

B S R & Co. LLP

Chartered Accountants

Building No. 10, 12th Floor, Tower-C,
DLF Cyber City, Phase-II,
Gurugram – 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

INDEPENDENT AUDITOR'S REPORT

To the Members of Mindarika Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mindarika Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, 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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's board report, but does not include the financial statements and our auditor's 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.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the

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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 (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation as at 31 March 2021 on its financial position in its financial statements; - Refer Note 30 to the financial statements;

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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 08 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 2021.

(C) With respect to the matter to be included in the Auditor's 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
ICAI Firm's Registration No.101248W/W-100022



Ankush Goel
Partner
Membership No. 505121
UDIN: 21505121AAAAAZ7429

Place: New Delhi
Date: 10 June 2021

Annexure A referred to in our Independent Auditor's Report to the members of Mindarika Private Limited on the Financial Statements as of and for the year ended 31 March 2021

- (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).
- (b) According to the information and explanations given to us, the fixed assets (property, plant and equipment) are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets (property, plant and equipment) has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property which are freehold and as disclosed in Note 4 on fixed assets (property, plant and equipment) are held in the name of the Company. Further, in respect of immovable properties taken on lease and disclosed as right-of-use-assets in the financial statements, the lease agreements are in the name of the Company.
- (ii) According to the information and explanations given to us, the inventories (excluding stock lying with third party and goods in transit), has been physically verified by the management during the year. For stock lying with third parties as at the year end, written confirmations have been obtained from third party. Goods in transit, have been received/ delivered substantially subsequent to year ended 31 March 2021. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its business. The discrepancies noticed on physical verification of inventories as compared to book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loans, or made any investments, or provided any guarantee, or security to the parties covered under Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) 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 of 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.

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- (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, Goods and Services Tax ('GST'), Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues, to the extent applicable, have been regularly deposited during the year by the Company with the appropriate authorities except few delays in respect of income tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Goods and service tax ('GST'), Service tax, Duty of customs, Duty of excise, Value added tax, Cess and any other statutory dues, as applicable to the Company, were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

Also refer note 30 (d) to the financial statements regarding management's assessment on certain matters relating to provident fund.

- (b) According to the information and explanations given to us, there are no dues in respect of Income-tax, Sales-tax, Service tax, Duty of custom, Duty of excise, GST and Value added tax 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 the repayment of loans or borrowings to banks. The Company has neither taken any loans or borrowings from financial institutions or government nor issued any debentures during the year.
- (ix) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of paragraph 3(ix) of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of 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 Act.
- (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 to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under applicable accounting standard under Section 133 of the Act.
- (xiv) According to the information and explanation 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 shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Order is not applicable to the Company.

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

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

Ankush Goel

Ankush Goel

Partner

Membership No. 505121

UDIN: 21505121AAAAAZ7429

Place: New Delhi
Date: 10 June 2021

Annexure B to the Independent Auditor's report on the financial statements of Mindarika Private Limited for the year ended 31 March 2021.

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Mindarika Private Limited ("the Company") as of 31 March 2021 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 2021, 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").

Auditor's 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.

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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

ICAI Firm's Registration No.101248W/W-100022



Ankush Goel

Partner

Membership No. 505121

UDIN: 21505121AAAAAZ7429

Place: New Delhi

Date: 10 June 2021

Mindarika Private Limited
Balance Sheet as at 31 March 2021
(All figures are in ₹ crore unless otherwise stated)
CIN:-U74899DL1995PTC073692

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	141.05	159.61
Right-of-use assets	4A	17.28	18.98
Capital work in progress	4	1.26	-
Intangible assets	5	7.89	10.46
Intangible assets under development	5	0.90	0.17
Financial assets			
Loans	6	1.74	2.34
Other financial assets	6A	0.40	-
Deferred tax assets (net)	15	0.69	-
Income tax asset (net)	12A	3.69	3.83
Other non-current assets	7	1.67	1.11
		176.57	196.49
Current assets			
Inventories	8	90.07	77.36
Financial assets			
Trade receivables	9	102.89	60.21
Cash and cash equivalents	10	22.89	25.06
Loans	6	0.70	0.86
Other financial assets	11	0.48	0.67
Other current assets	7	9.12	7.66
		226.15	171.82
TOTAL ASSETS		402.72	368.31
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13A	10.00	10.00
Other equity	13B	211.97	183.78
		221.97	193.73
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	-	12.65
Lease liabilities	4A	26.17	27.95
Provisions	16	10.25	9.70
Deferred tax liabilities (net)	15	-	1.41
Government grants	17	2.43	2.40
		38.85	54.11
Current liabilities			
Financial liabilities			
Borrowings	14	9.52	0.05
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		19.26	9.15
Total outstanding dues of creditors other than micro enterprises and small enterprises	18	90.24	82.96
Lease liabilities	4A	1.77	1.25
Other financial liabilities	19	3.79	12.33
Other current liabilities	20	11.36	10.40
Provisions	16	3.83	4.27
Current tax liabilities (net)	12B	1.92	-
Government grants	17	0.21	0.06
		141.90	120.47
TOTAL LIABILITIES		180.75	174.58
TOTAL EQUITY AND LIABILITIES		402.72	368.31

Significant Accounting Policies

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

As per our report of even date attached

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

Ankush Giel

Ankush Giel
Partner
Membership No.: 505121

Place: New Delhi
Date: 10 June 2021

For and on behalf of the Board of Directors of
Mindarika Private Limited

Nirmal Kumar Minda
Nirmal Kumar Minda
Managing Director
DIN No: 00014942

Place: Gurugram
Date: 10 June 2021

Sanjay Kumar Aggarwal
Sanjay Kumar Aggarwal
Chief Financial Officer

Place: Gurugram
Date: 10 June 2021

Anil Singh Makhlega
Anil Singh Makhlega
Director
DIN No: 03225184

Place: Gurugram
Date: 10 June 2021

Brijesh Kumar
Brijesh Kumar
Company Secretary
Membership No. 36070

Place: Gurugram
Date: 10 June 2021

Mindarika Private Limited
Statement of Profit and Loss for the year ended 31 March 2021
(All figures are in ₹ crore unless otherwise stated)
CIN:-U74899DL1995PTC073692

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	21	660.43	711.34
Other income	22	0.45	0.72
Total income		660.88	712.06
Expenses			
Cost of materials consumed	23	430.67	456.18
Purchase of stock-in-trade	24	1.65	2.79
Changes in inventories of finished goods and work-in-progress	25	0.12	3.31
Employee benefits expense	26	92.32	104.01
Finance costs	27	3.03	6.14
Depreciation and amortisation expense	28	28.84	31.88
Other expenses	29	57.36	73.81
Total expenses		613.99	678.12
Profit before tax		46.89	33.94
Tax expense:	15		
Current tax expense		14.71	12.64
Deferred tax income		(2.23)	(4.86)
Profit for the year		34.41	26.16
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains on defined benefit plans		0.50	(0.57)
Income tax effect		(0.13)	0.15
Net other comprehensive income		0.37	(0.42)
Total comprehensive income for the year		34.78	25.74
Basic and diluted earnings per share (in ₹) (Face value of ₹ 10 per share)	32a	34.41	26.16

Significant Accounting Policies

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

As per our report of even date attached

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

Ankush Goel

Ankush Goel
Partner
Membership No.: 505121

Place: New Delhi
Date: 10 June 2021

For and on behalf of the Board of Directors of
Mindarika Private Limited

Nirmal Kumar Minda
Nirmal Kumar Minda
Managing Director
DIN No: 00014942

Place: Gurugram
Date: 10 June 2021

Anil Singh Makhloga
Anil Singh Makhloga
Director
DIN No: 03225184

Place: Gurugram
Date: 10 June 2021

Sanjay Kumar Aggarwal
Sanjay Kumar Aggarwal
Chief Financial Officer

Place: Gurugram
Date: 10 June 2021

Brijesh Kumar
Brijesh Kumar
Company Secretary
Membership No. 36070

Place: Gurugram
Date: 10 June 2021

Mindarika Private Limited
Statement of Cash Flow for the period ended 31 March 2021
(All figures are in ₹ crore unless otherwise stated)
CIN:-U74899DL1995PTC073692

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A. Cash flow from operating activities		
Profit for the year before tax	46.89	33.94
Adjustments for:		
Depreciation and amortisation expense	28.84	31.88
Property, plant and equipment written off	0.22	0.04
Allowance for doubtful trade receivables	0.05	0.02
Profit on property, plant and equipment sold / discarded	(0.01)	(0.03)
Liabilities/ provision written back	(0.24)	(0.53)
Allowance for doubtful trade receivables written back	(0.02)	(0.06)
Bad trade receivables, other receivables and advances written off	0.13	0.39
Finance costs	3.03	6.14
Interest income	(0.18)	(0.09)
Operating profit before working capital changes	78.71	71.70
Working capital adjustments:		
(Increase)/Decrease in inventories	(12.71)	14.80
(Increase)/Decrease in trade receivables	(42.84)	23.39
Decrease in loans and other financial assets	0.54	1.01
(Increase)/Decrease in other assets	(1.43)	4.19
Increase/(Decrease) in trade payables	17.63	(4.51)
Increase in other financial liabilities	0.02	0.26
Increase in provisions	0.61	0.21
Increase in other liabilities/government grants	1.15	4.21
	(37.03)	43.56
Cash generated from operations	41.68	115.26
Income tax paid, net of refund	(12.52)	(12.67)
Net cash generated from operating activities	29.16	102.59
B. Cash flow from investing activities:		
Purchase of property, plant and equipment, capital work in progress and intangible assets	(10.47)	(21.66)
Proceeds from sale of property, plant and equipment	(0.13)	0.01
Interest received	0.18	0.09
Net cash used in investing activities	(10.42)	(21.56)
C. Cash flows from financing activities		
Repayments of long-term borrowings	(12.65)	(12.52)
(Repayment) / Proceeds of short-term borrowings (net)	4.36	(24.40)
Finance cost paid	(3.03)	(6.17)
Payment of lease liabilities	(3.05)	(4.02)
Dividend paid	(6.54)	(12.25)
Dividend distribution tax		(2.52)
Net cash used in financing activities	(20.91)	(61.87)
Net increase/(decrease) in cash and cash equivalents	(2.17)	19.15
Cash and cash equivalents at the beginning of the year	25.06	5.91
Cash and cash equivalents at the end of the year	22.89	25.06
Notes to cash flow statement		
Cash and cash equivalents (refer note 10)		
Components of cash and cash equivalents:-		
Cash on hand	0.04	0.07
Balance with banks:		
- current account	8.85	24.99
- deposit with bank's maturity less than 3 months	14.00	-
	22.89	25.06



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Mindarika Private Limited
Statement of Cash Flow for the period ended 31 March 2021
(All figures are in ₹ crore unless otherwise stated)
CIN:-U74899DL1995PTC073692

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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As per our report of even date attached

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



Ankush Goel
Partner
Membership No. : 505121

Place: New Delhi
Date: 10 June 2021

For and on behalf of the Board of Directors of
Mindarika Private Limited



Nirmal Kumar Minda
Managing Director
DIN No: 00014942

Place: Gurugram
Date: 10 June 2021



Anil Singh Makhloga
Director
DIN No: 03225184

Place: Gurugram
Date: 10 June 2021



Sanjay Kumar Aggarwal
Chief Financial Officer

Place: Gurugram
Date: 10 June 2021



Brijesh Kumar
Company Secretary
Membership No. 36070

Place: Gurugram
Date: 10 June 2021

Mindarika Private Limited
Statement of changes in equity for the year ended 31 March 2021
(All figures are in ₹ crore unless otherwise stated)
CIN:-U74899DL1995PTC073692

A. Equity share capital

Particulars	Amount
Balance as at 1 April 2019	10.00
Changes in equity share capital during the year	-
Balance as at 31 March 2020	10.00
Changes in equity share capital during the year	-
Balance as at 31 March 2021	10.00

B. Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
i) Reserves and surplus		
General reserve		
Balance at the beginning and end of the year	6.55	6.55
Capital reserve		
Balance at the beginning and end of the year	0.09	0.09
Retained earnings		
Balance at the beginning of the year	177.09	173.91
Transition impact of Ind AS 116, (Net of tax)	-	(7.79)
Restated balance as at 1 April 2020	177.09	166.12
Profit for the year	34.41	26.16
Other comprehensive income, net of tax	0.37	(0.42)
Less:- appropriations		
Final dividend paid for 31 March 2020: ₹ 6.54 per share (31 March 2019 ₹ 12.25 per share)	6.54	12.25
Dividend distribution tax on final dividend	-	2.52
	205.33	177.09
Total	211.97	183.73

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



Ankush Goel
Partner
Membership No. : 505121

Place: New Delhi
Date: 10 June 2021

For and on behalf of the Board of Directors of
Mindarika Private Limited



Nirmal Kumar Minda
Managing Director
DIN No: 00014942

Place: Gurugram
Date: 10 June 2021



Anil Singh Makhloga
Director
DIN No: 03225184

Place: Gurugram
Date: 10 June 2021,


Sanjay Kumar Aggarwal
Chief Financial Officer

Place: Gurugram
Date: 10 June 2021


Brijesh Kumar
Company Secretary
Membership No. 36070

Place: Gurugram
Date: 10 June 2021

Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

CIN:-U74899DL1995PTC073692

1. Corporate information

Mindarika Private Limited ("the Company") is a private limited company incorporated on 9 November 1995 under the Companies Act. It is a venture between Minda Industries Limited and Tokai Rika Co. Limited, Japan. The Company became subsidiary of Minda Industries Limited w.e.f. 1 January 2018. The Company is primarily engaged in the business of manufacturing of auto electrical switches and other automotive components.

2. Basis of preparation

A. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The financial statements were authorised for issue by the Company's Board of Directors on 10 June 2021.

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 crores and two decimal thereof, 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) Certain financial assets and liabilities	Fair value
(c) Other financial assets and liabilities	Amortised cost

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The Company faces uncertainties due to Covid 19 which have impacted the operations of the Company adversely started from the month of March 2020. Management has assessed the impact of existing and anticipated effects of Covid 19 on the financial statements.

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



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

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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.

Judgements

The areas involving critical estimates or judgements are:

- Estimation of income tax (current and deferred) – Note 15

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

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

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

- Recognition and measurement of provisions and contingencies – Note 30

- Estimation of defined benefit obligation – Note 16

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

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. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. The Company has presented non-current assets and current assets before equity,



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Notes forming part of the financial statements for the year ended 31 March 2021

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non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised 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.

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.

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. Significant accounting policies

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

A. Foreign currency 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 statement of profit and 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



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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 are recognised in statement of profit and loss.

B. Measurement of fair values

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

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

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

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

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

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the following notes:-

- Note 33 – Fair value measurements
- Note 39 – Share based compensation

C. 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



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Notes forming part of the financial statements for the year ended 31 March 2021

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

- a) Amortised cost; - These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gains or loss or derecognition is are recognized in profit or loss.
- b) FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and 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 statement of profit and loss. Any gain or loss on de-recognition is recognised in statement of profit and 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 statement of profit and 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 statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.



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iii. Derecognition

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 statement of profit and loss.

iv. Offsetting

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

v. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency risk exposures.

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

vi. Impairment of financial assets

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

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



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D. Property, plant and equipment

i. Recognition and measurement

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

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

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 statement of profit and loss.

ii. 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.

iii. Depreciation

Depreciation on building, tools and dies, and leasehold improvement is provided on straight line method and depreciation on other items of property, plant and equipment is provided as per written down value 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 respect of following categories where life of the asset has been assessed based on the technical advice, taking into account the nature of property, plant and equipment, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technologies changes, manufacturers warranties and maintenance support, etc.:

Particulars	Useful life as per Companies Act	Useful Management estimate of useful life (years)
Moulds, tools and dies	15	5

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.



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E. 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, if any.

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 technical know how over the useful life using the straight line method and software using the written down value method and is included in amortisation expense in statement of profit and loss.

The estimated useful lives are as follows:

- | | |
|----------------------|-----------|
| - Software | 3-6 years |
| - Technical know how | 6 years |

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

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;
- 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.

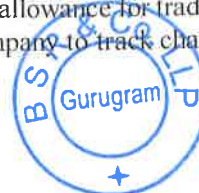
The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- 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



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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine 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.



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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. Leases

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

Company as a lessee.

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

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



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

Transition to Ind AS 116

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

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

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

H. Inventories

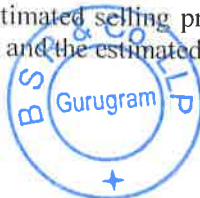
Inventories which comprise raw materials and components, work-in-progress, finished goods, tools, moulds, dies and fixtures – bought and manufactured, stores and spares are carried at the lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase (net of recoverable taxes, where applicable), costs 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 and components, stores and spares	-	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



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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.

I. Revenue recognition

(a) Revenue recognition

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

(i) Revenue from sale of goods

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.

(ii) Revenue from sale of services

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

(iii) Interest income is recognised using the effective interest method.

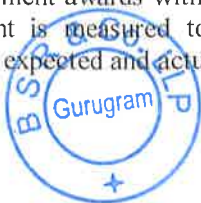
J. Employee benefits

(i) Short term employee benefits

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

(ii) Share-based payment transactions

The employees of the Company are entitled to Minda Industries Limited (holding Company) Employee Stock option scheme 2019. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.



(iii) Defined contribution plans

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

(iv) Defined benefit plan

Gratuity

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 statement of profit and 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 statement of profit and 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 statement of profit and loss in the period in which they arise.



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K. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit and loss on a systematic basis over the expected lives of the related assets and presented within other income.

L. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

M. 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.

Warranty

A provision for warranties is recognized when the underlying products are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all the possible outcomes by their associated probabilities.



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(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.

N. Income taxes

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

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

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.



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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.

O. 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.

P. 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.

Q. Segment reporting

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

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

The Company is engaged in the business of manufacturing of auto electrical switches & other automotive components. 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.

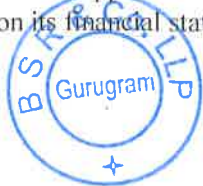
R. Cash and cash equivalents

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.

S. Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The Company is evaluating the effect of the amendments on its financial statements.



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(All figures are in ₹ crore unless otherwise stated)

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

a. Reconciliation of carrying amount

Particulars	Freehold land	Building	Leasehold improvements	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	Capital work in progress
Gross carrying value										
As at 1 April 2019	10.71	57.52	2.48	144.30	1.38	2.90	1.51	3.68	224.48	-
Add: Additions made during the year	-	-	-	20.33	0.01	0.55	0.19	0.27	21.35	-
Less: Disposals / adjustments during the year	-	-	-	(0.33)	(0.13)	(1.83)	(0.05)	(0.39)	(2.73)	-
As at 31 March 2020	10.71	57.52	2.48	164.30	1.26	1.62	1.65	3.56	243.10	-
Add: Additions made during the year	-	-	-	6.30	-	0.07	0.02	0.08	6.47	-
Less: Disposals / adjustments during the year	-	-	-	(3.95)	(0.11)	(0.18)	(0.10)	(0.33)	(4.67)	-
As at 31 March 2021	10.71	57.52	2.48	166.65	1.15	1.51	1.57	3.31	244.90	-
Accumulated depreciation										
As at 1 April 2019	-	5.18	0.63	48.60	0.61	1.50	0.80	2.03	59.35	-
Add: Depreciation charge for the year	-	2.54	0.25	21.70	0.19	0.50	0.34	0.93	26.45	-
Less: On disposals / adjustments during the year	-	-	-	(0.19)	(0.12)	(1.57)	(0.05)	(0.37)	(2.30)	-
As at 31 March 2020	-	7.72	0.88	70.11	0.68	0.43	1.09	2.59	83.50	-
Add: Depreciation charge for the year	-	2.33	0.20	21.03	0.14	0.38	0.20	0.45	24.74	-
Less: On disposals / adjustments during the year	-	-	-	(3.72)	(0.10)	(0.15)	(0.10)	(0.32)	(4.39)	-
As at 31 March 2021	-	10.05	1.08	87.42	0.72	0.66	1.19	2.72	103.85	-

Net carrying value

As at 31 March 2021	10.71	47.47	1.40	79.23	0.43	0.85	0.38	0.59	141.05	1.26
As at 31 March 2020	10.71	49.80	1.60	94.19	0.58	1.19	0.56	0.97	159.61	-

a. Government grants

Includes government grant in plant and equipment gross block: ₹ 0.79 crores (Previous year ₹ 0.79 crores), accumulated depreciation: ₹ 0.53 crores (Previous year ₹ 0.46 crores)

b. Security

Refer note 14 regarding description of security against loan taken by the Company.



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4A Right-of-use assets and Lease liabilities

(i) Following are the changes in the carrying value of right-of-use assets for the year ended 31 March 2021:

Particulars	Leasehold Land	Building	Plant and machinery	Total
As at 1 April 2019	2.32	-	-	2.32
Add: Adjustment on account of Ind AS 116	-	21.85	-	21.85
Less: Disposals /adjustments during the year	-	(3.00)	-	(3.00)
As at 31 March 2020	2.32	18.85	-	21.17
Add: Adjustment on account of Ind AS 116	-	-	-	-
Add: Additions made during the year	-	-	6.05	6.05
Less: Disposals /adjustments during the year	-	(6.48)	-	(6.48)
As at 31 March 2021	2.32	12.37	6.05	20.74
Accumulated Depreciation				
As at 1 April 2019	0.06	-	-	0.06
Add: Depreciation charge for the year	-	2.13	-	2.13
As at 31 March 2020	0.06	2.13	-	2.19
Add: Depreciation charge for the year	0.02	1.18	0.07	1.27
As at 31 March 2021	0.08	3.31	0.07	3.46
Net carrying value				
As at 31 March 2021	2.24	9.06	5.98	17.28
As at 31 March 2020	2.26	16.72	-	18.98

(ii) On adoption of IND AS 116, the Company recognised lease liabilities in relation to leases which had previously classified as 'operating leases' under the principles of IND AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 8.5%.

In applying IND AS 116 for the first time, the group has used the following practical expedients permitted by the standard:-

- applying single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review there were no onerous contract as at 1 April 2019
- accounting for operating leases with the remaining lease term of less than 12 months as at 1 April 2019 as short term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has used hindsight in determining the lease term where the contract contain option to extend or terminate the lease. The difference between future minimum lease rental toward non cancellable operating lease reported as at 31 March 2019 compared to lease liability as accounted as at 1 April 2019 is primarily due to inclusion of present value of the lease payment for the cancellable term of leases and reduction due to discounting of lease liabilities as per requirement of Ind AS 116.

(iii) Details of Rent expenses

Expenses related to short term lease

Year ended 31 March 2021	Year ended 31 March 2020
0.96	0.97
0.96	0.97

The following table represents a maturity analysis of expected undiscounted cashflow for lease liabilities as on 31 March 2021

Within one year
Within one -two year
Within two- three year
Within three- five year
More than five years
Total lease payment

Year ended 31 March 2021	Year ended 31 March 2020
4.08	4.00
4.24	4.20
4.41	4.41
9.35	9.48
19.02	20.51
41.10	42.59

The reconciliation of lease liabilities is as follow:

Opening Balance
Transition impact of Ind AS 116
Addition during the year
Lease modification impact
Amount recognized in statement of profit & loss as interest expenses
Payment of lease liabilities
Closing Balance

Year ended 31 March 2021	Year ended 31 March 2020
29.20	-
-	33.83
6.05	-
6.26	3.30
2.00	2.68
3.05	4.02
27.94	29.20

(iv) The following is the break up of current and non-current lease liabilities as at 31 March 2021:

Particulars
Current lease liabilities
Non - Current lease liabilities
Total

Year ended 31 March 2021	Year ended 31 March 2020
1.77	1.25
26.17	27.95
27.94	29.20

(v) The Company has adopted Ind AS 116 effective annual reporting period beginning 1 April 2019 and applied the standard to its lease using modified retrospective approach, with the cumulative effect of initially applying the standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information, instead the cumulative effect of initially applying this standard has resulted in recognising right-of-use assets of ₹ 21.85 crores, and a corresponding lease liability of ₹ 33.83 crores by adjusting retained earning of ₹ 7.79 crores, (net of Deferred tax created ₹ 4.19 crores) as at 1 April 2019. During the year, due to modification in lease contract, ROU has reduced by ₹ 6.48 crores (previous year ₹ 3.00 crores). In the Statement of Profit and Loss for the year ended 31 March 2021, the nature of expenses in respect of operating lease has changed from lease rent (in other expenses) into depreciation cost against the right-of -use assets and finance cost against interest on lease liability.

(vi) The Company has elected to apply practical expedient for not to separate non-lease components from lease components while accounting for right-of-use of plant and machinery.



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(All figures are in ₹ crore unless otherwise stated)

CIN:-U74899DL1995PTC073692

5 Intangible assets

a. Reconciliation of carrying amount

Particulars	Software	Technical know how	Total
Gross carrying value			
As at 1 April 2019	8.20	6.21	14.42
Add: Additions during the year	0.12	3.51	3.62
Less: Disposals / adjustments during the year	(0.03)	-	(0.03)
As at 31 March 2020	8.29	9.72	18.01
Add: Additions during the year	0.10	0.17	0.27
Less: Disposals / adjustments during the year	-	-	-
As at 31 March 2021	8.39	9.89	18.28
Accumulated amortisation			
As at 1 April 2019	2.40	1.88	4.28
Add: Amortisation charge for the year	2.23	1.07	3.30
Less: On disposals / adjustments during the year	(0.02)	-	(0.02)
As at 31 March 2020	4.61	2.95	7.56
Add: Amortisation charge for the year	1.38	1.45	2.83
Less: On disposals / adjustments during the year	-	-	-
As at 31 March 2021	5.99	4.40	10.39
Net carrying value			
As at 31 March 2021	2.40	5.49	7.89
As at 31 March 2020	3.68	6.77	10.46

b. Intangible assets under development

- Technical know how

As at 31 March 2021	As at 31 March 2020
0.90	0.17
0.90	0.17



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(All figures are in ₹ crore unless otherwise stated)

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6 Loans

(Unsecured considered good unless otherwise stated)

Non-current

Security deposits-others	1.36	1.78
Security deposits-related parties (refer note 38)	0.27	0.50
Loan to employees	0.11	0.06
	1.74	2.34

Current

(Unsecured considered good unless otherwise stated)

Security deposits	0.03	0.24
Loan to employees	0.67	0.62
	0.70	0.86
	2.44	3.20

The Company's exposure to credit risk related to security deposits and loan to employees are disclosed in note 34.

6A Other Financial Assets

(Unsecured, considered good, unless otherwise stated)

Non-current

Bank deposits (due to mature after 12 months from the reporting date)	0.40	-
	0.40	-

7 Other assets

(Unsecured, considered good, unless otherwise stated)

Non-current

Capital advances		
- related party (refer note 38)	0.32	0.43
- other than related party	1.33	0.63
Prepaid expenses	0.02	0.04
Balance with government authorities	-	0.01
	1.67	1.11

Current

Advances to suppliers		
- related party (refer note 38)	0.54	0.45
- other than related party	5.09	3.13
Prepaid expenses	1.74	1.37
Balance with government authorities	1.74	2.70
Others	0.01	0.01
	9.12	7.66



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(All figures are in ₹ crore unless otherwise stated)

CIN:-U74899DL1995PTC073692

8 Inventories

(valued at lower of cost or net realisable value)

	As at 31 March 2021	As at 31 March 2020
Raw material and components	57.69	46.16
[Includes goods in transit ₹ 10.24 crores (Previous year ₹ 10.85 crores)]		
Work in progress	6.40	6.11
Finished goods	15.34	9.07
Tools, moulds, dies and fixtures - bought out and manufactured	5.59	12.27
Stores and spares	5.05	3.75
	<u>90.07</u>	<u>77.36</u>

The write down of inventories to net realisable value during the year amounted to ₹ 1.07 crores (Previous year ₹ 1.79 crores). The write down is included in cost of material consumed or changes in inventories of finished goods and work-in-progress.

9 Trade receivables

	As at 31 March 2021	As at 31 March 2020
Unsecured and considered good		
- from related parties (refer note 38)	14.29	13.74
- from others	88.60	46.47
Doubtful		
- from others	0.04	0.04
Loss allowance	(0.04)	(0.04)
	<u>102.89</u>	<u>60.21</u>

a) Short term borrowings are secured by current assets including book debts. Please refer note 14.

b) The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 34.

c) There are no debtors where there is significant increase in credit risk or credit impairment.

10 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- current account	8.85	24.99
- deposit with bank's maturity less than 3 months	14.00	-
Cash on hand	0.04	0.07
	<u>22.89</u>	<u>25.06</u>

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2021.

11 Other financial assets

(Unsecured considered good unless otherwise stated)

	31 March 2021	31 March 2020
Export and other incentives receivable	0.48	0.67
Interest accrued on fixed deposits #	0.00	0.00
	<u>0.48</u>	<u>0.67</u>

Amount is below rounding off threshold

The Company's exposure to credit risk related to export and other incentive receivable and interest accrued on fixed deposits are disclosed in note 34.

12A Income tax asset (net)

Non-current

	As at 31 March 2021	As at 31 March 2020
Advance Tax	100.48	100.48
Provision of Tax	(96.79)	(96.65)
	<u>3.69</u>	<u>3.83</u>

12B Current tax liabilities (net)

	As at 31 March 2021	As at 31 March 2020
Provision of Tax	14.90	-
Advance Tax	(12.98)	-
	<u>1.92</u>	<u>-</u>



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Mindarika Private Limited
Notes forming part of the financial statements for the year ended 31 March 2021
(All figures are in ₹ crore unless otherwise stated)
CIN:-U74899DL1995PTC073692

13A Share capital

a) Details of share capital

Authorised share capital

15,00,000 (31 March 2020: 15,00,000) equity shares of ₹ 10 each

Issued, subscribed and paid up

10,00,000 (31 March 2020: 10,00,000) equity shares of ₹ 10 each fully paid up

As at 31 March 2021	As at 31 March 2020
15.00	15.00
10.00	10.00
10.00	10.00

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

	Number of shares	Amount (₹ in Crore)
As at 1 April 2019	1,00,00,000	10.00
Add: Shares issued during the year	-	-
As at 31 March 2020	1,00,00,000	10.00
Add: Shares issued during the year	-	-
As at 31 March 2021	1,00,00,000	10.00

c) Shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2021	As at 31 March 2020
Tokai Rika Co., Limited, Japan	37,00,000	37,00,000
Tokai Rika Co., Limited, Japan (% held)	37%	37%
Minda Industries Limited	51,00,000	51,00,000
Minda Industries Limited (% held)	51%	51%
Mr. Nirmal K. Minda	12,00,000	12,00,000
Mr. Nirmal K. Minda (% held)	12%	12%

c) Shares held by holding company

Name of the shareholder	As at 31 March 2021	As at 31 March 2020
Minda Industries Limited	51,00,000	51,00,000
Minda Industries Limited (% held)	51%	51%

d) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company may declare and pay dividends in Indian rupees. The final dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

e) There is no bonus issue or buy back of equity shares during the period of five years immediately preceding the reporting date.

13B Other equity

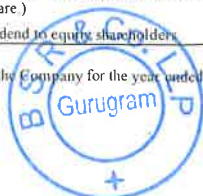
Particulars	As at 31 March 2021	As at 31 March 2020
i) Reserves and surplus		
General reserve		
Balance at the beginning and end of the year	6.55	6.55
Capital reserve		
Balance at the beginning and end of the year	0.09	0.09
Retained earning		
Balance at the beginning of the year	177.09	173.91
Transition impact of Ind AS 116, (Net of tax)	-	(7.79)
Restated balance as at 1 April 2020	177.09	166.12
Profit for the year	34.41	26.16
Other comprehensive income, net of tax	0.37	(0.42)
Less:- appropriations		
Final dividend paid for 31 March 2020: ₹ 6.54 per share (31 March 2019: ₹ 12.25 per share)	6.54	12.25
Dividend distribution tax on final dividend	-	2.52
	205.33	177.09
Total	211.97	183.73

Dividends

The following dividends were declared and paid by the Company during the year

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Final dividend for the year 2019-20: ₹ 6.54 per equity share (Final dividend for the year 2018-19: ₹ 12.25 per equity share.)	6.54	12.25
Dividend distribution tax on dividend to equity shareholders	-	2.52

No dividends were proposed by the Company for the year ended 31 March 2021.



Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(All figures are in ₹ crore unless otherwise stated)

CIN:-U74899DL1995PTC073692

14 Borrowings

Non-current borrowings

Term loans from banks

Secured

- Rupee loan from banks
- Foreign currency loan from banks

Less: Amount included under 'other financial liabilities' (refer note 19)

Current borrowings

Loans from banks

Secured

- Loans repayable on demand #

	As at 31 March 2021	As at 31 March 2020
		16.87
		0.89
		17.76
		5.11
		12.65
	9.52	0.05
	9.52	0.05
	9.52	12.70

includes obligation against bills discounted and remaining unsettled as at 31 March 2021

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 34.

a. Long term loan repayment schedule and security

Nature of security	Terms of repayment and rate of interest	Outstanding as on 31 March 2021	Outstanding as on 31 March 2020
ECB loan from Standard Chartered Bank a) Sanctioned amount \$ 4,000,000 b) Secured by: - First exclusive mortgage of the Land/Building situated at Chennai. - First exclusive charge on assets financed out of external commercial borrowing (ECB).	Rate of interest - 2.25%+Libor Principle amount received in two instalments repayable in 17 equal quarterly instalments starting from March 2016 and April 2016 (i.e. 12 months after first instalment of the loan) Last instalment was due in April 2020.	-	0.89
Term loan from HSBC bank a) Sanctioned amount ₹ 32.50 Crore b) Secured by: - First charge on the immovable property, plant and equipment of Gujarat plant with minimum asset cover of 1.25x	Rate of interest - 3 month MCLR +0.05% Repayable in 16 quarterly equal instalments starting from April 2019 (i.e. 12 months from the date of first disbursement). Last instalment was due in April 2023.	-	16.87
Total		-	17.76



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(All figures are in ₹ crore unless otherwise stated)

CIN:-U74899DL1995PTC073692

b. Current borrowings repayment schedule and security

Nature of Bank and Security	Terms of repayment and rate of interest	Outstanding as on 31 March 2021	Outstanding as on 31 March 2020
HSBC Bank *	Rate of interest 31 March 2020 : 11.45%	-	0.05
HDFC Bank #	Not applicable	9.52	-
Total		9.52	0.05

* Current borrowing from banks are secured by first pari passu charge on current assets of the Company. Second charge on movable property, plant and equipment of the Company, both present & future. The above loan are repayable on demand.

Includes obligation against bills discounted and remaining unpaid as at year ended 31 March 2021

Net Debt Reconciliation

This section sets out an analysis of net debt and the movement in net debt for each of the periods presented.

Particulars	31 March 2021	31 March 2020
Cash and cash equivalents	22.89	25.06
Current borrowings	(9.52)	(5.16)
Non-current borrowings	-	(12.65)
Net Debt	13.37	7.25

Reconciliation of movements of liabilities to cash flows arising from financing activities

	As at 31 March 2021		As at 31 March 2020	
	Non-current borrowings	Current borrowings*	Non-current borrowings	Current borrowings*
Balance as at the beginning of the year	12.65	5.16	25.17	29.56
Changes from financing cash flows				
Repayment of non-current borrowings	(12.65)	(5.16)	(12.52)	-
Proceeds from/repayments of current borrowings (net) #	-	9.52	-	(24.40)
Balance as at the end of the year	-	9.52	12.65	5.16

* current borrowings include current maturities of non-current borrowings

proceeds from current borrowings includes obligation against bills discounted and remaining unpaid as at year ended 31 March 2021



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15 Income tax

	Year ended 31 March 2021	Year ended 31 March 2020
a. Amount recognised in statement of profit and loss		
Current tax expense	14.71	12.64
Deferred tax credit	(2.23)	(4.86)
Tax expense	12.47	7.78

b. Income tax recognised in other comprehensive income

	Year ended 31 March 2021			Year ended 31 March 2020		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Remeasurements of defined benefit plan	0.50	(0.13)	0.37	(0.57)	0.15	(0.42)
	0.50	(0.13)	0.37	(0.57)	0.15	(0.42)

c. Reconciliation of effective tax rate

	Year ended 31 March 2021		Year ended 31 March 2020	
	Rate (%)	Amount	Rate (%)	Amount
Profit before tax		46.89		33.94
Tax using company's domestic tax rate	25.17%	11.80	25.17%	8.50
Effect of:				
Earlier year tax adjustments	0.28%	0.13	2.52%	0.86
Non-deductible expenses / income	1.15%	0.54	0.62%	0.21
Transition impact of Ind AS-116	0.00%	-	3.45%	1.17
Rate change impact on temporary differences	0.00%	-	-8.74%	(2.97)
Effective tax rate	26.59%	12.48	23.03%	7.78

d. Deferred tax liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets :-		
Provisions for employee benefits	3.16	3.35
Provision for doubtful debts	0.01	0.01
Ind AS 116 adjustment	7.14	2.60
Deferred Government Grant	0.66	0.62
Others	0.07	0.13
Deferred tax liabilities		
Property, plant and equipment and other intangible assets	(10.35)	(8.12)
Deferred tax assets/(liabilities) (net)	0.69	(1.41)
Transition impact of Ind AS 116	-	(4.19)
Reinstated balance	0.69	(5.60)
Deferred tax (charge)/ created during the year	2.10	4.86

e. Movement of temporary differences

	As at 1 April 2019	Transition impact in retained earning	Movement in statement of profit and loss	Movement in statement of other comprehensive income	As at 31 March 2020	Movement in statement of profit and loss	Movement in statement of other comprehensive income	As at 31 March 2021
Property, plant and equipment and intangible assets (net)	(14.60)	-	6.48	-	(8.12)	(2.23)	-	(10.35)
Ind AS 116	-	(4.19)	2.60	-	2.60	4.54	-	7.14
Deferred Government Grant	-	-	0.62	-	0.62	0.04	-	0.66
Provisions for employee benefits	3.94	-	(0.74)	0.15	3.35	(0.19)	(0.13)	3.16
Provision for doubtful debts	0.03	-	(0.02)	-	0.01	0.00	-	0.01
Others	0.03	-	0.10	-	0.13	(0.06)	-	0.07
	(10.60)	(4.19)	9.04	0.15	(1.41)	2.10	(0.13)	0.69

* The Government of India, on September 20, 2019, vide Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which gives option to the Company to pay Income Tax at reduced rates as per the provisions/ conditions defined in the said section. The Company has paid the tax according to the new rates from financial year 2019-20 onwards.



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(All figures are in ₹ crore unless otherwise stated)

CIN:-U74899DL1995PTC073692

	As at 31 March 2021	As at 31 March 2020
16 Provisions		
Non-current		
Provision for employee benefits		
- Provision for compensated absences (refer note 33)	1.99	2.21
- Provision for gratuity (refer note 33)	6.61	6.29
Other provisions		
- Provision for warranty*	1.65	1.20
	10.25	9.70
Current		
Provision for employee benefits		
- Provision for compensated absences (refer note 33)	2.36	1.80
Other provisions		
- Provision for warranty*	1.47	2.47
	3.83	4.27
	14.08	13.97
Movement in other provisions	Amount	Amount
Balance at the beginning of the year	3.67	4.33
Provisions made during the year	0.14	0.82
Provisions utilised during the year	(0.69)	(1.48)
Balance at the end of the year	3.12	3.67

* The Company has made a warranty provision on account of sale of products with warranty clause. These provisions are based on management's best estimate and past trends. Actual expenses for warranty are charged directly against the provision. Un-utilised provision is reversed on expiry of the warranty period.



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(All figures are in ₹ crore unless otherwise stated)

CIN:-U74899DL1995PTC073692

17 Government grants

	As at 31 March 2021	As at 31 March 2020
Opening balance	2.46	0.39
Add: Grants received during the year (refer note 31)	0.40	2.37
Less: Released to statement of profit and loss	(0.22)	(0.30)
Closing balance	2.64	2.46
Current portion	0.21	0.06
Non current portion	2.43	2.40

18 Trade payables

	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises	19.26	9.15
Total outstanding dues of creditors other than micro enterprises and small enterprises	90.24	82.96
	109.50	92.11

(i) All trade payables are 'current'

(ii) For trade payables to related parties refer note 38.

(iii) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 34.

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

Particulars	As at 31 March 2021	As at 31 March 2020
The amounts remaining unpaid to suppliers as at the end of the year	19.26	9.15
- Principal		
- Interest		
The amount of payments made under the Act beyond the appointed day during the year	4.09	59.49
The amount of interest paid under the act beyond the appointed day during the year	0.21	0.09
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	0.02	0.05
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.02	0.05
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	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the management.



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Mindarika Private Limited**Notes forming part of the financial statements for the year ended 31 March 2021**

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

CIN:-U74899DL1995PTC073692

19 Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Current maturities of long term borrowings (refer to note 14)	-	5.11
Employee related payables	3.79	3.71
Interest accrued on borrowings but not due	-	0.01
Payables for property, plant and equipment	-	3.44
Derivative liability	-	0.06
	3.79	12.33

The Company's exposure to currency and liquidity risks related to above financial liabilities is disclosed in note 34.

20 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Advances from customers	8.04	7.64
Statutory dues	3.32	2.76
	11.36	10.40



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(All figures are in ₹ crore unless otherwise stated)

CIN:-U74899DL1995PTC073692

	For the year ended 31 March 2021	For the year ended 31 March 2020
21 Revenue from operations		
Sale of goods	649.27	707.08
Sale of services	5.33	1.01
	654.60	708.09
Other operating revenue:		
Scrap sales	2.59	2.64
Export incentives	0.18	0.31
Government grant	3.06	0.30
	5.83	3.24
	660.43	711.34
The Company is following Ind AS 115 – 'Revenue from contracts with customers'. As per the contractual arrangement entered with the customers, there are no incentive given to the Company and revenue is recognised as per the contractual price.		
Contract price	661.56	712.92
Less: Sales discounts	1.13	1.58
Total revenue from operations	660.43	711.34
	For the year ended 31 March 2021	For the year ended 31 March 2020
22 Other income		
Interest income on fixed deposits and others	0.18	0.09
Liabilities/ provision written back	0.24	0.53
Provisions for doubtful trade receivables written back	0.02	0.06
Profit on sale of property, plant and equipments (net)	0.01	0.03
	0.45	0.72
	For the year ended 31 March 2021	For the year ended 31 March 2020
23 Cost of materials consumed		
Opening stock of raw materials and components	46.16	56.10
Add : Purchases of raw materials and components	442.21	446.24
	488.37	502.34
Less : Closing stock of raw materials and components	57.69	46.16
	430.67	456.18
	For the year ended 31 March 2021	For the year ended 31 March 2020
24 Purchase of stock-in-trade		
Purchase of stock-in-trade	1.65	2.79



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(All figures are in ₹ crore unless otherwise stated)

CIN:-U74899DL1995PTC073692

25 Changes in inventories of finished goods and work-in-progress

a. Inventories at the end of the Year

- Work in progress
- Finished goods (included tools, moulds, dies & fixtures - bought out and manufactured)

b. Inventories at the beginning of the Year

- Work in progress
- Finished goods (included tools, moulds, dies & fixtures - bought out and manufactured)

Changes in inventories of finished goods and work in progress (b-a)

For the year ended 31 March 2021	For the year ended 31 March 2020
6.40	6.11
20.93	21.34
27.33	27.45
6.11	6.91
21.34	23.84
27.45	30.75
0.12	3.30

26 Employee benefits expense

- Salaries, wages and bonus
- Contribution to provident and other funds (refer note 33)
- Employee stock option expenses (refer note 39)
- Staff welfare expenses

For the year ended 31 March 2021	For the year ended 31 March 2020
83.61	92.59
6.22	7.10
0.14	0.12
2.35	4.20
92.32	104.01

27 Finance costs

Interest expense on:

- (i) borrowings *
- (ii) trade payables
- (iii) lease interest
- (iv) delayed payment of taxes and duty

For the year ended 31 March 2021	For the year ended 31 March 2020
0.16	3.39
0.17	0.05
2.00	2.68
0.70	0.02
3.03	6.14

* net of revenue subsidy of Rs. 0.92 (Previous year Nil)

28 Depreciation and amortisation expense

- Depreciation of property, plant and equipment
- Depreciation of right-of-use assets
- Amortisation of intangible assets

For the year ended 31 March 2021	For the year ended 31 March 2020
24.74	26.45
1.27	2.13
2.83	3.30
28.84	31.88



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(All figures are in ₹ crore unless otherwise stated)

CIN:-U74899DL1995PTC073692

29 Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumption of stores and spares	7.90	11.17
Power and fuel	7.83	9.44
Rent (refer note 4A)	0.96	0.97
Repair and maintenance	6.97	9.03
Insurance	1.80	1.72
Rates and taxes	0.53	0.48
Travelling and conveyance	5.60	6.88
Packing and forwarding expenses	4.77	5.29
Warranty expenses	0.14	0.83
Royalty	4.06	4.20
Legal and professional	11.25	16.51
Payment to auditor's (refer note (i) below)	0.50	0.66
Property, plant and equipment written off	0.22	0.04
Bad trade receivables, other receivables and advances written off	0.13	0.39
Provision for doubtful trade receivables	0.05	0.02
Corporate social responsibility expenses (refer note (ii) below)	1.19	1.35
Net loss on foreign currency transaction and translation	0.06	0.46
Miscellaneous expenses (refer note (iii) below)	3.40	4.37
	57.36	73.81

Notes:-i

Payments to the auditor's comprises:

As auditors (excluding taxes)

Statutory audit fees

Certification fees and others

Reimbursement of expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit fees	0.45	0.44
Certification fees and others	0.03	0.16
Reimbursement of expenses	0.02	0.06
	0.50	0.66

Notes:-ii

Details of corporate social responsibility expenditure

a. Amount required to be spent by the Company during the year

b. Amount spent during the year:

(i) Construction / acquisition of any asset

(ii) On purpose other than (i) above

	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Amount required to be spent by the Company during the year	1.19	1.35
b. Amount spent during the year:		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	1.19 *	1.35

* Pertains to amount paid to Suman Nirmal Minda Charitable Trust ("the Trust") and it includes Rs. 0.46 crores being unspent by the Trust till 31 March 2021.

Notes:-iii

Payment made by the Company to the political parties in accordance with Section 182 of Companies Act, 2013 during the year as follows:-

Payment to political parties (included under the head Miscellaneous expense)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Payment to political parties (included under the head Miscellaneous expense)		1.00



At



30 Contingent liabilities and commitments
(to the extent not provided for)

(a) Contingent liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Indirect tax matters (refer note i below)	-	-
Total	-	-

i. During financial year 2018-2019, Directorate General of Goods and Services Tax Intelligence issued a Show Cause Notice ("SCN") on the Company alleging that the cost of drawing/design/specification received free of cost from one of the customers for manufacture of moulds/dies/parts/components was supposed to be included in the cost of moulds/dies/parts/components (as the transaction value) in supply made to the customer. Accordingly, the SCN proposed as to why Central Excise duty of ₹ 7.17 crores for the period November 2013 to June 2017 under the provision of Section 11A (4) of Central Excise Act ("CEA") along with penalty should not be demanded and recovered from the Company. The Company, based upon inputs from its tax expert, strongly believes that this SCN is not sustainable.

(b) Capital commitments (net of advance)

Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ 3.80 crores (Previous year ₹ 0.22 crores).

(c) Manesar plant of the Company is situated at Village Nawada Fatehpur, P.O. Sikanderpur Badda, Gurugram, Haryana admeasuring of 6.25 acres of land which is notified under the residential zone by the authorities in the earlier period. The Company is yet to receive any notice from Town and Country Planning, to vacate this land and also, received factory license till 31 December 2021. The Company has filed application along with the Holding Company for grant of license under Affordable Group Housing (AGH) scheme for part of a land located in Manesar Plant area for which approval had also been received. Subsequently, the Company and the holding Company applied for its entire Manesar Plant area under new scheme namely Deen Dayal Jan Awas Yojna (DDJAY) including migration of license received under Affordable Group Housing scheme. The Company has also entered into a collaboration agreement with its holding Company for execution of this group housing project in the previous year.

The Company has entered into 99 year lease agreements with Shreeaunj Real Estate SEZ Pvt. Ltd., Spectrum Techno Construction Pvt Ltd. and Shreeaunj Habitation Pvt Ltd. (related parties) for a land bank in Farrukhnagar, Haryana and is in the process of applying for change of land use (CLU) for this land for industrial use purpose. In this respect, Board of Directors of the Company has also given approval in the Board meeting held on 22nd July, 2019. The Company is of the view that all necessary dues has been paid to authorities and at this stage, there is no impact of this matter on the financial statements.

(d) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Company is of the view that there are interpretative challenges and uncertainty, including estimating the amount retrospectively. Pending clarity regarding the impact for past periods (before Supreme Court judgement), if any, is not reliably ascertainable at this stage and hence, no financial impact has been considered in the financial statements.

31 During the earlier year, the Company had received approval under Modified Special Incentive Package Scheme ("MSIPS") from the Ministry of Electronics and Information Technology ("the Ministry") for its manufacturing plant in Gujarat. The Company has received approval for claim of ₹ 0.40 crores (Previous year ₹ 0.42 crores). These grants are considered as capital grants and are accounted as capital grants and is amortised over the useful life of property, plant and equipment.

The Company has also received revenue subsidy of ₹ 3.49 crores (Previous Year ₹ Nil) and capital subsidy ₹ Nil (Previous year ₹ 1.95 crores) under Gujarat State Electronics Policy. The revenue subsidy is booked under Statement of Profit or Loss whereas capital subsidy is accounted as capital grants and is amortised over the useful life of property, plant and equipment.

The Company has also booked grant of ₹ 0.24 crores (Previous year ₹ Nil) on accrual having filed claim for the interest subsidy under Gujarat State Electronics Policy for the period September 2020 to December 2020.

32a Earning per share

	As at 31 March 2021	As at 31 March 2020
Profit for the year attributable to the equity shareholders (₹ in crores)	34.41	26.16
Weighted average number of equity shares outstanding	1,00,00,000	1,00,00,000
Basic and diluted earnings per share (face value ₹ 10 per share) (in ₹)*	34.41	26.16

* There are no dilutive share

32b Capital management

The Company's objectives when managing capital are 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.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business.

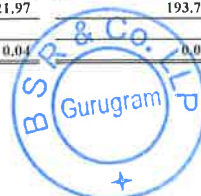
In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, consistent with others in the industry. The Company monitors capital using a gearing ratio, which is calculated as:

Net debt (total borrowings) divided by "Total equity" (as shown in the Balance Sheet).

	As at 31 March 2021	As at 31 March 2020
Interest bearing loans and borrowings	-	17.81
Others	9.52	-
Total debts	9.52	17.81
Equity share capital	10.00	10.00
Other equity	211.97	183.73
Total equity	221.97	193.73
Debt to equity ratio	0.04	0.09



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33 Employee benefits

a) Assets and liabilities relating to employee benefits

Non-current

Provision for gratuity	(6.61)	(6.29)
Provision for compensated absences	(1.99)	(2.21)

Total

(8.60)	(8.50)
--------	--------

Current

Provision for compensated absences	(2.36)	(1.80)
Total employee benefit liabilities	(2.36)	(1.80)

Grand Total

(10.96)	(10.30)
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In case of employees with age above the retirement age indicated below, the retirement is assumed to happen immediately and valuation is done accordingly.

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.

Type of Plan	Defined Benefit
Salary for calculation of gratuity	Last drawn salary
Normal Retirement Age	58 years
Vesting Period	5 Years
Benefit on normal retirement	Same as per the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time)
Benefit on early retirement / termination / resignation/ withdrawal	Same as normal retirement benefit based on the service upto the date of exit
Benefit on death in service	Same as normal retirement benefit and no vesting period conditions applies
Limit	₹ 20,00,000
Gratuity Formula	$15/26 \times \text{Last drawn salary} \times \text{Number of completed years}$

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:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory risk:

Gratuity benefit is paid in accordance with the requirements of the Payments of Gratuity Act, 1972 (as amended from time to time). There is risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

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. The funds are managed by specialised team of Life Insurance Corporation of India.

Reconciliation of the net defined benefit (asset) / liability

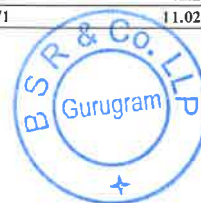
	As at 31 March 2021	As at 31 March 2020
Defined benefit obligation	11.72	11.02
Fair value of plan assets	5.11	4.73
Defined benefit liability	6.61	6.29

Reconciliation of present value of defined benefit obligation

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	11.02	9.80
Current service cost	1.37	1.37
Interest cost	0.75	0.72
Benefits paid	(0.98)	(1.50)
Actuarial gain (loss) recognised in other comprehensive income		
- experience adjustments	(0.50)	0.21
- changes in financial assumptions	0.05	0.42
Balance at the end of the year	11.71	11.02



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Employee benefits (Contd.)

Changes in fair value of plan assets are as follows:

	As at 31 March 2021	As at 31 March 2020
Fair value of plan assets at the beginning of the year	4.73	4.36
Interest income of plan assets	0.38	0.37
Fair value of plan assets at the end of the year	5.11	4.73

Expense recognised in statement of profit and loss

	As at 31 March 2021	As at 31 March 2020
Current service cost	1.37	1.37
Net interest cost/ (income)	0.37	0.35
	1.74	1.72

Remeasurements recognised in other comprehensive income

Actuarial (gain) / loss arising during the year	(0.45)	0.62
	(0.45)	0.62

Defined benefit obligations

	As at 31 March 2021	As at 31 March 2020
Actuarial assumptions		
Discount rate (per annum)	6.80%	6.85%
Future salary growth rate (per annum)	8.00%	8.00%
Attrition rate		
upto 30 years	20.00%	20.00%
from 31 - 45 years	10.00%	10.00%
above 45 years	8.00%	8.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on yields/ rates available on applicable bonds as on the current valuation date. The salary growth rate as indicated above is Company's best estimate of an increase in salary of the employees in future years determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc. Attrition rate indicated above represents the Company's best estimate of Employee Turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Assumptions regarding future mortality are based on Indian Assured Lives Mortality (IALM) (2012-14) rates.

As at 31 March 2021, the weighted average duration of the defined benefit obligation was 8 years (31 March 2020 - 8 years).

Expected employer's contribution for the year ending 31 March 2022 is ₹ 8.01 crores (31 March 2021 - ₹ 7.71 crores).

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 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	10.87	12.69	10.21	11.94
Future salary growth rate (1% movement)	12.56	10.95	11.82	10.29
Attrition rate (50% of attrition rates)	11.42	12.20	10.70	11.53
Mortality rate (10% of mortality rates)	11.72	11.72	11.02	11.02

The above sensitivity analyses 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.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

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

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Expected benefit payments

Undiscounted amount of expected benefit payments for next 8 years are as follows:

	As at 31 March 2021	As at 31 March 2020
Within 1 year	1.23	1.24
2-5 years	4.83	4.39
6-10 years	5.51	5.11
More than 10 years	10.90	10.70

The major categories of plan assets of the fair value of the total plan assets are as follows:-

	As at 31 March 2021	As at 31 March 2020
Investments with Life Insurance Corporation of India	100%	100%

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 ₹ 4.42 crores (31 March 2020 ₹ 5.33 crores) during the year as expense towards contribution to these plans.

	For the year ended 31 March 2021	For the year ended 31 March 2020
Provident fund	3.86	4.65
Superannuation fund	0.09	0.08
Employees' state insurance scheme	0.47	0.60
	4.42	5.33



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(All figures are in ₹ crore unless otherwise stated)

CIN:-U74899DL1995PTC073692

34 Financial Instruments - Fair Values And Risk Management

a. Financial instruments 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 -

	As at 31 March 2021		As at 31 March 2020	
	Amortised Cost	FVOCI/ FVPL	Amortised Cost	FVOCI/ FVPL
Financial assets				
<i>(not measured at fair value)</i>				
Non-current				
Loans	1.74	-	2.34	-
Other financial assets	0.40	-	-	-
Current				
Trade receivables	102.89	-	60.21	-
Cash and cash equivalents	22.89	-	25.06	-
Loans	0.70	-	0.86	-
Other financial assets	0.48	-	0.67	-
	129.10		89.14	
Financial liabilities				
Non-current				
Borrowings	-	-	12.65	-
Lease liabilities	26.17	-	27.95	-
Government grants	2.43	-	2.40	-
Current				
Borrowings	9.52	-	0.05	-
<i>(not measured at fair value)</i>				
Trade payables	109.50	-	92.11	-
Lease liabilities	1.77	-	1.25	-
Government grants	0.21	-	0.06	-
Other financial liabilities	3.79	-	12.33	-
	153.39		148.79	

Notes:

1. Fair value of trade receivables, cash and cash equivalents, current loans, other current financial assets, trade payables, other current financial liabilities and current borrowings approximate 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. The fair value of long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.

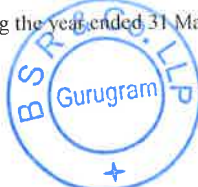
3. Security deposits under non-current loans discounted at present value. Accordingly, the carrying value of the same approximates fair value.

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

Fair Value Hierarchy

There are no financial assets and liabilities which needs to be classified under Level 1, level 2 and level 3. The impact of measurement of financial assets and liabilities measured at fair value as compared to amortised cost is not significant.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2021 and 31 March 2020.



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Financial Instruments - Fair Values And Risk Management (Contd.)**b. Financial risk management**

The Company, as active suppliers for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The Company's management structure with the main activities 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:

(i) 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.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. 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 has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian automobile manufacturers original equipment manufactures (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default.

The Company's review also includes financial statements, industry information, promoter's background and in some cases bank references.

Expected credit loss on trade receivable :

The Company's expected probability of default is insignificant as all major payments are received on due dates without any significant delays. Based on internal assessment which is driven by historical experience/ current facts available in relation to default in collection thereof, the expected credit loss for trade receivables due to delay in collection is estimated to be insignificant. The Company has considered the impact of COVID-19 pandemic and believe that all debtors are sound and recoverable. While the amount of total allowance for credit loss is disclosed in note 9, the movement thereof during the years ended 31 March 2021 and 31 March 2020 is tabulated below:

	31 March 2021	31 March 2020
Opening provisions	0.04	0.08
Add: Provision made during the year	0.05	0.02
Less: Provision utilised during the year	0.03	-
Less: Excess provision written back	0.02	0.06
Closing provision	0.04	0.04

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

	Carrying amount	
	31 March 2021	31 March 2020
OEM	63.53	33.52
Non - OEM	39.36	26.69
Total	102.89	60.21

Ageing in respect of trade receivables is as follows:

31 March 2021

Trade receivables	Total	Less than 3 months	3 -12 months	1-5 years	Carrying amount
OEM	63.53	63.38	0.15	-	63.53
Non OEM	39.36	39.34	0.02	-	39.36
	102.89	102.72	0.17	-	102.89

31 March 2020

Trade receivables	Total	Less than 3 months	3 -12 months	1-5 years	Carrying amount
OEM	33.52	33.52	-	-	33.52
Non OEM	26.69	26.53	0.16	-	26.69
	60.21	60.05	0.16	-	60.21



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Mindarika Private Limited

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Loans and other financial assets

- a) The Company has given security deposits to Government departments for securing services from them. As these are well established organisations and have strong capacity to meet the obligations, risk of default is negligible.
- b) The Company provides loans to employees for their personal needs and repayment by deduction from the salary of the employees. Loans are given only to those employees who have served a minimum period as per the approved policy of the Company. The expected probability of default is negligible as these loans are recovered on regular basis.
- c) All the export incentives are receivable from Government and therefore expected probability of default is insignificant.
- d) The Company does not foresee any concerns in recoverability of Fixed Deposits with bank.

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

	Carrying amount	
	31 March 2021	31 March 2020
Security deposits	1.66	2.52
Loans to employees	0.78	0.68
Other financial assets	0.87	0.67
	3.31	3.87

Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Company generally invests and deposit money with banks with high repute. The Company doesn't have any problem in recovering of the financial assets.



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

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Financial Instruments - Fair Values And Risk Management (Contd.)

Financial risk management (contd.)

(ii) 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 ₹ 29.50 crores (Previous year ₹ 62 crores and USD 0.40 crores).

Exposure to liquidity risk

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

31 March 2021

	Contractual cash flow						Carrying amount
	Total	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	
Total financial liabilities							
Rupee loan from banks	9.52	9.52	-	-	-	-	9.52
Employee related payables	3.79	-	3.79	-	-	-	3.79
Trade payables	109.50	-	109.50	-	-	-	109.50
	122.81	9.52	113.29	-	-	-	122.81

31 March 2020

	Contractual cash flow						Carrying amount
	Total	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	
Total financial liabilities							
Foreign currency loan from banks	0.89	-	0.89	-	-	-	0.89
Rupee loan from banks	16.92	0.05	-	5.11	11.76	-	16.92
Payables for property, plant and equipment	3.44	-	3.44	-	-	-	3.44
Interest accrued on borrowings but not due	0.01	-	0.01	-	-	-	0.01
Employee related payables	3.71	-	3.71	-	-	-	3.71
Trade payables	92.11	-	92.11	-	-	-	92.11
	117.07	0.05	100.15	5.11	11.76	-	117.07
Derivative instruments							
Forward contracts	6.37	-	6.37	-	-	-	6.37
	6.37	-	6.37	-	-	-	6.37



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Financial Instruments - Fair Values And Risk Management (Contd.)

Financial risk management (contd.)

(iii) 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. All such transactions are carried out within the guidelines set by the Company.

Price risk

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 copper, plastic and silver. The Company has arrangements with its major customers for passing on the price impact.

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, GBP and Euro. The currency risk related to the principal amount of the USD loan has been fully hedged using currency swap contract that mature on the same dates as loans.

Details of hedged foreign currency exposures:

Particulars	As at 31 March 2021			As at 31 March 2020		
	Currency	Amount In Foreign Currency (in crore)	Amount in ₹ (crore)	Currency	Amount In Foreign Currency (in crore)	Amount in ₹ (crore)
Trade Payables	JPY	-	-	JPY	6.50	4.47
Trade Payables	USD	-	-	USD	0.03	1.90

Details of unhedged foreign currency exposures:

Particulars	As at 31 March 2021			As at 31 March 2020		
	Currency	Amount In Foreign Currency (in crore)	Amount in ₹ (crore)	Currency	Amount In Foreign Currency (in crore)	Amount in ₹ (crore)
Borrowings (foreign currency loans)	USD	-	-	USD	0.01	0.89
	USD	0.11	8.32	USD	0.05	3.83
Trade payables #	JPY	5.59	3.71	JPY	7.50	5.22
	Euro	0.00	0.02	Euro	0.00	0.05
	THB	0.00	0.00	THB	-	-
Advance to suppliers #	USD	0.03	2.27	USD	0.01	0.39
	Euro	0.00	0.23	Euro	0.00	0.00
	JPY	0.31	0.21	JPY	1.18	0.82
	GBP	0.00	0.01	GBP	-	-
Trade receivables	USD	0.03	2.41	USD	0.05	3.54
	Euro	-	-	Euro	0.01	1.20
	JPY	1.72	1.14	JPY	1.28	0.89

Amount is below rounding off threshold



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

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Sensitivity Analysis

A reasonably possible strengthening/ (weakening) of USD, JPY, GBP, SGD, 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.

Particulars	Change in currency rate	Year end rates	Changes in rates	Net exposure	Effect on profit before tax (INR)	Effect on profit after tax (INR)
As at 31 March 2021	INR/USD Increases by 5 %	72.40	3.62	(0.05)	(0.18)	(0.14)
	INR/USD decreases by 5 %	72.40	(3.62)	(0.05)	0.18	0.14
	INR/SGD Increases by 5 %	54.43	2.72	-	-	-
	INR/SGD decreases by 5 %	54.43	(2.72)	-	-	-
	INR/GBP Increases by 5 %	99.62	4.98	0.00	0.00	0.00
	INR/GBP decreases by 5 %	99.62	(4.98)	0.00	(0.00)	(0.00)
	INR/JPY Increases by 5 %	0.66	0.03	(3.56)	(0.12)	(0.09)
	INR/JPY decreases by 5 %	0.66	(0.03)	(3.56)	0.12	0.09
	INR/THB Increases by 5 %	2.34	0.12	(0.00)	(0.00)	(0.00)
	INR/THB decreases by 5 %	2.34	(0.12)	(0.00)	0.00	0.00
	INR/Euro Increases by 5 %	85.31	4.27	0.00	0.01	0.01
	INR/Euro decreases by 5 %	85.31	(4.27)	0.00	(0.01)	(0.01)
As at 31 March 2020	INR/USD Increases by 5 %	75.39	3.77	(0.01)	(0.04)	(0.03)
	INR/USD decreases by 5 %	75.39	(3.77)	(0.01)	0.04	0.03
	INR/SGD Increases by 5 %	52.96	2.65	-	-	-
	INR/SGD decreases by 5 %	52.96	(2.65)	-	-	-
	INR/GBP Increases by 5 %	93.08	4.65	-	-	-
	INR/GBP decreases by 5 %	93.08	(4.65)	-	-	-
	INR/JPY Increases by 5 %	0.70	0.03	(5.03)	(0.18)	(0.13)
	INR/JPY decreases by 5 %	0.70	(0.03)	(5.03)	0.18	0.13
	INR/THB Increases by 5 %	2.30	0.12	-	-	-
	INR/THB decreases by 5 %	2.30	(0.12)	-	-	-
	INR/Euro Increases by 5 %	83.05	4.15	0.01	0.06	0.04
	INR/Euro decreases by 5 %	83.05	(4.15)	0.01	(0.06)	(0.04)

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.

Exposure to Interest rate risk

The Company has the following exposure in interest bearing borrowings as on reporting date:

	As at 31 March 2021	As at 31 March 2020
Fixed interest borrowings	-	-
Variable interest borrowings	-	17.81
Total borrowings	-	17.81

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

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

Note: Obligation against bills discounted and remaining unpaid as at year ended 31 March 2021 amounting to ₹ 9.52 crores is not interest bearing.

Sensitivity analysis

A reasonably possible change of 0.5% 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.

Year ended	Profit / (loss)	
	0.5% increase	0.5% decrease
31 March 2021	-	-
31 March 2020	0.01	(0.01)



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

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35 Segments Reporting

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 switches which constitutes a single business segment, accordingly, disclosure requirement of Ind AS 108, "Operating Segments" are not required to be given. Results of the Company are reviewed regularly by the Company's Board of Directors/Chief Operating decision maker to assess the performance of the Company and to make decisions accordingly.

	For the year ended 31 March 2021	For the year ended 31 March 2020
Details of Turnover		
Sale of goods	649.27	707.08
Sale of services	5.33	1.01
	654.60	708.09

b. Major customer

Revenue from two customers which individually constitute more than 10% of the Company's total revenue is 42% (Previous year 52%).

c. Segment Reporting -Geographical segment

The analysis of geographical segment is based on geographical location of the Company:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue		
India	642.40	687.59
Outside India	12.20	20.50
Total	654.60	708.09

	As at 31 March 2021	As at 31 March 2020
Non current assets*		
India	170.02	190.27
Outside India	-	-
Total	170.02	190.27

* excluding financial instruments

	As at 31 March 2021	As at 31 March 2020
Trade receivables		
India	99.34	54.57
Outside India	3.55	5.65
Total	102.89	60.22



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36 Research and development expenses *

Salaries and wages
Contributions to provident fund and other funds
Staff welfare
Travelling and conveyance
Miscellaneous expenses

For the year ended 31 March 2021	For the year ended 31 March 2020
4.11	4.58
0.25	0.31
0.08	0.05
0.02	0.31
0.83	1.67
5.29	6.92

* Excludes capital expenditure of ₹ Nil (Previous year ₹ 0.44 crores)

37 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under Sections 92-92F of the Income-tax Act, 1961. Since, the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation to determine whether the transactions entered into with the associated enterprises during the financial year on an arm's length basis. The management is of the opinion that such transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.



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38 Related party transactions

Description of relationship	Names of related parties
(a) Related party and nature of related party relationship where control exists:-	
Holding Company	Minda Industries Ltd.
Enterprise having substantial interest in the Company	Tokai Rika Co. Ltd, Japan
(b) Related party and nature of related party with which transactions have taken place during the year:-	
Fellow subsidiaries	Minda Distribution & Services Ltd. Minda Kyoraku Limited PT Minda Asean Automotive Minda Storage Batteries Pvt Ltd Minda Katolac Electronics Services Pvt Ltd MI Torica India Private Ltd MITIL Polymer Private Ltd PT Minda Trading
Enterprises in which directors/members of the Company can exercise significant influence	Nirmal K. Minda (HUF) Minda Investment Ltd Shankar Moulding Ltd Minda Projects Ltd Minda Nexgen Tech Ltd Tokai Rika (Thailand) Co Ltd Tokai Rika Minda India Pvt Ltd Tokai Rika Create Corporation (Torica) Tokai Rika Co Ltd, Philippines Toyoda Gosei Minda India Pvt Ltd Tokairika Indonesia Denso Ten Minda India Pvt Ltd Minda Stoneridge Instruments Ltd Samaira Engineering Minda I Connect Pvt Ltd Minda Industries Minda Nabtesco Automotive Pvt. Ltd. Minda Onkyo India Pvt Ltd Shreeaunji Real Estate SEZ Pvt. Ltd Spectrum Techno Construction Pvt Ltd Shreeaunji Habitation Pvt Ltd.
Key Management Personnel (KMP)	Mr. Nirmal K. Minda Mr. Takehiko Niwa (up to 28 January 2020) Mr. Ravi Mehra Mr. Anand K. Minda Ms. Deepali Chandhoke Mr. Hidehito Araki Mr. Kazuhiko Noguchi Mr. Hiroyasu Goto (w.e.f. 28 January 2020)

(c) Details of related party transactions during the year

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(i) Revenue		
Holding Company		
- Minda Industries Ltd.		
Sale of goods	7.65	2.71
Sale of services	0.90	0.30
Miscellaneous income	0.11	-
Enterprise having substantial interest in the Company		
Sale of goods		
- Tokai Rika Co Ltd, Japan	0.14	0.14
Fellow subsidiaries		
Sale of goods		
- Minda Distribution & Services Ltd	0.63	7.63
- Minda Katolac Electronics Services Pvt Ltd	1.08	1.33
- PT Minda Trading	2.89	8.40
- Minda Kyoraku Limited	-	0.01
Sale of services		
- PT Minda Trading	0.55	-
- Minda Kyoraku Limited	0.01	-
Miscellaneous income		
- Minda Katolac Electronics Services Pvt Ltd	0.12	-
- MITIL Polymers Pvt Ltd (absolute ₹ 2,175 for 31 March 2020)	-	0.00



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38 Related parties(cont..)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Enterprises in which directors/members of the Company can exercise significant influence		
Sale of goods		
- Tokai Rika Minda India Pvt Ltd	37.44	51.61
- Tokai Rika Create Corporation (Torica)	5.29	4.83
- Tokai Rika (Thailand) Co. Ltd.	0.87	1.28
- Shankar Moulding Ltd	0.08	0.12
- Toyoda Gosei Minda India Pvt Ltd	25.66	23.22
- Minda I Connect Pvt Ltd	-	0.05
Sale of services		
- Tokai Rika Minda India Pvt Ltd	0.03	-
- Shankar Moulding Ltd (absolute ₹ 33,745 for 31 March 2021)	0.00	-
- Minda I Connect Pvt Ltd. (absolute ₹ 6,750 for 31 March 2021)	0.00	-
- Minda Nabtesco Automotive Pvt. Ltd. (absolute ₹ 3,500 for 31 March 2021)	0.00	-
- Toyoda Gosei Minda India Pvt Ltd	0.01	-
Miscellaneous income		
- Shankar Moulding Ltd	0.05	0.05
- Tokai Rika Minda India Pvt Ltd	0.55	0.60
- Minda Investments Ltd	-	0.08
- Denso Ten Minda India Pvt Ltd.	0.02	-
(ii) Reimbursement of expenses (received)		
Holding company		
Employee benefit expenses	-	0.19
Miscellaneous expenses	0.10	0.07
Enterprises having substantial interest in the Company		
Miscellaneous expenses		
- Tokai Rika Co Ltd, Japan	0.85	1.16
Fellow Subsidiaries		
- Minda Katolac Electronics Services Pvt Ltd.	-	0.12
Enterprises in which directors/members of the Company can exercise significant influence		
Miscellaneous expenses		
- Roki Minda Co. Pvt Ltd (absolute ₹ 2,400 for 31 March 2020)	-	0.00
Key Management Personnel		
Rent	0.02	0.02
(iii) Sale of property, plant and equipment		
Holding company		
- Minda Industries Limited	-	0.08
(iv) Purchase of property, plant and equipment		
Enterprises having substantial interest in the Company		
- Tokai Rika Co Ltd, Japan	0.90	0.09
Enterprises in which directors/members of the Company can exercise significant influence		
- Minda Projects Ltd	0.37	-
- Shankar Moulding Ltd	0.03	-
(v) Expenses		
Holding company		
Purchase of raw materials and components	3.88	3.75
Legal and professional	10.74	14.65
Miscellaneous expenses	1.67	3.17
Rent	0.76	0.87
Enterprises having substantial interest in the Company		
Purchase of raw materials and components		
- Tokai Rika Co Ltd, Japan (absolute ₹ 22,748 for 31 March 2021)	0.00	0.04
Legal and professional		
- Tokai Rika Co Ltd, Japan	-	0.08
Royalty		
- Tokai Rika Co Ltd, Japan	4.06	4.08
Staff-Ex Gratia		
- Tokai Rika Co Ltd, Japan	1.83	1.97
IT Maintenance expenses		
- Tokai Rika Co Ltd, Japan (absolute ₹ 18,773 for 31 March 2020)	-	0.00



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Mindarika Private Limited
Notes forming part of the financial statements for the year ended 31 March 2021
(All figures are in ₹ crores, except share data and unless otherwise stated)
CIN:-U74899DL1995PTC073692

38 Related parties (cont..)

Expenses (cont...)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Fellow Subsidiary		
Purchase of raw materials and components		
-Minda Katolac Electronics Services Pvt Ltd	11.92	1.78
-MITIL Polymer Private Limited	13.15	13.33
Employee benefit expenses		
-Minda Kyoraku Limited	-	0.34
Miscellaneous expenses		
-Minda Kyoraku Limited	0.02	-
-Minda Katolac Electronics Services Pvt Ltd	0.19	0.01
Enterprises in which directors/members of the Company can exercise significant influence		
Purchase of raw materials and components		
-Tokai Rika Co Ltd, Philippines	0.95	0.68
-Tokai Rika (Thailand) Co Ltd	5.69	5.35
-Tokai Rika Minda India Pvt. Ltd	67.26	71.67
-Tokai Rika Create Corporation (Torica)	12.30	11.36
-Shankar Moulding Ltd	12.03	14.28
-Tokairika Indonesia	0.32	0.18
-Denso Ten Minda India Pvt Ltd. (absolute ₹ 1,200 for 31 March 2021)	0.00	-
Rent		
-Minda Investment Ltd	2.92	4.02
-Minda Industries (Firm)	0.01	0.01
-Toyota Gosei Minda India Pvt Ltd	-	0.01
Miscellaneous expenses		
-Minda Project Ltd	0.02	0.02
-Shankar Moulding Ltd	0.08	0.07
-Tokai Rika Minda India Pvt. Ltd	0.08	0.03
-Shreeamji Real Estate SEZ Pvt. Ltd. (refer note 30(c))	-	0.01
-Spectrum Techno Construction Pvt Ltd. (absolute ₹ 5,572 for 31 March 2020) (refer note 30(c))	-	0.00
-Shreeamji Habitation Pvt Ltd. (refer note 30(c))	-	0.01
-Minda I Connect Pvt Ltd (absolute ₹ 14,400 for 31 March 2021)	0.00	-
Repair and maintenance		
-Minda Project Limited	-	1.29
Employee benefit expenses		
-Toyota Gosei Minda India Pvt Ltd	-	0.02
-Minda Onkyo India Pvt Ltd	-	0.03
-Minda Storage Batteries Pvt Ltd (absolute ₹ 42,656 for 31 March 2020)	-	0.00
Staff Exgratia		
-Minda Onkyo India Pvt Ltd	0.08	-
Key Management Personnel#		
Managerial Remuneration		
-Mr Nirmal K. Minda	0.65	0.87
-Mr Takehiko Niwa	-	0.23
-Mr Ravi Mehra ##	2.45	2.76
-Mr. Hiroyasu Goto	0.29	0.08
Director's sitting fee		
Ms. Deepali Chandhoke (absolute ₹ 45,000 for 31 March 2020)	0.01	0.00
Mr. Hidehito Araki	0.01	0.01
(vi) Payment of dividend		
Holding company		
-Minda Industries Ltd	3.34	6.25
Enterprises having substantial interest in the Company		
-Tokai Rika Co Ltd, Japan	2.42	4.53
Key Management Personnel		
-Mr Nirmal K. Minda	0.78	1.47

Does not include provisions/contributions towards gratuity, compensated absences, as applicable, as such provisions are for the Company as a whole.
Managerial remuneration paid by Minda Industries Limited and reimbursed by the Company as part of deputation agreement



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Mindarika Private Limited
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38 Related parties (cont..)

(d) Balance outstanding at the end of the year

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(i) Trade receivables		
Holding Company		
- Minda Industries Ltd	1.58	0.78
Enterprises having substantial interest in the Company		
- Tokai Rika Co Ltd, Japan	0.11	-
Fellow subsidiaries		
- Minda Distribution & Services Ltd	-	1.56
- Minda Katolac Electronics Services Pvt Ltd	0.07	0.24
- Minda Kyoraku Limited	-	0.01
- PT Minda Trading	0.32	1.97
- MITIL Polymers Pvt Ltd (absolute ₹ 1,180 for 31 March 2020)	-	0.00
Enterprises in which directors/members of the Company can exercise significant influence		
- Shankar Moulding Ltd	0.03	0.03
- Tokai Rika Minda India Pvt Ltd	8.22	6.41
- Tokai Rika Create Corporation (Torica)	0.75	0.89
- Tokai Rika (Thailand) Co. Ltd	-	0.14
- Toyoda Gosei Minda India Pvt Ltd	3.15	1.60
- Minda I Connect Pvt Ltd	-	0.11
- Denso Ten Minda India Pvt Ltd	0.02	-
(ii) Loans- security deposits		
Enterprises in which directors/members of the Company can exercise significant influence		
- Minda Investment Ltd	0.27	0.50
(iii) Advance to suppliers		
Holding Company		
- Minda Industries Ltd	0.32	0.32
Enterprises in which directors/members of the Company can exercise significant influence		
- Shankar Moulding Ltd	0.48	0.45
- Minda Project Ltd	-	0.11
- Tokai Rika Minda India Pvt Ltd	0.05	-
(iv) Trade payables		
Holding Company		
- Minda Industries Ltd	4.87	3.40
Enterprises having substantial interest in the Company		
- Tokai Rika Co Ltd, Japan	1.30	0.97
Fellow subsidiaries		
- Minda Katolac Electronics Services Pvt Ltd	2.51	0.52
- MITIL Polymer Private Limited	2.10	3.36
Enterprises in which directors/members of the Company can exercise significant influence		
- Shankar Moulding Ltd	2.65	3.81
- Tokai Rika Co Ltd, Philippines	0.32	0.18
- Tokai Rika (Thailand) Co Ltd	2.05	0.74
- Tokai Rika Create Corporation (Torica)	1.33	2.99
- Tokai Rika Minda India Pvt Ltd	18.91	10.52
- Tokairika Indonesia	0.01	0.03
- Minda Project Ltd	-	1.45
- Minda Investment Ltd	-	0.34

Note: Absolute amount in ₹ shown as the rounded off amount in ₹ crores is nil.

Based on the analysis done by the independent consultant the Company is of the view that all related party transactions are done on arm's length basis.



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39 Share-based compensation

The shareholders of the Parent Company had approved the UNO Minda Employee Stock Option Scheme – 2019 (herein referred as UNOMINDA ESOS-2019) through postal ballot resolution dated March 25, 2019.

During the previous year, the NRC of holding company has approved and granted options to Eligible Employees of the Parent Company and its Subsidiaries. The plan envisaged grant of stock options to eligible employees at market price in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

This scheme provided for conditional grant of Performance Shares at nominal value to eligible management employees as determined by the Nomination and Remuneration Committee from time to time. The performance measures under this scheme include Group achieving the target market Capitalisation. The maximum number of equity shares to be allotted under the scheme are 1,01,020 at an exercise price of ₹325/- each. The scheme is monitored and supervised by the Nomination and Remuneration Committee of the holding company 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.

Accordingly, the expense pertaining to the Company is recharged by the parent company.

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

Scheme	Year	Date of Grant	Number of options granted	Vesting conditions	Exercise period	Exercise price (₹) per share	Fair value of the option on the date of grant (₹) per share
Minda Employee Stock Option Scheme 2019	2019-20	16-May-19	1,01,020	Achieving target of market capitalization of the Company on or before 31 May 2022	2 Year from the date of vesting	325/-	41.31/-

The number of share options under stock benefit plan is as follows:

Scheme	Year	Outstanding at the beginning of the year	Granted during the year	Forfeited/lapsed/expired during the year	Exercised during the year	Exercisable at the end of the year	Outstanding at the end of the year
Minda Employee Stock Option Scheme 2019	2019-20	-	1,01,020	-	-	-	1,01,020
	2020-21	1,01,020	-	-	-	-	1,01,020

Fair valuation

The parent company has provided the fair value of Share based payment cost that have been done by an independent valuer 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 31 March 2021	As at 31 March 2020
Risk-free interest rate (%)	7.13%	7.13%
Expected life of options (years) [(year of vesting) + (contractual option term)/2]	4 years	4 years
Expected volatility (%)	41.00%	41.00%
Dividend yield	0.63%	0.63%

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

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

Amount recognised in statement of profit and loss:

Employee stock option expenses

Year ended 31 March 2021	Year ended 31 March 2020
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0.14

0.12



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Mindarika Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(All figures are in ₹ crore unless otherwise stated)

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40 Change in classification

During the year ended 31 March 2021, the Company has separately presented the right of use assets under non-current assets from property, plant and equipment to reflect more appropriate presentation in balance sheet. Comparative amounts in notes forming part of the financial statements has been reclassified for consistency. As a result, amount of ₹ 18.98 crores as at 31 March 2020 has been separately presented.

Further, the Company has separately presented the lease liabilities under financial liabilities from other financial liabilities to reflect more appropriate presentation in balance sheet. Comparative amounts in notes forming part of the financial statements has been reclassified for consistency. As a result, amount of ₹ 29.20 crores (₹ 1.25 crores as current and ₹ 27.95 crores as non-current) as at 31 March 2020 has been separately presented.

41 Impact of COVID-19 on financial statements

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

- 42 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

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

As per our report of even date attached:

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022



Ankush Goel

Partner

Membership No.: 505121

Place: New Delhi

Date: 10 June 2021

For and on behalf of the Board of Directors of
Mindarika Private Limited



Nirmal Kumar Minda

Managing Director

DIN No: 00014942

Place: Gurugram

Date: 10 June 2021



Anil Singh Makhloga

Director

DIN No: 03225184

Place: Gurugram

Date: 10 June 2021



Sanjay Kumar Aggarwal

Chief Financial Officer

Place: Gurugram

Date: 10 June 2021



Brijesh Kumar

Company Secretary

Membership No. 36070

Place: Gurugram

Date: 10 June 2021