

INDEPENDENT AUDITOR'S REPORT

To the Members of Minda TG Rubber Private Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Minda TG Rubber Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the 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 March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 audit opinion on the Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 41 to the Ind AS financial statements, which describes the uncertainties arising due to COVID-19 pandemic on the Company's operations and estimates as assessed by the management. The actual results may differ from such estimates depending on future developments.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the Ind AS financial statements and our auditor's report thereon.



Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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 (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 32(b) to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005


per **Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 20094421AAAABY3773

Place of Signature: New Delhi

Date: June 08, 2020



Annexure- 1 referred to in paragraph under the heading "Report on Other Legal and Regulatory requirements" of our report of even date

Re: Minda TG Rubber Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of the immovable properties, included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of products of the Company, and are of opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues that are applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, duty of custom, goods and service tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (In Lacs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Demand under protective assessment of tax	396.82 Lacs	AY 2015-16	Commissioner (Appeal)



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (viii) In our opinion and according to the information and explanation given by the management, the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding loans or borrowings dues in respect of a financial institution or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005


per Vikas Mehra

Partner

Membership Number: 094421

UDIN: 20094421AAAAABY3773

Place of Signature: New Delhi

Date: June 08, 2020



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS OF MINDA TG RUBBER PRIVATE LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the
Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Minda TG Rubber Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these financial statements was established and maintained and if 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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.

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these 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 control over financial reporting with reference to these financial statements includes 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.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting 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.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005


per **Vikas Mehra**

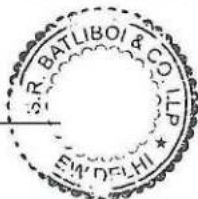
Partner

Membership Number: 094421

UDIN: 20094421AAAAABY3773

Place of Signature: New Delhi

Date: June 08, 20220



Minda TG Rubber Private Limited
Balance Sheet as at March 31, 2020
INR in lacs, unless otherwise stated

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	4A	6,696.98	6,863.70
Capital work-in-progress	4B	398.62	710.91
Intangible assets	5	1.63	3.91
Financial assets :	6		
Others		149.95	81.02
Deferred tax assets (net)	7	160.03	136.31
Other non-current assets	8	15.04	26.05
Total Non-Current Assets (A)		7,422.25	7,821.90
Current assets			
Inventories	9	597.78	862.13
Financial assets :			
Trade receivables	10	663.13	1,720.83
Cash and cash equivalents	11	59.75	137.96
Others	6	241.02	27.06
Other current assets	8	72.05	102.95
Total Current Assets (B)		1,633.73	2,850.93
Total assets (A+B)		9,055.98	10,672.83
Equity and liabilities			
Equity			
Equity share capital	12	5,052.30	5,052.30
Other equity	13	(898.95)	(624.62)
Total equity (A)		4,153.35	4,427.68
Non-current liabilities			
Financial liabilities :			
Borrowings	14	1,146.41	2,116.65
Long term provisions	16	46.31	34.19
Government grants	17	43.53	47.87
Total Non Current Liabilities (B)		1,236.25	2,198.71
Current liabilities			
Financial liabilities :			
Borrowings	14	945.00	1,340.00
Trade payables	18		
-Total outstanding dues to Micro & Small Enterprises		9.64	11.43
-Total outstanding dues to Other than Micro & Small Enterprises		1,137.25	885.86
Other financial liabilities	15	1,498.31	1,732.07
Short term provisions	16	52.22	44.44
Government grants	17	4.33	4.33
Other current liabilities	19	19.63	28.32
Total Current Liabilities (C)		3,666.38	4,046.45
Total liabilities (D)=(B+C)		4,902.63	6,245.16
Total equity and liabilities (A+D)		9,055.98	10,672.83

Summary of significant accounting policies

The accompanying notes are an integral part of these financial statements
As per our report of even date

For S.R.Batlilal & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301103E/E300005

per Vilas Mishra

Partner

Membership No: 094421



**For and on behalf of the Board of Directors of
Minda TG Rubber Private Limited**

Ravi Shankar Gupta
Managing Director
DIN - 00100578

Daisuke Esaki
Director
DIN - 07843902

Dinesh Saini
Chief financial officer

Tarun Srivastava
Company Secretary
M. No. 53209

Place: Gurugram

Place: New Delhi
Date: 8/06/2020

Minda TG Rubber Private Limited
Statement of Profit and Loss for the year ended March 31, 2020
INR in lacs, unless otherwise stated

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from contract with customers	20	6,642.64	9,225.49
Other income	21	121.67	43.85
Total income	A	6,764.31	9,269.34
Expenses			
Cost of raw materials and components consumed	22 (a & b)	3,913.84	4,706.82
Cost of moulds, tools & dies consumed	22 (c)	53.68	46.22
Decrease in inventories of finished goods and work-in-progress	23	54.05	92.92
Employee benefits expense	24	992.43	992.32
Finance costs	25	319.44	421.34
Depreciation and amortisation expense	26	668.23	649.65
Other expenses	27	1,037.89	1,204.88
Total expenses	B	7,039.56	8,114.15
(Loss)/Profit for the year before tax	C [A-B]	(275.25)	1,155.19
Tax expense	D	-	83.90
- Current Tax		-	(51.56)
- Deferred Tax (including MAT credit entitlement)		-	135.46
Net (loss)/profit for the year	E(C+D)	(275.25)	1,239.09
Other comprehensive income			
Items that will not be reclassified to profit and loss in subsequent period:			
Re-measurement (loss)/gain on defined benefit plans		0.92	(10.19)
Deferred tax effect thereon		-	0.83
Net comprehensive income not to be reclassified to statement of profit or loss in subsequent periods	28	0.92	(9.34)
Other comprehensive income for the year (net of tax)	F	0.92	(9.34)
Total comprehensive income for the year (comprising of profit and other comprehensive income)	E+F	(274.33)	1,229.75
Earnings per equity share on profit for the year (Nominal Value of Share Rs 10 each)			
Basic	29	(0.54)	2.45
Diluted	29	(0.54)	2.45

Summary of significant accounting policies
The accompanying notes are an integral part of these financial statements

As per our report of even date

For S.R.Batliloi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Vikas Mehra
Partner
Membership No: 094421

Place: New Delhi
Date: 8/06/2020



For and on behalf of the Board of Directors of
Minda TG Rubber Private Limited

Ravi Shankar Gupta
Managing Director
DIN - 00100578

Dinesh Saini
Chief financial officer

Dalsuke Esaki
Director
DIN - 07843902

Taran Srivastava
Company Secretary
M. No. 53209

Place: Gurugram

Minda TG Rubber Private Limited
Cash Flow Statement for the period ended March 31, 2020
INR in lacs, unless otherwise stated

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow from Operating Activities		
(Loss)/ Profit before tax	(275.25)	1,155.19
Adjustment to reconcile (loss)/profit before tax to net cash flows		
Depreciation and amortisation expenses	668.23	649.65
Interest expense	319.44	421.34
Interest Income	(2.60)	(3.30)
Loss on sale of property, plant and equipment	-	2.35
Unrealised loss on Foreign currency fluctuations (net)	6.22	20.45
Operating profit before working capital changes	716.04	2,245.68
Movements in working capital :		
Increase/ (decrease) in trade payables	227.85	(323.17)
Increase in other financial liabilities	-	574.32
(Decrease)/ increase in other liabilities	(8.69)	11.03
Increase in provisions	20.82	13.40
(Decrease)/ increase in government grants	(4.34)	9.11
Decrease/ (increase) in trade receivables	1,057.70	(981.09)
Decrease/ (increase) in inventories	264.36	(72.33)
Decrease in other assets	30.90	461.78
(Increase)/decrease in financial assets	(151.01)	70.80
Cash generated from operations	2,153.63	2,009.53
Income tax paid (net)	(15.06)	(69.86)
Net cash generated from operating activities (A)	2,138.57	1,939.67
Cash flows from investing activities		
Purchase of property, plant and equipment, including CWIP and advances for Property, Plant and Equipment	(597.66)	(1,399.34)
Proceeds from sale of Property, Plant and Equipment	0.05	1.90
Interest received	1.40	2.06
Net cash used in investing activities (B)	(596.21)	(1,395.38)
Cash flows from financing activities		
Repayment of short term borrowings (net)	(395.00)	(70.00)
Proceeds from long term borrowings	-	749.11
Repayment of long term borrowings	(906.12)	(829.00)
Interest paid	(319.44)	(421.34)
Net cash used in financing activities (C)	(1,620.56)	(571.23)
Net (decrease) in cash and cash equivalents (A + B + C)	(78.20)	(26.94)
Cash and cash equivalents at the beginning of the year	137.96	164.90
Cash and cash equivalents at the end of the year	59.75	137.96

Components of cash and cash equivalents		
Cash on hand	1.35	0.62
Balance with banks		
- on current accounts	58.40	32.34
- on deposit accounts	-	105.00
Total cash and cash equivalents (refer note 11)	59.75	137.96

Summary of significant accounting policies (refer note 3)

For S.R.Batliloi & Co. LLP
Chartered Accountants
ICAO Firm Registration No. 301003E/E300005

per (Sd/-) Member
Partner
Membership No: 94421



Place: New Delhi
Date: 8/06/2020

For and on behalf of the Board of Directors of
Minda TG Rubber Private Limited

Ravi Shankar Gupta
Managing Director
DIN - 00100578

Dalsuke Esald
Director
DIN - 07843902

Dinesh Saini
Chief financial officer

Place: Gurugram

Minda TG Rubber Private Limited
Statement of Changes in equity for the year ended March 31, 2020
INR in lacs, unless otherwise stated

Particulars	Share capital *	Other Equity		Total equity
		Retained earnings	Total Reserves and surplus	
As at April 01, 2018 (A)	5,052.30	(1,854.37)	(1,854.37)	3,197.93
Add: Profit for the year	-	1,239.09	1,239.09	1,239.09
Add: Other comprehensive income (note 28)	-	(9.34)	(9.34)	(9.34)
Total comprehensive income (B)	5,052.30	(624.62)	(624.62)	4,427.68
As at March 31, 2019 (A+B)	5,052.30	(624.62)	-624.62	4,427.68
Add: (Loss) for the year	-	(275.25)	(275.25)	(275.25)
Add: Other comprehensive income (note 28)	-	0.92	0.92	0.92
Total comprehensive income (C)	5,052.30	(898.95)	(898.95)	4,153.35
As at March 31, 2020 (A+B+C)	5,052.30	(898.95)	(898.95)	4,153.35

* 505.23 lacs (March 31, 2019: 505.23 lacs) equity shares of Rs 10/-each fully paid

Summary of significant accounting policies

The accompanying notes form an integral part of these financial statements

For S. R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

per Vikas Mehra
Partner
Membership No. 94421

Place: New Delhi
Date: 8/06/2020



For and on behalf of the Board of Directors
Minda TG Rubber Private Limited

Ravi Shankar Gupta
Managing Director
DIN - 00100578

Dinesh Saini
Chief financial officer

Place: Gurugram

Daisuke Esaki
Director
DIN - 07843902

Tarun Srivastava
Company Secretary
M. No. 53209

Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2020

1. Corporate Information

Minda TG Rubber Private Limited ("the Company") is a private unlisted company domiciled in India and is incorporated under the provisions of Companies Act, 2013. The Company is a subsidiary of Minda Industries Limited. The registered office of the Company is located at B-64/1, Wazirpur Industrial Area- Delhi.

The company is engaged in the business of manufacturing and trading of Industrial Brake Hose, Fuel Hose and their components, accessories and fittings.

Information on other related party relationships of the Company is provided in Note 34.

The financial statements were authorised for issue in accordance with a resolution of directors on June 8, 2020.

2. Significant accounting policies

Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). Ind AS is applicable to the Company during the year ended March 31, 2018 (transition date being April 01, 2016). Our Company, being associate of Minda Industries Limited ("MIL"), prepared its financial statements as per Ind AS accordingly.

The financial statements have been prepared in accordance with the historical cost basis except for certain financial instruments that are measured at fair value as required under relevant Ind AS. (refer accounting policies regarding financial instruments)

3. Summary of significant accounting policies

A. Current versus non-current classification

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

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ 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 current when:

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

The Company classifies all other liabilities as non-current.

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

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



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2020

B. Foreign currencies

The Company's financial statements are presented in India Rupees (INR), which is also the Company's functional currency.

Transactions and balances:

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This interpretation does not have any impact on the Company's financial statements.

C. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2020

D. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration which the company expects in exchange for those goods. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the control of the goods are transferred to the customer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Revenue from government grants

Refer note 3(E) for the policy to recognise revenue against government grants.

E. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

F. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2020

utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Policy on MAT:

"Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period."

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

G. Property, plant and equipment

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives as prescribed Schedule II to the Companies Act, 2013 except . The company has used the following rates to provide depreciation on its property, plant and equipment.



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2020

Particulars	Useful life (years)
Building	30
Office equipment	5
Furniture and fixtures(including electrical fittings)	10
Computers	3
Vehicle	8
Plant & Machinery- general purpose machinery	15
Plant & Machinery-Trolley and Moulds	3
Plant & Machinery-Bins	2

The company based on management estimate depreciated certain items of plant & machinery over the estimated useful lives which are different from the useful life prescribed in Schedule II of Companies Act 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

H. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

I. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

J. Leases

The Company adopted Ind AS 116 with modified retrospective method i.e. no change to prior period financial statements and has applied the standard to contracts or arrangements that were previously identified as leases applying Ind AS 17.



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2020

At the commencement date of a lease, the Company recognises a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the lease term. The Company recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. The Company separately recognises the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date. Variable lease payments are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company has elected to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

K. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on moving average basis.

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

L. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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 asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.



Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2020

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

M. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss account as finance cost.

Provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

N. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan, which is unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- ▶ The date of the plan amendment or curtailment, and
- ▶ The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ▶ Net interest expense or income

O. Derivative instruments

The Company holds derivative financial instrument such as interest rate swaps and cross currency swaps to mitigate the risk of change in interest rate and change in exchange rate on foreign currency exposure respectively. The counterparty for these contracts is generally a bank. These derivative financial instruments are marked to market as at the reporting date and are designated at fair value through profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2020

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The accretion of EIR is recorded as an income or expense in statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings etc.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at Amortized cost

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

T. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:



Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2020

Financial assets that are debt instruments, and are initially measured at fair value with subsequent measurement at amortised cost e.g., trade and other receivables, security deposits, loan to employees, etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as an expense in the statement of profit and loss.

U. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.



Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2020

INR in lacs, unless otherwise stated

4 Property, plant and equipment and capital work in progress

A) Property, plant and equipment (net)

The details of property, plant and equipment (net) :

Particulars	As at March 31, 2020	As at March 31, 2019
Freehold land	1,527.97	1,527.97
Building	1,303.74	1,363.40
Plant and machinery (includes electrical fittings)	3,800.38	3,880.79
Office equipments	20.51	36.37
Computers	11.72	15.66
Furniture and fixtures	20.89	24.65
Vehicles	11.77	14.86
Total	6,696.98	6,863.70

B) Capital work in progress

The details of capital work in progress:

Particulars	As at March 31, 2020	As at March 31, 2019
Capital work in progress	398.62	710.91
Total	398.62	710.91

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Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2020
INR in lacs, unless otherwise stated

4C Property, Plant and Equipment

Particulars	Freehold land	Building	Plant and Machinery	Electrical fittings	Office equipments	Computers	Furniture and fixtures	Vehicles	Total
As at April 01, 2018	1,404.05	1,571.55	4,515.96	147.82	76.87	30.83	34.24	31.72	7,812.24
Additions/Purchase	123.92	8.03	398.86	-	7.07	10.13	3.89	-	551.92
Disposals	-	-	-	-	-	0.03	-	4.21	4.24
As at March 31, 2019	1,527.97	1,579.60	4,914.82	147.82	83.14	40.93	38.13	27.51	8,359.92
Additions/Purchase	-	-	494.68	-	0.94	3.59	-	-	499.21
Disposals	-	-	-	-	-	0.05	-	-	0.05
As at March 31, 2020	1,527.97	1,579.60	5,409.50	147.82	84.08	44.47	38.13	27.51	8,859.08
Accumulated Depreciation and impairment									
As at April 01, 2018	-	156.56	604.28	36.63	30.37	16.58	9.84	9.41	863.67
Charge for the year	-	59.64	526.16	14.78	16.40	8.69	3.62	3.24	632.53
Disposal	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	216.20	1,130.44	51.41	46.77	25.27	13.46	12.65	1,496.20
Charge for the year	-	59.66	560.31	14.78	16.80	7.53	3.78	3.09	665.95
Disposal	-	-	-	-	-	0.05	-	-	-
As at March 31, 2020	-	275.86	1,690.75	66.19	63.57	32.75	17.24	15.74	2,162.10
Net Block									
As at March 31, 2019	1,527.97	1,363.40	3,784.38	96.41	36.37	15.66	24.67	14.86	6,863.70
As at March 31, 2020	1,527.97	1,303.74	3,718.75	81.63	20.51	11.72	20.89	11.77	6,696.98



Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2020

INR in lacs, unless otherwise stated

5 Intangible assets

a) Details of intangible assets:

Particulars	As at March 31, 2020	As at March 31, 2019
Intangible assets - Computer software	1.63	3.91
Total	1.63	3.91

b) Disclosures regarding gross block of intangible assets, accumulated amortisation and net block are as given below:

Particulars	Computer	Total
At April 01, 2018	73.18	73.18
Add: Additions	3.00	3.00
At March 31, 2019	76.18	76.18
Add: Additions	-	-
At March 31, 2020	76.18	76.18
Accumulated amortisation and impairment		
At April 01, 2018	55.17	55.17
Add: Amortisation charge for the year	17.10	17.10
Less: Disposals	-	-
At March 31, 2019	72.27	72.27
Add: Amortisation charge for the year	2.28	2.28
Less: Disposals	-	-
At March 31, 2020	74.55	74.55
Net Block		
At March 31, 2020	1.63	1.63
At March 31, 2019	3.91	3.91

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Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2020

INR in lacs, unless otherwise stated

6 Financial assets

a) Breakup of financial assets:

Particulars	As at March 31, 2020	As at March 31, 2019
A. Other financial assets		
Non- current financial assets		
Others		
Security deposit	24.50	18.23
Fixed deposits	23.90	16.07
Derivative assets	101.55	46.72
	149.95	81.02
Current financial assets		
Others		
Security deposit	3.99	3.65
Interest accrued on fixed deposits	5.86	4.66
Insurance claim receivable	135.04	-
Derivative assets	96.13	18.75
	241.02	27.06
Total (A)	241.02	27.06
B. Trade receivables (Refer note 10)	663.13	1,720.83
C. Cash and cash equivalents (Refer note 11)	59.74	137.96
Total (A + B + C)	963.89	1,885.84
Total current	963.89	1,885.85
Total non- current	149.95	81.02
	1,113.84	1,966.87

b) Break up of financial assets:

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	663.13	1,720.83
Cash and cash equivalents	59.74	137.96
Security deposit	28.49	21.88
Interest accrued but not due on fixed deposits	5.86	4.66
Insurance claim receivable	135.04	-
Fixed Deposit	23.90	16.07
Derivative assets	197.68	65.47
Total	1,113.84	1,966.87



7 The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

Statement of profit and loss:

Profit and loss section

Particulars	As at March 31, 2020	As at March 31, 2019
Tax Expense:		
Current tax (MAT Payable)	-	51.56
Current tax for earlier years (MAT Payable)	23.73	-
MAT Credit entitlement	(23.73)	(51.56)
Deferred tax:		
Relating to origination and reversal of temporary differences	-	(84.75)
Income tax income reported in the statement of profit or loss	-	(84.75)

OCI section

Deferred tax related to items recognized in OCI during the year:

Particulars	As at March 31, 2020	As at March 31, 2019
Net gain/(loss) on remeasurements of defined benefit plans	0.92	(10.19)
Deferred tax effect thereon	-	0.85

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019.

Particulars	As at March 31, 2020	As at March 31, 2019
Accounting profit before income tax	-	1,155.19
Net Book profit as per sec 115JB of Income tax act, 1961	-	250.47
Tax at effective MAT rate March 31, 2019: @ 20.587%	-	51.56
MAT credit entitlement	-	(51.56)
Effective income tax	-	-
Deferred tax assets reported in the statement of profit and loss	-	(83.90)
Deferred tax reported in OCI	-	(0.85)
Income tax income reported in the statement of profit and loss	-	(84.75)

Deferred tax:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets relates to the following:		
Carried forward unabsorbed depreciation and losses	665.12	670.35
Impact of expenditures charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	30.80	15.90
Others	9.23	33.44
Total (A)	705.15	719.69
Deferred tax liability relates to the following:		
Property, plant and equipment: impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(386.20)	(468.08)
Total (B)	(386.20)	(468.08)
Total deferred tax assets (Net) (A)- (B)	318.95	251.61
Total Deferred tax assets recognised * (C)	84.75	84.75
MAT Credit Receivable (D)	75.28	51.56
Total Deferred Tax Asset (C) + (D)	160.03	136.31

Carried forward unabsorbed depreciation is considered based on unabsorbed depreciation as per income tax return.

Carried forward business losses represents losses incurred for business purposes, charged to the statement of Profit and Loss and allowed for the tax purpose.

*Deferred tax asset of INR 84.75 as at March 31, 2020 (March 31, 2019: INR 84.75 lacs) is recognised as management is reasonably certain for the same.



Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2020

INR in lacs, unless otherwise stated

8 Other assets
(Unsecured, considered good, unless otherwise stated)

The details of other assets:

Particulars	As at March 31, 2020	As at March 31, 2019
Non- current		
Advances for property, plant and equipment	-	3.90
Advance income tax	12.32	20.98
Prepaid expenses	2.72	1.17
Total (A)	15.04	26.05
Current		
Balance with statutory / government authorities	45.96	73.91
Advance to suppliers	10.02	6.94
Prepaid expenses	16.07	22.10
Total (B)	72.05	102.95
Total current	72.05	102.95
Total non-current	15.04	26.05

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Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2020
INR in lacs, unless otherwise stated

9 Inventories

a) Details of inventories:

Particulars	As at March 31, 2020	As at March 31, 2019
Raw material and components	315.27	488.82
Work-in-progress	70.22	125.28
Finished goods	137.49	136.48
Stores and spares	57.32	98.95
Moulds, tools and dies	17.48	12.60
Total	597.78	862.13

- b) Stores and spares are capitalised if they meet the definition of property, plant and equipment as per Ind AS 16, otherwise they are classified as inventory.

As per Ind AS 16, Property, plant and equipment are tangible items that:

- i) Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- ii) Are expected to be used during more than one period

Management has assessed that the useful life of stores and spares is less than one year, considered as part of

- c) Inventories are valued at lower of cost or net realisable value.

10 Trade receivables

a) Details of trade receivables:

Particulars	As at March 31, 2020	As at March 31, 2019
Other Trade receivable		
Unsecured - considered good	663.13	1,720.83
Total	663.13	1,720.83

- b) Trade receivables due from related parties amounts to INR Nil as at March 31, 2020 (March 31, 2019 : INR Nil).

- c) Trade receivables are non-interest bearing and are generally on terms of not more than 30-60 days.



11 Cash and cash equivalents

a) Details of cash and cash equivalents:

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
-Current account	58.40	32.34
-Deposit with original maturity of less than three months	-	105.00
Cash on hand	1.35	0.62
Total	59.75	137.96

b) For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
-Current account	58.40	32.34
-Deposit with original maturity of less than three months	-	105.00
Cash on hand	1.35	0.62
Total	59.75	137.96

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Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2020
INR in lacs, unless otherwise stated

12 Share Capital

a) Details of share capital is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised share capital		
505.23 lacs (March 31, 2019: 505.23 lacs) equity shares of INR 10 each	5,052.30	5,052.30
	5,052.30	5,052.30
Issued, subscribed and paid up		
505.23 lacs (March 31, 2019: 505.23 lacs) equity shares of INR 10 each	5,052.30	5,052.30
	5,052.30	5,052.30

b) Reconciliation of authorised, issued, subscribed and paid up share capital:

i. Reconciliation of authorised share capital as at year end :

Particulars	Equity Shares	Equity Shares
	No. of shares	Amount
At April 01, 2018	505.23	5,052.30
Increase during the year	-	-
At March 31, 2019	505.23	5,052.30
Increase during the year	-	-
At March 31, 2020	505.23	5,052.30

ii. Reconciliation of issued, subscribed and paid up share capital as at year end:

Particulars	Equity Shares	Equity Shares
	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 01, 2018	505.23	5,052.30
Increase during the year	-	-
At March 31, 2019	505.23	5,052.30
Increase during the year	-	-
At March 31, 2020	505.23	5,052.30

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c) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having a par value of INR 10 per share.

During the year, no interim/ final dividend has been paid or proposed by the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of any preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares (in lacs)	% holding in the equity shares	No. of shares (in lacs)	% holding in the equity shares
Minda Industries Ltd	257.67	51.00	257.67	51.00
Toyoda Gosei Co.Ltd., Japan	247.56	49.00	247.56	49.00
Total	505.23	100.00	505.23	100.00

e) There are no bonus issue or buy back of equity shares during the preceding years.

f) As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

g) Shares held by Holding Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Minda Industries Ltd	257.67	2,576.67	257.67	2,576.67

13 Other equity

Particulars	Retained earnings	Total
At April 01, 2018	(1,854.37)	(1,854.37)
Profit for the year	1,239.09	1,239.09
Other comprehensive income for the year, net of tax	(9.34)	(9.34)
At March 31, 2019	(624.62)	(624.62)
(Loss) for the year	(275.25)	(275.25)
Other comprehensive income for the year, net of tax	0.92	0.92
At March 31, 2020	(898.95)	(898.95)

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14 Borrowings

a) Details of borrowings:

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current Borrowings		
Term loans from banks (Unsecured) *	2,306.81	3,096.24
Less: Amount clubbed "other financial liabilities" (refer note 15)	1,160.40	979.59
	1,146.41	2,116.65
Current Borrowings		
Working capital demand loan (Unsecured) **	945.00	1,340.00
	945.00	1,340.00
Total current	2,105.40	2,319.59
Total non-current	1,146.41	2,116.65

* Term loan

Borrowings

Terms of repayment

External Commercial Borrowing of USD 7.01 lacs equivalent to INR 293.83 lacs (March 31, 2020 : 10.13 lacs equivalent to INR 659.16 lacs) at an interest rate of 8.95%

20 Quarterly instalments of INR 50 lacs each starting from September 2016 upto June, 2021.

External Commercial Borrowing of USD 7.22 lacs equivalent to INR 302.51 lacs (March 31, 2020 : USD 10.43 lacs equivalent to INR 678.62 lacs) at an interest rate of 9.30%

20 Quarterly instalments of INR 50 lacs each starting from September 2016 upto June, 2021.

External Commercial Borrowing of USD 10.65 lacs equivalent to INR 446.18 lacs (March 31, 2020 : USD 15.38 lacs equivalent to INR 1000.91 lacs) at an interest rate of 8.98%

20 Quarterly instalments of INR 75 lacs each starting from September 2016 upto June, 2021.

External Commercial Borrowing of USD 3.88 lacs equivalent to INR 186.38 lacs (March 31, 2020 : USD 5.8 lacs equivalent to INR 344.02 lacs) at an interest rate of 9.05%

16 Quarterly instalments of INR 23.25 lacs each and 1 instalment of INR 23.50 Lacs starting from December 2017 upto September 2021 and 1 quarterly instalment of INR 24 Lacs in December 2021

External Commercial Borrowing of USD 5.69 lacs equivalent to INR 335.44 lacs (March 31, 2020 : USD 6.24 lacs equivalent to INR 406.20 lacs) at an interest rate of 7.87%

4 Quarterly instalments of INR 17.5 Lacs from December 2018 to September 2019, 4 Quarterly instalments of INR 22.5 Lacs from December 2019 to September 2020, 4 Quarterly instalments of INR 32.5 Lacs from December 2020 to September 2021 & 4 Quarterly instalments of INR 27.5 Lacs from December 2021 to September 2022

External Commercial Borrowing of USD 10.29 lacs equivalent to INR 742.48 lacs (March 31, 2020 : Nil) at an interest rate of 9.15%

5 Quarterly instalments of INR 16,05,240 from December 2019 to December 2020, 5 Quarterly instalments of INR 50,83,260 from March 2021 to March 2022 & 5 Quarterly instalments of INR 82,93,740 from June 2022 to June 2023

** Working capital demand loan

Working capital demand loan of INR 945 lacs (March 31, 2019: INR 1340 lacs (Interest rate 7.25%))

15 Other financial liabilities

a) Details of other financial liabilities carried is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Current		
Amount payable for property, plant and equipment	337.91	752.48
Current maturity of long term borrowing (refer note 14)	1,160.40	979.59
Total	1,498.31	1,732.07
Total current	1,498.31	1,732.07
Total non-current	-	-

b) Amount payable for property, plant and equipment to related parties amounts to INR 337.91 lacs as at March 31, 2020



c) Break up of financial liabilities:

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	1,146.41	2,116.65
Current maturity of long term borrowings	1,160.40	979.39
Working capital demand loan	945.00	1,340.00
Trade payables	1,146.89	897.29
Amount payable for property, plant and equipment	337.91	752.48
Total	4,736.61	6,096.01

16 Provisions

a) Details of provisions:

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Provision for employee benefits		
Provision for gratuity (Refer Note 31)	46.31	34.19
Total (A)	46.31	34.19
Current		
Provision for employee benefits		
Provision for gratuity (Refer Note 31)	15.74	12.24
Provision for compensated absences	36.48	32.20
Total (B)	52.22	44.44
Total (A+B)	98.53	78.63

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17 Government grants*

Particulars	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	52.20	43.08
Recognised during the year	-	13.02
Released to the statement of profit and loss account (refer note 21)	4.34	3.90
At the end of the year	47.86	52.20
Non- current	43.53	47.87
Current	4.33	4.33

*Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipments accounted for as government grant and being amortised over the useful life of such assets.

18 Trade payables

a) Details of trade payables:

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables		
- Trade payables (Refer Note 33 & 34)		
-Payable to Micro and Small Enterprises	9.64	11.43
-Payable to Other than Micro and Small Enterprises	1,137.25	885.86
Total	1,146.89	897.29

b) Trade payables are non-interest bearing and are normally settled on 30-60 days terms.

c) Trade payables to related parties amounts to as at March 31, 2020 INR 522.65 Lacs (March 31, 2019 INR 804.46 Lacs).

19 Other liabilities

a) Details of other liabilities:

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Statutory dues	19.63	28.32
Total	19.63	28.32

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Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2020

INR in lacs, unless otherwise stated

20 Revenue from contracts with customers

a) The details of revenue from contracts with customers is as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products		
Finished goods	6,569.94	9,122.55
Total sale of products (A)	6,569.94	9,122.55
Other Sales		
- Scrap	12.61	14.28
- Mould, tools & dies	60.09	88.66
Total other sales (B)	72.70	102.94
Total revenue from contract with customers (A+B)	6,642.64	9,225.49

b) Detail of products sold:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Details of finished goods sold		
Brake Hose	3,463.39	6,469.99
Fuel Hose	3,106.55	2,652.56
Total	6,569.94	9,122.55

21 Other income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income		
- On fixed deposits	2.60	3.30
Amortisation of deferred government grants (refer note 17)	4.34	3.90
Provision written back	20.68	22.70
MEIS Export Benefit	77.55	-
Miscellaneous income	16.50	13.95
Total	121.67	43.85



Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2020

INR in lacs, unless otherwise stated

22 Cost of raw materials and components consumed**a) Cost of raw materials and components consumed :**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventory at the beginning of the year (refer note 9)	488.82	329.09
Add: Purchases made during the year	3,740.29	4,866.55
Less: Inventory at the end of the year (refer note 9)	315.27	488.82
Cost of raw material and components consumed	3,913.84	4,706.82

b) Details of raw materials and components consumed :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fittings	1,784.97	2,352.51
Rubber and Chemicals	952.45	1,742.59
Others	1,176.42	611.72
Total	3,913.84	4,706.82

c) Cost of moulds, tools & dies consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventory at the beginning of the year (refer note 9)	12.60	22.91
Add: Purchases made during the year	58.56	35.91
Less: Inventory at the end of the year (refer note 9)	17.48	12.60
Total	53.68	46.22



23 Decrease/(Increase) in inventories of finished goods and work-in-progress

a) Details of Changes in inventories of finished goods and work-in-progress is as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Changes in inventories of finished goods and work-in-progress	54.05	92.92
Total	54.05	92.92

b) Detailed breakup of the changes in inventories of finished goods and work-in-progress is as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock (refer note 9)		
- Finished goods	136.48	176.79
- Work-in progress	125.28	177.89
Total A	261.76	354.68
Closing stock (refer note 9)		
- Finished goods	137.49	136.48
- Work-in progress	70.22	125.28
Total B	207.71	261.76
Changes in inventories of finished goods and work-in-progress		
- Finished goods	(1.01)	40.31
- Work-in progress	55.06	52.61
Total (A-B)	54.05	92.92

Details of inventory

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Finished goods		
Brake Hose	89.05	93.04
Fuel Hose	48.44	43.44
Work in progress		
Brake Hose	35.43	72.92
Fuel Hose	34.79	52.36
Total	207.71	261.76



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2020
INR in lacs, unless otherwise stated

24 Employee benefits expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus (includes wages for contract labour)	825.01	833.61
Contributions to provident and other funds	47.67	41.40
Gratuity expense (refer note 31)	16.26	12.69
Staff welfare expense	103.49	104.62
Total	992.43	992.32

25 Finance costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense		
-to Banks	319.44	421.34
Total	319.44	421.34

26 Depreciation and amortization expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment (refer note 4(c))	665.95	632.55
Amortization of intangible assets (refer note 5(b))	2.28	17.10
Total	668.23	649.65

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Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2020

INR in lacs, unless otherwise stated

27 Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of stores and spares	146.83	135.30
Power and fuel	219.86	270.73
Rent	30.38	31.29
Repairs and maintenances		
Others	25.55	22.59
Testing charges	66.22	59.43
Insurance Expenses	41.64	37.57
Rates and taxes	3.99	14.52
Legal and professional expenses	20.55	21.23
Communication expenses	8.65	6.13
Travelling and conveyance	58.10	86.38
Payments to auditors*	8.38	10.50
Business promotion	1.24	5.17
Printing and stationery	3.42	2.60
Royalty expenses	135.14	138.68
Exchange difference (net)	33.79	88.24
Freight expenses	63.25	51.52
Bank charges	1.46	0.97
SAP license fee	27.96	26.40
Management fee	65.40	90.05
Security expenses	17.72	17.02
Home keeping expenses	23.71	23.86
CSR expenditure (refer note 42)	2.00	-
Miscellaneous expenses	32.65	64.70
Total	1,037.89	1,204.88

*Payment made to auditors is as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Payment to auditors		
As auditor:		
Statutory Audit Fee	6.38	8.50
Tax Audit Fees	1.50	1.50
In other capacity:		
TP Certification	0.50	0.50
Total	8.38	10.50



28 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	Retained earnings	
	As at March 31, 2020	As at March 31, 2019
Re-measurement gain/(loss) on defined benefit plans	0.92	(10.19)
Deferred Tax Asset thereon	-	0.85
Total	0.92	(9.34)

29 Earnings per share (EPS)

- a) Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.
- b) Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.
- c) The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2020	March 31, 2019
(Loss)/ Profit attributable to the equity holders of the Company	(275.25)	1,239.09
Weighted average number of equity shares for basic and diluted EPS (Number in lacs)	505.23	505.23
Basic and diluted earnings per share (face value INR 10 per share)	(0.54)	2.45

- d) There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

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30 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on amounts recognised in the financial statements:

Contingencies

Contingent liability may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and use of estimates regarding the outcome of future events.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The present value of the gratuity is determined using actuarial valuations. 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. These mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Property, plant and equipment

Refer note 3(G) for the estimated useful lives of property, plant and equipment. The carrying value of property, plant and equipment has been disclosed in note 4.

Intangible assets

Refer note 3(H) for the estimated useful life of intangible assets. The carrying value of intangible assets has been disclosed in note 5.

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31 Post employment defined benefit plan (gratuity)

The company operates one defined plan, viz., gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is unfunded. The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the gratuity plan.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

Particulars	For the year ended March 31, 2020 Rs.	For the year ended March 31, 2019 Rs.
Current service cost	12.79	10.90
Past service cost	-	-
Interest cost obligation	3.47	1.79
Net benefit expense	16.26	12.69

Amount recognised in Other Comprehensive Income:

Particulars	For the year ended March 31, 2020 Rs.	For the year ended March 31, 2019 Rs.
Actuarial (gain)/ loss on defined benefit obligation	(0.92)	10.19
Amount recognised in Other Comprehensive Income	(.92)	10.19

Remeasurement of the net defined benefit liability/ (asset):

Particulars	For the year ended March 31, 2020 Rs.	For the year ended March 31, 2019 Rs.
Actuarial (gain)/loss arising from changes in demographic assumptions	(1.45)	1.14
Actuarial loss arising from changes in financial assumptions	3.70	0.54
Actuarial (gain)/ loss arising from changes in experience adjustments	(3.17)	8.51
Total	(.92)	10.19

Balance sheet

Changes in the present value of the defined benefit obligation are, as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation at the beginning of the year	46.42	23.54
Current service cost	12.79	10.90
Interest cost	3.47	1.79
Past service cost	-	-
Acquisition adjustment	0.68	-
Benefits paid	(0.39)	-
Actuarial (gain)/ loss on obligations - OCI	(0.92)	10.19
Defined benefit obligation at the end of the year	62.05	46.42
Current	15.74	12.34
Non-current	46.31	34.19

The assumptions used in determining gratuity liability for the Company's plans are shown below:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	6.85%	7.45%
Rate of increase in compensation level	8%	8%
Retirement Age	58 Years	58 Years
Withdrawal rates:		
Up to 30 years	25%	21%
From 31 to 44 years	2%	1%
Above 44 years	4%	6%
Mortality rate	100%	100%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Assumptions regarding future mortality are based on the published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:

Gratuity Plan

Assumptions	Impact on DBO	
	31-Mar-20	31-Mar-19
Increase in discount rate of 1%	56.33	42.40
Decrease in discount rate of 1%	69.06	51.29
Increase in future salary of 1%	67.76	50.42
Decrease in future salary of 1%	57.05	45.01

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.



32 Commitments and contingencies

a) Capital and other commitments

- (1) Capital commitments (net of advance) are NIL (March 31, 2019: INR. 57.62 lacs).
(2) Others commitments (net of advance) are INR 22.74 lacs (March 31, 2019: INR. 13.64 lacs)

b) Contingencies

Particulars	As at March 31, 2020	As at March 31, 2019
The Company had received demand under protective assessment amounting to INR 396.82 lacs for Assessment Year 2015-16 which has been appealed by the Company before Commissioner (Appeal) and Company believe that there would not be any probable outflow of resource in this matter.	396.82	396.82
Liability of Customs duty towards export obligation undertaken by the Company under "Export Promotion Capital Goods scheme (EPCG)"	94.53	94.53

33 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at March 31, 2020	As at March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	9.64	11.43
Interest due on above	-	0.66
Total	9.64	12.09
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	0.66	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	0.66
The amount of interest accrued and remaining unpaid at the end of accounting year.	-	0.66
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

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34 Related party disclosures

1) Names of related parties and related party relationship

A Related Parties where control exists

Holding Company
Minda Industries Limited

B Related parties with whom transactions have taken place during the period

Holding Company
Minda Industries Limited

Entities having significant influence
Toyota Gosei Co. Ltd, Japan

Company under common control
M.J Casting Limited

Key Managerial Personnel ("KMP")

Mr. Ravi Shankar Gupta
Mr. Daisuke Esaki

2) Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of transactions	Holding Company		Companies having Significant Influence		Company under common control		Key management personnel	
	For year ended March 31, 2020 Rs.	For year ended March 31, 2019 Rs.	For year ended March 31, 2020 Rs.	For year ended March 31, 2019 Rs.	For year ended March 31, 2020 Rs.	For year ended March 31, 2019 Rs.	For year ended March 31, 2020 Rs.	For year ended March 31, 2019 Rs.
(A) Purchases of fixed assets								
Toyota Gosei Co. Ltd, Japan (including technical support cost)	-	-	-	319.96	-	-	-	-
(B) Purchases of Materials								
Toyota Gosei Co. Ltd, Japan (Consumables)	-	-	23.88	69.04	-	-	-	-
Toyota Gosei Co. Ltd, Japan (Raw Materials)	-	-	44.83	403.18	-	-	-	-
(C) Reimbursement of expenses								
Minda Industries Limited	-	3.25	-	-	-	-	-	-
Toyota Gosei Co. Ltd, Japan	-	-	122.07	-	-	-	-	-
M.J Casting Limited	-	-	-	-	4.06	-	-	-
(D) Payment for expenses (Gross)								
Minda Industries Limited (Management Fees)	65.40	90.05	-	-	-	-	-	-
Minda Industries Limited (SAP Fees)	27.96	26.40	-	-	-	-	-	-
Minda Industries Limited (ESOP)	2.45	-	-	-	-	-	-	-
Minda Industries Limited (Software maintenance)	-	-	-	-	-	-	-	-
Toyota Gosei Co. Ltd, Japan (Royalty)	-	-	135.14	138.68	-	-	-	-
Toyota Gosei Co. Ltd, Japan (Technical Support Cost)	-	-	73.06	61.79	-	-	-	-
(E) Managerial remuneration (Amount paid in the capacity of KMP)								
Mr. Daisuke Esaki	-	-	-	-	-	-	69.95	70.00
Mr. Ravi Shankar Gupta	-	-	-	-	-	-	34.41	83.14

3) Outstanding balances at the year end

Particulars	Holding Company		Companies having Significant Influence	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
(A) Trade and other payables				
Toyota Gosei Co. Ltd, Japan	-	-	496.84	781.83
Minda Industries Limited	25.81	22.62	-	-



35 Segmental information

Business segments:

The Company is engaged in the business of manufacturing and selling of automotive brake hose and fuel hose. The entire operations are governed by the same set of risk and returns and, hence, the same has been considered as representing a single primary segment.

Since the Company's business activity falls within a single business segment, there are no additional disclosures to be provided under Ind AS-108 'Operating Segments' other than those already provided in the Financial Statements.

Geographical segments:

The Company sells its products and services within India and do not have any operations in economic environments with different set of risks and returns. Hence, it is considered to be operating in a single geographical segment.

36 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, all equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Company reviews the fund management at regular intervals.

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37 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

a) Fair value of financial assets:

Particulars	Carrying value		Fair value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets (Refer to note 6 (b))				
Trade receivables *	663.13	1,720.83	663.13	1,720.83
Cash and cash equivalents *	59.74	137.96	59.74	137.96
Security deposit	28.49	21.88	28.49	21.88
Interest accrued but not due on fixed deposits	5.86	4.66	5.86	4.66
Insurance claim receivable	135.04	-	135.04	-
Fixed Deposit	23.90	16.07	23.90	16.07
Derivative assets	197.68	65.47	197.68	65.47
Total	1,113.84	1,966.87	1,113.84	1,966.87

b) Fair value of financial liabilities:

Particulars	Carrying value		Fair value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial liabilities (Refer note 15(c))				
Borrowings	1,146.41	2,116.65	1,146.41	2,116.65
Current maturity of long term borrowings	1,160.40	979.59	1,160.40	979.59
Working capital demand loan	945.00	1,340.00	945.00	1,340.00
Trade payables *	1,146.89	897.29	1,146.89	897.29
Amount payable for property, plant and equipment	337.91	752.48	337.91	752.48
Total	4,736.61	6,086.01	4,736.61	6,086.01

* Management has assessed that trade receivables, cash and cash equivalents, and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Discount rate used in determining fair value

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

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

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38 Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

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

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets(Refer to note 6 (b))				
Trade receivables	663.13	-	-	-
Cash and cash equivalents	59.74	-	-	-
Security deposit	28.49	-	-	-
Interest accrued but not due on fixed deposits	5.86	-	-	-
Insurance claim receivable	135.04	-	-	-
Fixed Deposit	23.90	-	-	-
Derivative Asset	197.68	-	-	-
Total	1,113.84	-	-	-

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2020:

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities(Refer note 15(c))				
Borrowings	1,146.41	-	-	-
Current maturity of long term borrowings	1,160.40	-	-	-
Working capital demand loan	945.00	-	-	-
Trade payables	1,146.89	-	-	-
Amount payable for property, plant and equipment	337.91	-	-	-
Total	4,736.61	-	-	-

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Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets (Refer to note 6 (b))				
Trade receivables	1,720.83	-	-	-
Cash and cash equivalents	137.96	-	-	-
Security deposit	21.88	-	-	-
Interest accrued but not due on fixed deposits	4.66	-	-	-
Insurance claim receivable	-	-	-	-
Fixed Deposit	16.07	-	-	-
Derivative assets	65.47	-	-	-
Total	1,966.87	-	-	-

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2019:

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities (Refer note 15(b))				
Borrowings	2,116.65	-	-	-
Current maturity of long term borrowings	979.59	-	-	-
Working capital demand loan	1,340.00	-	-	-
Trade payables	897.29	-	-	-
Amount payable for property, plant and equipment	752.48	-	-	-
Total	6,086.01	-	-	-

Management has assessed that trade receivables, cash and cash equivalents, and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

There have been no transfers between Level 1 and Level 2 during the period.

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39. Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade and other payables, borrowings, and payables for property, plant and equipment. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash, fixed deposits and security deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. The finance department provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

B. 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 interest bearing financial liabilities includes borrowings with fixed interest rates.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

C. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company transacts business in local currency as well as in foreign currency. The Company has foreign currency trade payables and is therefore, exposed to foreign exchange risk. The Company may use currency swaps or forward contracts towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate as per the risk management policy.

Foreign currency sensitivity

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

Payables	Impact on Profit before tax and equity	
	March 31, 2020	March 31, 2019
Currency		
USD Sensitivity		
INR/USD - Increase by 1%	(4.62)	(5.54)
INR/USD - Decrease by 1%	4.62	5.54
EURO Sensitivity		
INR/EURO - Increase by 1%	(1.40)	(0.56)
INR/EURO - Decrease by 1%	1.40	0.56
CNY Sensitivity		
INR/CNY - Increase by 1%	-	(0.55)
INR/CNY - Decrease by 1%	-	0.55
THB Sensitivity		
INR/THB - Increase by 1%	(1.04)	(0.49)
INR/THB - Decrease by 1%	1.04	0.49
JPY Sensitivity		
INR/JPY - Increase by 1%	(0.20)	(2.56)
INR/JPY - Decrease by 1%	0.20	2.56



B. Credit risk

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

D Trade receivables

Customer credit risk is managed by each Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets (trade receivable) disclosed in Note 10. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Further, the Company's customer base majorly includes Original Equipment Manufacturers (OEMs), Large Corporates and Tier-1 vendors of OEMs. Based on the past trend of recoverability of outstanding trade receivables, the Company has not incurred material losses on account of bad debts. Hence, no adjustment has been made on account of Expected Credit Loss (ECL) model.

C. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

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

As at March 31, 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	945.00	278.15	882.25	1,146.41	-	3,251.81
Trade and other payables	-	1,146.89	-	-	-	1,146.89
Other financial liabilities	-	337.91	-	-	-	337.91
Total	945.00	1,762.95	882.25	1,146.41	-	4,736.61

As at March 31, 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	1,340.00	234.57	745.02	2,116.65	-	4,436.23
Trade and other payables	-	897.29	-	-	-	897.29
Other financial liabilities	-	752.48	-	-	-	752.48
Total	1,340.00	1,884.35	745.02	2,116.65	-	6,086.00

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40 The Company is in the process of updating the documentation for the transactions entered into with the associated enterprises during the financial year and expects it to be completed before the filing of tax return for the current period. The management confirms that all transactions with associated enterprises are undertaken at negotiated contracted prices on usual commercial terms and is of the opinion that its international transactions are at arm's length and thus, no adjustments are likely to arise which will have to be recorded in any subsequent period.

41 World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 which impacted the overall economy and the business activities of the Company. The Company has assessed the recoverability of receivables, inventories, other financial assets and assumptions used in the projection of the future results for testing of impairment of its Property, plant and equipment using various internal and external information up to the date of approval of these financial statements and does not anticipate any impairment to the carrying values of these financial and non-financial assets. Further, the Company has prepared cash flow projections for next 12 months and both the joint venture partners, Minda Industries Limited (MIL) which holds 51% equity share Capital of the Company and Tyoda Gosei Co., Ltd. Japan (TG) which holds 49% equity share capital of the Company are willing to provide the financial support to the Company in case of its financial difficulties provided that the Company's management board submits an application for that purpose, and if necessary, invest additional funds (in accordance with the joint venture agreement between MIL and TG) essential to ensure that the Company will continue as a going concern. Based on which, the financial statements have been prepared on a going concern basis. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19, which may impact the estimates made by the Company in preparation of these financial statements.

42 Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. Details of amount required to be spent and actual amount spent is below :

Particulars	For the year ended March 31, 2020 Rs.	For the year ended March 31, 2019 Rs.
A) Gross Amount required to be spent by the Company during the year	1.76	-
B) Amount spent during the year ending on 31st March, 2020	In Cash	Yet to be paid in cash
i) Construction/Acquisition of any asset	-	-
ii) On purposes other than (i) above	2.00	-
C) Amount spent during the year ending on 31st March, 2019	In Cash	Yet to be paid in cash
i) Construction/Acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-

Chartered Accountants
ICAI Firm Registration No.: 100033E/E300005
per Vikas Mehta
Partner
Membership No: 094421



Place: New Delhi
Date: 8/06/2020

For and on behalf of the Board of Directors of
Minda TG Rubber Private Limited

Ravi Shankar Gupta
Managing Director
DIN - 00108578

Daisuke Esaki
Director
DIN - 07843902

Dinesh Saini
Chief Financial Officer

Tarun Srivastava
Company Secretary
M. No. 53209

Place: Gurugram