

AUTO COMPONENT

NOTE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st MARCH 2021

NOTE NO.1

A. FIRM INFORMATION

Auto Component is a partnership firm.

It has been carrying on business of manufacturing, assembling, trading, importing, exporting of automotive parts as per deed of partnership executed on 30th November 2005 between Sh Nirmal Kumar Minda and Ms Pallak Minda.

Minda Autogas Ltd has been introduced a new partner w.e.f. 1st February 2010.

Minda Autogas Ltd has been amalgamated with Minda Industries Ltd as per the order of the Hon'ble High Court of Delhi dated 25th January 2011. The name of Minda Industries Ltd is substituted in place of Minda Autogas Ltd.

Sh Sanjeev Garg has been introduced a new partner with effect from 01.10.2020.

Share of profit/loss of the partners of the firm is as under -

<u>Name of partner</u>	<u>From 01.04.2020 to 30.09.2020 (in percentage)</u>	<u>From 01.10.2020 onward (in percentage)</u>
Sh Nirmal Kumar Minda	25.55	20.55
Ms Pallak Minda Jindal	25.55	25.55
Sh Sanjeev Garg	--	05.00
Minda Industries Ltd.	48.90	48.90

B. BASIS OF PREPARATION

The firm prepares its accounts on accrual basis except otherwise stated in accordance with normally accepted accounting principles.

Accounting policies adopted during the year are in line with Indian Accounting Standards (Ind AS).

Previous year's figure have been regrouped/reclassified wherever necessary to confirm with the current year's clarification.



C. SIGNIFICANT ACCOUNTING POLICIES

1. Property, Plant and Equipment

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

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.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

2. Depreciation/amortisation

Depreciation/amortisation for the year has been provided for on reducing balance methods at the rates specified under the Income Tax Act/Rules.

3. Inventories

Inventories which comprise raw materials, work-in-progress, finished goods and stores and spares are carried at the lower of cost and net realisable value.

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

In determining the cost, First in First out (FIFO) method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

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 products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

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

Inventories in transit are valued at cost.

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

4. Revenue recognition

- (i) Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns rejection, trade discounts and volume rebates. The amount recognized as revenue is exclusive of goods & service tax (GST). Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer.
- (ii) Designing fees and service revenue is recognized on an accrual basis as and when the services are rendered in accordance with the terms of the underlying contract.



5. Purchases

Purchase are stated inclusive of freight and net of returns, rejection and discount.

6. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

7. Income tax

The provision of income tax is based on the amount expected to be paid to the tax authorities in accordance with Income Tax Act/Rules.

8. Provision for Leave Encashment and Gratuity

Provision for Leave Encashment and Gratuity has been made on the Actuarial Valuation report obtained from the approved valuer.



AUTO COMPONENT**BALANCE SHEET AS AT 31ST MARCH 2021**

(All amounts in Indian ₹, unless otherwise stated)

	Note	As at 31.03.2021	As at 31.03.2020
ASSETS			
Non-current assets			
Property, plant and equipment	2 A	5,32,93,314	5,42,12,751
Other intangible assets	2 B	63,518	1,05,863
Financial assets			
(i) Other non current financial assets	3	19,22,585	15,03,221
Total non-current assets		5,52,79,417	5,58,21,835
Current assets			
Inventories	4	3,83,88,184	3,14,29,850
Financial assets			
(i) Trade receivables	5	12,70,64,196	8,91,98,583
(ii) Cash and cash equivalents	6	42,26,757	33,33,664
(iii) Other current financial assets	7	-	70,000
Other current assets	8	12,85,656	38,01,833
Total current assets		17,09,64,793	12,78,33,930
TOTAL ASSETS		22,62,44,210	18,36,55,765
EQUITY AND LIABILITIES			
Equity			
Partners Capital	9	8,46,89,302	7,95,95,056
Total equity		8,46,89,302	7,95,95,056
Liabilities			
Non - Current liabilities			
Long Term Provisions	10	1,05,72,792	87,74,725
Total Non - Current liabilities		1,05,72,792	87,74,725
Current liabilities			
Financial liabilities			
(i) Trade payables	11	11,43,90,418	8,79,96,790
(ii) Other financial liabilities	12	50,69,993	24,09,081
Other current liabilities	13	56,92,336	32,89,662
Short Term Provisions	14	12,89,592	13,58,053
Current tax liabilities (net)	15	45,39,777	2,32,398
Total Current liabilities		13,09,82,116	9,52,85,984
TOTAL EQUITY AND LIABILITIES		22,62,44,210	18,36,55,765

Significant accounting policies

The accompanying notes form an integral part of the financial statements

In terms of our report attached

For R.N. SARAF & Co.

Chartered Accountants

Firm Registration No: 002023N

R.N. SARAF

Membership No. 12439

Place : New Delhi

Date : 10 - June - 2021

UDIN : 21012439AAAACW6341



Partner

(Ms. Pallabika)

Partner

(Mr. N. K. M.)

AUTO COMPONENT**STATEMENTS OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021**

(All amounts in Indian ₹, unless otherwise stated)

	Note	For the period from 01.04.2020 to 30.09.2020	For the period from 01.10.2020 to 31.03.2021	Year Ended 31.03.2021	Year Ended 31.03.2020
Total Income					
Revenue from operations	16	28,45,33,093	57,56,73,083	86,02,06,176	68,62,40,837
Other income	17	53,014	35,379	88,393	70,000
Total income		28,45,86,107	57,57,08,462	86,02,94,569	68,63,10,837
Expenses					
Cost of materials consumed	18	19,60,78,741	40,55,68,162	60,16,46,903	46,56,31,611
Changes in inventory of finished goods and work-in-progress	19	(16,70,289)	1,41,630	(15,28,659)	(48,26,341)
Employee benefit expenses	20	3,03,88,791	4,40,74,163	7,44,62,954	6,78,73,147
Depreciation and amortization	21	33,69,388	45,21,813	78,91,201	84,71,229
Other expenses	22	1,99,57,151	2,96,18,345	4,95,75,496	4,30,42,948
Total expenses		24,81,23,782	48,39,24,113	73,20,47,895	58,01,92,594
Profit for the period/year before tax		3,64,62,325	9,17,84,349	12,82,46,674	10,61,18,243
Income tax expense		1,32,90,612	3,28,68,000	4,61,58,612	3,86,70,000
Profit for the period/year after tax		2,31,71,713	5,89,16,349	8,20,88,062	6,74,48,243

Significant accounting policies

The accompanying notes form an integral part of the financial statements

In terms of our report attached

For R.N. SARAF & Co.

Chartered Accountants

Firm Registration No: 002023N

R.N. SARAF

Membership No. 12439

Place: New Delhi

Date: 10 - June - 2021

UDIN: 21012439AAAACW6341



(Signature)
Partner
(Ms. Pallavi)

(Signature)
Partner
(Mr. R. K. M.)

AUTO COMPONENT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(All amounts in Indian ₹, unless otherwise stated)

Note 2 A :- Property, plant and equipment

	Freehold Land	Factory Building	Plant And Equipment	Furniture And Fixtures	Vehicles	Office Equipment	Computer Hardware	Total (A)
Gross Carrying Amount								
Balance at 1 April 2019	57,16,647	3,55,97,552	12,52,10,779	9,60,157	19,44,457	17,08,920	18,83,729	17,30,22,241
Additions	-	-	25,22,954	17,200	-	1,24,180	2,12,430	28,76,764
Disposals	-	-	23,90,466	-	-	61,074	2,937	24,54,477
Balance at 31 March 2020	57,16,647	3,55,97,552	12,53,43,267	9,77,357	19,44,457	17,72,026	20,93,222	17,34,44,528
Balance at 1 April 2020	57,16,647	3,55,97,552	12,53,43,267	9,77,357	19,44,457	17,72,026	20,93,222	17,34,44,528
Additions till 30 Sep 2020	-	-	1,01,554	-	-	55,693	-	1,57,247
Additions after 01 Oct 2020	-	-	66,51,344	-	-	78,810	88,318	68,18,472
Additions	-	-	67,52,898	-	-	1,34,503	88,318	69,75,719
Disposals	-	-	40,000	-	-	-	6,300	46,300
Balance at 31 March 2021	57,16,647	3,55,97,552	13,20,56,165	9,77,357	19,44,457	19,06,529	21,75,240	18,03,73,947
Accumulated Depreciation								
Balance at 1 April 2019	-	1,74,13,057	9,14,68,480	4,60,672	5,93,703	8,54,761	16,05,711	11,23,96,384
Depreciation	-	18,18,450	60,32,589	50,809	2,02,613	1,41,895	1,54,298	84,00,654
Disposals	-	-	15,14,407	-	-	50,854	-	15,65,261
Balance at 31 March 2020	-	1,92,31,507	9,59,86,662	5,11,481	7,96,316	9,45,802	17,60,009	11,92,31,777
Balance at 1 April 2020	-	1,92,31,507	9,59,86,662	5,11,481	7,96,316	9,45,802	17,60,009	11,92,31,777
Depreciation till 30 Sep 2020	-	8,18,302	22,87,721	23,294	86,111	66,144	66,643	33,48,215
Depreciation after 01 Oct 2020	-	8,18,303	34,19,094	23,294	86,110	72,054	81,786	45,00,641
Depreciation	-	16,36,605	57,06,815	46,588	1,72,221	1,38,198	1,48,429	78,48,856
Disposals	-	-	-	-	-	-	-	-
Balance at 31 March 2021	-	2,08,68,112	10,16,93,477	5,58,069	9,68,537	10,84,000	19,08,438	12,70,80,633
Carrying amounts (net)								
At 31 March 2020	57,16,647	1,63,66,045	2,93,56,605	4,65,876	11,48,141	8,26,224	3,33,213	5,42,12,751
At 31 March 2021	57,16,647	1,47,29,440	3,03,62,688	4,19,288	9,75,920	8,22,529	2,66,802	5,32,93,314



AUTO COMPONENT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(All amounts in Indian ₹, unless otherwise stated)

Note 2 B :- Other Intangible assets

	Computer Software	Total (B)
Gross Carrying Amount		
Balance at 1 April 2019	9,48,950	9,48,950
Additions	1,09,056	1,09,056
Disposals	-	-
Balance at 31 March 2020	10,58,006	10,58,006
Balance at 1 April 2020	10,58,006	10,58,006
Additions till 30 Sep 2020	-	-
Additions after 01 Oct 2020	-	-
Additions	-	-
Disposals	-	-
Balance at 31 March 2021	10,58,006	10,58,006
Accumulated amortisation		
Balance at 1 April 2019	8,81,568	8,81,568
Amortisation	70,575	70,575
Disposals	-	-
Balance at 31 March 2020	9,52,143	9,52,143
Balance at 1 April 2020	9,52,143	9,52,143
Amortisation till 30 Sep 2020	21,173	21,173
Amortisation after 01 Oct 2020	21,172	21,172
Amortisation	42,345	42,345
Disposals	-	-
Balance at 31 March 2021	9,94,488	9,94,488
Carrying amount (net)		
At 31 March 2020	1,05,863	1,05,863
At 31 March 2021	63,518	63,518



AUTO COMPONENT**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

(All amounts in Indian ₹, unless otherwise stated)

Note 3 :- Other Non-current financial assets

(Unsecured, considered good unless otherwise stated)

	As at 31.03.2021	As at 31.03.2020
Security deposits	19,22,585	15,03,221
Total	19,22,585	15,03,221

Note 4 :- Inventories

(As taken, valued and certified by the management)

	As at 31.03.2021	As at 31.03.2020
Raw materials	2,63,82,538	2,12,03,938
Work-in-progress	75,49,231	37,60,954
Finished goods (Includes in transit 38,04,585/- in last year)	29,36,525	51,96,143
Stores and spares	11,52,572	7,33,727
Diesel	77,318	26,175
Goods in transit	2,90,000	5,08,913
Total	3,83,88,184	3,14,29,850

Note 5 :- Trade receivables

(Unsecured, considered good unless otherwise stated)

	As at 31.03.2021	As at 31.03.2020
Trade receivables	12,70,64,196	8,91,98,583
Total	12,70,64,196	8,91,98,583

Note 6 :- Cash and cash equivalents

	As at 31.03.2021	As at 31.03.2020
- Balances with banks		
On current accounts	41,91,825	32,36,393
- Cash on hand (including imprest)	34,932	97,271
Total	42,26,757	33,33,664

Note 7 :- Other current financial assets

	As at 31.03.2021	As at 31.03.2020
Interest accrued on security deposits	-	70,000
Total	-	70,000

Note 8 :- Other current assets

(Unsecured, considered good unless otherwise stated)

	As at 31.03.2021	As at 31.03.2020
Prepaid Expenses	3,98,185	5,75,399
GST On Goods In Transit	-	8,77,982
Budgetary support under Goods and Service Tax Receivable	4,66,594	4,66,594
Silver coin	36,517	32,017
Advances to suppliers/others	3,360	15,26,635
Advances to employees	3,81,000	3,23,206
Total	12,85,656	38,01,833



AUTO COMPONENT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(All amounts in Indian ₹, unless otherwise stated)

Note 9 :- Partners Capital

	Sh. N.K. Minda	Mrs. Pallak Minda	Sh. Sanjeev Garg	Minda Industries Limited	Total
Balance at 1 April 2019	1,40,69,941	2,55,13,143	-	3,78,78,916	7,74,62,000
Add: Share of Net Profit For The Year	1,72,33,026	1,72,33,026	-	3,29,82,190	6,74,48,243
Less: Drawings	1,09,66,430	2,24,09,633	-	3,19,39,124	6,53,15,187
Balance at 31 March 2020	2,03,36,537	2,03,36,536	-	3,89,21,982	7,95,95,056
Balance at 1 April 2020	2,03,36,537	2,03,36,536	-	3,89,21,982	7,95,95,056
Add: Contribution towards capital	-	-	39,80,000	-	39,80,000
Add: Transfer from Sh Sanjeev Garg	39,80,000	-	-	-	39,80,000
Add: Share of net profit for the period	-	-	-	-	-
- From 01.04.2020 to 30.09.2020	59,20,373	59,20,373	-	1,13,30,967	2,31,71,713
- From 01.10.2020 to 31.03.2021	1,21,07,310	1,50,53,127	29,45,817	2,88,10,095	5,89,16,349
Less: Drawings	2,46,34,600	1,93,34,680	-	3,70,04,536	8,09,73,816
Less: Transfer to Sh N.K. Minda	-	-	39,80,000	-	39,80,000
Balance at 31 March 2021	1,77,09,620	2,19,75,356	29,45,817	4,20,58,508	8,46,89,302



AUTO COMPONENT**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

(All amounts in Indian ₹, unless otherwise stated)

Note 10 :- Long-term provisions

	As at 31.03.2021	As at 31.03.2020
Provision for employee benefits		
Gratuity	81,25,273	72,79,368
Compensated absences	24,47,519	14,95,357
Total	1,05,72,792	87,74,725

Note 11 :- Trade payables

	As at 31.03.2021	As at 31.03.2020
Trade payables	11,43,90,418	8,79,96,790
Total	11,43,90,418	8,79,96,790

Note 12 :- Other financial liabilities

	As at 31.03.2021	As at 31.03.2020
Expenses payable	50,69,993	24,09,081
Total	50,69,993	24,09,081

Note 13 :- Other current liabilities

	As at 31.03.2021	As at 31.03.2020
Goods and Service Tax Payable	43,43,330	26,72,965
Provident Fund & Other Funds	4,74,821	4,52,000
Tax Deducted/Collected at Source	8,74,185	1,64,697
Total	56,92,336	32,89,662

Note 14 :- Short-term provisions

	As at 31.03.2021	As at 31.03.2020
Provision for employee benefits		
Gratuity	5,39,543	4,87,386
Compensated absences	7,50,049	8,70,667
Total	12,89,592	13,58,053

Note 15 :- Current tax liabilities (net)

	As at 31.03.2021	As at 31.03.2020
Provision for Income Tax (net of tax)	45,39,777	2,32,398
Total	45,39,777	2,32,398



AUTO COMPONENT**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

(All amounts in Indian ₹, unless otherwise stated)

Note 16 :- Revenue from operations

	For the period from 01.04.2020 to 30.09.2020	For the period from 01.10.2020 to 31.03.2021	Year Ended 31.03.2021	Year Ended 31.03.2020
Sale				
-Finished Product	28,02,74,335	55,48,92,974	83,51,67,309	67,73,95,523
-Raw Materials	10,61,061	1,37,30,228	1,47,91,289	1,79,000
-Scrap Sale	8,94,668	25,44,751	34,39,419	23,04,314
Other operating revenues				
-Testing And Quality Assurance Service	23,03,029	45,05,130	68,08,159	63,62,000
Total	28,45,33,093	57,56,73,083	86,02,06,176	68,62,40,837

Note 17 :- Other income

	For the period from 01.04.2020 to 30.09.2020	For the period from 01.10.2020 to 31.03.2021	Year Ended 31.03.2021	Year Ended 31.03.2020
Interest on electricity deposits	53,014	35,379	88,393	70,000
Total	53,014	35,379	88,393	70,000

Note 18 :- Cost of materials consumed

	For the period from 01.04.2020 to 30.09.2020	For the period from 01.10.2020 to 31.03.2021	Year Ended 31.03.2021	Year Ended 31.03.2020
Raw materials (including purchased components and packing material consumed)				
Inventories at the beginning of the period / year	2,12,03,938	2,20,18,654	2,12,03,938	1,69,60,188
Add: Purchases	19,68,93,457	40,99,32,046	60,68,25,503	46,98,75,361
	21,80,97,395	43,19,50,700	62,80,29,441	48,68,35,549
Less: Inventories at the end of the period / year	2,20,18,654	2,63,82,538	2,63,82,538	2,12,03,938
Total	19,60,78,741	40,55,68,162	60,16,46,903	46,56,31,611

Note 19 :- Changes in inventories of finished goods and work in progress

	For the period from 01.04.2020 to 30.09.2020	For the period from 01.10.2020 to 31.03.2021	Year Ended 31.03.2021	Year Ended 31.03.2020
Inventories at the end of the period / year :				
Work-in-progress	80,07,717	75,49,231	75,49,231	37,60,954
Finished goods	26,19,669	29,36,525	29,36,525	51,96,143
	1,06,27,386	1,04,85,756	1,04,85,756	89,57,097
Inventories at the beginning of the period / year :				
Work-in-progress	37,60,954	80,07,717	37,60,954	37,87,060
Finished goods	51,96,143	26,19,669	51,96,143	3,43,696
	89,57,097	1,06,27,386	89,57,097	41,30,756
Net (increase) / decrease in stocks	(16,70,289)	1,41,630	(15,28,659)	(48,26,341)



AUTO COMPONENT**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

(All amounts in Indian ₹, unless otherwise stated)

Note 20 :- Employee benefits expense

	For the period from 01.04.2020 to 30.09.2020	For the period from 01.10.2020 to 31.03.2021	Year Ended 31.03.2021	Year Ended 31.03.2020
Salaries, wages and bonus	2,67,57,021	4,00,21,211	6,67,78,232	5,91,43,882
Leave Encashment	6,92,392	2,64,213	9,56,605	12,93,093
Gratuity	4,50,337	4,78,787	9,29,124	16,53,886
Contribution to provident and other funds	10,71,851	12,77,983	23,49,834	25,26,799
Contribution to Employees' State Insurance Scheme	2,16,362	2,48,531	4,64,893	5,24,134
Staff welfare expense	12,00,828	17,83,438	29,84,266	27,31,353
Total	3,03,88,791	4,40,74,163	7,44,62,954	6,78,73,147

Note 21 :- Depreciation and amortisation

	For the period from 01.04.2020 to 30.09.2020	For the period from 01.10.2020 to 31.03.2021	Year Ended 31.03.2021	Year Ended 31.03.2020
Depreciation on Property, plant and equipment	33,48,215	45,00,641	78,48,856	84,00,654
Amortisation on intangible assets	21,173	21,172	42,345	70,575
Total	33,69,388	45,21,813	78,91,201	84,71,229

Note 22 :- Other expenses

	For the period from 01.04.2020 to 30.09.2020	For the period from 01.10.2020 to 31.03.2021	Year Ended 31.03.2021	Year Ended 31.03.2020
Power and Fuel	47,80,118	66,31,958	1,14,12,076	1,24,90,314
Consumption of Stores and Spares	12,91,156	39,62,639	52,53,795	32,49,438
Rent	30,900	31,860	62,760	60,720
Research and Development Expenses	22,882	67,629	90,511	23,113
Lease Rent	37,000	(1,128)	35,872	37,112
Factory Licence fees	15,703	15,701	31,404	23,774
Pollution Control Expenses	1,33,622	1,30,369	2,63,991	3,42,664
Printing and Stationery	1,05,042	1,61,214	2,66,256	2,31,694
Communication	85,314	1,05,549	1,90,863	2,36,813
Travelling and Conveyance	3,10,025	6,19,604	9,29,629	12,29,315
Legal and Professional	7,27,051	5,21,388	12,48,439	15,35,626
Vehicle expense	1,14,787	3,09,453	4,24,240	5,68,602
Books and Periodicals	1,26,546	1,09,200	2,35,746	2,33,742
Repairs				
- Machinery	8,38,671	15,38,280	23,76,951	19,15,186
- Others	3,92,122	19,29,329	23,21,451	24,92,199
Fixed Assets Written Off	-	-	-	4,63,279
Packing and forwarding	35,78,000	57,84,107	93,62,107	80,11,221
General Expense *	8,88,608	16,63,039	25,51,647	22,32,379
Donation	-	4,300	4,300	4,300
Insurance	1,95,174	2,49,864	4,45,038	2,26,020
Royalty / Commission on Sale / Sales Discount	62,84,430	57,83,990	1,20,68,420	74,35,083
Bank Charges	-	-	-	354
Total	1,99,57,151	2,96,18,345	4,95,75,496	4,30,42,948

* Penalty on Ground Water

-

1,00,000

1,00,000

-

* Penalty on Service Tax

-

-

-

12,158



AUTO COMPONENT

Notes forming part of the financial statements for the year ended 31st March 2021
(All amounts in Indian ₹, unless otherwise stated)

Note 23 :- Disclosure pursuant to Ind AS 19 on "Employee Benefits"

Defined benefit plans

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

Inherent Risk

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

Gratuity

(i) Changes in present value of obligation:

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Present value of obligation as at the beginning of the year	77,66,754	61,64,980
Acquisition adjustment		
Interest cost	5,31,646	4,75,714
Current service cost	7,87,475	6,89,141
Curtailment cost/(credit)	-	-
Benefits paid	(31,062)	(52,112)
Actuarial (gain)/loss on obligation	(3,89,997)	4,89,031
Present value of obligation as at the end of year	86,64,816	77,66,754
- Long term	81,25,273	72,79,368
- Short term	5,39,543	4,87,386

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Present value of obligation as at the end of the year	86,64,816	77,66,754	61,64,980
Fair value of plan assets as at the end of the year			
unfunded status			
Net asset/(liability) recognized in balance sheet	86,64,816	77,66,754	61,64,980

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

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Current service cost	7,87,475	6,89,141
Interest cost	5,31,646	4,75,714
Expected return on plan assets		
Net actuarial (gain)/ loss recognized in the year	(3,89,997)	4,89,031
Expenses recognized in the Consolidated Statement of Profit and Loss	9,29,124	16,53,886

(iv) Maturity profile of defined benefit obligation:

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Within next 12 Months	5,89,543	4,87,386
Between 1 and 5 years	33,86,845	26,27,409
Between 5 and 10 years	44,16,575	46,81,645
10 years and above	90,72,678	82,72,141

(v) Principal actuarial assumptions at the balance sheet date are as follows:



a) Financial assumptions:

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Discount rate	6.80%	6.85%	7.70%
Future salary increase	5.00%	5.00%	5.00%

b) Demographic assumptions:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
i) Retirement Age (Years)	58	58	58
ii) Mortality Table	100%	100%	100%
iii) Ages			
Up to 30 years	3%	3%	3%
From 31 to 44 years	2%	2%	2%
Above 44 years	1%	1%	1%

(vi) Sensitivity analysis for significant assumptions:*

Increase/(Decrease) on present value of defined benefits obligation at the end of the year

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
1% increase in discount rate	79,87,345	71,37,297
1% decrease in discount rate	94,42,791	84,90,894
1% increase in salary escalation rate	93,93,082	84,78,287
1% decrease in salary escalation rate	79,70,331	71,21,223
1% increase in withdrawal rate	88,47,371	79,44,302
1% decrease in withdrawal rate	84,15,438	75,24,208
1% increase in mortality rate	86,67,439	77,69,288
1% decrease in mortality rate	86,62,184	77,64,212

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

Particulars	Amount
Gratuity*	-

*Since the scheme is managed on unfunded basis, the next year contribution is taken as NIL.

Leave Encashment

(i) Changes in present value of obligation:

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Present value of obligation as at the beginning of the year	23,66,024	16,53,310
Acquisition adjustment	-	-
Interest cost	-	-
Current service cost	9,56,605	7,12,714
Curtailment cost/(credit)	-	-
Benefits paid	(1,25,061)	-
Actuarial (gain)/loss on obligation	-	-
Present value of obligation as at the end of year	31,97,568	23,66,024
- Long term	24,47,519	14,95,357
- Short term	7,50,049	8,70,667

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Present value of obligation as at the end of the year	31,97,568	23,66,024	16,53,310
Fair value of plan assets as at the end of the year	-	-	-
unfunded status	-	-	-
Net asset/(liability) recognized in balance sheet	31,97,568	23,66,024	16,53,310

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

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Current service cost	9,56,605	7,12,714
Interest cost	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the year	-	-
Expenses recognized in the Consolidated Statement of Profit and Loss	9,56,605	7,12,714



(iv) Maturity profile of defined benefit obligation:

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Within next 12 Months	7,50,049	8,70,667
Between 2 and 5 years	9,12,347	5,60,970
Between 6 and 10 years	13,38,058	9,24,124
More than 10 years	31,83,861	18,79,371

(v) Principal actuarial assumptions at the balance sheet date are as follows:

a) Financial assumptions:

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Discount rate	6.80%	6.85%	7.70%
Future salary increase	5.00%	5.00%	5.00%

b) Demographic assumptions:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
i) Retirement Age (Years)	58	58	58
ii) Mortality Table	100%	100%	100%
iii) Ages			
Up to 30 years	3%	3%	3%
From 31 to 44 years	2%	2%	2%
Above 44 years	1%	1%	1%
Rate of Leave Availment (per annum)	100%	100%	100%
Rate of Leave Encashment during employment (per annum)	0%	0%	0%

(vi) Sensitivity analysis for significant assumptions:*

Increase/(Decrease) on present value of defined benefits obligation at the end of the year

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
1% increase in discount rate	29,78,958	22,31,617
1% decrease in discount rate	34,51,351	25,22,139
1% increase in salary escalation rate	34,53,419	25,23,491
1% decrease in salary escalation rate	29,73,497	22,28,200
1% increase in withdrawal rate	32,72,756	24,13,227
1% decrease in withdrawal rate	30,95,563	23,01,878
1% increase in mortality rate	31,98,447	23,66,562
1% decrease in mortality rate	31,96,687	23,65,483

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

Particulars	Amount
Leave Encashment*	-

*Since the scheme is managed on unfunded basis, the next year contribution is taken as NIL.



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

(All amounts in Indian ₹, unless otherwise stated)

Note 24 :- Related Party disclosure

A. Related Parties

i. Partners

- N.K.minda
- Pallak Minda
- Sanjeev Garg
- Minda Industries Limited

ii. Subsidiary of Minda Industries Limited

- MITIL Polymer Private Limited
- MI Torica India Private Limited
- Minda Rinder Private Limited (Now merge with Minda Industries Limited)
- Minda Distribution and Services Limited (Now merge with Minda Industries Limited)

iii. Firm where partners of Auto Components are partners

- S.M.Auto Industries
- Samaira Engineering
- YA Auto Industries

B. Transaction with related parties

	<u>2020-2021</u>	<u>2019-2020</u>
N.K. Minda		
-Share of Firm's Profit	1,80,27,683	1,72,33,026
-Drawings	2,46,34,600	1,09,66,430
-Balance in Capital Account at the Year End	1,77,09,620	2,03,36,537
Pallak Minda		
-Share of Firm's Profit	2,09,73,500	1,72,33,026
-Drawings	1,93,34,680	2,24,09,633
-Balance in Capital Account at the Year End	2,19,75,356	2,03,36,536
Sanjeev Garg		
-Share of Firm's Profit	29,45,817	-
-Balance in Capital Account at the Year End	29,45,817	-
Minda Industries Limited		
-Share of Firm's Profit	4,01,41,062	3,29,82,190
-Drawings	3,70,04,536	3,19,39,124
-Sales	69,69,55,620	63,368
-Purchase of material	40,90,756	1,11,480
-Royalty paid	1,06,87,955	-
-Services Rendered	66,06,159	-
-Services Received	1,21,890	-
-Balance in Capital Account at the Year End	4,20,58,508	3,89,21,982
-Trade Payable at Year End	38,61,724	-
-Trade Receivable at Year End	12,34,41,803	-



	<u>2020-2021</u>	<u>2019-2020</u>
MITIL Polymer Private Limited		
-Purchase of material	40,79,927	26,57,993
MI Torica India Private Limited		
-Purchase of material	-	14,82,000
Minda Rinder Private Limited (Now merge with Minda Industries Limited)		
-Purchase of material	7,51,909	66,97,966
-Sales	36,220	6,53,643
-Trade Payable at Year End	-	14,47,411
Minda Distribution and Services Limited (Now merge with Minda Industries Limited)		
-Sales	13,47,73,706	66,89,24,611
-Services Rendered	2,02,000	63,62,000
-Services Received	-	94,798
-Trade Receivable at Year End	-	8,93,78,041
S M Auto Industries		
-Purchase of material	2,71,120	21,39,706
-Trade Payable at Year End	5,904	93,834
Samaira Engineering		
-Purchase of material	31,000	68,200
YA Auto Industries		
-Purchase of material	2,74,664	1,29,239
-Trade Payable at Year End	-	16,178

Note 25 :- A few balances of debtors and creditors are subject to confirmation/ reconciliation.

Note 26 :- The firm has regrouped and reclassified previous year figures in accordance with this year.

For R.N. SARAF & CO.

Chartered Accountants

Firm Registration No: 002023N

R.N. Saraf

R.N. SARAF

Membership No. 12439

Place : New Delhi

Date : 10 - June - 2021

UDIN : 21012439 AAAACW6341



Partner

(Ms. Pallab)

(Signature)

Partner

(Ms. N.K.M)