

**R. N. SARAF & CO.**  
**CHARTERED ACCOUNTANTS**  
**2659/2, GURDWARA ROAD, KAROL BAGH**  
**NEW DELHI - 110 005**

**INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF MI TORICA INDIA PRIVATE LIMITED**

**Report on the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying Consolidated Financial Statements of **MI Torica India Private Limited** (hereinafter referred to as "the Holding Company") and its subsidiary **MITIL Polymer Private Limited** (the Holding Company and its subsidiary together referred to as "the Group"), which comprises the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated statement of changes in equity, for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of consolidated profit including other comprehensive income and the consolidated cash flows and the consolidated statement of changes in equity for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as

## **INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF MI TORICA INDIA PRIVATE LIMITED**

a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income consolidated cash flow and consolidated statement of changes in equity of the Group, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting Policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial consolidated statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## **INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF MI TORICA INDIA PRIVATE LIMITED**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

### **Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, we report , to the extent applicable that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books ;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the statement of other comprehensive income, the Consolidated Cash Flow Statement and consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of directors, none of the directors of the group companies is disqualified as on 31<sup>st</sup> March 2020 from being as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in annexure "A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The consolidated financial statements disclosed the impact of pending litigations on its the consolidated financial position in financial statements.
  - (ii) The company did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

**FOR R.N. SARAF & CO.**  
**CHARTERED ACCOUNTANTS**  
**(Registration No. 002023N)**

**Place: New Delhi**  
**Date: 10<sup>th</sup> June, 2020**

**R.N. SARAF, F.C.A.**  
**(Membership No. 12439)**

**UDIN:20012439AAAAAU8335**

**MI TORICA INDIA PRIVATE LIMITED**

CIN No.U51909DL2011PTC223728

Registered Office: B-64/1, WAZIRPUR INDUSTRIAL AREA, DELHI - 110052,INDIA

Notes to consolidated financial statements

( All amounts in Indian ` Lakhs ,unless otherwise stated)

**NOTE :- 1 ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS****NOTE:- 1 ACCOUNTING POLICIES****1 (A). Principles of consolidation**

The consolidated financial statements have been prepared in accordance with Ind AS on “Consolidated Financial Statements”, (Ind AS – 110). ‘Investments in Associates and joint venture’ (Ind AS-28) and ‘disclosure of interest in other entities’ (Ind AS-112) as prescribed under the Section 133 of The Companies Act and other accounting pronouncements of the Institute of Chartered Accountants of India.

As per the Accounting Standard Interpretation (ASI-15) on “Notes to the Consolidated Financial Statements”, only the notes involving items which are material need to be disclosed. Materiality for the purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiaries or of the parent having no bearing on the true and fair view of the consolidated financial statements need not be disclosed in the consolidated financial statements.

The consolidated financial statements include the financial statements of MI Torica India Pvt. Ltd, (“the company” or “the parent company”)( and its subsidiary).

Name of subsidiary	Country of incorporation	% of interest
		As at 31 March 2020
MITIL Polymer Private Limited	India	95

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

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

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

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

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

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

(f)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 parent company's standalone financial statements.

### **NOTE:- 1 (B) ACCOUNTING POLICIES**

#### **1. Background**

MI Torica India Private Limited (the Company) was incorporated in India on August 16, 2011 .In Joint Venture between Minda Investments Limited (India), 60 percent and Tokai Rika Create Corporation (Japan). 40 percent.

60 percent share holding has been acquired by Minda Industries Ltd from Minda investments Ltd. and its associates w.e.f 01.04.2018 and it becomes holding company of MI Torica India Pvt Ltd.

After acquiring 60 percent share holding by Minda Industries Ltd , now joint venture is between Minda industries Ltd and Tokai Rika Create Corporation ( Japan) as per amendment to joint venture agreement.

#### **2: Basis of Preparation**

##### **A. Statement of compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements were authorised for issue by the Parent Company's Board of Directors on June 10, 2020.

Details of the Company's accounting policies are included in **Note 3.**

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**B. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs, unless otherwise indicated.

**C. Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items:

(a) Certain financial assets and liabilities	Fair value
(b) Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

**D. Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Critical estimates and judgements

Areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable
- Estimated useful life of tangible and intangible assets
- Estimation of defined benefit obligation

**E. Measurement of fair values**

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable -inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### **Note 3: Significant Accounting Policies**

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

#### **A) Foreign currency**

- i. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions.
- ii. 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 contract and exchange rate on the date of transaction.
- iii. 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 transaction is recognized as income or expense in Statement of Profit and Loss. In respect of transactions covered by forward exchange contracts, the difference between the contract rate and the rate on the date of transaction is recognized in Statement of Profit and Loss.

#### **B) Financial Instruments**

- i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.



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### ii. Classification and subsequent measurement

#### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

#### *Financial assets: Subsequent measurement and gains and losses*

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see Note 3(b)(iii) for derivatives designated as hedging instruments.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### *Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently

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measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on DE recognition is also recognised in profit or loss. See Note 3(b)(iii) for financial liabilities designated as hedging instruments.

**iii. De- recognition***Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

*Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

**iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**v. Derivative financial instruments and hedge accounting**

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

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At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

*Cash flow hedges*

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised separately within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

**C) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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- (e) it is expected to be settled in normal operating cycle;
- (f) it is held primarily for the purpose of being traded;
- (g) it is due to be settled within twelve months after the reporting date; or
- (h) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

*Operating cycle*

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

**D) Property, plant and equipment****i) Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**ii) Depreciation/Amortization**

Depreciation on fixed assets is provided over the useful life of the assets based on technological evaluation or the useful life for the tangible assets prescribed under Schedule II of Companies Act, 2013 as under:

(i)	Plant and Equipments	15 years
(ii)	Furniture and Fixtures	10 years
(iii)	Vehicles	8 years
(iv)	Office Equipment's	5 years
(v)	Computer Hardware	
	-Servers and networks	3 years
	-End user devices	3 years

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**E) Intangibles**

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

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

Intangible assets are amortised in the Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis.

The cost of Intangible assets is amortized over a period of four years the estimated economic life of the assets.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

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

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

**F) Impairment****i) Impairment of financial instruments**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

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When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the financial asset is 90 days or more past due.

*Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

*Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

*Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**ii) Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

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The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**G) Non-current assets or disposal group held for sale**

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, and employee benefit assets, which continue to be measured in accordance with the Company's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets, property and plant and equipment are no longer amortised or depreciated.

**H) Inventories**

Inventories which comprise, stock-in-trade, is carried at the lower of cost and net realisable value.

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

In determining the cost, weighted average cost method is used.

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

**MI TORICA INDIA PRIVATE LIMITED**

CIN No.U51909DL2011PTC223728

Registered Office: B-64/1, WAZIRPUR INDUSTRIAL AREA, DELHI - 110052,INDIA

Notes to consolidated financial statements

( All amounts in Indian ` Lakhs ,unless otherwise stated)

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

Stock – in – trade inventory is exclusive of goods and services tax (GST).

Inventories in transit are valued at cost.

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

**I) Revenue recognition**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. The amount recognized as revenue is exclusive of goods & service tax (GST). This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

**J) Provisions (other than employee benefits)**

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for...

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

**K) Provisions (other than employee benefits)****i) Short term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.



**MI TORICA INDIA PRIVATE LIMITED**

CIN No.U51909DL2011PTC223728

Registered Office: B-64/1, WAZIRPUR INDUSTRIAL AREA, DELHI - 110052,INDIA

Notes to consolidated financial statements

( All amounts in Indian ` Lakhs ,unless otherwise stated)

**ii) Share-based payment transactions**

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

**iii) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund and ESI to Government administered fund which is a defined contribution plan. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**iv) Defined benefit plan**

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**v) Other long term employee benefits**

**MI TORICA INDIA PRIVATE LIMITED**

CIN No.U51909DL2011PTC223728

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Notes to consolidated financial statements

( All amounts in Indian ` Lakhs ,unless otherwise stated)

**Compensated absences**

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

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

**L) Income taxes****i) Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**ii) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

**MI TORICA INDIA PRIVATE LIMITED**

CIN No.U51909DL2011PTC223728

Registered Office: B-64/1, WAZIRPUR INDUSTRIAL AREA, DELHI - 110052,INDIA

Notes to consolidated financial statements

( All amounts in Indian ` Lakhs ,unless otherwise stated)

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

**M) Earnings per share**

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed to be converted as of the beginning of the period, unless they have been issued at a later date

**N) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**MITORICA INDIA PRIVATE LIMITED**

CIN No. U51909DL2011PTC223728

Registered Office: B-64/1, Wazirpur Industrial Area, Delhi-110052, India

**Consolidated Balance sheet as at 31 March, 2020**

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March, 2020	As at 31 March, 2019
<b>A</b>	<b>ASSETS</b>		
(1) Non-current assets			
(a) Property, plant and equipment	4A	15.27	19.10
(b) Other intangible assets	4B	1.74	3.13
(c) Financial assets			
(i) Other financial assets	5	-	48.00
(d) Deferred tax assets (net)	6	17.23	1.53
(e) Other non-current assets	7	10.14	19.75
Sub-total- Non Current Assets		44.38	94.51
(2) Current assets			
(a) Inventories	8	2,161.84	3,043.42
(b) Financial assets			
(i) Trade receivables	9	4,378.24	7,211.39
(ii) Cash and cash equivalents	10	441.12	201.04
(iii) Bank balances other than Cash and cash equivalents	11	314.34	104.78
(iv) Other financial assets	12	9.48	2.20
(c) Current tax assets (net)	13	36.56	11.01
(d) Other current assets	14	529.12	880.69
Sub-total- Current Assets		7,870.70	11,454.53
<b>Total Assets</b>		<b>7,915.08</b>	<b>11,549.04</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>		
(1) Equity			
(a) Equity share capital	15	900.00	900.00
(b) Other equity	16	1,278.47	1,098.95
Equity attributable to the owners of the company		2,178.47	1,998.95
(c) Non-Controlling Interest	17	58.72	46.12
Sub-Total-Shareholder's funds		2,237.19	2,047.07
(2) Liabilities			
(a) Non-current liabilities			
(i) Provisions	18	18.42	24.74
Sub-Total- Non-current liabilities		18.42	24.74
(b) Current liabilities			
(i) Financial liabilities			
- Borrowings	19	1,575.00	2,424.15
- Trade payables	20	4,011.27	6,853.95
- Other financial liabilities	21	48.54	49.59
(ii) Other current liabilities	22	14.31	148.37
(iii) Provisions	23	10.35	1.17
Sub-Total- Current liabilities		5,659.47	9,477.23
<b>Total Equity and Liabilities</b>		<b>7,915.08</b>	<b>11,549.04</b>

 See accompanying notes to financial statements.  
In terms of our report attached

 For R. N. SARAF & CO.  
CHARTERED ACCOUNTANTS  
Registration no. 002023N

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

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

 Place: Gurugram  
Date: 1 June 19, 2020  
CIN : 20012439A AAAA 8335

 For and on behalf of the Board of Directors of  
MITORICA INDIA PRIVATE LIMITED

 RAJEEV GANDOTRA  
Managing Director  
Din No. 08147597

 ROHIT BOORA  
Company Secretary  
ACS-58453

 YUTAKA BABA  
Whole Time Director  
Din No. 07379837

**MI TORICA INDIA PRIVATE LIMITED**

US1909DL2016PTC306953

Registered Office: B-64/1, Wazirpur Industrial Area, Delhi-110052, India

**Consolidated Cash Flow Statement for the year ended 31 March 2020**

(All amounts in Lakhs, unless otherwise stated)

Particulars		For the year ended 31 March, 2020	For the year ended 31 March, 2019
A	Cash flow from operating activities		
	Net Profit before tax	396.96	611.24
	Adjustments for:		
	Actual Gain considered under OCI	-9.15	3.43
	Depreciation and amortisation	5.52	7.92
	Loss on sale / discard of fixed assets		5.17
	Finance costs	169.72	192.79
	Interest income	-21.25	-18.77
	Operating profit / (loss) before working capital changes	541.80	801.78
	Changes in working capital:		
	Adjustments for (increase) decrease in operating assets:		
	Inventories	881.58	-909.66
	Trade receivables	2,831.16	-992.15
	Other financial assets	40.72	4.38
	Other current assets	351.56	-226.08
	Other non current assets	9.61	1.89
	Bank Balance other than cash & cash equivalents	-309.56	572.00
	Trade payables	-2,842.68	948.91
	Other financial liabilities	-1.05	17.34
	Other current liabilities	-134.06	89.84
	Short-term provisions	9.18	0.62
	Long-term provisions	-6.32	1.75
		932.14	-489.16
	Cash Generated from operations	1,473.94	312.62
	Income taxes paid	-135.55	-174.50
	Net cash flow from / (used in) operating activities (A)	1,338.39	138.12
B	Cash flow from investing activities		
	Capital expenditure on fixed assets	-0.30	-0.32
	Interest income	21.25	18.77
	Net cash flow from / (used in) investing activities (B)	20.95	18.45
C	Cash flow from financing activities		
	(Decrease)/Increase in Borrowings (net)	-849.15	86.93
	Finance cost	-169.72	-192.79
	Dividend paid (inclusive of dividend corporate tax)	-100.39	-79.78
	Net cash flow from / (used in) financing activities (C)	-1,119.26	-175.64
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		240.08	-19.43
Cash and cash equivalents at the beginning of the year		201.04	220.47
Cash and cash equivalents at the end of the year		441.12	201.04
	Cash on hand		
	Balances with banks		
	On current accounts	121.02	183.83
	On deposit accounts	320.00	15.00
	Cash on hand	0.10	2.21
		441.12	201.04

See accompanying notes to financial statements.

The accompanying notes form an integral part of the financial statements.

In terms of our report attached


 For R. N. SARAF & CO.  
 CHARTERED ACCOUNTANTS  
 Registration no. 002023N

  
 R.N. SARAF, FCA  
 Membership No. 12439

 26/902, Condwara Road,  
 Karol Bagh, New Delhi - 110 005

 Place : Gurugram  
 Date : June 10, 2010  
 C.D.N. : 20012439A.A.XXAL8335

 For and on behalf of the Board of Directors of  
 MI TORICA INDIA PRIVATE LIMITED

  
 RAJEEV GANDOTRA YUTAKA BABA  
 Managing Director Whole Time Director  
 Din No. 08147597 Din No. 07979837

  
 ROHIT GOORA  
 Company Secretary  
 ACS-38453



**MI TORICA INDIA PRIVATE LIMITED**

CIN No. U51909DL2011PTC223728

Registered Office: B-64/I, Wazirpur Industrial Area, Delhi-110052, India

**Consolidated Statement of Profit & Loss for the year ended 31 March 2020**

(All amounts in Lakhs, unless otherwise stated)

	Particulars	Note	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A</b>	<b>Income</b>			
	(i) Revenue From Operations	24	20,272.45	30,897.87
	(ii) Other income	25	46.34	28.17
	<b>Total income</b>		<b>20,318.79</b>	<b>30,926.04</b>
<b>B</b>	<b>Expenses</b>			
	(i) Purchase of stock in trade	26	18,110.12	30,196.67
	(ii) Changes in inventories of Stock-in-Trade	27	881.58	-934.92
	(iii) Employee benefits expense	28	174.94	172.93
	(iv) Finance costs	29	189.36	214.60
	(v) Depreciation and amortization expense	30	5.52	7.92
	(vi) Other expenses	31	560.31	657.60
	<b>Total expenses</b>		<b>19,921.83</b>	<b>30,314.80</b>
<b>C</b>	<b>Profit before tax (A-B)</b>		<b>396.96</b>	<b>611.24</b>
	<b>Tax expense:</b>			
	(a) Current tax		110.00	173.40
	(b) Earlier years		-	-0.03
	(c) Deferred tax liability/(assets)		-10.40	-1.71
<b>D</b>	<b>Total Tax Expense</b>		<b>99.60</b>	<b>171.66</b>
<b>E</b>	<b>Profit for the year (C-D)</b>		<b>297.36</b>	<b>439.58</b>
<b>F</b>	<b>Other comprehensive income for the year</b>			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of post employment benefit obligations		-9.15	3.43
	- Deferred Tax on remeasurements of post employment benefit obligations		-2.30	-0.89
	<b>Other comprehensive income for the year, net of income tax</b>		<b>-6.85</b>	<b>2.54</b>
	<b>Total comprehensive income for the year (E + F)</b>		<b>290.51</b>	<b>442.12</b>
	<b>Profit for the year attributable to :-</b>			
	Owners of MI Torica India Private Limited		282.01	420.38
	Non-Controlling Interest		15.35	19.20
			<b>297.36</b>	<b>439.58</b>
	<b>Other comprehensive income attributable to :</b>			
	Owners of MI Torica India Private Limited		-6.51	2.42
	Non-Controlling Interest		-0.34	0.12
			<b>-6.85</b>	<b>2.54</b>
	<b>Total comprehensive income attributable to :</b>			
	Owners of MI Torica India Private Limited		275.50	422.80
	Non-Controlling Interest		15.01	19.32
			<b>290.51</b>	<b>442.12</b>
	<b>Earnings per equity share</b>	32		
	Basic		3.13	4.67
	Diluted		3.13	4.67

 See accompanying notes to financial statements.  
 In terms of our report attached

**For R. N. SARAF & CO.**  
**CHARTERED ACCOUNTANTS**  
 Registration no. 002023N

 R.N. SARAF, F.C.A.  
 Membership No. 12439  
 26/59/2, Gurdwara Road,  
 Karol Bagh, New Delhi - 110 005

 Place: Gurugram  
 Date: June 10, 2020

**For and on behalf of the Board of Directors of**  
**MI TORICA INDIA PRIVATE LIMITED**

 RAJEEV GANDOTRA  
 Managing Director

 YUTAKA BABA  
 Whole Time Director

 ROHIT BOORA  
 Company Secretary

**MI TORICA INDIA PRIVATE LIMITED**

CIN No. U51909DL2011PTC223728

Registered Office: B-64/1, Wazirpur Industrial Area, Delhi-110052, India

**Notes to consolidated financial statements**

(All amounts in ` Lakhs, unless otherwise stated)

**A) Equity share capital**

Particulars	Note	Amount
As at 1 April 2018	15	900.00
Changes in equity share capital during 2018-2019		-
As at the 31 March 2019	15	900.00
Changes in equity share capital during 2019-2020		-
As at 31 March 2020	15	900.00

**(B) Other Equity**

Particulars	Reserve & Surplus	
	Retained Earnings Total	General Reserve Total
Balance as at 1st April, 2018	716.93	30.00
- Profit for the year	420.38	-
- Transfer to General Reserve	-10.00	10.00
- Dividend	-58.81	-
- Dividend Distribution Tax	-11.97	-
- Other comprehensive income for the year	2.42	-
Balance as at 31st March, 2019	1,058.95	40.00
- Profit for the year	282.01	40.00
- Dividend	-79.61	-
- Dividend Distribution Tax	-16.37	-
- Other comprehensive income for the year	-6.51	-
Balance as at 31 March, 2020	1,238.47	40.00

**(C) Non Controlling Interest**

Particulars	Amount
Balance as at 1st April, 2018	28.80
- Profit for the year	19.20
- Other comprehensive income for the year	0.12
Balance as at 31st March, 2019	48.12
- Profit for the year	15.35
- Dividend	-3.66
- Dividend Distribution Tax	-0.75
- Other comprehensive income for the year	-0.34
Balance as at 31 March, 2020	58.72

For **R. N. SARAF & CO.**  
**CHARTERED ACCOUNTANTS**  
Registration no. 002023N

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

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

Place : Gurugram  
Date : June 10, 2020  
UDIN : 20012439AAAAU8335

For and on behalf of the Board of Directors of  
**MI TORICA INDIA PRIVATE LIMITED**

  
**RAJEEV GANDOTRA**  
Managing Director  
Din No. 08147597

**YUTAKA BABA**  
Whole Time Director  
Din No. 07579837

  
**ROHIT BOORA**  
Company Secretary  
ACS-58453

MI TORICA INDIA PRIVATE LIMITED  
U51909DL2016PTC306953  
Registered Office: B-64/1, Wazirpur Industrial Area, Delhi-110052, India

Notes to consolidated financial statements  
(All amounts in ` Lakhs, unless otherwise stated)

#### 4 Property, plant and equipment

##### A. Tangible Assets

Particulars	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computer Hardware	Total (A)
<b>Gross Carrying amount</b>						
<b>Balance as at 1st April 2018</b>	<b>13.73</b>	<b>4.67</b>	<b>14.14</b>	<b>1.81</b>	<b>3.23</b>	<b>37.58</b>
Additions	-	-	-	0.22	1.40	1.62
Disposals	-	0.09	6.88	0.01	0.05	7.03
<b>Balance as at 31 March 2019</b>	<b>13.73</b>	<b>4.58</b>	<b>7.26</b>	<b>2.02</b>	<b>4.58</b>	<b>32.17</b>
Additions	-	-	-	0.30	-	0.30
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>13.73</b>	<b>4.58</b>	<b>7.26</b>	<b>2.32</b>	<b>4.58</b>	<b>32.47</b>
<b>Accumulated depreciation</b>						
<b>Balance as at 1st April 2018</b>	<b>1.07</b>	<b>0.91</b>	<b>4.02</b>	<b>0.33</b>	<b>0.99</b>	<b>7.32</b>
For the year	1.07	0.92	2.67	0.38	1.45	6.49
Disposals	-	0.01	0.73	-	-	0.74
<b>Balance as at 31 March 2019</b>	<b>2.14</b>	<b>1.82</b>	<b>5.96</b>	<b>0.71</b>	<b>2.44</b>	<b>13.07</b>
For the year	1.07	0.91	0.59	0.48	1.08	4.13
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>3.21</b>	<b>2.73</b>	<b>6.55</b>	<b>1.19</b>	<b>3.52</b>	<b>17.20</b>
<b>Carrying amounts (net)</b>						
<b>At 31 March 2019</b>	<b>11.59</b>	<b>2.76</b>	<b>1.30</b>	<b>1.31</b>	<b>2.14</b>	<b>19.10</b>
<b>At 31 March 2020</b>	<b>10.52</b>	<b>1.85</b>	<b>0.71</b>	<b>1.13</b>	<b>1.06</b>	<b>15.27</b>



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**4B. Other Intangible assets**

	Other intangible assets	
	Computer Software	Total (B)
<b>Gross Carrying amount</b>		
<b>Balance as at 1st April 2018</b>	<b>6.12</b>	<b>6.12</b>
Additions	-	-
Disposals	0.83	0.83
<b>Balance at 31 March 2019</b>	<b>5.29</b>	<b>5.29</b>
Additions	-	-
Disposals	-	-
<b>Balance at 31 March 2020</b>	<b>5.29</b>	<b>5.29</b>
<b>Accumulated Amortisation</b>		
<b>Balance as at 1st April 2018</b>	<b>0.73</b>	<b>0.73</b>
For the year	1.43	1.43
Disposals	-	-
<b>Balance at 31 March 2019</b>	<b>2.16</b>	<b>2.16</b>
For the year	1.39	1.39
Disposals	-	-
<b>Balance at 31 March 2020</b>	<b>3.55</b>	<b>3.55</b>
<b>Carrying amount (net)</b>		
<b>At 31 March 2019</b>	<b>3.13</b>	<b>3.13</b>
<b>At 31 March 2020</b>	<b>1.74</b>	<b>1.74</b>

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5 Particulars	As at 31 March ,2020	As at 31 March ,2019
<b>Other financial assets</b>		
<b>Non-current</b>		
Balance with Banks		
- Deposits due to mature after 12 months from the reporting date	-	48.00
<b>Total</b>	-	<b>48.00</b>

Deposits with bank include

-Margin money against Letter of Credit - 48.00

6 Particulars	As at 31 March ,2020	As at 31 March ,2019
<b>Deferred tax assets ( net )</b>		
Deferred tax Assets /(liability)		
- Difference between books and written down value of fixed assets as per Income Tax Act, 1961	3.43	2.07
- Provision for Employees benefit	5.88	2.46
- Provision for doubtful debts/amounts	5.88	-
- Loss as per Income tax act	1.59	-
- Preliminary Expenses	0.45	-
<b>Deferred Tax Assets (net)</b>	<b>17.23</b>	<b>4.53</b>

**Movement in deferred tax assets**

	Property, plant & equipments and intangible assets	Provision for employee benefits	Provision for doubtful debts/amounts	Loss as per income tax act	Preliminary Expenses
<b>At April 01, 2018</b>	0.60	1.43	-	-	-
<b>(Charged)/credited:</b>					
to profit or loss	1.47	1.92			
to other comprehensive income	-	-0.89			
<b>At March 31, 2019</b>	2.07	2.46	-	-	-
<b>(Charged)/credited:</b>					
to profit or loss	1.36	2.04	5.88	1.59	0.45
to other comprehensive income		1.38			
<b>At March 31, 2020</b>	<b>3.43</b>	<b>5.88</b>	<b>5.88</b>	<b>1.59</b>	<b>0.45</b>

1. Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.

2. In view of the Company's past financial performance and future profit projections, the Company expects that it shall generate sufficient future taxable income to fully recover the deferred tax assets.

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Particulars	As at 31 March ,2020	As at 31 March ,2019
<b>7 Other Non current assets</b>		
Security deposit		
-Sales Tax authorities	0.50	0.50
-Rent	9.64	9.58
Deposit with Custom authorities		
-Considered good	-	9.67
-Doubtful	9.39	
	19.53	19.75
Less: Provision for doubtful amount	9.39	
<b>Total</b>	<b>10.14</b>	<b>19.75</b>

Particulars	As at 31 March ,2020	As at 31 March ,2019
<b>8 Inventories</b>		
(As taken valued and certified by the Management )		
Stock-in-trade	1,677.25	3,012.03
	-	-
Goods in Transit	484.59	31.39
<b>Total</b>	<b>2,161.84</b>	<b>3,043.42</b>

Particulars	As at 31 March ,2020	As at 31 March ,2019
<b>9 Trade receivables *</b>		
(Unsecured )		
Considered good	4,378.24	7,211.39
Considered Doubtful	13.98	-
	4,392.22	7,211.39
Less: Provision for doubtful debts	13.98	-
<b>Total</b>	<b>4,378.24</b>	<b>7,211.39</b>

\*The companies exposure to currency and Credit risks related to the above financial liabilities is disclosed in Note 36

Particulars	As at 31 March ,2020	As at 31 March ,2019
<b>10 Cash and cash equivalents</b>		
- Balances with banks		
On current accounts	121.02	183.83
Deposit with bank original maturity for less than 3 months	320.00	15.00
- Cash on hand/Imprest	0.10	2.21
<b>Total</b>	<b>441.12</b>	<b>201.04</b>

Deposit with bank include

-Margin money against Letter of Credit 15.00

Particulars	As at 31 March ,2020	As at 31 March ,2019
<b>11 Bank Balances other than Cash and Cash equivalents</b>		
Deposit with bank original maturity for more than 3 months but less than 12 month*	314.34	104.78
<b>Total</b>	<b>314.34</b>	<b>104.78</b>

Deposit with bank include

-Margin money against Letter of Credit 312.27 102.70  
-Security with Sales Tax Authorities 2.07 2.08

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Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>12 Other financial assets</b>		
Interest accrued on fixed deposits with Bank	9.48	2.20
<b>Total</b>	<b>9.48</b>	<b>2.20</b>

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>13 Current tax assets (net)</b>		
Current tax assets (net)	36.56	11.01
<b>Total</b>	<b>36.56</b>	<b>11.01</b>

Movement of Current Tax Assets (net)	As at 31st March, 2020	As at 31st March, 2019
Opening balance	11.01	10.37
Add: Tax paid	135.55	24.18
Less: Current Tax provision	-110.00	23.54
<b>Total</b>	<b>36.56</b>	<b>11.01</b>

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>14 Other Current Assets</b> <b>(Unsecured, considered good unless otherwise stated)</b>		
Advances to suppliers	15.49	9.13
Advances to Employees	1.43	-
Prepaid expenses	2.18	1.90
Silver Coins*	0.11	0.11
Vat Recoverable	-	0.06
AED Recoverable/receivable	59.60	22.14
GST receivable	415.88	808.53
GST on Export Recoverable	34.43	38.82
<b>Total</b>	<b>529.12</b>	<b>880.69</b>

\* Silver coins in numbers

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Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number	Amount	Number	Amount
<b>15 Equity share capital</b>				
<b>(a) Authorised</b>				
Equity Shares of ` 10/- each.(previous Year Rs 10/-each)	90,00,000	900.00	90,00,000	900.00
<b>(b) issued, subscribed and fully paid up</b>				
	Number	Amount	Number	Amount
Equity Shares of ` 10/- each.(previous Year Rs 10/-each)	90,00,000	900.00	90,00,000	900.00
	<b>90,00,000</b>	<b>900.00</b>	<b>90,00,000</b>	<b>900.00</b>

(C) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting year is set out below:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
Opening Balance	90,00,000	900.00	90,00,000	900.00
Add: Issued during the year				
Closing Balance	<b>90,00,000</b>	<b>900.00</b>	<b>90,00,000</b>	<b>900.00</b>

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

The Company has only one class of equity shares having par value of ₹10/- per share. Each shareholder is entitled to one vote per share held.

**(e) Details of Shareholders holding more than 5% of equity shares is set out below**

Name of shareholder	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares held	Percentage of holding	Number of shares held	Percentage of holding
Minda industries Limited	54,00,000	60.00	54,00,000	60.00
Tokai Rika Create Corporation	36,00,000	40.00	36,00,000	40.00

**(f) Equity shares held by holding company**

Name of shareholder	As at 31st March, 2020	As at 31st March, 2019
Minda industries Limited	54,00,000	54,00,000

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	Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>16</b>	<b>Other Equity</b>		
	General Reserve		
	-As per last financial statement	40.00	30.00
	Add : Transfer during the year		10.00
		<b>40.00</b>	<b>40.00</b>
	Retained Earnings		
	-As per last financial statement	1,054.33	714.73
	Profit for the year	282.01	420.38
	<b>Transfer to General reserve</b>		10.00
	Dividend	79.61	58.81
	Dividend Distribution Tax	16.37	11.97
		<b>1,240.36</b>	<b>1,054.33</b>
	Other comprehensive income		
	-As per last financial statement	4.62	2.20
	Add: Other comprehensive income (net of tax)	-6.51	2.42
		<b>-1.89</b>	<b>4.62</b>
	<b>Total</b>	<b>1,278.47</b>	<b>1,098.95</b>

	Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>17</b>	<b>Non Controlling interest</b>		
	Opening Balance	48.12	28.80
	Add: Profit for the year	15.35	19.20
	Dividend	-3.66	-
	Dividend Distribution Tax	-0.75	-
	Other Comprehensive income(net of tax)	-0.34	0.12
	<b>Total</b>	<b>58.72</b>	<b>48.12</b>

	Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>18</b>	<b>Long-term provisions</b>		
	<b>Provision for employee benefits</b>		
	Gratuity [Refer note 33(i)]	13.41	18.11
	Compensated absences [Refer 33 (ii)]	5.01	6.63
	<b>Total</b>	<b>18.42</b>	<b>24.74</b>

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Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>19 Current Borrowings</b>		
Short term Loan from-*		
From The Bank of Tokyo -Mitsubishi UFJ,Ltd	1,575.00	1,941.00
Working Capital Loan **		
From the bank of ICICI Bank		483.15
<b>Total</b>	<b>1,575.00</b>	<b>2,424.15</b>

\* Secured by Corporate Guarantee of Tokai Rika Create Corporation, Japan.

\*\* Secured by hypothecation of Stock, Trade Receivable and exclusive charge on the entire movable and immovable fixed assets both present and future of the company.

It is further guaranted by Minda Investments Ltd, India and Tokai Rika Create Corporation , Japan to the extent of sixty and fourty percent respectively.

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>20 Trade payables*</b>	4,011.27	6,853.95
<b>Total</b>	<b>4,011.27</b>	<b>6,853.95</b>

\*Includes due to the director of the company

0.27

0.03

\*includes Minda industries Limited - Holding company

13.82

8.89

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Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>21 Other financial liabilities</b>		
Interest accrued and not due on		
- Loan from Bank	1.67	1.67
Expense Payable	46.87	47.92
<b>Total</b>	<b>48.54</b>	<b>49.59</b>

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>22 Other current liabilities</b>		
Advance from Customers	0.82	67.53
Statutory dues		
- Labour Welfare fund Payable	-	0.03
- Tax Deducted at Source	7.95	8.19
- Provident Fund	1.12	1.05
- GST	4.42	71.57
<b>Total</b>	<b>14.31</b>	<b>148.37</b>

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>23 Short-term provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity [Refer note 33 (i)]	5.58	0.51
Compensated absences [Refer 33 (ii)]	4.77	0.66
<b>Total</b>	<b>10.35</b>	<b>1.17</b>



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Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
<b>24 Revenue from operations</b>		
Sale of products	20,272.45	30,897.87
<b>Total</b>	<b>20,272.45</b>	<b>30,897.87</b>

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
<b>25 Other income</b>		
Interest income		
-On bank deposit	21.25	18.76
- Income Tax Refund	-	0.01
Export benefit	21.48	9.12
Miscellaneous Income	1.88	0.28
Waste Sale	1.73	
<b>Total</b>	<b>46.34</b>	<b>28.17</b>

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
<b>26 Purchase of stock-in-Trade</b>	18,110.12	30,196.67
<b>Total</b>	<b>18,110.12</b>	<b>30,196.67</b>

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
<b>27 Changes in inventories of stock in trade</b>		
Inventories at the end of the year:		
Stock-in- trade	2,161.84	3,043.42
Less: Inventories at the beginning of the year:		
Stock-in- trade	3,043.42	2,108.50
<b>Net (increase) / decrease</b>	<b>881.58</b>	<b>-934.92</b>

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
<b>28 Employee benefits expense</b>		
Salaries wages and bonus	154.60	151.03
Gratuity	4.48	6.57
Contribution to Provident and other funds	6.70	3.63
Compensated Absences	5.51	5.09
Staff welfare expenses	3.65	6.61
<b>Total</b>	<b>174.94</b>	<b>172.93</b>

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Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
<b>29 Finance costs</b>		
Interest to Bank :-		
-On Short term loan/working capital loan	169.72	192.79
L C charges	19.64	21.81
	<b>189.36</b>	<b>214.60</b>

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
<b>30 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	4.13	6.49
Amortisation of intangible assets	1.39	1.43
<b>Total</b>	<b>5.52</b>	<b>7.92</b>

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
<b>31 Other expenses</b>		
Power and Fuel	3.24	2.81
Rent.	132.57	135.56
Printing and stationery	2.99	3.14
Communication Expense	2.92	3.31
Travelling and Conveyence	14.12	18.66
Director's sitting fees	0.50	1.50
Auditor Remuneration		
Audit fees	7.00	7.00
For Taxation matter	2.50	1.00
For other Services	3.85	2.75
Legal and Professional charges	52.95	32.53
SAP License fees	17.64	14.40
Management Fees	97.47	126.34
Repairs		
-Building	0.30	6.06
-Other	4.46	4.00
Loss/write off of fixed assets	-	5.17
Provision for Doubtful Receivable	23.37	-
Insurance	4.92	4.32
General expenses	11.19	8.74
Foreign Exchange Loss (Net)	70.92	109.90
Sales Promotion expenses	-	0.22
Forwarding expenses	97.88	139.82
Bank charges	3.52	20.37
Contribution towards Corporate Social Responsibility	6.00	10.00
<b>Total</b>	<b>560.31</b>	<b>657.60</b>

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Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
<b>32 Earnings per share</b>		
Net profit after tax as per Statement of Profit and loss	282.01	420.38
Net profit attributable to equity shares	282.01	420.38
Weighted average number of Equity Shares (in Nos.):		
for Basic EPS	90,00,000	90,00,000
for Diluted EPS	90,00,000	90,00,000
Basic earnings per share in rupees		
(Face value ₹10 per share) (In rupees)	3.13	4.67
Diluted earnings per share in rupees		
(Face value ₹10 per share) (In rupees)	3.13	4.67
Calculation of weighted average number of shares for basic/diluted earnings per share		
For basic earnings per share		
Opening and closing balance of Equity Shares	90,00,000	90,00,000
	90,00,000	90,00,000
Add, for diluted earnings per share		
For diluted earnings per share	90,00,000	90,00,000

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**33 Assets pledged as security**

The carrying amount of assets pledged as security for current and non current borrowings are as follows:

Particulars	Note	As at 31 March, 2020	As at 31 March, 2019
<b>Current Assets</b>			
Tangible assets	4A	1.31	19.10
Intangible assets	4B	1.70	3.13
Inventory	8	2,012.67	3,043.42
Trade receivables	9	4,128.48	7,211.39
<b>Total Assets pledged as security</b>		<b>6,144.16</b>	<b>10,277.05</b>

**34(i) Disclosure pursuant to Ind AS 19 on "Employee Benefits"****Defined benefit plans**

Gratuity is payable to all eligible employees of the Company on retirement/exit, death or permanent disablement in terms of the provisions of the Payment of Gratuity Act, 1972.

**Inherent Risk**

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

**Actuarial Valuation Method**

The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19 to determine the Present Value of Defined Benefit Obligations and the related Current Service Cost and, where applicable, Past service cost.

**The Benefits Valued**

Type of Plan	Defined Benefit
Employer's Contribution	100%
Employee's Contribution	Nil
Salary for calculation of Gratuity	Last drawn salary
Normal Retirement Age	58 Years
Vesting period	5 Years
Benefit on normal retirement	Same as per the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time).
Benefit on early retirement / termination / resignation / withdrawal	Same as normal retirement benefit based on the service upto the date of exit.
Benefit on death in service	Same as normal retirement benefit and no vesting period condition applies.
Limit	Rs. 20 lacs
Gratuity formula	$15/26 * \text{Last drawn salary} * \text{Number of completed}$

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

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Present value of obligation as at the end of the year</b>	<b>18.99</b>	<b>18.63</b>
Fair value of plan assets as at the end of the year	-	-
unfunded status		
Net asset/(liability) recognized in balance sheet	(18.99)	(18.63)
<b>Present value of obligation as at the end of year</b>	<b>18.63</b>	<b>18.63</b>
- Long term	13.41	18.11
- Short term	5.58	0.52

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

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Present value of obligation as at the beginning of the year	18.63	18.43
Acquisition adjustment	-	-
Interest cost	1.47	1.46
Current service cost	3.01	2.17
Curtailment cost/(credit)	-	-
Past Service Cost	-	-
Benefits paid	(17.43)	-
Liability Transfer (out)/in	4.16	-
Actuarial (gain)/loss on obligation	9.16	(3.43)
Present value of obligation as at the end of the year	19.00	-

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

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Fair value of plan assets at the beginning of the year	-	-
Acquisition adjustment	-	-
Investment Income	-	-
Expected return on plan assets	-	-
Actuarial gain/loss for the year	-	-
Employer contributions	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-

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

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Current service cost	3.01	2.17
Past Service Cost	-	-
Interest cost	1.47	1.46
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the year	-	-
Adjustment for Past Plan assets	-	-
Expenses recognized in the Consolidated Statement of Profit and Loss	4.48	3.63

**(v) Re-measurements recognised in other Comprehensive Income (OCI):**

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Changes in Financial Assumption	(0.89)	0.02
Changes in Demographic Assumption	-	-
Experience Adjustments	(7.55)	(1.99)
Actual return on plan assets less interest on plan assets	-	-
Amount recognized in other Comprehensive Income (OCI)	(8.78)	(1.97)

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**(vi) Maturity profile of defined benefit obligation:**

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Within next 12 Months	5.57	0.50
Between 1 and 5 years	6.28	6.80
Between 5 and 10 years	6.40	1.98
10 years and above	25.44	36.25

**(vii) Principal actuarial assumptions at the balance sheet date are as follows:****a) Economic assumptions:**

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

Particulars	As at 31 March, 2020	As at 31 March, 2019
Discount rate	6.85%	7.85%
Future salary increase	8.00%	7.75%

**b) Demographic assumptions:**

Particulars	As at 31 March, 2020	As at 31 March, 2019
i) Retirement Age (Years)	58	58
ii) Mortality Table		
iii) Ages		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%

**(viii) Sensitivity analysis for significant assumptions:\*****Increase/(Decrease) on present value of defined benefits obligation at the end of the year**

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
1% increase in discount rate	17.44	14.65
1% decrease in discount rate	20.84	18.05
1% increase in salary escalation rate	20.81	17.16
1% decrease in salary escalation rate	17.45	15.40
50% increase in Attrition rate	18.83	16.54
50% decrease in Attrition rate	19.16	15.86
10% increase in Mortality rate	18.99	16.23
10% decrease in Mortality rate	18.99	16.19

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

Particulars	Amount (31 March, 2020)	Amount (31 March, 2019)
Gratuity	-	-

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**34(ii) Other Long Term Employee Benefit - Earned Leave Plan****Actuarial Valuation Method**

The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19 to determine the Present Value of Defined Benefit Obligations and the related Current Service Cost and, where applicable, Past service cost.

**The Benefits Valued**

Type of Plan	Other Long term Employee Benefit
Employer's Contribution	100%
Employee's Contribution	Nil
Applicable Monthly Salary for Leave Encashment	Last drawn salary
Applicable Monthly Salary for Leave Availment	Last drawn gross salary
Yearly Leave Accrual	26 days
Maximum Leave Accumulation	78 days for Employees who joined before 01 April 2008
Encashment during employment	Yes
Future Leave Availments	Yes
Future Leave Availments basis	LIFO basis *
Normal Retirement Age	58 years
Vesting Period	Nil
Benefit on Normal Retirement	No. of Accumulated Leaves * Applicable monthly salary for leave encashment) / Months to be treated
Benefit on early retirement / termination / resignation / withdrawal	Same as normal retirement benefit.
Benefit on death in service	Same as normal retirement benefit.
Months to be treated as	26 days

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

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Present value of obligation as at the beginning of the year	7.29	3.12
Acquisition adjustment	1.06	-
Interest cost	-	0.25
Current service cost	2.83	3.14
Curtailment cost/(credit)	2.41	-
Benefits paid	(4.08)	(0.93)
Actuarial (gain)/loss on obligation	0.28	1.70
<b>Present value of obligation as at the end of year</b>	<b>9.79</b>	<b>7.29</b>
- Long term	5.01	6.63
- Short term	4.77	0.66

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

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Fair value of plan assets at the beginning of the year	-	-
Acquisition adjustment	-	-
Investment Income	-	-
Expected return on plan assets	-	-
Actuarial gain/loss for the year	-	-
Employer contributions	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-

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

Particulars	As at 31 March, 2020	As at 31 March, 2019
Present value of obligation as at the end of the year	9.78	7.29
Fair value of plan assets as at the end of the year	-	-
unfunded status		
Net asset/(liability) recognized in balance sheet	(9.78)	(7.29)

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

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Current service cost	3.11	3.14
Interest cost	-	0.25
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the year	2.69	1.71
Expenses recognized in the Consolidated Statement of Profit and Loss	5.52	5.09

**(v) Maturity profile of defined benefit obligation:**

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Within next 12 Months	4.96	0.66
Between 1 and 5 years	4.77	3.05
Between 5 and 10 years	0.20	2.73
10 years and above	6.37	9.91

**(vi) Principal actuarial assumptions at the balance sheet date are as follows:****a) Economic assumptions:**

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

Particulars	As at 31 March, 2020	As at 31 March, 2019
Discount rate	6.85%	7.85%
Future salary increase	7.75%	7.75%

**b) Demographic assumptions:**

Particulars	As at 31 March, 2020	As at 31 March, 2019
i) Retirement Age (Years)	58	58
ii) Mortality Table		
iii) Ages		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

**(vii) Sensitivity analysis for significant assumptions:\*****Increase/(Decrease) on present value of defined benefits obligation at the end of the year**

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
1% increase in discount rate	9.37	6.73
1% decrease in discount rate	10.27	7.93
1% increase in salary escalation rate	10.26	7.93
1% decrease in salary escalation rate	9.37	6.73
50% increase in Attrition rate	9.75	7.16



50% decrease in Attrition rate	9.81	7.42
10% increase in Mortality rate	9.78	7.28
10% decrease in Mortality rate	9.79	7.29

(viii) Enterprise best estimate of contribution during the next year is

Particulars	Amount (31 March 2020)	Amount (31 March 2019)
Leave Encashment	-	-

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**35 Income Taxes (Ind AS 12)****(i) Reconciliation of Effective Tax Rate:**

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
<b>Profit before tax</b>	<b>396.96</b>	<b>611.24</b>
Statutory Income tax rate	25.168%	27.820%
Income tax expense @ Statutory Income tax rate	99.91	170.05
Tax effect of permanent adjustment made for computation	-	-
Non-deductible tax expense	(0.31)	(3.79)
Earlier year Tax adjustment	-	(0.03)
Tax expense recognised in statement of profit or loss	99.60	171.66

- 36** The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the said Memorandum. Accordingly, the disclosures in below respect of the amounts payable to such enterprises as at the year end has been made on information received and available with the company.

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
a.) The Amounts remianing unpaid to micro and small suppliers as at the end of the year		
- Principal	-	<b>477.93</b>
- Interest	-	<b>2.15</b>
b.) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006)	-	-
c.) The Amounts of the payments made to micro and small Suppliers beyond the appointed day during the year.	-	<b>410.04</b>
d.) The amount of interest due and payable for the period of delay in making Payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	5.11
e.) The amount of interest accrued and remaining unpaid at the end of the year.	-	7.26
f.) The amount of further interest remaining due and payable even in the succeeding years ,untill such date when the interest due as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act 2006.	-	-

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**37 Financial Risk Management Objectives (Ind AS 107)**

The Company, is primarily involved in the trading of engineering plastic resin, expose its business and products to various market risks, credit risk and liquidity risk. The Company's decentralised management structure with the main activities in the plants make necessary organised risk management system. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks:

**a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. The sensitivity analyses in the following sections relate to the position as at March 31 2020. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

**(i) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The Company transacts business in local currency as well as in foreign currency. The Company has foreign currency trade receivables, trade payable and advance from customers and is therefore, exposed to foreign exchange risk.

The Company transacts substantial business in local currency only, however there is few export of Stock in Trade as well. The Company has only foreign currency trade receivables and company is less exposed to foreign exchange risk.

**Particulars of un-hedged foreign currency exposure**

Currency	As at 31 March, 2020			As at 31 March, 2019		
	Foreign currency Amount in Rs.	Exchange rate (in `)	Rupees in Lakh	Foreign currency Amount in Rs.	Exchange rate (in `)	Rupees in Lakh
<b>Trade Receivables</b>						
USD	0.41	75.30	30.87	0.78	71.37	55.56
JPY	117.14	0.70	82.00	385.05	0.64	244.98
<b>Trade Payables</b>						
USD	9.73	75.30	732.67	19.50	71.37	1,392.01
JPY	480.51	0.70	336.36	738.11	0.64	469.62

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**Foreign currency risk sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the company profit before tax is due to changes in the fair value of monetary assets and liabilities.

Exposure gain/(loss)	As at 31 March, 2020		As at 31 March, 2019	
Particulars	Change +1%	Change -1%	Change +1%	Change -1%
<b>Trade Receivables</b>				
USD	31.18	30.56	56.11	55.00
JPY	82.82	81.18	247.43	242.53
<b>Trade Payables</b>				
USD	740.00	725.34	1,405.93	1,378.09
JPY	339.72	332.99	474.31	464.92

**b) Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31 March, 2020	On demand	Less than 3 months	3 to 12 months	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	1,575.00	-	-	-	-	1,575.00
Trade payable	-	4,009.61	1.66	-	-	4,011.27
Other financial liabilities	-	7.85	-	-	-	7.85
<b>As at 31 March, 2019</b>						
Interest bearing borrowings	2,424.14	-	-	-	-	2,424.15
Trade payable	-	6,853.95	-	-	-	6,853.95
Other financial liabilities	-	14.59	-	-	-	14.59

**c) Credit risk**

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**(i) Trade receivables**

Customer credit risk is managed by Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The table below summarises the ageing bracket of trade receivables.

Particulars	Gross carrying amount	
	31 March,2020	31 March,2019
Current (not past due)		
1-30 days past due	4,149.67	6,232.00
31-60 days past due	34.20	476.82
61-90 days past due	8.33	192.77
More than 90 days past due	186.04	309.80

The following table summarizes the change in loss allowance measured using the life time expected credit loss model:

Particulars	As at 31 March,2020	As at 31 March,2019
At the beginning of the year	-	-
Provision during the year	23.37	-
Bad debts written off	-	-
Reversal of provision	-	-
<b>At the end of the year</b>	<b>23.37</b>	<b>-</b>

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**38 Related Party Disclosures**

**1 Details of Related Party**

**a) Holding company**  
Minda Industries Limited

**b) Parent company**  
Minda Industries Limited  
Tokai Rika Create Corporation

**c) Subsidiary Company**  
MITIL Polymer Private Limited

**d) Fellow Subsidiary**  
Rinder India Private Ltd.  
Minda Storage Batteries Private Limited  
PT Minda Asean Automotive  
Minda Kyoraku Limited  
Mindarika Private Limited

**e) Joint Venture**  
Minda Emer Technologies Ltd.  
Denso Ten Minda India Pvt. Ltd.  
Rinder Riduco S A S

**f) Associate**  
Auto Component  
Minda Investments Limited

**g) Key management personnel**  
Mr Rajeev Gandotra (Managing Director)  
Mr Deepak Batra (Whole Time Director)  
Mr Naveesh Garg (Director)  
Mr Yuiaka Baba (Director)  
Mr Hiroyuki Makino (Director)  
Ms Deepali Chandhoke (Independent Director)  
Mr Har Krishan Lal (Independent Director)

**MINDARILKA INDIA PRIVATE LIMITED**

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**b) Related party transactions :-**
**Holding Company**

Nature of transactions/Related party	Minda Industries Limited	Minda Industries Limited
Financial Year	2019-20	2018-19
Purchase of Goods	275.21	492.96
Sale of goods	6,760.66	8,471.54
Service rendered	223.79	161.86
Trade Receivables	1,459.18	2,312.93
Trade payables	167.28	8.89

**Parent Company**

Nature of transactions/Related party	Tokai Rika Create Corporation	
Financial Year	2019-20	2018-19
Purchase of Goods	1,001.47	1,703.85
Sale of goods	539.84	919.91
Trade Receivables	75.99	246.17
Trade payables	306.27	482.91

**Fellow Subsidiary**

Nature of transactions/Related party	Minda Rinder Private Limited (Formerly known as Rinder India Private Limited)		Minda Storage Batteries Private Limited		PT Minda Asean Automotive		Minda Kyosaku Limited		Mindarilka Private Limited	
Financial Year	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Purchase of Goods	374.23	495.20	-	-	-	-	-	-	-	-
Sale of goods	6,172.85	10,389.18	276.38	221.44	3.36	20.43	552.53	588.02	1,308.71	1,301.50
Trade Receivables	1,325.92	1,640.53	16.52	52.69	-	7.30	113.73	155.61	337.34	264.07
Trade payables	53.33	65.34	-	-	-	-	-	-	-	-

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**Joint Venture**

Nature of transactions/Related party	Denso Ten Minda India Pvt. Ltd.		Minda Emer Technologies Ltd.	
	2019-20	2018-19	2019-20	2018-19
Purchase of Goods	-	-	-	-
Sale of goods	35.44	45.37	-	283.89
Trade Receivables	10.03	11.61	-	13.70
Trade payables	-	-	-	-

**Associates**

Nature of transactions/Related party	Minda Investments Limited		Auto Components	
	2019-20	2018-19	2019-20	2018-19
Service rendered	2.46	1.98	-	-
Rent	15.51	15.55	-	-
Sale	-	-	-	192.48
Trade Receivables	-	-	-	12.09
Trade payables	-	0.16	-	-

**2 Managerial Remuneration**

**(A) Remuneration to Directors**

Particulars	Mr. YUTAKA BABA		Mr. Deepak Batra	
	2019-20	2018-19	2019-20	2018-19
Salary and other allowance	18.63	18.63	14.87	30.28
Contribution to Provident fund and other fund	-	-	0.94	1.69
Accommodation provide for which rent is paid	8.76	9.56	-	-

Excluding value of perquisites of telephone, car and reimbursement of expenses on conveyance, refreshment, membership fee and uniform.

Exclusive of provision for future liabilities in respect of gratuity and leave encashment which are based on actuarial valuation done on overall company basis.

**(B) Remuneration to Independent Directors**

Particulars	Ms. Deepali Chandhoke	
	2019-20	2018-19
Sitting fees	0.50	1.50

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**39 Capital management**

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors NET Debt to EBITDA ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs). The Company's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

	31 March,2020	31 March,2019
Net Debt	-	-
EBITDA	572.20	811.95
<b>Net Debt to EBITDA</b>	-	-



MITORICA INDIA PRIVATE LIMITED

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40. Fair value measurements

(i) Financial instruments by category

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Trade receivables (current / non current)	-	-	4,278.24	-	-	7,211.39
Cash and cash equivalents	-	-	441.13	-	-	201.04
Bank balances other than Cash and cash equivalents	-	-	384.34	-	-	104.78
Other financial assets (Current/non current)	-	-	9.43	-	-	2.20
<b>Total financial assets</b>	-	-	<b>5,113.14</b>	-	-	<b>7,519.42</b>
<b>Financial Liabilities</b>						
Borrowings (current / non current)	-	-	1,375.90	-	-	2,424.15
Trade payables	-	-	4,014.97	-	-	6,853.95
Other financial liabilities (current / non current)	-	-	48.54	-	-	49.59
<b>Total</b>	-	-	<b>5,638.51</b>	-	-	<b>9,327.68</b>

\* Management has assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables and interest accrued on borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value hierarchy

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Financial Asset	Financial Liabilities- Share based payment Payable*	Financial Asset	Financial Liabilities- Share based payment Payable*
Level - 1	-	-	-	-
Level - 2	-	-	-	-
Level - 3	-	-	-	-
<b>Total</b>	-	-	-	-

41. IMPACT OF COVID-19 ON FINANCIAL STATEMENTS:

In view of the pandemic relating to COVID-19, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the provision towards employee benefits and recoverability of right-of-use assets, trade receivables and other current and financial assets, for any possible impact on the Financial Results. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting controls etc. and is of the view that based on its present assessment this situation does not materially impact the financial statements. However, the actual impact of COVID19 on the financial statement may differ from that estimated due to unforeseen circumstances and the Company will continue to closely monitor any material changes to future economic conditions.

42. Previous year figures have been reclassified / recompanied, wherever required, to conform to current year classification.

In terms of our report attached

For R. N. SARAF & CO.  
CHARTERED ACCOUNTANTS  
Registration no. 002023N

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

25/92, Condivara Road,  
Karee Baga, New Delhi - 110 005

Place: Gurugram  
Date: June 10, 2020  
TIN: 28012439AAAAAU8335



For and on behalf of the Board of Directors of  
MITORICA INDIA PRIVATE LIMITED

RAJEEV GANDOTRA  
Managing Director  
Din No. 08142997

ROHIT BOORA  
Company Secretary  
ACS-58453

YUTAKA BABA  
Whole Time Director  
Din No. 07579837