B S R & Co. LLP
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Minda Kyoraku Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Minda Kyoraku Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai – 400 011

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 in the financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors 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 Company's ability 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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts for which there were any material foreseeable losses. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on derivative contracts. Refer Note 19 to the financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Ankush Goel

Ankush Goel
Partner
Membership number: 505121
UDIN: 20505121AAAAAA3811

Place: New Delhi
Date: 04 June 2020

Annexure A referred to in our Independent Auditors' report of even date to the members of Minda Kyoraku Limited on the financial statements as of and for the year ended 31 March 2020

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property as disclosed in Note 4 on fixed assets (property, plant and equipment) are held in the name of the Company.

(ii) According to the information and explanations given to us, the inventories (excluding stock lying with third party and goods in transit), has been physically verified by the management subsequent to the year end. For stock lying with third parties as at the year end, written confirmation have been obtained from most of the parties. For good in transit, all goods were substantially delivered subsequent to the year end. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its business (also refer note 10). The discrepancies noticed on physical verification of inventories as compared to book records were not material.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not given any loans, or made any investments, or provided any guarantee, or security to the parties covered under Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73,74, 75 and 76 or any other relevant provisions of the Act and rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services Tax ('GST'), Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues, to the extent applicable, have been regular in depositing with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Goods and service tax ('GST'), Service tax, Duty of customs, Duty of excise, Value added tax, Cess and any other statutory dues, as applicable to the Company, were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of excise or Value added tax which have not been deposited by the Company with the appropriate authorities on account of any dispute as at 31 March 2020.

(viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has neither taken any loans or borrowings from financial institutions or government nor issued any debentures during the year.

(ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under applicable accounting standard under Section 133 of the Act.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/ W-100022

Ankush Goel

Ankush Goel
Partner
Membership number: 505121
UDIN: 20505121AAAAAA3811

Place: New Delhi
Date: 04 June 2020

Annexure B to the Independent Auditors' report on the financial statements of Minda Kyoraku Limited for the period ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Minda Kyoraku Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/ W-100022

Ankush Goel

Ankush Goel
Partner
Membership number: 505121
UDIN: 20505121AAAAAA3811

Place: New Delhi
Date: 04 June 2020

Minda Kyoraku Limited
Balance Sheet as on 31st March 2020
(All amounts in Indian ₹ Lacs, unless otherwise stated)
CIN No-U35122DL2011PLC223819

Particulars	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	10,458.63	11,191.04
Capital work-in-progress	4	-	15.37
Intangible assets	5	56.27	84.07
Intangible assets under development	5	7.44	-
Financial assets			
Loans	6	160.25	150.81
Other financial assets	7	7.93	7.56
Other non-current assets	9	41.30	87.14
Total Non-Current Assets		10,731.82	11,535.99
Current Assets			
Inventories	10	1,064.49	1,601.58
Financial assets			
Trade receivables	11	1,898.42	2,213.79
Cash and cash equivalents	12	3,007.87	334.29
Other balances with banks	13	2.04	42.88
Loans	6	22.28	18.48
Other financial assets	7	0.09	1.42
Other current assets	9	232.51	804.70
Current tax assets (net)	21	165.12	165.72
Total Current Assets		6,392.82	5,182.86
TOTAL ASSETS		17,124.64	16,718.85
Equity and Liabilities			
Equity			
Equity share capital	14	6,200.70	6,200.70
Other equity	15	3,996.68	3,695.10
Total Equity		10,197.38	9,895.80
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	16	2,527.05	3,118.25
Provisions	17	302.16	195.16
Deferred tax liabilities (net)	8	19.37	119.93
Total Non-Current Liabilities		2,848.58	3,433.34
Current Liabilities			
Financial liabilities			
Borrowings	16	24.49	264.16
Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		92.86	105.40
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,734.93	1,828.48
Other financial liabilities	19	1,689.30	791.88
Other current liabilities	20	509.55	394.20
Provisions	17	27.55	5.59
Total Current Liabilities		4,078.68	3,389.71
TOTAL Liabilities		6,927.26	6,823.05
TOTAL EQUITY AND LIABILITIES		17,124.64	16,718.85

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ankush Goel

Ankush Goel
Partner
Membership No.: 505121

Place: New Delhi
Date: 4 June 2020

For and on behalf of the Board
Minda Kyoraku Limited

Nminda

Nitesh Minda
Managing Director
DIN No. 00008300

Place: Gurugram
Date: 4 June 2020

Makoto Ikeda
Director
DIN No. 08661240

Place: Kanagawa Japan
Date: 4 June 2020

Dagar

Rakesh Kumar Dagar

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Minda Kyoraku Limited
Statement of Profit & Loss for the year ended 31st March 2020
(All amounts in Indian ₹ Lacs, unless otherwise stated)
CIN No U35122DL2011PLC223819

Particulars	Note	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Revenue from operations	22	15,883.08	15,776.26
Other income	23	56.13	55.74
Total Income		15,939.21	15,832.00
EXPENSES			
Cost of materials consumed	24	7,022.31	7,814.59
Changes in inventories of finished goods and work-in-progress	25	175.65	(180.97)
Employees benefits expense	26	2,385.51	2,232.34
Finance costs	27	319.85	113.41
Depreciation and amortisation expense	28	1,675.15	835.51
Other expenses	29	3,487.40	3,300.44
Total expenses		15,065.87	14,115.32
Profit before tax		873.34	1,716.68
Tax expense:			
Current tax		339.97	373.00
Deffered tax charge/(credit)		(88.68)	153.12
Profit for the year		622.05	1,190.56
Other comprehensive income			
Items that will not to be reclassified subsequently to profit or loss			
Remeasurement gain(loss) on defined benefit plans		(40.82)	14.15
Income tax effect		11.89	(4.12)
Net other comprehensive income(expense)		(28.93)	10.03
Total comprehensive income for the year		593.12	1,200.59
Basic earnings per share (in ₹) (Face value of ₹ 10 per share)	14A	1.00	1.92
Diluted earnings per share (in ₹) (Face value of ₹ 10 per share)	14A	1.00	1.92

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ankush Goel

Ankush Goel
Partner
Membership No. : 505121

Place : New Delhi
Date: 4 June 2020

For and on behalf of the Board
Minda Kyoraku Limited

N minda

Nitesh Minda
Managing Director
DIN No. 00008300

Place : Gurugram
Date: 4 June 2020

Makoto Ikeda
Director
DIN No. 08661240

Place : Kanagawa Japan
Date: 4 June 2020

Dagar

Rakesh Kumar Dagar
Chief Financial Officer

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Minda Kyoraku Limited
Cash Flow Statement for the year ended 31 March 2020
(All amounts in Indian ₹ Lacs, unless otherwise stated)
CIN No-U35122DL2011PLC223819

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
A. Cash flow from operating activities				
Profit for the year before tax		873.34		1,116.68
Adjustments for :				
Depreciation and amortisation	1,675.15		835.51	
Unrealised foreign exchange (gain) / loss	22.30		5.97	
Loss on sale of property, plant and equipment	1.48		6.80	
Mark to market to derivative liability	223.55		87.32	
Finance cost	319.09		113.04	
Interest Income on fixed deposit	(56.12)		(54.06)	
Provision for doubtful debts	14.86		-	
Liabilities no longer required written back	-	2,200.31	(1.68)	992.90
Operating profit before working capital changes		3,073.65		2,109.58
Working capital adjustments:				
(Increase) / Decrease in inventories	537.09		(267.60)	
(Increase) / Decrease in trade receivables	300.51		(410.55)	
(Increase) / Decrease in loans	(13.24)		(110.12)	
(Increase) / Decrease in other assets	572.19		(651.26)	
Increase in trade payables	(128.38)		262.99	
(Decrease) / Increase in other financial liabilities	38.13		(9.45)	
Increase in long-term and short term provision	88.14		33.91	
(Decrease) / Increase in other current liabilities	115.35	1,509.79	(130.34)	(1,278.60)
Cash generated from / (used) in operations		4,583.44		1,430.98
Income tax paid (including interest)		(339.38)		(497.75)
Net cash flow from operating activities		4,244.06		933.23
B. Cash flow from investing activities:				
Purchase of property, plant and equipment and intangible assets		(493.20)		(6,187.14)
Proceeds from sale of property, plant and equipment		-		5.25
Fixed deposits with banks		40.96		46.93
Interest received		57.45		54.16
Net cash used in investing activities		(394.79)		(6,280.88)
C. Cash flows from financing activities				
Dividend paid		(241.83)		(223.23)
Corporate dividend tax		(49.71)		(45.88)
Proceeds from long-term borrowings		-		3,300.00
Repayments of borrowings		(330.36)		(110.36)
Interest paid		(314.12)		(100.66)
Net cash flow from in financing activities		(936.02)		2,819.87
Net increase / (decrease) in cash and cash equivalents (A+B+C)		2,913.25		(2,527.70)
Cash and cash equivalents at the beginning of the year		70.13		2,597.83
Cash and cash equivalents at the end of the year		2,983.38		70.13
Net increase / (decrease) in cash and cash equivalents		2,913.25		(2,527.70)
Notes to cash flow statement				
1 **Components of cash and cash equivalents:-**				
Cash in hand		3.62		1.34
Balance with banks				
-Bank deposit		3,004.25		282.95
-Bank overdraft		(24.49)		(264.16)
-Current accounts		-		50.00
Cash and cash equivalents at the end of the year		2,983.37		70.13

Notes
The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard-7 on Statement of Cash flows as notified under section 133 of the Companies Act, 2013

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Ankush Goel
Partner
Membership No. : 505121

Place : New Delhi
Date: 4 June 2020

For and on behalf of the Board
Minda Kyoraku Limited

Nitesh Minda
Managing Director
DIN No 00008300

Place : Gurugram
Date: 4 June 2020

Makoto Ikeda
Director
DIN No 08661240

Place : Kanagawa Japan
Date: 4 June 2020

Rakesh Kumar Dagar
Chief Financial Officer

Minda Kyoraku Limited
Statement of Changes in equity for the year ended 31 March 2020
(All amounts in Indian ₹ Lacs, unless otherwise stated)
CIN No U35122DL2011PLC223419

A) Equity share capital

Balance as at the 31 March 2018	4,123.70
Changes in equity share capital during 2018-19	2,077.00
Balance as at the 31 March 2019	6,200.70
Changes in equity share capital during 2019-20	-
Balance as at the 31 March 2020	6,200.70

B) Other equity

	Share application money	Retained earnings	Securities premium	Other comprehensive income	Excess tax benefit from stock based compensation	Total
As at 31 March 2018	2,700.10	1,544.99	509.43	-	-	4,754.52
Profit for the year	-	1,190.56	-	-	-	1,190.56
Other comprehensive income (net of tax)	-	-	-	10.03	-	10.03
Other comprehensive income	-	10.03	-	(10.03)	-	-
Dividend paid during the year	-	(223.23)	-	-	-	(223.23)
Dividend distribution tax of dividend	-	(45.88)	-	-	-	(45.88)
Share Issued during the year including @ Rs 13 per share (including Premium @ Rs 3 per share)	(2,700.10)	-	-	-	-	(2,700.10)
Excess tax benefit from stock based compensation	-	-	-	-	86.10	86.10
Transferred to retained earnings		86.10	-	-	(86.10)	-
Share Premium	-	-	623.10	-	-	623.10
As at 31 March 2019	-	2,562.57	1,132.53	-	-	3,695.10
Profit for the year	-	622.05	-	-	-	622.05
Other comprehensive income (net of tax)	-	-	-	(28.93)	-	(28.93)
Other comprehensive income	-	(28.93)	-	28.93	-	-
Dividend paid during the year	-	(241.83)	-	-	-	(241.83)
Dividend distribution tax of dividend	-	(49.71)	-	-	-	(49.71)
As at 31 March 2020	-	2,864.15	1,132.53	-	-	3,996.68

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Ankush Goel

Ankush Goel
Partner
Membership No. : 505121

Place : New Delhi
Date: 4 June 2020

For and on behalf of the Board
Minda Kyoraku Limited

N minda

Nitesh Minda
Managing Director
DIN No. 00008300

Place : Gurugram
Date: 4 June 2020

Makoto Ikeda
Director
DIN No. 08661240

Place : Kanagawa Japan
Date: 4 June 2020

Bagar

Rakesh K. Bagar
Chief Financial Officer

Place : Gurugram
Date: 4 June 2020

1. **Corporate Information**

Minda Kyoraku Limited, B-64/1, Wazirpur Indl Aera, Delhi (the 'Company') was incorporated in India on 17 August 2011. The Company is a joint venture between Minda Industries Limited, Nagase and Co. Limited (Japan), Chiyoda Manufacturing Corporation (Japan) and Kyoraku Co. Limited (Japan). The Company is primarily involved in manufacture of blow moulding products.

The financial statements for the year ended 31 March 2020 have been prepared as per the requirements of Schedule III of the Companies Act, 2013.

2. **Basis of preparation**

(a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on 4th June 2020.

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

(b) Functional and presentation currency

These financial statements are presented in Indian rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs up to two place of decimal, unless otherwise indicated.

(c) Basis of measurement

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

Items	Measurement Basis
(a) Net defined benefit (asset)/ liability	Present value of defined benefit obligations
(b) Other financial assets and liabilities	Amortised cost

(d) Use of estimates and judgments

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.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

MINDA KYORAKU

Judgments

The areas involving critical estimates or judgements are:

- Estimation of income tax (current and deferred) – Note 21 and Note 8

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

- Estimated useful life of intangible asset – Note 5

The Company amortizes intangible assets on a straight-line basis over estimated useful lives of the assets. The useful life is estimated based on a number of factors including the effects of obsolescence, demand, competition and other economic factors such as the stability of the industry and known technological advances and the level of maintenance expenditures required to obtain the expected future cash flows from the assets. The estimated useful life is reviewed at least annually.

- Estimated useful life and residual value of property, plant and equipment – Note 4

The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets except certain plant and equipment on which depreciation is provided on written down value basis. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.

- Estimation of defined benefit obligation – Note 31

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Expected credit losses on financial assets: Note 33

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

(c) 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.

MINDA KYORAKU LTD.

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 and liabilities.
- 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 liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely 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 changes have occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:
- Note 36 – share-based payment
- Note 32– fair value measurements

(f) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification as per the 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 determined its operating cycle as 12 months for the purpose of classification of its assets and liability as current and non-current.

An asset is classified as current when it is:

a) Expected to be realized or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realized within twelve months after the reporting period, 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 period.

All other assets are classified as non-current.

A liability is classified as current when:

a) It is expected to be settled in normal operating cycle,
b) It is held primarily for the purpose of trading,
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

MINDA KYORAKU LTD

3. Significant accounting policies

(a) Foreign currency transactions

i) Initial recognition and settlement

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss.

ii) Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

(b) Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity.

i) Recognition and initial measurement

Trade receivables 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.

ii) Classification and subsequent measurement

Financial assets

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

a. Amortised cost:- These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gains or loss or derecognition is are recognized in profit or loss.

b. FVTPL:- These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company 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.

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.
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 de-recognition 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 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.

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 expired.

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) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, 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.

Property, plant and equipment under construction are disclosed as capital work-in-progress. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general are included in capital work-in-progress.

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.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation on items of property, plant and equipment is provided as per straight-line method basis, as per useful life of the assets estimated by the management, which is equal to the useful life prescribed under Schedule II of the Companies Act, 2013 except in the case of certain plant and equipment, depreciation on which is provided as per the written down value method basis and the life is based on technical evaluation and assessment.

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

Depreciation on additions/ (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which asset is ready for use/ (disposed of). Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Losses arising from retirement or gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognized in the Statement of Profit and Loss.

The estimated useful lives of items of property, plant and equipment are as follows:

Particulars	**Management estimate of useful life (Years)**
Buildings	30
Plant and equipment	5/10/15
Furniture and fixtures	10
Vehicles	8
Office equipment	5
Computers	3/6

Intangible Assets

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

Development expenditure is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible and future economic benefits are probable. Expenditure which is to be capitalised but the economic benefits have not yet started flowing to the Company are shown as intangible assets under development. These are capitalised as and when the economic benefits related to such asset, starts flowing to the Company.

Subsequent expenditure

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

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method, and is included in amortisation expense in profit or loss.

The estimated useful lives are as follows:

- Computer software 6 years
- Technical Knowhow 5/6 years

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

MINDA KYORAKU

(e) **Inventories**

Inventories which comprise raw material, work in progress, finished goods, stores and spares and loose tools are valued at the lower of cost and net realizable value

Cost of inventories comprises all cost of purchase (net of recoverable taxes, where applicable), cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The basis of determining costs for various categories of inventories are as follows :

Raw materials, components, stores and spares and loose tools	-	Weighted average cost
Work-in-progress and finished goods	-	Material cost plus appropriate share of labour, manufacturing overheads.

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

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials and other supplies held for use in the production of finished goods are not written down below cost, except in cases where material prices have declined, and it is estimated that the cost of the finished goods will exceed its net realisable value. The comparison of cost and net realizable value is made on an item-by-item basis.

(f) **Impairment**

i) Impairment of financial instruments

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

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

Evidence that the financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

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.

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 Company's historical experience and informed credit assessment and including forward-looking information.

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. difference between the cash flow due to the Company in accordance with the contract and the cash flow that the Company expects to receive)

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is 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 debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount 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 procedure 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 if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated.

Assets that do not generate independent cash flows are grouped together into cash generating units (CGU).

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).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

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) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs).

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

(h) Retirement and other 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.

(ii) Share-based payment transactions

The employees of the Company are entitled to Minda Industries Limited (holding Company) Employee Stock option scheme 2019. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. 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 nonvesting 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. The cost of share based payment is recharged to the Company by the holding Company.

(iii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to authorities and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards Employee Provident Fund (EPF) and Employees' State Insurance 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

Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation is present value of the defined benefit obligation for the eligible employees at the end of the reporting period. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (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

MINDA KYORAKU

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.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Other long term employee benefits

Compensated absences

The liabilities for annual leave for certain employees are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore accrued using actuarial valuations and are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. Actuarial gains and losses are recognised in profit or loss in the period in which they arise.

(i) Provisions and Contingencies

(i) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Provisions are determined by discounting the expected future cash flows 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.

(ii) Contingencies

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.

(j) Income Taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income. In this case, tax is also recognised directly in equity or in other comprehensive income, respectively.

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. Management periodically evaluates positions taken in tax return with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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.

MINDA KYORAKU LTD

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

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.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized 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 deferred tax liabilities are offset only 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 authorities.

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

(k) Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from the sale of product is recognized upfront at the point in time when the product is delivered to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred.

Interest Income is recognized using the effective interest method.

MINDA KYORAKU

(l) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date.

The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

MINDA KYORAKU

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

(m) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted Earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

(n) Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(o) Contingent assets

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

MINDA KYORAKU LTD

(p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available.

(q) 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.

(r) Standards issued but not yet effective up to the date of Financial Statements

Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Minda Kyoraku Limited
Notes to the financial statements for the year ended 31 March 2020
(All amounts in Indian ₹ Lacs, unless otherwise stated)

4. Property, plant and equipment and capital work-in-progress

a. Reconciliation of carrying amount

Particulars	Land-freehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	Capital work in progress
Gross Block									
Balance at 1 April 2018	1,303.48	2,357.79	2,792.13	39.65	41.60	31.19	39.88	6,605.72	-
Add: Additions made during the year	419.92	1,844.07	4,483.64	28.12	-	22.95	21.86	6,820.56	4,322.63
Less: On disposals / adjustments during the year	-	-	(31.58)	(0.60)	(14.24)	(0.89)	(0.20)	(47.51)	(4,307.26)
Balance at 31 March 2019	1,723.40	4,201.86	7,244.19	67.17	27.36	53.25	61.54	13,378.77	15.37
Balance at 1 April 2019	1,723.40	4,201.86	7,244.19	67.17	27.36	53.25	61.54	13,378.77	15.37
Add: Additions made during the year	59.91	107.23	705.25	-	-	23.26	19.27	914.92	532.65
Less: On disposals / adjustments during the year	-	-	(10.96)	(1.62)	-	(1.13)	(2.86)	(16.57)	(548.02)
Balance at 31 March 2020	1,783.31	4,309.09	7,938.48	65.55	27.36	75.38	77.95	14,277.12	-
Accumulated depreciation									
Balance at 1 April 2018	-	130.47	1,238.66	6.80	17.62	12.50	14.92	1,420.97	-
Add: Depreciation charged for the year	-	91.86	674.67	6.84	8.86	6.45	13.54	802.22	
Less: On disposals / adjustments during the year	-	-	(29.45)	(0.39)	(4.59)	(0.84)	(0.19)	(35.46)	
Balance at 31 March 2019	-	222.33	1,883.88	13.25	21.89	18.11	28.27	2,187.73	-
Balance at 1 April 2019	-	222.33	1,883.88	13.25	21.89	18.11	28.27	2,187.73	-
Add: Depreciation charged for the year	-	147.24	1,457.21	9.01	2.81	8.62	20.96	1,645.85	
Less: On disposals / adjustments during the year	-	-	(10.04)	(1.27)	-	(1.07)	(2.71)	(15.09)	
Balance at 31 March 2020	-	369.57	3,331.05	20.99	24.70	25.66	46.52	3,818.49	-
Net carrying amounts									
At 31 March 2019	1,723.40	3,979.53	5,360.31	53.92	5.47	35.14	33.27	11,191.04	15.37
At 31 March 2020	1,783.31	3,939.52	4,607.43	44.56	2.66	49.72	31.43	10,458.63	-

b. Refer note 16 for information regarding security given against the loan.

MINDA KYORAKU

Minda Kyoraku Limited
Notes to the financial statements for the year ended 31 March 2020
5. Reconciliation of carrying amount

A. Gross carrying value (deemed cost)	Technical Knowhow	Software	Total
As at 1 April 2016	109.10	16.92	126.02
Add: Additions during the year	-	13.66	13.66
Less: Disposals / adjustments during the year	-	0.43	0.43
Balance at 31 March 2017	109.10	30.15	139.25
Add: Additions during the year	-	4.65	4.65
Less: Disposals / adjustments during the year	-	-	-
Balance at 31 March 2018	**109.10**	**34.80**	**143.90**
Add: Additions during the year	13.24	34.20	47.44
Less: Disposals / adjustments during the year	-	-	-
Balance at 31 March 2019	**122.34**	**69.00**	**191.34**
Add: Additions during the year	-	1.49	1.49
Less: Disposals / adjustments during the year	-	-	-
Balance at 31 March 2020	**122.34**	**70.49**	**192.83**
Accumulated amortisation			
As at 1 April 2016	-	-	-
Add: Amortisation charge for the year	31.45	7.26	38.71
Less: On disposals/adjustments during the year	-	0.37	0.37
As at 31 March 2017	31.45	6.89	38.34
Add: Amortisation charge for the year	28.30	7.34	35.64
Less: On disposals / adjustments during the year	-	-	-
As at 31 March 2018	**59.75**	**14.23**	**73.98**
Add: Amortisation charge for the year	24.72	8.56	33.29
Less: On disposals / adjustments during the year	-	-	-
Balance at 31 March 2019	**84.47**	**22.79**	**107.27**
Add: Amortisation charge for the year	19.84	9.45	29.29
Less: On disposals / adjustments during the year	-	-	-
Balance at 31 March 2020	**104.31**	**32.24**	**136.56**
Net carrying value			
At 31 March 2019	**37.87**	**46.21**	**84.07**
At 31 March 2020	**18.03**	**38.25**	**56.27**

	31 March 2020	31 March 2019
B. Intangible assets under development		
Technical know-how under development	7.44	-

	As at 31 March 2020	As at 31 March 2019
6 Loans		
(unsecured considered good unless otherwise stated)		
Non-current		
Security deposits	160.25	150.81
	160.25	150.81
Current		
Security deposits	0.42	5.38
Loan to employees	21.86	13.10
	22.28	18.48
	182.53	169.29

The companies exposure to credit risks related to the above loans is disclosed in note 33.

	As at 31 March 2020	As at 31 March 2019
7 Other financial assets		
Non-current		
Bank deposits* (due to mature after 12 months from the reporting date)	7.25	7.37
Interest accrued on deposits	0.68	0.19
	7.93	7.56
Current		
Interest accrued on deposits	0.09	1.42
	0.09	1.42
Total	8.02	8.98

* Includes fixed deposits pledged with banks of ₹ 7.25 Lakhs (31 March 2018: ₹7.96 Lakhs) as margin money for various limits from bank.

The companies exposure to credit risks related to the above loans is disclosed in note 33.

8 Deferred tax liabilities (net)

	As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities		
Property plant and Equipment	234.42	223.71
Total deferred tax liabilities	234.42	223.71
Deferred tax assets		
Provision for employee benefits	85.62	58.46
Provision for bonus payable	20.02	8.59
Provision for doubtful debts	4.37	0.18
MAT credit entitlement*	-	36.55
Mark to Mark market impact on FCNR Term Loan (MTM)	90.55	-
Others	14.49	-
Total deferred tax assets	215.05	103.78
Net deferred tax liability	(19.37)	(119.93)

* The MAT credit recognised by the company as "MAT credit entitlement" under 'Deferred tax assets' in respect of MAT payment for earlier years, has now been set off in the current year based on the provision of section 115JAA of Income Tax Act, 1961.

MINDA KYORAKU

8 Deferred tax liabilities (net) (Contd.)

Movement in deferred tax assets

	Balance as at 31-March-2019	Recognised in profit and loss during 2019-20	Recognised in OCI 2019-20	Balance as at 31-March-2020
Property, plant & equipments and intangible assets	(223.71)	(10.71)	-	(234.42)
Others	0.18	4.19	-	4.37
Provision for employee benefits	67.05	26.70	11.89	105.64
MAT Credit entitlement	36.55	(36.55)	-	-
Ascertained Liability on FCNR Term Loan (MTM)	-	90.55	-	90.55
Expenses on which TDS not deducted	-	14.49	-	14.49
At 31 March 2020	**(119.93)**	**88.67**	**11.89**	**(19.37)**

	Balance as at 31-March-2018	Recognised in profit and loss during 2018-19	Recognised in OCI 2018-19	Balance as at 31-March-2019
Property, plant & equipments and intangible assets	(33.79)	(189.92)	-	(223.71)
Others	0.80	(0.61)	-	0.18
Provision for employee benefits	70.31	0.86	(4.12)	67.05
MAT Credit entitlement	-	36.55	-	36.55
At 31 March 2019	**37.32**	**(153.12)**	**(4.12)**	**(119.93)**

9 Other assets

(Unsecured, considered good unless otherwise stated)	As at 31 March 2020	As at 31 March 2019
Non current		
Capital advances	41.30	87.14
	41.30	**87.14**
Current		
Prepaid expenses	29.38	20.70
Advance to suppliers	146.01	152.67
Balance with government authorities	52.95	631.02
Other Advances	4.17	0.31
	232.51	**804.70**
	273.81	**891.84**

The companies exposure to currency risks related to the above assets is disclosed in note 33.

10 Inventories

(Valued at the lower of cost and net realisable value)	As at 31 March 2020	As at 31 March 2019
Raw materials [Goods in transit ₹ 15.32 lakhs (31 March 2019 ₹ 8.35 lakhs)]	762.10	1,054.47
Work in progress	48.75	117.56
Finished goods [Goods in transit ₹ 8.99 lakhs (31 March 2019 ₹ 94.42 lakhs)]	86.20	193.04
Stores and spares	125.16	147.03
Loose tools	42.28	89.48
	1,064.49	**1,601.58**

Notes :

a) The cost of inventories recognised as an expense include Rs. 10.40 lakhs in respect of write-down of inventory to net realisable value.

b) Refer note 16 for information regarding security given against the loan.

c) Due to Covid 19, physical verification of inventory was carried out subsequent to year end in month of May 2020.

MINDA KYORAKU L

	As at 31 March 2020	As at 31 March 2019
11 Trade receivables		
(Unsecured, considered good unless otherwise stated)		
Unsecured, considered good	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Doubtful	[illegible]	[illegible]
	[illegible]	[illegible]
Less: impairment loss on trade receivables	[illegible]	[illegible]
	[illegible]	[illegible]

[illegible]
The company's exposure to credit risk related to the above financial assets is disclosed in note [illegible]

	As at 31 March 2020	As at 31 March 2019
12 Cash and cash equivalents		
Balances with banks		
- On current accounts	[illegible]	[illegible]
- Bank deposits (with original maturity of less than 3 months)		[illegible]
- Cash on hand	3.63	1.64
Total	[illegible]	[illegible]

* Includes fixed deposits pledged with banks of ₹ [illegible] lakhs (31 March 2019: ₹ [illegible] lakhs) as margin money for various limits from bank

Disclosure on specified bank notes (SBNs)

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020

	As at 31 March 2020	As at 31 March 2019
13 Other balances with banks		
Bank deposits (due for realisation within 12 months of the reporting date)	2.04	[illegible]
	2.04	[illegible]

Minda Kyoraku Limited
Notes to the financial statements for the year ended 31 March 2020
(All amounts in Indian ₹ Lacs, unless otherwise stated)

14 Equity Share capital

	As at 31 March 2020	As at 31 March 2019
a) Details of share capital		
Authorised:		
62,007,000 (31 March 2019 62,007,000) equity shares of ₹10 each	6,200.70	6,200.70
Issued, subscribed and paid-up		
62,007,000 (31 March 2019 62,007,000) equity shares of ₹10 each	6,200.70	6,200.70
Total	6,200.70	6,200.70

b) Reconciliation of outstanding equity shares at the beginning and at the end of the reporting period

Equity shares:

	As at 31 March 2020		As at 31 March 2019	
	Number of Shares	Amount	Number of Shares	Amoun
Balance at the beginning and end of the year	6,20,07,000	6,200.70	4,12,37,000	4,123.70
Issued during the period - fresh issue			2,07,70,000	2,077.00
Balance at commencement and at the end of the year	6,20,07,000	6,200.70	6,20,07,000.00	6,200.70

(c) Details of shares held by shareholders holding more than 5% shares of the aggregate shares in the company

	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding i that class of share
Minda Industries Limited	4,19,18,600	67.60%	4,19,18,600	101.65
Kyoraku Co. Limited	64,00,000	10.32%	64,00,000	15.52
Nagase & Co. Limited	1,24,01,400	20.00%	1,24,01,400	30.07

(d) Rights/Preferences and Restrictions attached to shares

The Company has a single class of equity shares having par value of Rs. 10 per share. Accordingly, all equity shares rank equally with regard to dividends and s in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an e shareholder on a poll (not on show of hands) are in proportion to his/her share of the paid up equity share capital of the company. Voting rights cannot be exer in respect of shares on which any call or other sums presently has not been paid. Failure to pay any amount called up on shares may lead to forfeiture.
On winding up of the Company, the holders of the equity shares will be entitled to receive assets of the Company, remaining after distribution of all prefer amounts in proportion to the number of equity shares held.

(e) There are no shares reserved for issue under options and contracts/commitments for sale of shares/disinvestment.

(f) There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately precedi the reporting date.

14A Earnings per share

	For the year ended 31 March 2020	For the year end 31 March 2019
Profit as per Statement of Profit and Loss	622.05	1,190
Weighted average number of equity shares of ₹10 each at the period end for calculation of Basic EPS	6,20,07,000	6,20,07,
Basic earning per share (In Rupees)	1.00	1
Weighted average number of equity shares of ₹10 each at the period end for calculation of Diluted EPS	6,20,07,000	6,20,07,
Diluted earning per share (In Rupees)	1.00	

KYORAKU LTD.

(All amounts in Indian ₹ Lacs, unless otherwise stated)

14 Equity Share capital

	As at 31 March 2020	As at 31 March 2019
a) Details of share capital		
Authorised:		
62,007,000 (31 March 2019 62,007,000) equity shares of ₹10 each	6,200.70	6,200.70
Issued, subscribed and paid-up		
62,007,000 (31 March 2019 62,007,000) equity shares of ₹10 each	6,200.70	6,200.70
Total	**6,200.70**	**6,200.70**

b) Reconciliation of outstanding equity shares at the beginning and at the end of the reporting period

Equity shares:

	As at 31 March 2020		As at 31 March 2019	
	Number of Shares	Amount	Number of Shares	Amoun
Balance at the beginning and end of the year	6,20,07,000	6,200.70	4,12,37,000	4,123.70
Issued during the period - fresh issue			2,07,70,000	2,077.00
Balance at commencement and at the end of the year	**6,20,07,000**	**6,200.70**	**6,20,07,000.00**	**6,200.70**

(c) Details of shares held by shareholders holding more than 5% shares of the aggregate shares in the company

	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding i that class of share
Minda Industries Limited	4,19,18,600	67.60%	4,19,18,600	101.65%
Kyoraku Co. Limited	64,00,000	10.32%	64,00,000	15.52%
Nagase & Co. Limited	1,24,01,400	20.00%	1,24,01,400	30.07%

(d) Rights/Preferences and Restrictions attached to shares

The Company has a single class of equity shares having par value of Rs. 10 per share. Accordingly, all equity shares rank equally with regard to dividends and sh in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an eq shareholder on a poll (not on show of hands) are in proportion to his/her share of the paid up equity share capital of the company. Voting rights cannot be exerci in respect of shares on which any call or other sums presently has not been paid. Failure to pay any amount called up on shares may lead to forfeiture. On winding up of the Company, the holders of the equity shares will be entitled to receive assets of the Company, remaining after distribution of all preferen amounts in proportion to the number of equity shares held.

(e) There are no shares reserved for issue under options and contracts/commitments for sale of shares/disinvestment.

(f) There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

14A Earnings per share

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit as per Statement of Profit and Loss	622.05	1,190.56
Weighted average number of equity shares of ₹10 each at the period end for calculation of Basic EPS	6,20,07,000	6,20,07,000
Basic earning per share (In Rupees)	**1.00**	**1.92**
Weighted average number of equity shares of ₹10 each at the period end for calculation of Diluted EPS	6,20,07,000	6,20,07,000
Diluted earning per share (In Rupees)	**1.00**	**1.92**

MINDA KYORAKU LTD.

15 Other equity*

	As at 31 March 2020	As at 31 March 2019
Securities premium	1,132.53	1,132.53
Retained earnings	2,864.11	2,562.57
	3,996.64	3,695.11

* For movement in other equity, refer Statement of Changes in equity

16 Borrowings

	As at 31 March 2020	As at 31 March 2019
Non current		
Term loan from bank	3,001.44	3,437.31
Less: Current maturities of long term borrowings disclosed under other current liabilities (refer note 19)	(473.47)	(319.06)
	2,527.89	3,118.25
Current		
Bank Overdraft	23.65	204.16
	23.65	204.16
	2,551.54	3,322.41

Movement in financial liabilities

Particulars	Cash and Bank overdraft	Borrowings
As at 1 April 2018	2,097.83	357.93
Cash flows	(2,127.70)	3,149.64
Interest expenses	-	110.44
Impact Mark to market to derivative liability	-	(107.39)
Interest paid	-	(98.06)
As at 31 March 2019	**30.13**	**3,412.56**
Cash flows	2,013.27	(330.36)
Interest expenses	-	119.09
Impact Mark to market to derivative liability	-	291.53
Interest paid	-	(309.84)
As at 31 March 2020	**2,043.40**	**3,182.96**

The company's exposure to currency, liquidity and interest risks related to the above financial liabilities is disclosed in note 33

Nature of security	Terms of repayment and rate of interest
Yes Bank Term loan from banks amounting to ₹ Nil (31 March 2019: ₹ 44.70 lakhs) is secured by: -First pari passu charge on all the movable and immovable fixed assets of [illegible] Plant of the borrower (both present and future) -Second pari passu charge on all the current assets of the borrower (both present and future)	Rate of interest - 6 months MCLR + 1.15% spread currently at 10.15% on 31st March 2019 Term loan sanction amounting to Rs. 450 Lakhs. The principle amount of Rs 44,700,000 is repayable in 20 equal quarterly installments of Rs 2,235,000 commencing from 2 December 2014. Loan maturity date is 2 September 2019
CITI Bank ECB Loan ₹ 3000.43 Lakhs (31 March 2019: ₹ 4072.11 (USD 3,128,263.34)) is secured by: -First charge on fixed assets of the company situated at Gujarat Unit (both movable and immovable fixed assets)	Rate of interest - 3 months MCLR + 2% spread. Company has taken a interest rate swap contract to fixed interest liabilities @ 5.20% p.a. on outstanding INR principal amount The principal amount of USD 3,128,263.34 is repayable in 20 equal quarterly installments of USD 156,413.17 commencing from 30 April 2020. company has entered in to partial hedge contract for principal along with

Note 16 (contd.)

[illegible] Bank [illegible] Loan ₹ [illegible] Lakhs (31 March 2019: ₹ [illegible]) (USD [illegible]) is secured by -First Pari Passu charge by way of mortgage over all the immovable fixed assets related Gujarat Project both present and future (Immovable Fixed Assets) -First Pari Passu charge on all the movable fixed assets of the company's Gujarat Project both present and future (Movable Fixed Assets) -Second Pari Passu charge by way of hypothecation over current assets both present and future of the borrower (Current Assets)	Rate of interest : [illegible] months MCLR + [illegible]% spread; company has taken a interest rate swap contract to fixed interest liabilities @ [illegible]% P.A. on outstanding USD principal amount The principal amount of USD [illegible] is repayable in [illegible] equal quarterly installments of USD [illegible] commencing from [illegible] December 2019. company has entered in to partial hedge contract for principal repayment
[illegible] Bank [illegible] Loan ₹ [illegible] Lakhs (31 March 2019: ₹ [illegible]) (USD [illegible]) is secured by -First Pari Passu charge by way of mortgage over all the immovable fixed assets related Gujarat Project both present and future (Immovable Fixed Assets) -First Pari Passu charge on all the movable fixed assets of the company's Gujarat Project both present and future (Movable Fixed Assets) - Second Pari Passu charge by way of hypothecation over current assets both present and future of the borrower (Current Assets)	Rate of interest : [illegible] months MCLR + [illegible]% spread; company has taken a interest rate swap contract to fixed interest liabilities @ [illegible]% P.A. on outstanding USD principal amount The principal amount of USD [illegible] is repayable in [illegible] equal quarterly installments of USD [illegible] commencing from [illegible] December 2019 and last payment for USD [illegible] will be paid on [illegible] Feb 2022. Company has entered in to partial hedge contract for principal repayment
Kotak Mahindra Bank Working capital loan from banks amounting to ₹ Nil lakhs (31 March 2019: 264.16 Lakhs) is secured by: -First pari passu hypothecation charge on all existing and future current assets -Second pari passu hypothecation charge on all existing and future movable fixed assets -Second pari passu mortgage charge on immovable properties being land and building situated at Industrial Plot No 327, sector-3, Phase-II, IMT Bawal, Haryana owned by borrower	Rate of interest : 6 months MCLR + 1.15% spread currently at 9.55% on 31st March 2020 Working capital loan sanction amounting to Rs. [illegible] lakhs
Yes Bank Working capital loan from banks amounting to ₹ 24.49 (31 March 2019: ₹ Nil) is secured by: -First pari passu charge on all the current assets of the borrower (both present and future) -Second pari passu charge on all the movable fixed assets (both present and future) -Second pari passu charge on all the immovable fixed assets of the borrower located at Bawal Plant.	Rate of interest - 3 months MCLR + 1.90% spread currently at 10.65% on 31st March 2020 Working capital loan sanction amounting to Rs. 850 lakhs for fund based and Rs. 150 lakhs for non fund based

17 Provisions

	As at 31 March 2020	As at 31 March 2019
Non current		
Provision for employee benefits (refer note 31)		
Provision for gratuity	218.82	121.57
Provision for compensated absences	83.34	73.59
	302.16	195.16
Current		
Provision for employee benefits (refer note 31)		
Provision for gratuity	4.10	2.83
Provision for compensated absences	23.45	2.76
	27.55	5.59
	329.71	200.75

MINDA KYORAKU LTD.

(All amounts in Indian ₹ Lacs, unless otherwise stated)

18 Trade payables

	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises	92.86	105.40
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,734.93	1,828.48
	1,827.79	1,933.88

(ii) Based on the information available from the vendors, the Company has identified and disclosed information under the Micro, Small and Medium Enterprises Development Act, 2006 is as follows

	As at 31 March 2020	As at 31 March 2019
The amounts remaining unpaid to suppliers as at the end of the year - Principal - Interest	 92.86 0.13	 105.40 2.59
The amount of payments made to the supplier under the Act beyond the appointed day during the year	18.55	31.59
The amount of interest paid by the buyer under the act beyond the appointed day during the year	-	
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 Act	0.13	2.59
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.13	2.59
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Act	0.13	2.59

The Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 33.

19 Other financial liabilities

	As at 31 March 2020	As at 31 March 2019
Current		
Interest accrued but not due on borrowings	20.22	15.25
Current maturity of long term debt (refer note 16)	871.43	119.06
Derivative Liabilities	126.74	394.71
Payables for Capital Goods	574.86	204.94
Employees related payable	96.05	57.92
	1,689.30	791.88

The Company's exposure to liquidity risks related to the above financial liabilities is disclosed in note 33.

20 Other liabilities

	As at 31 March 2020	As at 31 March 2019
Current		
Advances from customers	313.65	162.95
Statutory dues	195.90	231.25
	509.55	394.20

MINDA KYORAKU LTD

Minda Kyoraku Limited
Notes to the financial statements for the year ended 31 March 2020
(All amounts in Indian ₹ Lacs, unless otherwise stated)

21 Current tax asset (net)

	As at 31st March 2020	As at 31st March 2019
Current tax asset (net)	165.12	165.72
	165.12	165.72

Income Taxes	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Amount recognised in the Statement of profit or loss		
Current tax	339.97	373.00
Deferred tax	(88.68)	153.12
Tax expense for the year recognised in the Statement of profit or loss	251.29	526.12
Tax expense for the year recognised in the Other comprehensive Income	(11.89)	4.12
Total tax expense	239.39	530.24

Reconciliation of effective tax rate	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Profit before tax	873.34	1,716.68
Tax using company's domestic tax rate	29.12%	29.12%
Expected Income tax expense	254.32	499.90
Impact of items admissible		
Charity & donation	4.69	4.09
Other (net)	(7.72)	22.13
Total income tax expense	251.29	526.12

MINDA KYORAKU LTD.

(All amounts in Indian ₹ Lacs, unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
22 Revenue from operations		
Sale of products		
Finished goods	15,687.19	15,680.07
Sale of services	158.41	39.73
	15,845.60	**15,719.80**
Other operating revenue		
Sale of scrap	37.48	56.46
	37.48	**56.46**
	15,883.08	**15,776.26**

The Company is following Ind AS 115 – Revenue from Contracts with customers. As per the contractual arrangement entered with the customers, there are no incentive given to the Company and revenue is recognised as per the contractual price

	For the year ended 31 March 2020	For the year ended 31 March 2019
Contracted price	15,945.34	15,820.24
Refund Liability	(62.26)	(43.98)
Revenue recognised	**15,883.08**	**15,776.26**

	For the year ended 31 March 2020	For the year ended 31 March 2019
23 Other income		
Interest income on demand deposits	56.12	54.06
Liabilities no longer required written back	-	1.68
	56.13	**55.74**

	For the year ended 31 March 2020	For the year ended 31 March 2019
24 Cost of materials consumed		
Raw materials consumed (including packing materials)		
Inventory at the beginning of the year	1,054.47	1,035.96
Add : Purchases during the year	6,729.94	7,833.10
Less : Inventory at the end of the year	762.10	1,054.47
	7,022.31	**7,814.59**

	For the year ended 31 March 2020	For the year ended 31 March 2019
25 Changes in inventory of finished goods and work in progress		
Stock at the beginning of the period		
- Finished goods	193.04	92.61
- Work in progress	117.56	37.02
	310.60	**129.63**
Stock at the end of the year		
- Finished goods	86.20	193.04
- Work in progress	48.75	117.56
	134.95	**310.60**
Decrease in stock	**175.65**	**(180.97)**

	For the year ended 31 March 2020	For the year ended 31 March 2019
26 Employee benefits		
Salaries, wages and bonus	2,094.52	1,924.45
Contribution to provident and other funds	113.53	99.10
Employee stock option expenses (refer note 37)	3.50	-
Staff welfare expenses	173.96	208.79
	2,385.51	**2,232.34**

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Minda Kyoraku Limited
Notes to the financial statements for the year ended 31 March 2020
(All amounts in Indian ₹ Lacs, unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
27 Finance costs		
Interest expense on borrowings	315.76	99.80
Interest on income tax	0.76	0.37
Other charges	3.33	13.24
Total	**319.85**	**113.41**

	For the year ended 31 March 2020	For the year ended 31 March 2019
28 Depreciation and amortisation		
Depreciation on property, plant and equipment (also refer note 4a)	1,645.85	802.22
Amortisation on intangible assets (also refer note 5)	29.29	33.29
	1,675.14	**835.51**

	For the year ended 31 March 2020	For the year ended 31 March 2019
29 Other expenses		
Consumption of stores and spare parts	558.33	517.91
Job work-charges	3.31	31.94
Power and fuel	869.38	817.47
Rent (refer note 34)	9.07	14.05
Repairs		
- Building	102.78	56.49
- Plant and equipment	143.23	240.57
- Others	9.63	19.01
Rates and taxes	5.80	12.24
Travelling	141.17	234.48
Payment to auditors*	19.61	17.00
Foreign exchange fluctuation (net)	251.14	117.65
Impairment loss on trade receivable	14.86	-
Legal and professional charges	167.72	116.84
Sales promotion expenses	13.78	24.46
Packing and forwarding expenses	345.79	367.96
Loss on disposal of fixed assets	1.48	6.80
Royalty	168.55	133.54
SAP License fee and other charges	88.36	70.38
Shared services- management and administration	237.41	233.66
Miscellaneous expenses*	336.00	267.99
Total	**3,487.40**	**3,300.44**

*Payment to the auditors (excluding service tax/GST)		
Statutory audit	12.75	12.00
Other services	3.00	3.00
Reimbursement of expenses	3.86	2.00
	19.61	**17.00**

***Detail of corporate social responsibility expenditure (included under the head Miscellaneous expenses)**	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
a Amount required to be spent by the Company during the year	31.31	23.65
b Amount spent during the year on		
(i) Construction / acquisition of assets	-	-
(ii) On purpose other than (i) above	32.00	24.00

* Payment made by the company to political parties in according with section 182 of companies act 2013	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Payment to political parties (included under the head miscellaneous expenses)	50.00	-

IND AS 116

The Company has adopted IND As 116 from 1st April 2019 (Refer Note 3). In applying Ind AS 116 for the first time, the Company has used the practical expedients permitted by the standard to contracts that were previously identified as leases applying Ind AS 17, Leases. The entity applied the transition requirements in paragraphs C5-C18 of IND AS 116 to those leases.
However, the Company has not recognized any Right of use Asset or lease liabilities considering leases are either short term leases or leases for which the underlying asset is of low value.

31 Employee Benefits (Contd.)

Expense recognised in Statement of profit and loss	As at 31 March 2020	As at 31 March 2019
Current service cost	29.13	26.78
Interest cost	9.60	9.09
	38.73	**35.87**

Remeasurements recognised in other comprehensive income		
Actuarial (gain) / loss arising during the year	40.82	(14.15)
	40.82	**(14.15)**

Defined benefit obligations	As at 31 March 2020	As at 31 March 2019
Actuarial assumptions		
Discount rate (per annum)	6.85% p.a.	7.70% p.a.
Future salary growth rate (per annum)	7% for first three years and 8% thereafter	7.00% p.a.
Attrition rate		
upto 30 years	3%	3%
from 31 - 44 years	2%	2%
above 44 years	1%	1%

Assumptions regarding future mortality are based on Indian Assured Lives Mortality (IALM) (2006-08) rates.

As at 31 March 2020, the weighted average duration of the defined benefit obligation was 15 years (31 March 2019 was 16 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	As at 31 March 2020		As at 31 March 2019	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	191.24	262.14	107.11	145.71
Future salary growth rate (1% movement)	257.74	194.35	144.17	107.62
Attrition rate (50% of attrition rates)	220.07	226.19	125.66	122.93
Mortality rate (10% of mortality rates)	222.89	222.95	124.46	124.34

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as while calculating the defined benefit liability recognised in the balance sheet.

Expected benefit payments

Undiscounted amount of expected benefit payments for next 10 years are as follows:

	As at 31 March 2020	As at 31 March 2019
Within 1 year	4.10	2.83
2-5 years	34.70	14.18
6-10 years	71.75	51.82
More than 10 years	703.08	459.23

c) Defined contribution plans

The Company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The Company has recognised 113.53 lacs (previous year ₹ 99.10 lacs) during the year as expense towards contribution to these plans.

	As at 31 March 2020	As at 31 March 2019
Provident fund	102.26	85.08
Employees' state insurance scheme	11.27	14.02
	113.53	99.10

(All amounts in ₹ Lacs, unless otherwise stated)

32 Fair value measurements

A. Financial Instrument by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

	Note No.	31 March 2020 Carrying Amount	31 March 2020 FVPTL	31 March 2020 Amortised cost	31 March 2019 Carrying Amount	31 March 2019 FVPTL	31 March 2019 Amortised cost
Financial assets							
Loans	6	182.54	-	182.54	169.29	-	169.29
Other financial assets	7	8.03	-	8.03	8.99	-	8.99
Trade receivables	11	1,898.42	-	1,898.42	2,213.79	-	2,213.79
Cash and cash equivalents	12	3,007.87	-	3,007.87	334.29	-	334.29
Other balances with banks	13	2.04	-	2.04	42.88	-	42.88
		5,098.90	-	**5,098.90**	**2,769.24**	-	**2,769.24**
Financial liabilities							
Borrowings	16	2,551.54	-	2,551.54	3,382.42	-	3,382.42
Trade payables	18	1,827.79	-	1,827.79	1,933.88	-	1,933.88
Other financial liabilities	19	1,689.30	126.74	1,562.56	791.88	194.71	597.17
		6,068.63	**126.74**	**5,941.91**	**6,108.18**	**194.71**	**5,913.47**

1. Fair value of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other current financial assets, trade payabl other current financial liabilities and borrowings approximates their carrying amount, largely due to the short-term nature of these instruments.

2. Interest rates on long term borrowings(including current maturities) are equivalent to the market rate of interest. Accordingly, the carrying value of such borrowings
3. Fair value of margin money with banks included in non-current other financial assets is equivalent to their carrying amount, as the interest rate on them is equivaler
4. Fair value of all other non-current assets have not been disclosed as the change from carrying amount is inconsequential.

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for wh fair values are disclosed in the financial statements

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three lev prescribed under Ind AS. An explanation of each level follows underneath the table.

	31 March 2020 Level-1	31 March 2020 Level-2	31 March 2020 Level-3	31 March 2019 Level-1	31 March 2019 Level-2	31 March 2019 Level-3
Other financial liabilities	-	126.74	-	-	194.71	-
	-	126.74	-	-	194.71	-

MINDA KYORAKU LTD. *

33 Financial Risk Management Objectives

The Company, as an active supplier for blow moulding products 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 changes in market prices - such as pricing, currency risk and interest rate risk- will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.
The sensitivity analyses in the following sections relate to the position as at March 31 2020 and 31 March 2019

(i) Foreign Currency Risk

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and functional currency of the Company, i.e. INR (₹). The currencies in which these transactions are primarily denominated are US dollar, Japanese Yen, Thai Bhat. The Company uses forward exchange contracts and currency swap contracts to hedge its currency risk as per the approved policy of the Company. The Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rate when necessary to address short term imbalances. However, the Company has not designated these derivatives as hedge relationship.

Particulars of un-hedged foreign currency exposure

Currency	As at 31 March 2020			As at 31 March 2019		
	Foreign currency Amount (in lakhs)	Exchange rate (in absolute ₹)	Indian currency amount (₹) (In lakhs)	Foreign currency Amount (in lakhs)	Exchange rate (in absolute ₹)	Indian currency amount (₹) (In lakhs)
Trade Payables						
USD	5.96	75.39	449.21	0.49	69.15	33.68
JPY	10.96	0.70	7.67	53.96	0.62	33.69
THB	4.66	2.30	10.72	54.45	2.24	121.96
Advances to suppliers/Capital advances/ Loan to employees						
CHF	-	-	-	0.11	72.48	8.01
USD	-	-	-	1.46	72.04	105.28
JPY	-	-	-	27.00	0.63	17.13

Foreign currency risk sensitivity

A reasonably possible strengthening/ (weakening) of USD, JPY, THB and EURO against INR (₹) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Exposure gain/(loss) ₹ in lakhs	31 March 2020		31 March 2019	
Particulars	Change +1%	Change -1%	Change +1%	Change -1%
Trade Payables				
USD	4.49	(4.49)	0.34	(0.34)
JPY	0.08	(0.08)	0.34	(0.34)
THB	0.11	(0.11)	1.22	(1.22)
Advances to suppliers/Capital advances/ Loan to employees				
CHF	-	-	0.08	(0.08)
USD	-	-	1.05	(1.05)
JPY	-	-	0.17	(0.17)

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MINDA KYORAKU LTD.

Financial Risk Management Objectives (Contd.)

(ii) Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.
The Company tries to manage the risk partly by entering into fixed rate instruments and partly by borrowing at a floating rate.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2020	31 March 2019
Variable Rate borrowings	3,411.97	3,701.47
Total	**3,411.97**	**3,701.47**

Variable interest borrowings include term loan from banks which carry MCLR based interest rate. The company has entered in to partial hedge contract for principal repayment.

Sensitivity analysis

A reasonably possible change of 1% in interest rate at the reporting date would have affected profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

Particulars	Impact on profit 31 March 2020	31 March 2019
Increase by 0.5%	17.0	17.2
Decrease by 0.5%	17.0	17.2

(iii) Other price risks

Fluctuation in commodity price in market affects directly and indirectly the price of raw material and components used by the Company.
The key raw material for the Company's is High density poly ethylene(HDPE) and Acrylic Butadile styrene (ABS). The fluctuations in prices of HDPE and ABS are passed on to its major customers for the price impact.

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities, when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Long term cash flow requirement is monitored through long term plans. In the line of long term planning, short term plans are reviewed on quarterly basis and compared with actual position on monthly basis to assess the performance of the Company and liquidity position.

The Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. In addition to this, the Company maintains the following line of credit:

- The Company is having credit limit from banks on account of borrowings, working capital, cash credit etc., of ₹ 2500 lakhs

Exposure to liquidity risk

The following are the remaining undiscounted contractual maturities of financial liabilities including interest at the reporting date:

As at 31 March 2020	On demand	Less than 3 months	3 to 12 months	1-5 Years	More than 5 Years	Total
Borrowings	24.49	-	1,098.71	2,816.77	-	3,939.97
Trade payable	-	1,734.93				1,734.93
Interest accrued but not due on borrowings	-	20.22		-	-	20.22
Payables for property, plant and equipment	-	574.86		-	-	574.86
Employee related payable	-	27.30	68.75	-	-	96.05
	24.49	**2,357.31**	**1,167.46**	**2,816.77**	-	**6,366.03**
As at 31 March, 2019						
Borrowings	264.16	-	634.82	3,604.37	-	4,503.35
Trade payable	-	1,828.44	-	-	-	1,828.44
Interest accrued but not due on borrowings	-	15.25	-	-	-	15.25
Payables for property, plant and equipment	-	204.94	-	-	-	204.94
Employee related payable	-	16.73	41.19			57.97
	264.16	**2,065.40**	**676.01**	**3,604.37**	-	**6,609.94**

MINDA KYORAKU

(All amounts in ₹ Lacs, unless otherwise stated)

Financial Risk Management Objectives (Contd.)

c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers. The carrying amount of financial assets represent the maximum credit risk exposure.

(i) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customers. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company primarily has the exposure from customers who uses
- Blow moulding products

The Company's marketing team has established a policy under which each new customer is analysed individually for creditworthiness before transacting with the customer. The Company's review includes due diligence by external agency, financial statements, industry information, promoter's background and in some cases bank references.

The company has analysed the possible impact of Covid 19 outbreak and assessed expected probability of default to be insignificant and all major payments are received on due dates without any significant delays.

The Company's exposure to credit risk for trade receivable by the type of customers is as follows:

	Carrying amount	
	31 March 2020	**31 March 2019**
Trade receivables	1,898.42	2,213.79
Doubtful	15.00	0.63
	1,913.42	2,214.42
Less: Impairment loss on trade receivables	15.00	0.63
	1,898.42	2,213.79

(ii) Cash and Cash Equivalent

Credit risk on cash and cash equivalents and Bank balances other than cash and cash equivalents is limited as the Company generally invests in deposits with domestic banks with high repute.

(iii) Other Financial assets

a) The Company has given security deposits to Government departments and vendors for securing services from them. As these are well established organisations and have strong capacity to meet the obligations, risk of default is negligible or nil.

b) The Company provides loans to employees for their personal needs and repayment by deduction from the salary of the employees. Loans are given only to those employees who have served a minimum period as per the approved policy of the Company. The expected probability of default is negligible as these are deducted on regular basis.

The Company's exposure to credit risk for loans and other financial assets is as follows:

	Carrying amount	
	31 March 2020	**31 March 2019**
Security deposits	160.67	156.19
Loan to employees	21.86	13.10
Bank deposits (due to mature after 12 months from the reporting date)	7.25	7.37
Interest accrued on deposits	0.77	1.61
	190.55	**178.27**

MINDA KYORAKU LTD.

Minda Kyoraku Limited
Notes forming part of the financial statements for the year ended 31 March 2020
(All amounts in ₹ Lacs, unless otherwise stated)

33 Related Parties Transactions

A) Ultimate Holding Company and Holding company

Sl. No.	Name of Party
1	Minda Industries Limited, India

Other related parties with whom transactions have taken place during the year/previous period :

B) Other enterprise over which Key Management personnel is able to exercise significant influence

Sl. No.	Name of Party
1	MITIL Polymers Private Limited

C) Joint Venture partner

Sl. No.	Name of Party
1	Kyoraku Co. Ltd
2	Nagase & Co. Ltd
3	Chiyoda Manufacturing Corporation

D) Associate companies

Sl. No.	Name of Party
1	Roki Minda Co. Pvt Ltd
2	Minda Distribution Sales Ltd
3	Minda Projects Ltd
4	Mindarika Pvt. Ltd
5	Minda TTE Daps Pvt. Ltd.
6	Toyoda Gosei Minda India Private Limited

E) Key management personnel

Sl. No.	Name of Party
1	Nitesh Kumar Minda
2	Rakesh Kumar Dagar (CFO)
3	Nirmal Saini (CS) (until 14 January 2020)

F) Other related parties
Entity where the third entity is an associate of the joint venture partner

Sl. No.	Name of Party
1	PT. Kyoraku Kanto Mould Indonesia
2	PT Nagase Import Ekpor Indonesia
3	PT. Kyoraku Blowmoulding
4	Nagase India Private Limited

Transactions with related parties

		Year ended 31 March 2020	Year ended 31 March 2019
A. Holding company			
a)	**Purchase of raw material, components and parts**	627.41	692.35
b)	**Other expenses**		
	Management fee	246.95	181.12
	SAP License fee and Other Charges	92.14	112.88
	Rent expenses	4.33	4.80
c)	**Sale of Goods**	-	1.30
d)	**Reimbursements**		
	Expenses recovered / received	1.44	-
e)	**Dividend paid during the year**	163.48	150.91
f)	**Employee stock option expenses**	3.50	-

		As at 31 March 2020	As at 31 March 2019
a)	**Balance outstanding as at the year end**		
	Payables	161.08	129.33

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MINDA KYORAKU LTD.

(All figures are in ₹ Lacs, except share data and unless otherwise stated)

34 Related Parties Transactions (Contd.)

B. Other enterprise over which Key Management personnel is able to exercise significant influence

	Year ended 31 March 2020	Year ended 31 March 2019
a) Purchase of raw material, components and parts	587.07	591.38

	As at 31 March 2020	As at 31 March 2019
a) Balance outstanding as at the year end		
Payables	113.73	155.61

	Year ended 31 March 2020	Year ended 31 March 2019
C. Joint venture partner		
a) Purchase of raw material, components and parts		
Kyoraku Co. Ltd	85.41	123.59
b) Purchase of property, plant and equipment		
Nagase & Co. Ltd	397.76	1,497.85
c) Other expenses		
Professional Expenses		
- Kyoraku Co. Ltd	58.00	40.82
- Nagase & Co. Ltd	32.68	59.60
- Chiyoda Manufacturing Corporation	91.97	26.78
Royalty expenses		
- Kyoraku Co. Ltd	144.11	133.54
d) Dividend paid during the year		
- Kyoraku Co. Ltd	24.96	23.04
- Nagase & Co. Ltd	48.37	44.65
- Chiyoda Manufacturing Corporation	4.82	4.45

	As at 31 March 2020	As at 31 March 2019
(a) Balance outstanding as at the year end		
Payables		
- Kyoraku Co. Ltd	98.29	61.49
- Nagase & Co. Ltd	413.61	49.85
- Chiyoda Manufacturing Corporation	3.41	
Receivables / Advances		-
- Kyoraku Co. Ltd	57.63	56.53
- Nagase & Co. Ltd	2.32	2.72
- Chiyoda Manufacturing Corporation	-	28.43

D. Associate companies	Year ended 31 March 2020	Year ended 31 March 2019
a) Sale of goods		
Roki Minda Co. Pvt Ltd	7.82	18.23
Mindarika Pvt. Ltd.	-	0.14
Minda TTE Daps Pvt. Ltd.	63.05	4.83
Toyoda Gosei Minda India Private Limited	7.79	11.00
b) Purchase of property, plant and equipment		
Minda Projects Limited	206.25	3,035.77
c) Purchase of raw material, components and parts		
Toyoda Gosei Minda India Pvt. Ltd.	4.58	10.64
Mindarika Pvt. Ltd.	0.64	-

MINDA KYORAKU LTD.

(All figures are in ₹ Lacs, except share data and unless otherwise stated)

34 Related Parties Transactions (Contd.)

(a) Balance outstanding as at the year end	As at 31 March 2020	As at 31 March 2019
Payables		
Minda Projects Limited	175.73	19.09
Toyoda Gosei Minda India Private Limited	-	0.18
Mindarika Pvt. Ltd	1.17	-
Receivables/Advances		
Roki Minda Co. Pvt Ltd	1.34	1.33
Toyoda Gosei Minda India Private Limited	1.90	-
Mindarika Pvt. Ltd.	-	0.15
Minda TTF Daps Pvt. Ltd.	24.84	5.01

E. Key management personnel (Refer note 36)

Managerial remuneration *	Year ended 31 March 2020	Year ended 31 March 2019
Short term employee benefits		
Nitesh Kumar Minda	81.28	81.28
Rakesh Kumar Dagmar	11.87	7.86
Nirmal Saini	4.04	2.21

* Does not include provisions/contributions towards gratuity, compensated absences for all directors, as such provisions/contributions are for the company as a whole.

F) Other related parties

	Year ended 31 March 2020	Year ended 31 March 2019
a) Purchase of goods		
- PT. Kyoraku Kanto Mould Indonesia	0.01	12.05
- PT Nagase Import Ekpor Indonesia	166.20	347.25
- Nagase India Private Limited	197.14	1,405.75
(b) Reimbursements		
Expenses recovered/received		
- PT. Kyoraku Kanto Mould Indonesia	-	14.08
- PT. Kyoraku Blowmoulding	-	2.53

(a) Balance outstanding as at the year end	As at 31 March 2020	As at 31 March 2019
Payables		
- PT. Nagase Import Ekpor Indonesia	16.56	23.36
- Nagase India Private Limited	21.95	195.93
- PT. Kyoraku Blowmoulding	-	0.88
Receivable		
- PT. Nagase Import Ekpor Indonesia	12.14	56.39

Based on the analysis done by the independent consultant and internal evaluation, the Company has concluded that all related party transactions are carried out on arms length basis.

Minda Industries Limited (Holding Company) has provided letter of comfort to various banks from whom the Company has availed various credit facilities. This is considered as an Insurance contract pursuant to Ind AS.

MINDA KYORAKU LTD.

35 Segment Information

a. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available

The Chief Operating decision maker (CODM) examines the company's performance and identified it as single business segment Accordingly, disclosure requirement of Ind AS 108, "Operating Segments" are not required to be given. The Company operates within one geography i.e., India and all the non-current assets (excluding Deferred tax asset and Income tax asset) lies in India. Therefore, disclosure for geographical segment is also not required. Results of the Company are reviewed regularly by the Company's Board of Directors to assess the performance of the Company and to make decisions accordingly

b. Major customer

Revenue from customer which is more than 10% of Company's total revenue

*Customer	For the year ended 31 March 2020	For the year ended 31 March 2019
Customer A	4,520	5,205
Customer B	3,486	3,656
Customer C	2,148	1,714

*The Company has opted not to disclose the identity of the customer

36 Share based payment

The Company had participated in the UNO Minda Industries Limited Employee Stock Option Scheme – 2019 and during the current year, the Nomination & Remuneration Committee of Minda Industries Limited ('the Parent Company') had approved the grant of 9,360 equity shares of face value of Rs. 2/-, allocated to its Managing Director Mr. Nitesh Kumar in terms of the Minda Employee Stock Option Scheme – 2019. The scheme is monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors of Minda Industries Limited

The terms and conditions related to the grant of the share options are as follows.

Particulars	As at 31 March 2020
Scheme	Minda Employee Stock Option Scheme 2019
Year	2019
Date of Grant	16-May-19
Number of Options granted	9,360 options of Equity shares of face value of Rs. 2/- each
Vesting Condition	The Company on the Vesting date has a market capitalization of INR 27,000 crore or more
Exercise Period	2 Year from the date of vesting
Exercise Period(INR) per share	325
Fair value of the option on the date of grant (₹) per share	41.31

Particulars	As at 31 March 2020
Scheme	Minda Employee Stock Option Scheme 2019
Year	2019
Forfeited /expired during the year	-
Exercised during the year	-
Outstanding at the end of the year	-

Fair valuation

The parent company has provided the fair valuation report done by an independent firm of valuers on the date of grant using the Black-Scholes Model. The cost is recharged to the Company by the holding Company

The following assumptions were used for calculation of fair value of grants:

Particulars	As at 31st March 2020
Risk-free interest rate (%)	6.13% - 6.51%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	1.53 years - 1.85 years
Expected volatility (%)	27.92% - 43.62%
Dividend yield	4.61% - 6.90%

The risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities or 10 years Government bonds. Volatility calculation is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure volatility is used in option-pricing model is the annualized standard deviation of the continuously compounded rate of the return of the stock over a period of time. The dividend yield for the year is derived by dividing the dividend for the period with the current market price.

The above disclosure is based on the information, to the extent available with the Company.

MINDA KYORAKU LTD.

37 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.

The Company manage its capital structure and makes adjustments to in light of changes in economic conditions to continues as a going concern. The company has also entered into banking arrangement and profit the debt covenants and compliances on regular basis.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Dividend	241.83	123.23
Tax on Dividend	49.71	45.88

Particulars	As at 31 March 2020	As at 31 March 2019
Net Debt	413.10	3,397.13
EBITDA	2,855.34	2,685.82
Net Debt to	14.47%	126.52%

Dividends declared by the Company are based on the profit available for distribution. On June 04, 2020, the Board of Directors of the Company have proposed a final dividend of Rs. 0.20 paisa per share in respect of the year ended March 31, 2020 subject to the approval of shareholders at the Annual General Meeting. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs. 118.82 lakhs.

38 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, trade receivables, non current assets and other current and financial assets, for any possible impact on the Financial Statements. 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 COVID-19 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.

39 The Company Secretary (CS) left the Company on 14 January 2020. As per Section 203 of the Companies Act, 2013, the Company can appoint CS with in six months. At the date of approval of these financial statements, the Company has not appointed any CS and therefore, these financial statements are signed by other authorised signatories.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ankush Goel

Ankush Goel
Partner
Membership No.: 505121

Place: New Delhi
Date: 04 June 2020

For and on behalf of the Board
Minda Kyoraku Limited

Nirmal Minda
Managing Director
DIN No. 00014942

Place: Gurugram
Date: 04 June 2020

Makoto Ikeda
Director
DIN No. 08561242

Place: Kanagawa Japan
Date: 04 June 2020

Rakesh Kumar Bagri
Chief Financial Officer

Place: Gurugram
Date: 04 June 2020