. It ensures that it provide a respectful work environment, not only for all our employees, but for all our external partners too. Accordingly, the Board of Directors have formulated Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has an Ethics Helpline for the employees (both permanent and contractual), directors, vendors, suppliers and other stakeholders, collectively known as the "Reporters" of Minda Industries Limited. The helpline will serve as an avenue for the Reporters to 'blow the whistle' in case they come across any unethical or fraudulent activity happening in the organisation.

The Company has taken a special attention and greater emphasis on whistle blower activities where initiatives such as campaigns, posters at prominent locations, awareness sessions etc. were taken to encourage the employees to speak-up about any wrong doing activities and bring the same to the notice of the Management through whistle blower activities.

The complaints under whistle blower are processed by professionals to assure collection of accurate information and protection of the information confidentiality. The reportable

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matters are disclosed to Audit Committee. No personnel have been denied access to the Audit Committee.

Directors and Key Managerial Personnel

As on March 31, 2021, there were seven (7) Directors on the Board of your Company, consisting of four (4) Independent Directors, one (1) Non-Executive Director, one (1) Executive Director and one (1) Chairman & Managing Director (CMD).

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2021 are:

- i. Mr. Nirmal K. Minda, Chairman and Managing Director,
- ii. Ms. Paridhi Minda-Whole-Time Director,
- iii. Mr. Sunil Bohra-Chief Financial Officer, and
- iv. Mr. Tarun Kumar Srivastava- Company Secretary & Compliance Officer of the Company.

During the year under review, there were no changes in the Key Managerial Personnel of the Company.

During the year under review, the tenure of following Independent Directors were extended upon completion of first term:

Sr. No.	Name of Director	Date of Completion of first term	Period of re-appointment for second term
1.	Ms. Pravin Tripathi	February 05, 2021	February 06, 2021 to February 05, 2023
2.	Mr. Krishan Kumar Jalan	May 15, 2021	May 16, 2021 to May 15, 2023

The consent of the members is sought through Postal Ballot by way of special resolution for the re-appointment of Ms. Pravin Tripathi and Mr. Krishan Kumar Jalan as Independent Directors.

Board has appointed Mr. Ravi Mehra as Whole Time Director designated as Deputy Managing Director for a period of three years w.e.f. April 01, 2021 to March 31, 2024. The consent of the members is sought through Postal Ballot for the appointment of Mr. Ravi Mehra as Whole Time Director designated as Deputy Managing Director of the Company.

Declaration by Independent Directors

In compliance with Section 149(7) of the Act read with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Independent Directors of the Company have submitted the declaration(s) that each of them meet the criteria of independence as provided in Section 149(6) of the Act read with sub-rule (1) and sub-rule (2) of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as independent director during the year.

Directors retiring by rotation

In accordance with the provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Nirmal Kumar Minda retires by rotation and being eligible, offers himself for re-appointment. The details of Mr. Nirmal K Minda being recommended for re-appointment are included in the notice of the ensuing Annual General Meeting of the Company.

Board Evaluation

The evaluation of the Board, Board Committees and directors were carried out in accordance with the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidance note issued by SEBI in this regard. Questionnaire forms were circulated to all the directors for their feedback on Board, Board Committees and director evaluation. A meeting of the independent directors was held on January 28, 2021 where they reviewed and discussed the feedback on the functioning of the Board, Board Committees, Chairman and other directors. The Nomination and Remuneration Committee (NRC) at its meeting held on January 28, 2021 also reviewed the feedback on the evaluation of the functioning of the Board, Board Committees, Chairman and other directors. The Board reviewed and discussed the feedback of the evaluations. The area of improvements as highlighted by the evaluation exercise has been implemented to further strengthen the corporate governance of the organisation.

Familiarisation programme for Board Members

The Company has in place a structured induction and familiarisation programme for all its Directors including the Independent Directors. They are updated on all business related issues and new initiatives. They are also invited in management level business review meetings so as to step back and assist the executive management. They are also informed of the important policies of the Company including the 'Code of Conduct for Directors and Senior Management Personnel' and the 'Code of Conduct for Prevention of Insider Trading.'

Policy on Directors' appointment and remuneration

The Board Diversity Policy read with Nomination and Remuneration Policy aims to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the board, and separate its functions of governance and management. On March 31, 2021, the Board consists of seven members, out of which, two are executive directors, one is non-executive director and remaining four are independent directors. The aforesaid policies of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director

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and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, are available on the Company's website https://www.unominda.com/images/Corporate_governance/Corporate_Governance_Policies/Nomination--Remuneration-Policy.pdf. There has been no change in the said policies during the year under review.

Meetings of Board and Audit Committee

During the year, eight (8) Board Meetings and six (6) Audit Committee meetings were convened and held, the details of which are given in the Corporate Governance Report forming part of this Annual Report. The intervening gap between the meetings was not exceeding the period prescribed under the Companies Act, 2013.

Committees of the Board

The Company has the following committees, which have been established as a part of the corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

The details with respect to the compositions, powers, roles, terms of reference and number of meetings held during the year of relevant committees are given in detail in the Corporate Governance Report of the Company, which forms part of this Board's Report.

Directors' Responsibility Statement

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability, confirm:

- a. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b. that they have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;

- c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that they have prepared the annual accounts on a 'going concern basis';
- e. that they have laid down proper internal financial controls and such internal financial controls are adequate and operating effectively; and
- f. that they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory, cost and secretarial auditors, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020-21.

Related Party Transactions

All the related party transactions during the financial year were in the ordinary course of business and on arm's length basis and hence a disclosure in Form AOC-2 in terms of clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is not required.

The details of the transactions with related parties during the year under review are provided in the accompanying financial statements.

Prior omnibus approval of the Audit Committee is obtained for the transactions, which are of a foreseen and repetitive nature. The Related Party Transactions are placed before the Audit Committee and also before the Board for approval. During the year under review, there were no material related party transactions in terms of Regulation 23 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

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During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees and reimbursement of expenses, as applicable.

In accordance with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has also adopted the Policy on Related Party Transactions and the same is available on the website of the Company at https://www.unominda.com/uploads/Investor/Sept_2020/mil-related-party-transaction-policy.pdf.

Subsidiaries, Joint Ventures and Associates

The Company has 11 direct subsidiaries, 13 step down subsidiaries, 8 joint ventures and 2 associates as on March 31, 2021 as defined under the Companies Act, 2013. Besides, the Company has control over a partnership firm and significant influence over 3 partnership firm as on March 31, 2021.

During the year under review, Minda TG Rubber Private Limited (non-material subsidiary) due to decrease in stake by 1.10% ceased to be subsidiary of the Company and is now a joint venture Company.

During the year, under review, the Company acquired 30% stake of Tokai Rika Minda India Private Limited (TRMN). TRMN is now an associate Company.

During the year under review, Company raised its stake in Minda Onkyo India Private Limited by ₹ 13.54 Crore to maintain the shareholding ratio of 50:50 as the JV Partner converted its ECB into equity share equivalent of ₹ 13.54 Crore.

During the year under review, Company decided to make a further investment upto Euro 2.9 Million in the equity shares of the Global Mazinkert, S.L. an overseas Wholly Owned Subsidiary of the Company.

Your Company diluted its stake in Kosei Minda Aluminum Private Limited by renouncing equity shares offered in Right basis to JV partner namely Kosei International Trade and Investment Company Limited, Japan. The Company decreased 11.69% stake in Kosei Minda Aluminum Company Private Limited, it continue to be a associate with the stake of 18.31% w.e.f. April 2021.

During the year under review, one (1) step down subsidiary was added namely Minda Korea Limited. Further Delvis GmbH, merged with Minda Germany GmbH, a step down subsidiary of the Company.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries, joint ventures and associates in Form AOC-1 is attached to the financial statements of the Company. Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along

with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company at <https://www.unominda.com/investor/subsidiaries-annual-accounts>

Awards and Recognition

Golden Peacock Award in Corporate Governance

During the year Company has won the Golden Peacock Award for excellence in Corporate Governance 2020 from the Institute of Directors, New Delhi. Golden Peacock Awards is instituted by Institute of Directors and is now the most prestigious award for Corporate Excellence worldwide.

CSR Excellence Award for Extraordinary Contribution towards CSR

During the year, Company has been awarded "The 5th Institute of Company Secretaries of India (ICSI) CSR Excellence Award" for extraordinary contribution towards CSR, under the category of The Best Corporate in the Emerging Category. The Institute of Company Secretaries of India (ICSI) National Awards are one of the most prestigious awards, recognising & promoting the culture of good governance and the social responsibility.

Deposits from Public

The Company has not accepted any deposits from the public under section 73 of the Companies Act, 2013 during the year under review and, as such, no amount of principal or interest was outstanding as on March 31, 2021.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 forms part of the Notes to the Standalone Financial Statements provided in this Annual Report.

Auditors and Auditors' Report

Statutory Auditors and Statutory Auditors Report

At the 27th AGM, the Members approved appointment of B S R & Co. LLP, Chartered Accountants (LLP Registration no. 101248W/W-100022) as Statutory Auditors of the Company to hold office for a period of two years from the conclusion of that AGM till the conclusion of the twenty-ninth AGM.

Tenure of existing Statutory Auditors i.e. B S R & Co. LLP, Chartered Accountants, is going to complete at ensuing Annual General Meeting and as per the provisions of Section 139 of the Companies Act, 2013, they are not eligible for further re-appointment as their tenure of 10 years will be completed. Accordingly, the Company is required to appoint a new auditor in place of outgoing auditor.

BOARD'S REPORT (Contd.)

Board of Director of the Company, upon recommendation of the Audit Committee, has recommended to appoint M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (Firm registration No. 301003E/E300005), as the Statutory Auditors in place of the retiring Auditors of the Company for five Years commencing from the conclusion of the ensuing 29th Annual General Meeting scheduled to be held on August 12, 2021 upto the conclusion of 34th Annual General Meeting of the Company to be held in the year 2026 subject to approval by shareholders in ensuing Annual General meeting. The Company has received Certificate from M/s. S.R. Batliboi & Co. LLP, Chartered Accountants stating that the appointment if made will be in accordance with conditions prescribed in rules and the auditor satisfies criteria provided under Section 141 of the Companies Act, 2013.

The Statutory Auditors' Report for FY 2020-21, does not contain any qualification, reservation or adverse remark or disclaimer, the same forms part of this Annual Report.

The Statutory Auditors of the Company have not reported any matter under Section 143(12) of the Companies Act, 2013.

Cost Accounts and Cost Auditors

The cost accounts and records as required to be maintained under Section 148 (1) of the Companies Act, 2013 are duly made and maintained by the Company.

The Board of Directors upon recommendation of the Audit Committee has appointed M/s. Jitender Navneet & Co., Cost Accountants (Firm Registration No. 000119), as the Cost Auditors for FY 2021-22. A resolution seeking approval of the members for ratifying the remuneration payable to the Cost Auditors for FY 2021-22 is provided in the Notice to the ensuing Annual General Meeting.

Secretarial Auditors

The Board has appointed M/s. Sanjay Grover & Associates, Practicing Company Secretaries (Firm Registration No. P2001DE052900), to conduct secretarial audit for FY 2021-22.

The Secretarial Audit Report for the financial year ended March 31, 2021 is enclosed as **Annexure-G**. The Secretarial audit report does not contain any qualification, reservation or adverse remark or disclaimer.

Further as per the requirement of Regulation 24A of SEBI (LODR) Regulation, 2015 the Secretarial Audit report of the material subsidiaries namely Mindarika Private Limited and Minda Kosei Aluminum Wheel Private Limited is also attached with the main Secretarial Report.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company strives to ensure that all employees are treated

with dignity and respect. The Company is committed towards making efforts to maintain a workplace with physical and mental comfort, free of prejudice and bias based on sex, gender, race, caste, culture, nationality etc.

The Company is an Equal Employment Opportunity Company (EEOC) and is committed to create a healthy working environment that enables employees to work without fear or prejudice, gender bias and a harassment free workplace to all employees without regard to race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin or disability.

The Company has in place a robust policy and framework for prevention of sexual harassment at workplace. The policy is formulated for the purpose of prevention, prohibition and redressal mechanisms of any wrongs with "sexual intent" defined under sexual harassment at the workplace - and Principle of Natural Justice.

The Company also believes that all employees of the Company have the right to be treated with dignity. Sexual harassment at the work place or other than work place if involving an employee or employees is a grave offence and is therefore, punishable. During the year, one complaint was received under the Act and enquiry is conducted by the Internal Complaint Committee and action has been taken.

Significant and Material Orders

No significant or material orders were passed by the Regulators or Courts or Tribunals which will impact the going concern status and Company's operations in future.

Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of the Company is available on the Company's website on www.unominda.com

Management Discussion & Analysis Report

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion & Analysis is enclosed as **Annexure -H**.

Compliance of Secretarial Standards

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

Suspension of Securities of the Company

The securities of the Company have not been suspended from trading in any of the stock exchanges.

Financial Year

The Company follows the financial year commence from April

BOARD'S REPORT (Contd.)

1 and ends on March 31 of subsequent year.

Report on deviation(s) or variation(s), if any, in the use of amount raised from public.

During the year under review, Company issued securities on the basis of rights issue to its existing shareholders. The monitoring agency report on utilisation of proceeds has been filed with the stock exchanges and there are no deviation or variation in the use of proceeds from the objects stated in the offer document.

Business Responsibility Report

A detailed Business Responsibility Report in terms of the provisions of Regulation 34 of the Listing Regulations is enclosed as **Annexure-L**.

Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) and their status

There are no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year

Details of difference between amount of the Valuation done at the time of One Time Settlement and the Valuation done while taking loans from the Banks or Financial Institution alongwith the reasons thereof

There are no such events occurred during the period from

April 01, 2020 to March 31, 2021, thus no valuation is carried out for the one-time settlement with the Banks or Financial Institutions.

Acknowledgements

Your Directors thank the various Central and State Government Departments, organisations and agencies for the continued help and co-operation extended by them.

Your Directors also gratefully acknowledge all stakeholders of the Company viz. shareholders, customers, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

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

Nirmal K Minda

Chairman & Managing Director

Place : Gurugram

Date : June 13, 2021

DIN: 00014942