

Minda Kyoraku Limited
Audit for the year ended
31 March 2019

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Minda Kyoraku Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Minda Kyoraku Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

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

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

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

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

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



Tarun Gupta
Partner
Membership No.: 507892

Place: Gurugram
Date: 08 May 2019

Annexure A referred to in our Independent Auditor's Report to the Members of Minda Kyoraku Limited on the Ind AS financial statements for the year ended 31 March 2019

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment and intangible assets).
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified during the year. Further company is in process of reconciliation with FAR. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were observed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company.
- (ii) According to the information and explanations given to us, the inventories, except goods-in-transit and stock lying with third parties have been physically verified by the management during the year at reasonable intervals. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year end, written confirmations have been obtained by the Management. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register required under Section 189 of the Companies Act, 2013. Accordingly, para 3 (iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the Company has not given any loans, or made any investments, or provided any guarantee, or security as specified under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under sub section (1) of Section 148 of the Companies Act, 2013 and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Duty of Customs, Cess and any other material statutory dues, to the extent

applicable, have generally been regularly deposited with the appropriate authorities though there have been slight delay in few cases.

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 Customs, Cess and other material statutory dues, to the extent applicable, were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of Income-tax, Goods and Service Tax, Duty of Customs, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks. The Company did not have any outstanding debentures or dues on account of loans or borrowings to any financial institutions or government during the year.
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instrument) during the year. Further, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details have been disclosed in the IND AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022



Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram

Date : 08 May 2019

Annexure B to the Independent Auditors' report on the financial statements of Minda Kyoraku Limited for the period ended 31 March 2019.

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Minda Kyoraku Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures

selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022



Tarun Gupta

Partner

Membership No. 507892

Place: Gurugram

Date: 08 May 2019

Minda Kyoraku Limited
Balance Sheet as on 31st March 2019
(All amounts in Indian ₹ Lacs, unless otherwise stated)

Particulars	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	11,191.04	5,184.75
Capital work -in-progress	4	15.37	-
Intangible assets	5	84.07	69.92
Intangible assets under development	5	-	13.24
Financial assets			
Loans	6	150.81	39.94
Other financial assets	7	7.56	47.74
Deferred tax asset (net)	8	-	37.32
Other non - current assets	9	87.14	457.61
Total Non-Current Assets		11,535.99	5,850.52
Current Assets			
Inventories	10	1,601.58	1,337.99
Financial assets			
Trade receivables	11	2,213.79	1,803.25
Cash and cash equivalents	12	334.29	2,597.83
Bank balances other than cash and cash equivalents	13	42.88	50.00
Loans	6	18.48	19.23
Other financial assets	7	1.42	1.15
Other current assets	9	804.70	153.45
Current tax assets (net)	21	165.72	-
Total Current Assets		5,182.86	5,962.90
TOTAL ASSETS		16,718.85	11,813.42
Equity And Liabilities			
Equity			
Equity share capital	14	6,200.70	4,123.70
Other equity	15	3,695.10	4,754.52
Total Equity		9,895.80	8,878.22
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	16	3,118.25	85.99
Provisions	17	195.16	176.63
Deferred tax liabilities (net)	8	119.93	-
Total Non-Current Liabilities		3,433.34	262.62
Current Liabilities			
Financial liabilities			
Borrowings	16	264.16	-
Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		105.40	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,828.48	1,666.61
Other financial liabilities	19	791.88	431.74
Other current liabilities	20	394.20	524.74
Provisions	17	5.59	4.35
Current tax liabilities (net)	21	-	45.14
Total Current Liabilities		3,389.71	2,672.58
TOTAL EQUITY AND LIABILITIES		16,718.85	11,813.42

Significant accounting policies 3
The Notes referred to above form an integral part of the financial statements
As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration No : 101248W/W-100022

Tarun

Tarun Gupta
Partner
Membership No : 507892

Place : Gurugram
Date : 08 May 2019

For and on behalf of the Board of Directors of
Minda Kyoraku Limited

Nminda

Nitesh Minda
Managing Director
DIN No. 00008300

Shuetsu Oku
Director
DIN No. 05145404

Place : Gurugram
Date : 08 May 2019

Place : Gurugram
Date : 08 May 2019

Rakesh Kumar Dagar
Rakesh Kumar Dagar
Chief Financial Officer

Nirmal Saini
Nirmal Saini
Company Secretary
Membership No: ACS 53783

Place : Gurugram
Date : 08 May 2019

Place : Gurugram
Date : 08 May 2019

Minda Kyoraku Limited
Statement of Profit & Loss for the year ended 31st March 2019
(All amounts in Indian ₹ Lacs, unless otherwise stated)

Particulars	Note	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Revenue from operations	22	15,776.26	13,987.08
Other income	23	55.74	43.17
Total Income		15,832.00	14,030.25
EXPENSES			
Cost of materials consumed	24	7,814.59	6,596.79
Changes in inventories of finished goods and work-in-progress	25	(180.97)	18.58
Excise duty on sales	22	-	446.14
Employees benefits expense	26	2,232.34	1,774.71
Finance costs	27	110.81	78.26
Depreciation and amortisation expense	28	835.51	707.00
Other expenses	29	3,303.04	2,721.28
Total expenses		14,115.32	12,342.76
Profit before tax		1,716.68	1,687.49
Tax expense:			
Current tax		373.00	626.73
Mat credit entitlement		(36.55)	-
Deffered tax charge/(credit)		189.67	(25.53)
Profit for the year		1,190.56	1,086.29
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement gain(loss) on defined benefit plans		14.15	13.11
Income tax effect		(4.12)	(4.54)
Net other comprehensive income(expense) not to be reclassified		10.03	8.57
Total comprehensive income for the year		1,200.59	1,094.86
Basic earnings per share (in ₹)	14A	1.92	2.63
(Face value of ₹ 10 per share)			
Diluted earnings per share (in ₹)	14A	1.92	2.63
(Face value of ₹ 10 per share)			

Significant accounting policies

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

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022



Tarun Gupta

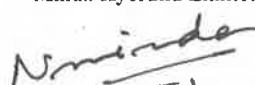
Partner

Membership No.: 507892

Place: Gurugram

Date: 08 May 2019

For and on behalf of the Board of Directors of
Minda Kyoraku Limited



Nitesh Minda

Managing Director

DIN No. 00008300

Place: Gurugram

Date: 08 May 2019



Shuetsu Oku

Director

DIN No. 05145404

Place: Gurugram

Date: 08 May 2019



Rakesh Kumar Dagar

Chief Financial Officer

Place: Gurugram

Date: 08 May 2019



Nirmal Saini

Company Secretary

Membership No: ACS 53783

Place: Gurugram

Date: 08 May 2019

Minda Kyoraku Limited
Cash Flow Statement for the year ended 31 March 2019

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A. Cash flow from operating activities		
Profit for the year before tax	1,716.68	1,687.49
Adjustments for :		
Depreciation and amortisation	835.51	707.00
Unrealised foreign exchange (gain) / loss	5.97	(6.52)
Loss on sale of property, plant and equipment	6.80	6.29
Mark to market to derivative liability	87.32	-
Finance cost	110.44	78.26
Interest Income on fixed deposit	(54.06)	(29.93)
Liabilities no longer required written back	(1.68)	(4.77)
Operating profit before working capital changes	2,706.98	2,437.82
Working capital adjustments:		
(Increase) / Decrease in inventories	(263.60)	(340.00)
(Increase) / Decrease in trade receivables	(410.55)	(574.07)
(Increase) / Decrease in loans	(110.12)	(7.90)
(Increase) / Decrease in other assets	(651.26)	92.27
Increase in trade payables	262.99	580.14
(Decrease) / Increase in other financial liabilities	(9.45)	32.74
Increase in long-term and short-term provision	33.93	31.99
(Decrease) / Increase in other current liabilities	(130.54)	298.66
Cash generated from / (used) in operations	1,428.38	2,551.65
Income tax paid (including interest)	(497.75)	(583.96)
Net cash flow from operating activities	930.63	1,967.69
B. Cash flow from investing activities:		
Purchase of property, plant and equipment and intangible assets	(6,387.14)	(1,608.47)
Proceeds from sale of property, plant and equipment	5.25	-
Fixed deposits with banks	46.93	(75.74)
Interest received	54.16	39.58
Net cash used in investing activities	(6,280.80)	(1,644.63)
C. Cash flows from financing activities		
Share Application Money received	-	2,700.10
Dividend paid	(223.23)	(206.19)
Corporate dividend tax	(45.88)	(43.14)
Proceeds from long-term borrowings	3,500.00	(366.17)
Repayments of borrowings	(310.36)	-
Interest paid	(98.06)	(82.89)
Net cash flow from in financing activities	2,822.47	2,001.71
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,527.70)	2,324.77
Cash and cash equivalents at the beginning of the year	2,597.83	273.06
Cash and cash equivalents at the end of the year	70.13	2,597.83

Notes to cash flow statement
1. Cash and cash equivalents

Components of cash and cash equivalents:-

Cash on hand	1.34	1.70
Balance with banks:		
Bank deposit	282.95	497.13
Bank overdraft	(264.16)	-
Current accounts	50.00	2,099.00
	70.13	2,597.83



Minda Kyoraku Limited
Cash Flow Statement for the year ended 31 March 2019
(All amounts in Indian ₹ Lacs, unless otherwise stated)

ii Movement in financial liabilities

Particulars	Current Borrowings	Interest expense on	Total
As at 1 April 2017	721.23	7.50	728.73
Cash flows	(366.17)	-	(366.17)
Interest expenses	-	78.26	78.26
Interest paid	-	(82.89)	(82.89)
As at 31 March 2018	355.06	2.87	357.93
Cash flows	3,189.64	-	3,189.64
Interest expenses	-	110.44	110.44
Mark to market to derivative liability	(107.39)	0.00	(107.39)
Interest paid	-	(98.06)	(98.06)
As at 31 March 2019	3,437.31	15.25	3,452.56

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

Significant accounting policies

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

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022


Tarun Gupta

Partner

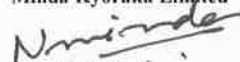
Membership No. : 507892

Place : Gurugram

Date: 08 May 2019

For and on behalf of the Board of Directors of

Minda Kyoraku Limited


Nitesh Minda

Managing Director

DIN No. 00008300

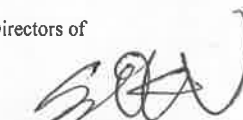
Place : Gurugram

Date: 08 May 2019


Rakesh Kumar Dagar
Chief Financial Officer

Place : Gurugram

Date: 08 May 2019



Shuetsu Oku

Director

DIN No. 05145404

Place : Gurugram

Date: 08 May 2019


Nirmal Saini
Company Secretary
Membership No: ACS 53783

Place : Gurugram

Date: 08 May 2019

Minda Kyoraku Limited
Statement of Changes in equity for the year ended 31 March 2019
(All amounts in Indian ₹ Lacs, unless otherwise stated)

A) Equity share capital

Balance as at the 31 March 2017	4,123.70
Changes in equity share capital during 2017-18	-
Balance as at the 31 March 2018	4,123.70
Changes in equity share capital during 2018-19	2,077.00
Balance as at the 31 March 2019	6,200.70

B) Other equity

B. Other equity

	Attributable to equity shareholders					Total
	Share application money	Retained earnings	Securities premium	Remeasurement of defined benefit liability / asset	Excess tax benefit from stock based compensation	
As at 31 March 2017	-	699.46	509.43	-	-	1,208.89
Profit for the year	-	1,086.29	-	-	-	1,086.29
Other comprehensive income (net of tax)	-	-	-	8.57	-	8.57
Transferred to retained earnings	-	8.57	-	(8.57)	-	-
Dividend paid during the year	-	(206.19)	-	-	-	(206.19)
Dividend distribution tax of dividend	-	(43.14)	-	-	-	(43.14)
Share application money pending allotment	2,700.10	-	-	-	-	2,700.10
As at 31 March 2018	2,700.10	1,544.99	509.43	-	-	4,754.52
Profit for the year	-	1,190.56	-	-	-	1,190.56
Other comprehensive income (net of tax)	-	-	-	10.03	-	10.03
Transferred to retained earnings	-	10.03	-	(10.03)	-	-
Dividend paid during the year	-	(223.23)	-	-	-	(223.23)
Dividend distribution tax of dividend	-	(45.88)	-	-	-	(45.88)
Share Issued during the year including @ Rs 13 per share (incl. Premium @ Rs 3 per share)	(2,700.10)	-	-	-	-	(2,700.10)
Excess tax benefit from stock based compensation	-	-	-	-	86.10	86.10
Transferred to retained earnings	-	86.10	-	-	(86.10)	-
Share Premium	-	-	623.10	-	-	623.10
As at 31 March 2019	-	2,562.57	1,132.53	-	-	3,695.10

Significant accounting policies

3

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

As per our report of even date attached

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

For and on behalf of the Board of Directors of
Minda Kyoraku Limited

Nitesh Minda
Managing Director
DIN No. 00008300

Place : Gurugram
Date: 08 May 2019

Rakesh K. Dagar
Chief Financial Officer

Place : Gurugram
Date: 08 May 2019

Shuetsu Oku
Director
DIN No. 05145404

Place : Gurugram
Date: 08 May 2019

Nirmal Saini
Company Secretary
Membership No: ACS
53783

Place : Gurugram
Date: 08 May 2019

Tarun

Tarun Gupta
Partner
Membership No. : 507892

Place : Gurugram
Date: 08 May 2019

1. Corporate Information

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

The financial statements for the year ended 31 March 2019 have been prepared as per the requirements of Schedule III of the Companies Act, 2013.

2. Basis of preparation**(a) Statement of compliance**

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

The financial statements were authorized for issue by the Company's Board of Directors on 08 May 2019.

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

(b) Functional and presentation currency

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

(c) Basis of measurement

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

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

(d) Use of estimates and judgments

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

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

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



Judgments

The areas involving critical estimates or judgements are:

- Estimation of income tax (current and deferred) – Note 21 and Note 8
- Estimated useful life of intangible asset – Note 5
- Estimated useful life and residual value of property, plant and equipment – Note 4
- Estimation of defined benefit obligation – Note 31

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

(e) Measurement of fair values

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

The Company has an established control framework with respect to measurement of fair values. This includes the business management division headed by Chief financial officer (CFO) which is responsible for overseeing all significant fair value measurements, including Level 3 fair values.

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

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

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

(f) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. The Company as presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liability as current and non-current.



An asset is classified as current when it is:

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realized within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

3. Significant accounting policies

(a) Foreign currency transactions

i) Initial recognition and settlement

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

ii) Measurement at the reporting date

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

(b) Financial Instruments

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

i) Recognition and initial measurement

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



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

ii) Classification and subsequent measurement**Financial assets**

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

- a. Amortised cost; or
- b. FVTPL

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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



iii) De-recognition

Financial assets

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

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

Financial liabilities

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

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

(iv) Offsetting

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

(v) Impairment of financial assets

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

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

(vi) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

(c) Property, plant and equipment

Recognition and measurement

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



Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

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

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

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

Transition of IND AS

On transition to IND AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2016, measured as per previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. (refer to note 4).

Subsequent expenditure

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

Depreciation

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

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

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

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

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

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



Intangible Assets

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

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

Subsequent expenditure

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

Amortisation

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

The estimated useful lives are as follows:

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

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

Transition of IND AS

On transition to IND AS, the Company has elected to continue with the carrying value of its intangible assets recognized as at April 1, 2016, measured as per previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

(e) Inventories

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

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

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

Raw materials, components, stores and spares and loose tools -

Weighted average cost

Work-in-progress and finished goods -

Material cost plus appropriate share of labour, manufacturing overheads.



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

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

(f) Impairment

i) Impairment of financial instruments

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

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

Evidence that the financial asset is credit-impaired includes the following observable data:

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

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

-Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 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 expected credit loss at each reporting date, right from its initial recognition.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

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

Measurement of expected credit losses



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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

ii) Impairment of non-financial assets

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

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

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

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

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Borrowing Cost

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

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made



specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

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

(h) Employee benefits

(i) Short-term employee benefits

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

(ii) Share-based payment transactions

The Company accounts for Equity Stock Options of the Parent Company as per the accounting treatment prescribed by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended from time to time) and the Ind AS - 102 on Share Based Payment.

(iii) Defined contribution plans

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

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Defined benefit plan

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

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



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

(v) Other long term employee benefits

Compensated absences

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

(i) Provisions and Contingencies

(i) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(ii) Contingencies

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

(j) Income Taxes

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

Current tax

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

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



Deferred tax

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

Deferred tax assets are recognised to the extent that it is probable that future profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefits will be realized.

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

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

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

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

(k) Revenue recognition

The Company earns revenue primarily from sale of blow moulding products. Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. There is no impact of the adoption of the standard on the financial statements of the Company.

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



- a) Revenue from the sale of product is recognized upfront at the point in time when the product is delivered to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
- b) Revenue from services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred.
- c) Interest Income is recognized using the effective interest method.

Revenue from related party is recognized based on transaction price which is at arm's length.

Use of significant judgments in revenue recognition

- a) The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgments to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- b) Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

(l) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to statement of profit or loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(m) Earnings per share

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

(n) Contingent 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.

(o) Segment reporting

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

The Company is engaged in the business of manufacturing of blow moulding products. Accordingly, the Company's activities/ business is reviewed regularly by the Company's Board of directors from an overall business perspective, rather than reviewing its products/services as individual standalone components.

Based on the dominant source and nature of risks and returns of the Company, management has identified its business segment as its primary reporting format.

(p) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above.

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

Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 116, Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. The Company has assessed the estimated impact that initial application of Ind AS 116 will have on its financial statements which is not significant.

Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

Transition

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.



The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

MCA has also notified Companies (Indian Accounting Standard) Second Amendment Rules, 2019 which includes the following:

Appendix C to Ind AS 12, Income taxes (corresponding to IFRIC 23, Uncertainty over Income Tax Treatments issued by IASB)

Amendments to Ind AS 12, Income taxes

Amendments to Ind AS 19, Employee Benefits

Amendments to Ind AS 23, Borrowing Costs

Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Amendments to Ind AS 103, Business Combinations

Amendments to Ind AS 109, Financial Instruments

Amendments to Ind AS 111, Joint Arrangements

The Company has evaluated the effect of these, which are applicable on the financial statements and the impact is not material.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. Minda Kyoraku Limited does not expect any impact from this amendment.



Minda Kyoraku Limited
Notes to the financial statements for the year ended 31 March 2019
(All amounts in Indian ₹ Lacs, unless otherwise stated)

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

a. Reconciliation of carrying amount

Particulars	Land-freehold	Land-leasehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	Capital work in progress
Gross Block										
Balance at 1 April 2017	994.49	167.82	1,707.85	2,396.23	19.90	41.60	24.92	19.78	5,372.59	-
Add: Additions made during the year	308.99	-	649.94	435.03	20.51	-	7.99	21.05	1,443.51	-
Less: Disposals / adjustments during the year*	-	167.82	-	39.13	0.76	-	1.72	0.95	210.38	-
Balance at 31 March 2018	1,303.48	-	2,357.79	2,792.13	39.65	41.60	31.19	39.88	6,605.72	-
Balance at 1 April 2018	1,303.48	-	2,357.79	2,792.13	39.65	41.60	31.19	39.88	6,605.72	-
Add: Additions made during the year	419.92	-	1,844.07	4,483.64	28.12	-	22.95	21.86	6,820.56	4,322.63
Less: On disposals / adjustments during the year	-	-	-	(31.58)	(0.60)	(14.24)	(0.89)	(0.20)	(47.51)	(4,307.26)
Balance at 31 March 2019	1,723.40	-	4,201.86	7,244.19	67.17	27.36	53.25	61.54	13,378.77	15.37
Accumulated depreciation										
Balance at 1 April 2017	-	-	63.81	696.81	3.95	8.24	7.10	5.97	785.88	-
Add: Depreciation charged for the year	-	-	66.66	575.26	3.30	9.38	6.90	9.86	671.36	-
Less: On disposals / adjustments during the year	-	-	-	33.41	0.45	-	1.50	0.91	36.27	-
Balance at 31 March 2018	-	-	130.47	1,238.66	6.80	17.62	12.50	14.92	1,420.97	-
Balance at 1 April 2018	-	-	130.47	1,238.66	6.80	17.62	12.50	14.92	1,420.97	-
Add: Depreciation charged for the year	-	-	91.86	674.67	6.84	8.86	6.45	13.54	802.22	-
Less: On disposals / adjustments during the year	-	-	-	(29.45)	(0.39)	(4.59)	(0.84)	(0.19)	(35.46)	-
Balance at 31 March 2019	-	-	222.33	1,883.88	13.25	21.89	18.11	28.27	2,187.73	-
Net carrying amounts										
At 31 March 2018	1,303.48	-	2,227.32	1,553.47	32.85	23.98	18.69	24.96	5,184.75	-
At 31 March 2019	1,723.40	-	3,979.53	5,360.31	53.92	5.47	35.14	33.27	11,191.04	15.37

* Leasehold land held by the company as at 01 April 2017 has been converted into Freehold Land during the current year w.e.f. 22 June 2017



4. Property, Plant and Equipment and Capital Work-In-Progress (Contd.)

b. Security

As at 31 March 2019, Property, Plant and Equipment with a carrying amount of ₹ 11,191.04 lakhs (31 March 2018: ₹ 5,051.8 lakhs, are subject to first pari passu charge to secure bank loans [refer to note no. 16]

5. Intangible assets

Reconciliation of carrying amount

A. Gross carrying value (deemed cost)	Technical Knowhow	Software	Total
Balance at 31 March 2017	109.10	30.15	139.25
Add: Additions during the year	-	4.65	4.65
Less: Disposals / adjustments during the year	-	-	-
Balance at 31 March 2018	109.10	34.80	143.90
Add: Additions during the year	13.24	34.20	47.44
Less: Disposals / adjustments during the year	-	-	-
Balance at 31 March 2019	122.34	69.00	191.34
Accumulated amortisation			
As at 31 March 2017	31.45	6.89	38.34
Add: Amortisation charge for the year	28.30	7.34	35.64
Less: On disposals / adjustments during the year	-	-	-
As at 31 March 2018	59.75	14.23	73.98
Add: Amortisation charge for the year	24.72	8.56	33.29
Less: On disposals / adjustments during the year	-	-	-
Balance at 31 March 2019	84.47	22.79	107.27
Net carrying value			
At 31 March 2018	49.35	20.57	69.92
At 31 March 2019	37.87	46.21	84.07

31 March 2019 31 March 2018

B. Intangible assets under development

Technical know-how under development

- 13.24



	As at 31 March 2019	As at 31 March 2018
6 Loans (unsecured considered good unless otherwise stated)		
Non-current		
Security deposits	150.81	39.94
	<u>150.81</u>	<u>39.94</u>
Current		
Security deposits	5.38	2.61
Loan to employees	13.10	16.62
	<u>18.48</u>	<u>19.23</u>
	<u>169.29</u>	<u>59.17</u>

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

	As at 31 March 2019	As at 31 March 2018
7 Other financial assets		
Non-current		
Bank deposits* (due to mature after 12 months from the reporting date)	7.37	47.18
Interest accrued on deposits	0.19	0.56
	<u>7.56</u>	<u>47.74</u>
Current		
Interest accrued on deposits	1.42	1.15
	<u>1.42</u>	<u>1.15</u>
Total	<u>8.98</u>	<u>48.89</u>

* Includes fixed deposits pledged with banks of ₹ 4.53 Lakhs (31 March 2018: ₹7.96 Lakhs) as margin money for various limits from bank.

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

8 Deferred tax asset (net)		
	As at 31 March 2019	As at 31 March 2018
Deferred tax liabilities		
Property plant and Equipment	223.71	33.79
Total deferred tax liabilities	<u>223.71</u>	<u>33.79</u>
Deferred tax assets		
Provision for employee benefits	58.46	62.64
Provision for bonus payable	8.59	7.67
Provision for doubtful debts	0.18	0.80
MAT credit entitlement*	36.55	-
Total deferred tax assets	<u>103.78</u>	<u>71.11</u>
Net deferred tax asset/ (liability)	<u>(119.93)</u>	<u>37.32</u>

* The MAT credit of Rs. 122.64 lakhs (31 March 2018 Nil) recognised by the company as "MAT credit entitlement" under 'Deferred tax assets' in respect of MAT payment for earlier years, represents that portion of MAT credit which can be recovered and set off in future years based on the provision of section 115JAA of Income Tax Act, 1961. The management based on the present trend of profitability and also the future projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the company to utilize MAT credit assets.



Income Taxes

For the Year ended
31 March 2019

For the Year ended
31 March 2018

Amount recognised in the Statement of profit or loss

Current tax for current period	373.00	626.73
Deferred tax	153.12	(25.53)
Tax expense for the year recognised in the Statement of profit or loss	526.12	601.20
Tax expense for the year recognised in the Other comprehensive Income	4.12	4.54
Total tax expense	530.24	605.74

Movement in deferred tax assets

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

Reconciliation of effective tax rate

	For the Year ended 31 March 2019 Rate (%)	Amount	For the Year ended 31 March 2018 Rate (%)	Amount
Profit before tax		1,716.68		1,687.49
Tax using company's domestic tax rate	29.12%	499.90	34.608%	584.00
Effect of:				
Impact of items admissible	-9.52%	(163.45)	1.02%	17.20
	19.60%	336.45	35.63%	601.20
Impact of DTL in current year	29.12%	153.12		
Impact of Mat Credit entitlement in current year	29.12%	36.55		
Amount of current tax recognised in Statement of profit and loss	30.65%	526.12	35.63%	601.20

9 Other assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Non current		
Capital advances	87.14	457.61
	87.14	457.61
Current		
Prepaid expenses	20.70	23.73
Advance to suppliers	152.67	80.68
Silver coins	0.19	0.16
Balance with government authorities	631.02	36.57
Travel advance to employees	0.12	12.31
	804.70	153.45
	891.84	611.06

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

10 Inventories

(Valued at the lower of cost and net realisable value)

	As at 31 March 2019	As at 31 March 2018
Raw materials [Goods in transit ₹ 8.35 lakhs (31 March 2018 ₹ 4.12 lakhs)]	1,054.47	1,035.96
Work in progress	117.56	37.02
Finished goods [Goods in transit ₹ 94.42 lakhs (31 March 2018 ₹ 55.49 lakhs)]	193.04	92.61
Stores and spares	147.03	75.63
Loose tools	89.48	96.77
	1,601.58	1,337.99
Carrying amount of inventories (included in above) pledged as securities for borrowings	1,601.58	1,337.99



	As at 31 March 2019	As at 31 March 2018
11 Trade receivables (Unsecured, considered good unless otherwise stated)		
Unsecured considered good	2,213.79	1,803.25
Doubtful	0.63	2.30
	<u>2,214.42</u>	<u>1,805.55</u>
Less: Impairment loss on trade receivables	0.63	2.30
	<u>2,213.79</u>	<u>1,803.25</u>

The companies exposure to credit risks related to the above financial liabilities is disclosed in note 33

	As at 31 March 2019	As at 31 March 2018
12 Cash and cash equivalents		
Balances with banks		
- On current accounts	282.95	497.13
- Bank deposits (with original maturity of less than 3 months)	50.00	2,099.00
- Cash on hand	1.34	1.70
Total	<u>334.29</u>	<u>2,597.83</u>

* Includes fixed deposits pledged with banks of ₹ 6.46 Lakhs (31 March 2018: Nil Lakhs) as margin money for various limits from bank.

Disclosure on specified bank notes (SBNs)

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019

	As at 31st Mar 2019	As at 31st Mar 2018
13 Bank balances other than cash and cash equivalents		
Bank deposits (due for realisation within 12 months of the reporting date)	42.88	50.00
	<u>42.88</u>	<u>50.00</u>



14 Equity Share capital

	As at 31 March 2019	As at 31 March 2018
a) Details of share capital		
Authorised:		
62,007,000 (31 March 2018 62,007,000) equity shares of ₹10 each	6,200.70	6,200.70
Issued, subscribed and paid-up		
62,007,000 (31 March 2018 41,237,000) equity shares of ₹10 each	6,200.70	4,123.70
Total	6,200.70	4,123.70

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

Equity shares:

	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Balance at the beginning and end of the year	41,237,000	4,123.70	41,237,000	4,123.70
Issued during the period - fresh issue	20,770,000	2,077.00	-	-
Balance at commencement and at the end of the year	62,007,000	6,200.70	41,237,000	4,123.70

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

	As at 31 March 2019		As at 31 March 2018	
	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding in that class of shares
Minda Industries Limited	41,918,600	67.60%	29,550,000	71.66%
Kyoraku Co. Limited	6,400,000	10.32%	6,400,000	15.52%
Nagase & Co. Limited	12,401,400	20.00%	4,000,000	9.70%

(d) Rights/Preferences and Restrictions attached to shares

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

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

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

14A Earnings per share

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit as per Statement of Profit and Loss	1,190.56	1,086.29
Weighted average number of equity shares of ₹10 each at the period end for calculation of Basic EPS	62,007,000	41,237,000
Basic earning per share (In Rupees)	1.92	2.63
Weighted average number of equity shares of ₹10 each at the period end for calculation of Diluted EPS	62,007,000	41,237,000
Diluted earning per share (In Rupees)	1.92	2.63

Calculation of shares for diluted earnings per share

	Effective date	No. of shares	Effective date	No. of shares
Shares at the beginning of the year	1 April 2018	41,237,000	1 April 2017	41,237,000
Add : Shares issued	1 April 2018	20,770,000		-
		62,007,000		41,237,000
Potential equity shares				



	As at 31st Mar 2019	As at 31st Mar 2018
15 Other equity*		
Securities premium	1,132.53	509.43
Surplus in Statement of profit and loss / Retained earnings	2,562.57	1,544.99
Share application money pending allotment	-	2,700.10
	<u>3,695.10</u>	<u>4,754.52</u>

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

16 Borrowings

	As at 31st Mar 2019	As at 31st Mar 2018
Non current		
Term loan from bank	3,437.31	355.06
Less: Current maturities of long term borrowings disclosed under other current liabilities (refer note 19)	(319.06)	(310.36)
Deferred payment liabilities	-	53.62
Less: Current portion of deferred payment liabilities (refer note 19)	-	(12.33)
	<u>3,118.25</u>	<u>85.99</u>
Current		
Working capital loan repayable on demand from banks	264.16	-
Buyer's credit from bank	264.16	-
	<u>3,382.41</u>	<u>85.99</u>

The companies exposure to currency, liquidity and interest risks related to the above financial liabilities is disclosed in note 33.

Nature of security	Terms of repayment and rate of interest
Yes Bank Term loan from banks amounting to ₹ NIL (31 March 2018: ₹ 162.62 lakhs) is secured by: -First pari passu charge on all the movable fixed assets of the borrower (both present and future) -Second pari passu charge on all the current assets of the borrower (both present and future)	Rate of interest - 6 months MCLR + 1.15% spread currently at 10.20% on 31st March 2019 Term loan sanction amounting to Rs. 1200 Lakhs. The Principle amount of Rs 97,574,004 is repayable in 18 equal quarterly installments of Rs 5,420,778 commencing from 16 Aug 2014. Loan maturity date is 16 November 2018.
Yes Bank Term loan from banks amounting to ₹ 44.70 lakhs (31 March 2018: ₹ 134.10 lakhs) is secured by: -First pari passu charge on all the movable fixed assets of the borrower (both present and future) -Second pari passu charge on all the current assets of the borrower (both present and future)	Rate of interest - 6 months MCLR + 1.15% spread currently at 10.55% on 31st March 2019 Term loan sanction amounting to Rs. 650 Lakhs. The principle amount of Rs 44,700,000 is repayable in 20 equal quarterly installments of Rs 2,235,000 commencing from 2 Dec 2014. Loan maturity date is 2 September 2019.
Yes Bank Term loan from banks amounting to ₹NIL (31 March 2018: ₹ 58.33 lakhs) is secured by: -First pari passu charge on all the movable fixed assets of the borrower (both present and future) -Second pari passu charge on all the current assets of the borrower (both present and future)	Rate of interest - 6 months MCLR + 1.15% spread currently at 10.20% on 31st March 2019 Term loan sanction amounting to Rs. 175 lakhs. The principle amount of Rs. 175 lakhs is repayable in 12 equal quarterly installments of Rs 14.58 lakhs commencing from 4 June 2016. Loan maturity date is 4 March 2019.
CITI Bank FCNR Loan ₹ 1472.11 Lakhs(31 March 2018: Nil) (USD 2,128,263.34) is secured by: -First charge on fixed assets of the company situated at proposed Gujarat Unit (Both movable and immovable fixed assets)	Rate of interest - 3 months MCLR + 2% spread, Company has taken a interest rate swap contract to fixed interest liabilities @ 5.20% P.A. on outstanding INR principal amount The principal amount of USD 2,128,263.34 is repayable in 20 equal quarterly installments of USD 106,413.17 commencing from 09 April 2020, company has entered in to partial hedge contract for principal repayment
ICICI Bank FCNR Loan ₹ 942.70 Lakhs (31 March 2018: Nil) (USD 1,362,862.01) is secured by: -First Pari Passu charge by way of mortgage over all the immovable fixed assets related Gujarat Project both present and future (Immovable Fixed Assets) -First Pari Passu charge on all the movable fixed assets of the company's Gujarat Project both present and future (Movable Fixed Assets) -Second Pari Passu charge by way of hypothecation over current assets both present and future of the borrower (Current Assets)	Rate of interest - 3 months MCLR + 2% spread, company has taken a interest rate swap contract to fixed interest liabilities @ 6.68% P.A. on outstanding USD principal The principal amount of USD 1,362,862.01 is repayable in 14 equal quarterly installments of USD 97,347.29 commencing from 31 December 2019, company has entered in to partial hedge contract for principal repayment.
ICICI Bank FCNR Loan ₹ 977.80 Lakhs (31 March 2018: Nil) (USD 1,413,627.37) is secured by: -First Pari Passu charge by way of mortgage over all the immovable fixed assets related Gujarat Project both present and future (Immovable Fixed Assets) -First Pari Passu charge on all the movable fixed assets of the company's Gujarat Project both present and future (Movable Fixed Assets) - Second Pari Passu charge by way of hypothecation over current assets both present and future of the borrower (Current Assets)	Rate of interest - 3 months MCLR + 2% spread, company has taken a interest rate swap contract to fixed interest liabilities @ 6.61% P.A. on outstanding USD principal amount The principal amount of USD1,413,627.37 00 is repayable in 9 equal quarterly installments of USD 100,973.38 commencing from 31 December 2019 and last payment for USD 504866.95 will be paid on 28th Feb 2022. Company has entered in to partial hedge contract for principal repayment.



Note 16 (contd..)

Kotak Mahindra Bank Working capital loan from banks amounting to ₹ 264.16 Lakhs (31 March 2018: Nil) is secured by: -1st PP hypothecation charge on all existing and future current assets -2nd PP hypothecation charge on all existing and future movable fixed assets -2nd PP mortgage charge on immovable properties being land and building situated at Industrial Plot No.327, sector-3, Phase-II, IMT Bawal, Haryana owned by borrower -2nd PP mortgage charge on immovable properties being land and building situated at Industrial Plot No 28F, Bidadi Industrial Area, Comprised in Survey No 7,8,and 12 within the village limits of - Abbanakuppe Hobli, Bidadi Talik, Ramanagaram District, Bangalore, Karnataka owned by borrower -Release of charge/ security interest on property at Bangalore is allowed subject to no other bank having a charge on the said property	Rate of interest - 3 months MCLR + 1.10% spread currently at 10.20% on 31st March 2019 Working capital loan sanction amounting to Rs. 500 lakhs.
Deferred payment liabilities Represents amount payable to Haryana State Industrial and Infrastructure Development Corporation (HSI IDC) on account of enhancement in acquisition of price of land and is unsecured.	Rate of interest- As decided by HSI IDC. Currently 11% p.a. Amount is payable in ten equal half yearly installments



	As at 31 March 2019	As at 31 March 2018
17 Provisions		
Non current		
Provision for employee benefits (refer note 31)		
Provision for gratuity	121.57	114.09
Provision for compensated absences	73.59	62.54
	<u>195.16</u>	<u>176.63</u>
Current		
Provision for employee benefits (refer note 31)		
Provision for gratuity	2.83	2.48
Provision for compensated absences	2.76	1.87
	<u>5.59</u>	<u>4.35</u>
	<u>200.75</u>	<u>180.98</u>

	As at 31 March 2019	As at 31 March 2018
18 Trade payables		
Total outstanding dues of micro enterprises and small enterprises	105.40	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,828.48	1,666.61
	<u>1,933.88</u>	<u>1,666.61</u>

(i) All trade payables are 'current'

(ii) Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 based on the information available with the Company is as follows:

	As at 31 March 2019	As at 31 March 2018
The amounts remaining unpaid to suppliers as at the end of the year		
- Principal	105.40	-
- Interest	2.59	-
The amount of payments made to the supplier under the Act beyond the appointed day during the year	31.59	-
The amount of interest paid by the buyer under the act beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	2.59	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Act.	2.59	-

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

	As at 31st Mar 2019	As at 31st Mar 2018
19 Other financial liabilities		
Current		
Interest accrued but not due on borrowings	15.25	2.87
Current maturity of long term debt (refer note 16)	319.06	310.36
Current portion of deferred payment liabilities (refer note 16)	-	12.33
Derivative Liabilities	194.71	-
Payables for property, plant and equipment	204.94	38.81
Employee related payable	57.92	67.37
	<u>791.88</u>	<u>431.74</u>

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

	As at 31st Mar 2019	As at 31st Mar 2018
20 Other liabilities		
Current		
Advances from customers	162.95	393.19
Other payables		
Statutory dues		
TDS payable	123.95	27.85
Professional tax payable	0.78	0.11
GST payable	89.48	90.51
Labour Welfare Fund	0.51	0.51
Provident fund payable	15.11	11.11
Employees' state insurance payable	1.42	1.46
	<u>394.20</u>	<u>524.74</u>



21 Current tax

	As at 31st Mar 2019	As at 31st Mar 2018
Current tax liabilities (net of tax)	-	45.14
	-	45.14
Current tax assets (net of tax)	165.72	-
	165.72	-



	For the year ended 31 March 2019	For the year ended 31 March 2018
22 Revenue from operations		
Sale of products		
Finished goods	15,680.07	13,861.33
Sale of services	29.06	58.48
	<u>15,709.13</u>	<u>13,919.81</u>
Other operating revenue		
Development cost	10.67	33.84
Sale of scrap	56.46	33.43
	<u>67.13</u>	<u>67.27</u>
	<u>15,776.26</u>	<u>13,987.08</u>
In accordance with Ind AS 115 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 March 2018 were reported consequent to the introduction of Goods and Services Tax (GST) with effect from July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 115. Accordingly, Financial statements for the year ended 31 March 2019 and in particular, Sales and ratios in percentage of sales, are not comparable with the figures of the previous year.		
	For the year ended 31 March 2019	For the year ended 31 March 2018
23 Other income		
Interest income on demand deposits	54.06	29.93
Liabilities no longer required written back	1.68	4.77
Foreign exchange fluctuation (net)	-	8.47
	<u>55.74</u>	<u>43.17</u>
	For the year ended 31 March 2019	For the year ended 31 March 2018
24 Cost of materials consumed		
Raw materials consumed (including packing materials)		
Inventory at the beginning of the year	1,035.96	708.99
Add : Purchases during the year	7,833.10	6,923.76
Less : Inventory at the end of the year	1,054.47	1,035.96
Cost of raw materials consumed	<u>7,814.59</u>	<u>6,596.79</u>
	For the year ended 31 March 2019	For the year ended 31 March 2018
25 Changes in inventory of finished goods and work in progress		
Stock at the beginning of the period:		
- Finished goods	92.61	89.07
- Work in progress	37.02	59.14
	<u>129.63</u>	<u>148.21</u>
Stock at the end of the year:		
- Finished goods	193.04	92.61
- Work in progress	117.56	37.02
	<u>310.60</u>	<u>129.63</u>
Decrease in stock	<u>(180.97)</u>	<u>18.58</u>
	For the year ended 31 March 2019	For the year ended 31 March 2018
26 Employee benefits		
Salaries, wages and bonus	1,924.45	1,494.46
Contribution to provident and other funds	99.10	82.07
Employee stock option expenses (refer note 37)	-	23.07
Staff welfare expenses	208.79	175.11
	<u>2,232.34</u>	<u>1,774.71</u>
	For the year ended 31 March 2019	For the year ended 31 March 2018
27 Finance costs		
Interest expense on borrowings	99.80	67.23
Interest on income tax	0.37	6.17
Other charges	10.64	4.86
Total	<u>110.81</u>	<u>78.26</u>
	For the year ended 31 March 2019	For the year ended 31 March 2018
28 Depreciation and amortisation		
Depreciation on property, plant and equipment (also refer note 4a)	802.22	671.36
Amortisation on intangible assets (also refer note 5)	33.29	35.64
	<u>835.51</u>	<u>707.00</u>



	For the year ended 31 March 2019	For the year ended 31 March 2018
29 Other expenses		
Consumption of stores and spare parts	517.91	604.67
Job work-charges	31.94	100.36
Power and fuel	817.47	698.99
Rent (refer note 34)	14.05	3.60
Repairs		
- Building	56.49	51.93
- Plant and equipment	240.57	165.37
- Others	19.01	7.79
Rates and taxes	12.24	21.46
Travelling	234.48	197.95
Payment to auditors*	17.00	16.85
Foreign exchange fluctuation (net)	117.65	-
Impairment loss on trade receivable	-	0.10
Legal and professional charges	116.84	65.85
Sales promotion expenses	24.46	32.49
Packing and forwarding expenses	367.96	271.14
Loss on disposal of fixed assets	6.80	6.29
Royalty	133.54	99.61
SAP License fee and other charges	70.38	54.34
Shared services- management and administration	233.66	155.66
Interest Other	2.60	
Miscellaneous expenses	267.99	166.83
Total	3,303.04	2,721.28
 *Payment to the auditors (excluding service tax/GST)		
Statutory audit	12.00	12.00
Other services	3.00	3.00
Reimbursement of expenses	2.00	1.85
	17.00	16.85

Detail of corporate social responsibility expenditure

	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Amount required to be spent by the Company during the year	23.65	11.59
b. Amount spent during the year on		
(i) Construction / acquisition of assets	-	-
(ii) On purpose other than (i) above	24.00	12.00



30 Capital commitments (net of advance)

Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account amounts to ₹ 96.56 lacs (31 March 2018: ₹ 38.10 lacs)

31 Employee Benefits

a) Assets and liabilities relating to employee benefits

Non-current

Net defined benefit liability - Gratuity
Provision for compensated absences

	As at 31 March 2019	As at 31 March 2018
	121.57	114.09
	73.59	62.54
	<u>195.16</u>	<u>176.63</u>
Current		
Net defined benefit liability - Gratuity	2.83	2.48
Provision for compensated absences	2.76	1.87
	<u>5.59</u>	<u>4.35</u>
	<u>200.75</u>	<u>180.98</u>

b) Defined benefit plan - Gratuity

The Company has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement.

The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically cost less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods.

Funding:

This is an unfunded benefit plan for qualifying employees.

Reconciliation of the net defined benefit (asset) / liability

- Reconciliation of present value of defined benefit obligation

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	116.57	99.12
Transfer in liability*	0.20	1.32
Interest cost	9.09	7.38
Current service cost	26.78	22.22
Past Service cost	-	5.00
Benefits paid	(14.09)	(5.36)
Actuarial (gain)/loss on obligation		
- experience adjustments	(17.49)	(6.80)
- changes in financial assumptions	3.34	(6.31)
Balance at the end of the year	124.40	116.57
- Long term	121.57	114.09
- Short term	2.83	2.48

* few employees transferred from other group companies, the liability on account of gratuity for employee upto date of transfer will be borne by the respective companies

Expense recognised in Statement of profit and loss

	As at 31 March 2019	As at 31 March 2018
Current service cost	26.78	22.22
Interest cost	9.09	7.38
Past Service cost	-	5.00
	<u>35.87</u>	<u>34.60</u>

Remeasurements recognised in other comprehensive income

Actuarial (gain) / loss arising during the year	(14.15)	(13.11)
Return on plan assets (greater) / less than discount rate	-	-
	<u>(14.15)</u>	<u>(13.11)</u>



31 Employee Benefits (Contd.)

Defined benefit obligations

	As at 31 March 2019	As at 31 March 2018
Actuarial assumptions		
Discount rate (per annum)	7.70% p.a.	7.80% p.a.
Future salary growth rate (per annum)	7.00% p.a.	8.00% p.a.
Attrition rate		
upto 30 years	3%	3%
from 31- 44 years	2%	2%
above 44 years	1%	1%

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

As at 31 March 2019, the weighted average duration of the defined benefit obligation was 16 years (31 March 2018 was 17 years)

Sensitivity analysis

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

	As at 31 March 2019		As at 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	107.11	145.71	99.68	137.50
Future salary growth rate (1% movement)	144.17	107.62	136.11	100.28
Attrition rate (50% of attrition rates)	125.66	122.93	116.56	116.58
Mortality rate (10% of mortality rates)	124.46	124.34	116.59	116.56

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

Expected benefit payments

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

	As at 31 March 2019	As at 31 March 2018
Within 1 year	2.83	2.48
2-5 years	14.18	12.12
6-10 years	51.82	48.16
More than 10 years	459.23	471.39

c) Defined contribution plans

The Company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The Company has recognised ₹ 99.10 lacs (previous year ₹ 82.07 lacs) during the year as expense towards contribution to these plans.

	As at 31 March 2019	As at 31 March 2018
Provident fund	85.08	69.26
Employees' state insurance scheme	14.02	12.81
	99.10	82.07

In February 2019, Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on legal advice the Company has made a provision for provident fund contribution from the date of Supreme Court order.



32 Fair value measurements**A. Financial Instrument by category**

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

Note No.	31 March 2019			31 March 2018		
	Carrying Amount	FVPTL	Amortised cost	Carrying Amount	FVPTL	Amortised cost
Financial assets						
Loans	6	169.29	-	59.17	-	59.17
Other financial assets	7	8.99	-	48.89	-	48.89
Trade receivables	11	2,213.79	-	1,803.25	-	1,803.25
Cash and cash equivalents	12	334.29	-	2,597.83	-	2,597.83
Bank balances other than cash and cash equivalents	13	42.88	-	50.00	-	50.00
		2,769.24	-	4,559.14	-	4,559.14
Financial liabilities						
Borrowings	16	3,382.42	-	85.99	-	85.99
Trade payables	18	1,828.48	-	1,666.61	-	1,666.61
Other financial liabilities	19	791.88	194.71	431.74	-	431.74
		6,002.78	194.71	2,184.34	-	2,184.34

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

2. Interest rates on long term borrowings(including current maturities) are equivalent to the market rate of interest. Accordingly, the carrying value of such borrowings approximates fair value.

3. Fair value of margin money with banks included in non-current other financial assets is equivalent to their carrying amount, as the interest rate on them is equivalent to market rate.

4. Fair value of all other non-current assets have not been disclosed as the change from carrying amount is inconsequential.

B. Fair value hierarchy

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

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under Ind AS 113. An explanation of each level follows underneath the table.

	31 March 2019			31 March 2018		
	Level-1	Level-2	Level-3	Level-1	Level-2	Level-3
Other financial liabilities	-	194.71	-	-	-	-
	-	194.71	-	-	-	-



33 Financial Risk Management Objectives

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

a) Market risk

Market risk is the risk that changes in market prices - such as pricing, currency risk and interest rate risk- will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

The sensitivity analyses in the following sections relate to the position as at March 31 2019 and 31 March 2018

(i) Foreign Currency Risk

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

Particulars of un-hedged foreign currency exposure

Currency	As at 31 March 2019			As at 31 March 2018		
	Foreign currency Amount (in lakhs)	Exchange rate (in absolute ₹)	Indian currency amount (₹) (In lakhs)	Foreign currency Amount (in lakhs)	Exchange rate (in absolute ₹)	Indian currency amount (₹) (In lakhs)
Trade Payables						
USD	0.49	69.15	33.68	0.07	65.04	4.79
JPY	53.96	0.62	33.69	-	-	-
THB	8.59	2.24	19.25	-	-	-
EUR	-	-	-	-	-	-
Advances to suppliers/Capital advances/ Loan to employees				0.00	80.62	0.19
CHF	0.11	72.48	8.01	-	-	-
USD	1.46	72.04	105.28	0.10	65.04	6.21
JPY	27.00	0.63	17.13	98.35	0.62	60.52

Foreign currency risk sensitivity

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

Exposure gain/(loss) ₹ in lakhs	31 March 2019		31 March 2018	
	Change +1%	Change -1%	Change +1%	Change -1%
Particulars				
Trade Payables				
USD	0.34	(0.34)	0.05	(0.05)
JPY	0.34	(0.34)	-	-
THB	0.19	(0.19)	-	-
EUR	-	-	-	-
Advances to suppliers/Capital advances/ Loan to employees			0.00	(0.00)
CHF	0.08	(0.08)	-	-
USD	1.05	(1.05)	0.06	(0.06)
JPY	0.17	(0.17)	0.61	(0.61)



Financial Risk Management Objectives (Contd.)

(ii) Interest Rate risk

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

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

Particulars	31 March 2019	31 March 2018
Variable Rate borrowings	3,701.47	355.06
Total	3,701.47	355.06

Variable interest borrowings include term loan from banks which carry MCLR based interest rate.

Sensitivity analysis

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

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

Particulars	Impact on profit	
	31 March 2019	31 March 2018
Increase by 0.5%	-17.2	-1.8
Decrease by 0.5%	17.2	1.8

(iii) Other price risks

Fluctuation in commodity price in market affects directly and indirectly the price of raw material and components used by the Company.

The key raw material for the Company's is High density poly ethylene(HDPE) and Acrylic Butadile styrene (ABS). There is substantial fluctuations in prices of HDPE and ABS. The Company has arrangements with its major customers for passing on the price impact.

b) Liquidity Risk

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

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

- The Company is having credit limit from banks on account of borrowings, working capital, cash credit etc., of ₹ 1500 lakhs

Exposure to liquidity risk

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

As at 31 March 2019	On demand	Less than 3 months	3 to 12 months	1-5 Years	More than 5 Years	Total
Borrowings	264.16	-	319.06	3,118.25	-	3,701.47
Trade payable	-	1,828.48	-	-	-	1,828.48
Interest accrued but not due on borrowings	-	15.25	-	-	-	15.25
Payables for property, plant and equipment	-	204.94	-	-	-	204.94
Employee related payable	-	16.73	41.19	-	-	57.92
	264.16	2,065.40	360.25	3,118.25	-	5,808.06
As at 31 March, 2018						
Borrowings	-	-	310.36	44.70	-	355.06
Trade payable	-	1,666.61	-	-	-	1,666.61
Interest accrued but not due on borrowings	-	2.87	-	-	-	2.87
Payables for property, plant and equipment	-	38.81	-	-	-	38.81
Employee related payable	-	45.21	22.16	-	-	67.37
	-	1,753.50	332.52	44.70	-	2,130.72



Financial Risk Management Objectives (Contd.)

c) Credit risk

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

(i) Trade receivables

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

The Company primarily has the exposure from customers who uses:

- Blow moulding products

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

The Company's expected probability of default is nil and all major payments are received on due dates without any significant delays, hence no loss allowance has been provided in trade receivables.

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

Users of Blow moulding products

Carrying amount	
31 March 2019	31 March 2018
2,213.79	1,803.25

(ii) Cash and Cash Equivalent

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

(iii) Other Financial assets

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

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

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

Security deposits
Loan to employees
Bank deposits (due to mature after 12 months from the reporting date)
Interest accrued on deposits

Carrying amount	
31 March 2019	31 March 2018
156.19	42.55
13.10	16.62
7.37	47.18
1.61	1.71
178.27	108.06



34 Operating Leases

Leases as lessee

The Company enters into operating lease arrangements for warehouse and guest houses. Some of the significant terms and conditions for the arrangements are:

- agreements may generally be terminated by either party by serving one to three month's notice / mutual consent i.e. all the leases are cancellable.
- the lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.
- no subletting of the premises or any part thereof is permissible without the prior written consent of lessor.

(a) Amount recognised in profit or loss:

	Year ended 31 March 2019	Year ended 31 March 2018
Lease expense for the year	14.05	3.60

35 Related Parties

Related party and nature of related party relationship where control exists:-

A) Ultimate Holding Company and Holding company

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

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

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

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

C) Joint Venture partner

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

D) Associate companies

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

E) Key management personnel

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

F) Other related parties

Entity where the third entity is an associate of the joint venture partner

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

Transactions with related parties

	Year ended 31 March 2019	Year ended 31 March 2018
A. Holding company		
a) Purchase of raw material, components and parts	692.35	636.43
b) Employee share based payment	-	23.07
c) Other expenses		
Management fee	181.12	155.66
SAP License fee and Other Charges	112.88	54.16
Rent expenses	4.80	3.82
d) Sale of Goods	1.30	-



RELATED PARTIES (contd.)

	Year ended 31 March 2019	Year ended 31 March 2018
(d) Reimbursements		
Expenses recovered / received	-	3.15
(e) Dividend paid during the year	150.91	148.00
	As at 31 March 2019	As at 31 March 2018
(a) Balance outstanding as at the year end		
Payables	129.33	106.02
B. Other enterprise over which Key Management personnel is able to exercise significant influence		
	Year ended 31 March 2019	Year ended 31 March 2018
(a) Purchase of raw material, components and parts	591.38	551.35
	As at 31 March 2019	As at 31 March 2018
(a) Balance outstanding as at the year end		
Payables	155.61	161.65
C. Joint venture partner		
	Year ended 31 March 2019	Year ended 31 March 2018
a) Purchase of raw material, components and parts		
Kyoraku Co. Ltd	123.59	76.49
b) Purchase of property, plant and equipment		
Nagase & Co. Ltd	1,497.85	162.15
c) Other expenses		
Legal and professional		
- Kyoraku Co. Ltd	40.82	18.98
- Nagase & Co. Ltd	59.60	-
- Chiyoda Manufacturing Corporation	26.78	-
Royalty expenses		
- Kyoraku Co. Ltd	133.54	99.10
d) Dividend paid during the year		
- Kyoraku Co. Ltd	23.04	32.00
- Nagase & Co. Ltd	44.65	20.00
- Chiyoda Manufacturing Corporation	4.45	6.19
	As at 31 March 2019	As at 31 March 2018
(a) Balance outstanding as at the year end		
Payables		
- Kyoraku Co. Ltd	61.49	50.00
- Nagase & Co. Ltd	49.85	-
Receivables / Advances		
- Kyoraku Co. Ltd	56.53	17.08
- Nagase & Co. Ltd	2.72	-
- Chiyoda Manufacturing Corporation	28.43	28.30
D. Associate companies		
	Year ended 31 March 2019	Year ended 31 March 2018
a) Sale of goods		
Roki Minda Co. Pvt Ltd	18.23	36.64
Minda Distribution Sales Limited	-	-
Mindarika Pvt. Ltd.	0.14	-
Minda TTE Daps Pvt. Ltd.	4.83	-
Toyoda Gosei Minda India Private Limited	11.00	-
b) Purchase of property, plant and equipment		
Minda Projects Limited	6,685.49	794.19
c) Purchase of raw material, components and parts		
Toyoda Gosei Minda India Pvt. Ltd.	10.64	-
c) Other expenses		
Training Expenses	-	0.25
- Roki Minda Co. Pvt Ltd	-	-
	As at 31 March 2019	As at 31 March 2018
(a) Balance outstanding as at the year end		
Payables		
Roki Minda Co. Pvt Ltd	-	5.79
Minda Projects Limited	19.09	38.81
Toyoda Gosei Minda India Private Limited	0.38	-
Receivables/Advances		
Roki Minda Co. Pvt Ltd	1.33	-
Minda Projects Limited	-	420.88
Mindarika Pvt. Ltd.	0.15	-
Minda TTE Daps Pvt. Ltd.	5.01	-



RELATED PARTIES (contd.)

E. Key management personnel
Managerial remuneration *

Short term employee benefits

Nitesh Kumar Minda

Rakesh Kumar Dagar

Nirmal Saini

Share based payment

Nitesh Kumar Minda

Year ended
31 March 2019Year ended
31 March 2018

81.28

74.28

7.86

2.21

-

-

23.07

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

There are no outstanding for Key managerial personnel.

F) Other related parties

a) Purchase of goods

- PT. Kyoraku Kanto Mould Indonesia

- PT Nagase Impor Ekpor Indonesia

- Nagase India Private Limited

Year ended
31 March 2019Year ended
31 March 2018

12.05

119.65

347.25

67.95

1,405.75

447.11

(b) Reimbursements

Expenses recovered/received

- PT. Kyoraku Kanto Mould Indonesia

- PT. Nagase Impor Ekpor Indonesia

- PT. Kyoraku Blowmoulding

14.08

11.42

-

23.84

2.53

7.15

(a) Balance outstanding as at the year end
Payables

- PT. Nagase Impor Ekpor Indonesia

- Nagase India Private Limited

- PT. Kyoraku Blowmoulding

Receivable

- PT. Nagase Impor Ekpor Indonesia

- Nagase India Private Limited

As at
31 March 2019As at
31 March 2018

23.36

4.80

195.93

290.13

0.88

56.39

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



36 Segment Information

a. Basis for segmentation

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

The Company is engaged in the business of manufacturing of blow moulding products which constitutes a single business segment, accordingly, disclosure requirement of Ind AS 108, "Operating Segments" are not required to be given. The Company operates within one geography i.e., India and all the non-current assets (excluding Deferred tax asset and Income tax asset) lies in India. Therefore, disclosure for geographical segment is also not required. Results of the Company are reviewed regularly by the Company's Board of Directors to assess the performance of the Company and to make decisions accordingly.

b. Major customer

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

Customer	For the year ended 31 March 2019	For the year ended 31 March 2018
Customer A	5,205	3,371
Customer B	3,656	3,741
Customer C	1,714	1,995

37 Share based payment

The Company had participated in the Minda Industries Limited Employee Stock Option Scheme 2016 and during the previous year, the Nomination & Remuneration Committee of Minda Industries Limited ('the Parent Company') had approved the grant of 30,000 equity shares of face value of Rs. 2/- to its Managing Director Mr. Nitesh Kumar Minda in terms of the Employee Stock Option Scheme 2016. The scheme is monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors of Minda Industries Limited in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

The Company accounts for Equity Stock Options of the Parent Company as per the accounting treatment prescribed by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended from time to time) and the Ind AS - 102 on Share Based Payment.

Scheme	Year	Date of Grant	Number of Options granted	Vesting Condition	Exercise Period	Exercise Price ₹ per share
Minda Employee Stock Option Scheme 2016	2017	22 November 2017	30,000 options of Equity shares of face value of Rs. 2/- each	Achieving target of market capitalization of the parent company on or before March 31, 2018	1 year from the date of vesting	180

Scheme	Year	Number of Shares Options				Outstanding at the end of the year 31.03.2019
		Outstanding at the beginning of the year 01.04.2018	Granted during the year	Forfeited /expired during the year	Exercised during the year	
Minda Employee Stock Option Scheme 2016	2017	30,000	-	-	30,000	-

Fair valuation

The parent company has provided the fair value of Share based payment cost that have been done by an independent firm of Chartered Accountants on the date of grant using the Black-Scholes Model.

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

Particulars	As at 31st March 2019	As at 31st March 2018
Risk-free interest rate (%)	6.13% - 6.51%	6.13% - 6.51%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	1.53 years - 1.85 years	1.53 years - 1.85 years
Expected volatility (%)	27.92% - 43.62%	27.92% - 43.62%
Dividend yield	4.61% - 6.90%	4.61% - 6.90%

The risk free interest rates are determined based on the zero-coupon yield curve for Government Securities or Government bonds with maturity equal to the expected term of the option. Volatility calculation is based on annualized standard deviation of the continuously compounded rate of return of the stock over a period of time. The historical period taken into account to match the expected life of the option. Dividend yield has been arrived by dividing the dividend for the period with the current market price.

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



Minda Kyoraku Limited**Notes forming part of the financial statements for the year ended 31 March 2019**

(All amounts in ₹ Lacs, unless otherwise stated)

38 Capital management

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

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

	31 March 2019	31 March 2018
Net Debt	3,103.02	(2,189.15)
EBITDA	2,663.00	2,472.75
Net Debt to EBITDA	116.52%	-88.53%

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Tarun

Tarun Gupta

Partner

Membership No. : 507892

Place : Gurugram

Date: 08 May 2019

For and on behalf of the Board of Directors of
Minda Kyoraku Limited

Nminda

Nitesh Minda
Managing Director
DIN No. 00008300

Place : Gurugram
Date: 08 May 2019

Rakesh Kumar Dagar

Rakesh Kumar Dagar
Chief Financial Officer

Place : Gurugram
Date: 08 May 2019

Shuetsu Oku

Shuetsu Oku
Director
DIN No. 05145404

Place : Gurugram
Date: 08 May 2019

Nirmal Saini

Nirmal Saini
Company Secretary
Membership No: ACS 53783

Place : Gurugram
Date: 08 May 2019

