

Independent Auditor's Report**To the Members of****Minda Auto Components Limited**

We have audited the accompanying financial statements of Minda Auto Components Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance of the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other Matters

The financial Statement/ information of Branch Office at Japan is included in the financial statements of the company as at 31st March, 2016.

We have relied upon the monthly financial information / financial statements received from the Japan Office. We have also obtained written representations from the management wherein they have provided the assurance as to the completeness, accuracy and correctness of the information/ details provided to us.

Opinion

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 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 2016, and its profit and its cash flow statement for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure -A a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable..
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance sheet, the Statement of Profit and Loss and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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 over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure-B; and
- (g) 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:
- According to the information and explanations given to us the Company has no pending litigations.
 - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - Requirement for transferring amounts to the Investor Education and Protection Fund by the Company is not applicable here.

For AJH & CO

Chartered Accountants

FRN: 05302N



Ajay Jain

Partner

Membership No. 84096

Date: May 17, 2016

Place: Delhi

**Annexure –A
to the Auditor's Report**

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March, 2016; we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company no immovable property is held in the name of the company, hence clause (i) (c) of the order is not applicable.
- (ii) According to the records, information and explanations provided to us, and on the basis of our examination of the records of the company, the company has physically verified the inventory and no material discrepancy noticed on such verification.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly clause (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the order are not applicable to the company.
- (iv) According to the records, information and explanations provided to us, the Company has not given loans /made investments/given guarantee/provided security during the year.
- (v) According to the records, information and explanations provided to us, the Company has not accepted any deposits from the public.
- (vi) The Central government has prescribed maintenance of cost records under section 148(1) of the Companies Act, for the kind of business activities undertaken by the company. We have broadly reviewed and on the basis of the information and explanations provided to us by the management, we are of the opinion that such records are being maintained.
- (vii) (a) According to the records, information and explanations provided to us, and on the basis of our examination of the records of the company, the Company is generally regular in depositing with appropriate authorities undisputed amount of provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, cess and other materials, statutory dues as applicable to it and no material undisputed amounts payable were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues on account of any dispute of sales tax, income tax, custom duty, wealth tax, service tax, excise duty, and any other statutory dues, that has not been deposited with appropriate authorities on account of any dispute.



- (viii) Based on our audit procedures and according to the information and explanations given to us, the company has not availed any loan facility from financial institutions, Banks, Government or Debenture holders during the period, Accordingly clause 3 (viii) of the order is not applicable to the company.
- (ix) According to the information and explanations given to us the company did not raise moneys by way of public issue/ follow on offer (including debt instruments and term loan) during the period.
- (x) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has not paid/provided managerial remuneration, hence clause 3 (xi) of the order is not applicable.
- (xii) The company is not a nidhi company. Accordingly clause 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, transaction with its related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The company has not made preferential allotment and private placement of shares during the period under review, hence clause 3 (iv) of the order is not applicable.
- (xv) According to the information and explanations given to us, the company has not entered into any non cash transactions with directors or persons connected with them. Accordingly clause 3 (xv) of the order is not applicable to the company.
- (xvi) According to the information and explanations given to us, the company is not carrying out any business activity that require registration under section 45-IA of the Reserve Bank of India. Act, 1934 as a Non Banking Finance company.

For AJH & CO

Chartered Accountants

FRN:005302N
FRN No. 005302N
NEW DELHI
Ajay Jain
Partner
Membership No. 84096

Date : May 17, 2016

Place : Delhi

ANNEXURE – B

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MINDA AUTO COMPONENTS LIMITED

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Minda Auto Components Limited ("the Company") as of March 31st, 2016, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining adequate and effective internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and Guidance Note we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risk 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 system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of un-authorized 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 Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For AJH & Co
Chartered Accountants
Firm's Registration No.
005302N


Ajay Jain
Partner

Membership No. 84096



Place: Delhi
Date: May 17, 2016

MINDA AUTO COMPONENTS LIMITED

Balance Sheet as at 31st March, 2016

Particulars	Note No	As At 31st March 2016 Amount in INR	As At 31st March 2015 Amount in INR
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	2,102,000	2,102,000
Reserves and Surplus	2	133,349,881	111,345,112
Non-Current Liabilities			
Long term provisions	3 (a)	622,897	417,994
Current Liabilities			
Trade payables	5	95,676,676	9,194,941
Other current liabilities	6	9,759,065	5,319,097
Short-term provisions	3 (b)	10,911,764	10,024,777
Total		252,422,282	138,403,921
II. Assets			
Non-current assets			
<i>Fixed assets</i>			
Tangible assets	7 (a)	5,182,564	4,345,638
InTangible assets		-	-
Deferred tax assets (net)	4	751,605	1,407,512
Long term loans and advances	8 (a)	3,677,377	1,379,488
Current assets			
Inventories	9	28,908,351	24,370,659
Trade receivables	10	193,686,192	91,183,009
Cash and cash equivalents	11	7,580,070	3,402,962
Short-term loans and advances	8 (b)	12,636,123	12,314,653
Notes to Accounts	1 to 23		
Total		252,422,282	138,403,921

As per our Report of even date

For AJH & CO
Chartered Accountants

Firm Registration No. : 005302N

AJAY JAIN
Partner
Membership No. 84096



For and on Behalf of Board of Directors

H.C.Dhamija
DIRECTOR
DIN-00054842

Seema Gupta
DIRECTOR
DIN-06944070

Place: Delhi
Date: May 17, 2016

Statement of Profit and Loss for As At 31th March, 2016

Particulars	Note No	For the Year ended 31th March 2016	For the Year ended 31st March 2015
		Amount in INR	Amount in INR
Revenue from operations	12	723,573,500	705,078,004
Other Income	13	2,564,954	4,871,862
Total Revenue		726,138,454	709,949,866
Expenses:			
Cost of materials consumed	14	620,231,818	599,484,252
Purchase of Traded Goods		19,648,579	41,710,751
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	15	(6,199,914)	(470,294)
Employee benefit expense	16	22,141,356	11,764,976
Interest and Financial costs	17	5,726,509	5,586,655
Depreciation and amortization expense	7 (a)	1,151,810	2,006,311
Other Expenses	18	29,917,332	16,499,151
Total Expenses		692,617,490	676,581,802
Profit before exceptional and extraordinary items and tax		33,520,964	33,368,064
Exceptional Items	19	-	-
Profit before extraordinary items and tax		33,520,964	33,368,064
Extraordinary Items	20	-	-
Profit before tax		33,520,964	33,368,064
Tax expense:			
(1) Current tax		10,897,902	10,000,000
(2) Tax adjustment earlier year		(37,613)	(2,031)
(2) Deferred tax (Asset)/Liabilities for the year		655,906	(763,417)
Profit(Loss) from the perid from continuing operations		22,004,769	24,133,512
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discounting operations		-	-
Profit/(Loss) from Discontinuing operations		-	-
Profit/(Loss) for the period		22,004,769	24,133,512
Earning per equity share: Basic & Diluted		104.68	114.81

Notes to Accounts (1-23)
As per our Report of even date

For AJH & CO
Chartered Accountants
Firm Registration No. 005302N

AJAY JAIN
Partner
Membership No. 84096



For and on Behalf of Board of Directors

H.C. Dhamija
H.C. Dhamija
DIRECTOR
DIN-00054842

Seema Gupta
Seema Gupta
DIRECTOR
DIN-06944070

Place: Delhi
Date: May 17, 2016

MINDA AUTO COMPONENTS LIMITED
STATEMENT OF CASH FLOWS AS AT 31st March 2016

PARTICULARS	For the Year ended 31-Mar-16	For the Year ended 31-Mar-15
	Amount in INR	Amount in INR
A.CASH FLOW FROM OPERATING ACTIVITIES		
Net Income before tax	33,520,964	33,368,064
Adjusted for:		
Depreciation	1,151,810	2,006,311
Assets Written off	481,595	17,396
Profit on sale of Fixed Asset	-	(1,561,579)
Interest expense adjustment	28,539	-
Exchange Fluctuation	-	-
Interest paid	5,726,509	5,586,655
Miscellaneous Provisions written back	(2,507,127)	-
Non Current Provision for Doubtful Debts	-	-
Provision for bad and doubtful advances	250,207	380,001
Bad and Doubtful advances Written off	-	-
Interest on Bank deposits	(13,822)	(132,395)
Loss on sale of Fixed Assets	-	382,251
Operating Profit before Working Capital Changes	38,638,675	40,046,704
Adjusted for:		
Current Accounts Receivable	(101,580,736)	75,270,212
Non Current Term Loans & Advances	(963,416)	(27,397)
Current Term Loans & Advances	(891,017)	2,410,295
Current Inventories	(4,537,692)	6,247,038
Current Trade Payables	90,914,389	(107,261,506)
Non Current Trade Payables	204,903	(451,326)
Cash generated from operations	21,785,106	16,234,020
Income Tax paid	(9,424,982)	(12,633,894)
NET CASH FROM OPERATING ACTIVITIES	12,360,124	3,600,126
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,470,331)	(476,583)
Proceeds on Sale of Fixed Assets	-	5,542,826
Interest on Bank Deposit	13,822	132,395
NET CASH USED IN INVESTING ACTIVITIES	(2,456,509)	5,198,638
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Loans	-	-
Interest and other financial charges	(5,726,509)	(5,586,655)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	(5,726,509)	(5,586,655)
Net(Decrease) Increase in Cash & Cash Equivalents(A+B+C)	4,177,106	3,212,110
Cash and Cash Equivalents at the beginning of the year	3,402,963	190,853
Cash and Cash Equivalents at the end of the year	7,580,070	3,402,963

As per our Report of even date

For AJH & CO
Chartered Accountants
Firm Registration No. : 005302N

AJAY JAIN
Partner
Membership No. 84096



For and on Behalf of Board of Directors

H.C. Dhamija
H.C. Dhamija
DIRECTOR
DIN-0005484

Seema Gupta
Seema Gupta
DIRECTOR
DIN-06944070

Place: Delhi
Date: May 17, 2016

MINDA AUTO COMPONENTS LIMITED

SIGNIFICANT ACCOUNTING POLICIES

A. BACKGROUND

Minda Auto Components Limited formerly known as Minda Auto Components Private Limited consequent to the fresh certificate of incorporation wef: October 16, 2008 ('the Company') was incorporated in India on November 13, 1996 as S.J. Components Private Limited. The Company manufactures and trades in Auto Components. The company had Four units located at Nalagarh, Hosur, Mysore, and Noida. Nalagarh is in Tax free zone. The company has discontinued its manufacturing operations from Hosur Unit, during the year. During the year the company has started its new operations from Gujarat unit. The company has also opened its office in Japan during the financial year to cater the upcoming needs of major four wheeler manufacturers. The Company has started its business activities i.e. manufacturing and trading of auto components during the financial year 2007-08. The company is a 100% subsidiary of Minda Industries Limited, (a listed company).

The accompanying financial statements reflect the results of the activities undertaken by the company during the year ended March 31, 2016

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

The financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAPP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory as prescribed under section 133 of the Companies Act, 2013 ('Act') read with rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.



iii) Revenue Recognition

Revenue from the sale of goods is recognized as goods are dispatched to the customers from the factory. Revenue from sale of goods to overseas customers is recognized on the goods being shipped on board. The sales are recorded at invoice value, net of sales tax, and sales returns but including excise duty.

Revenue from the services rendered is recognized on accrual basis and are recorded net of service tax.

Interest on bank deposits is recognised on accrual basis.

iv) Fixed Assets

Fixed assets are stated at cost, net of Cenvat (wherever claimed), less accumulated depreciation. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

v) Depreciation

Depreciation on all tangible assets is provided on the straight line method except for Plant and Machinery and Tools and Dies, which are depreciated on written down value method over the useful lives of the assets estimated by the management.

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the company has aligned the depreciation rates based on the useful lives as specified in Part 'C' of Schedule II to the Act, except for Plant and Equipment specific to Tools and Dies which has been depreciated over life of 5 years being the management estimate of the useful life is lower than the life arrived at on the basis of Schedule II to the Act. Based on internal technical evaluation, the management believes, that the useful lives as considered for arriving at depreciation rates, best represent the period over which management expects to use these assets.

Depreciation on additions to Fixed Assets is provided on Pro-rata basis from the date of acquisition of the asset. Depreciation on sale/deduction from fixed assets is provided for upto the date of sale, deduction, dis-cardment as the case may be.

Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the company for its use.

All assets costing Rs. 5000/- or below are depreciated in full by way of one time depreciation charge.



vi) Inventories

Inventories are valued at lower of the cost or net realisable value. The basis of determination of cost of various categories of inventories is as follows:

Finished Goods	: Material cost plus an appropriate share of labour and production overheads wherever applicable.
Raw Materials, Components and other material.	: Moving Weighted Average Basis.

vii) Excise Duty

Excise Duty is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in bonded warehouse.

viii) Impairment of assets

Whenever events indicate that assets may be impaired, the assets are subject to a test of recoverability on estimates of future cash flows arising from continuing use of such assets and from its ultimate disposal. A provision for impairment loss is recognized where it is probable that the carrying value of the asset exceeds the amount to be recovered through use or sale of the asset.

ix) Research & Development

Revenue Expenses incurred on research and development is charged off to the Profit & Loss Account in the year in which these expenses are incurred. Capital expenditure incurred on research and development is included in fixed assets and depreciated at applicable rates.

x) Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on date of the transaction.

Monetary items denominated in foreign currencies at the year end are restated at the exchange rates prevailing on the date of Balance Sheet. Non-monetary items denominated in foreign currencies are carried at cost.



Any income or expense on account of exchange differences either on settlement or on translation of transactions other than those relating to fixed assets is recognized in the Profit & Loss Account. Gains or loss on transaction of long-term liabilities incurred to acquire fixed assets is treated as an adjustment to the carrying cost of related fixed assets.

xi) Retirement Benefits

The Company has made provision for retirement benefits during the year on an estimated basis.

xii) Earnings per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earning per share, the net profit or loss for the year, attributable to the equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xiii) Income Taxes

Income taxes are accounted for on the basis of estimated taxes payable and adjusted for timing differences between the taxable income and accounting income as reported in the financial statements. Timing differences between the taxable income and the accounting income as on March 31, 2016 that reverse in one or more subsequent years are recognised if they result in taxable amounts. Deferred tax assets or liabilities are established at the enacted tax rates. Changes in the enacted rates are recognised in the period of enactment.

Deferred tax assets or liabilities in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday are recognized in the year in which the timing differences originate if they result in taxable amounts.

Deferred tax assets are recognized only if there is a reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

xiv) Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.



xv) Miscellaneous Expenditure

All the Preliminary expenses incurred on formation of the company have been amortized over a period of first five financial years.

xvi) Warranty Claims

Contractual obligations in respect of warranties are recognized on lodgment of claims by the customers.

xvii) Leases

Lease rentals are expensed with reference to lease terms.

xviii) Material Events

Material events occurring after the Balance Sheet date are taken into cognisance.

C. Commitments and contingencies (not provided for)

There is no contingent liability and no capital commitment.

D. Going Concern

The Company has no accumulated losses at the end of the current financial year as well as at the end of the immediately preceding financial year. The company has not incurred cash losses during the year.

E. Reclassification

Previous Year's figures have been regrouped and/or re-arranged wherever necessary to conform to current year's grouping and classifications.

As per our Report of even date

For AJH & CO
Chartered Accountants

Ajay Jain,

Partner

Membership No. 84096



H.C. Dhamija
H.C. Dhamija
Director

Seema Gupta
Seema Gupta
Director

Place: Delhi

Date: May 17, 2016

Note 1**Share Capital and Share Warrants**

Share Capital		Balance at 31.03.16	Balance at 31.03.15
		Amount in INR	Amount in INR
Authorised			
250,000	Equity Shares of Rs 10 each	2,500,000	2,500,000
Issued Subscribed and Paid up			
210,200	Equity Shares of Rs 10 each	2,102,000	2,102,000

1.1 This share based transaction took place in 2010

1.2

No Equity shares have been issued as fully paid up Bonus Shares by capitalisation of the Reserve

1.3 The Details of Share holders holding more then 5% of the Capital

S. No.	Name of the Shareholder	Date of Subscription	Balance at 31.03.16		Balance at 31.03.15	
			Holding %	Holding Value	Holding %	Holding Value
1	Minda Industries Limited	29-01-10	100	2,102,000	100	2,102,000

1.4 The Reconciliation of number of Shares outstanding is set out below:

Particulars	As at 31.03.16	As at 31.03.15
	No. of Shares	No. of Shares
Equity Shares at the Beginning of the Year	210,200	210,200
Add: Shares Issued	-	-
Less: Share Buy Back	-	-
Equity Shares at the End of the Year	210,200	210,200

Note 2**Reserves and Surplus**

Particulars	Balance as at 31.03.16	Balance as at 31.03.15
	Amount in INR	Amount in INR
Profit & Loss Account		
Balance as per Last Balance Sheet	111,345,112	87,211,600
	111,345,112	87,211,600
Transferred to Profit & Loss A/c	-	-
Profit & Loss Account Current Year	22,004,769	24,133,512
Total	133,349,881	111,345,112
Grand Total	133,349,881	111,345,112



Note 3

(a) Long Term Provisions

Particulars	Balance as at 31.03.16	Balance as at 31.03.15
	Amount in INR	Amount in INR
Provision for Gratuity	509,875	343,565
Provision for Leave encashment	113,022	74,429
Total	622,897	417,994

- 3.(a).1 Non Current values for the Employee Benefits as per AS 15 have been accounted for on the estimation provided by the Company.

(b) Short Term Provisions

Particulars	Balance as at 31.03.16	Balance as at 31.03.15
	Amount in INR	Amount in INR
Provision for Leave encashment	6,855	14,142
Provision for Gratuity	10,609	10,635
Provision for Income Tax (2015-16)*	10,894,300	10,000,000
* includes Rs 294,300/- in Japan office		
Total	10,911,764	10,024,777

- 3.(b).1 Current values for the Employee Benefits as per AS 15 have been accounted for on the basis of the Actuarial Certificate obtained by the Company.

Note 4

Deffered Tax Asset / (Liability)

Particulars	Balance as at 31.03.16	Balance as at 31.03.15
	Amount in INR	Amount in INR
W.D.V. as per Income Tax Act	6,326,860	5,646,564
W.D.V. as per Companies Act	5,182,564	4,345,638
Depreciation Difference	1,144,296	1,300,926
Provision for Doubtful Debts & Advances	250,407	2,507,327
Provision for Employee Retirement Benefits	640,361	442,771
Bonus Payable	238,394	86,454
Total	1,129,162	3,036,552
Net	2,273,458	4,337,478
Deffered Tax for the Year	751,605	1,407,512
Opening Deffered Tax Assets	1,407,512	644,095
Deffered Tax Asset/ (Liability) to be Created	(655,906)	763,417



Note 5

Trade Payables

Particulars	Balance as at 31.03.16	Balance as at 31.03.15
	Amount in INR	Amount in INR
Trade Payables due within the normal Operating cycle or within 12 months from the reporting date	95,676,676	9,194,941
Total	95,676,676	9,194,941

- 5.1 The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid as at the year end together with interest paid /payable under this Act have not been given.
- 5.2 Includes Expense Provision.

Note 6

Other Current Liabilities *

Particulars	Balance as at 31.03.16	Balance as at 31.03.15
	Amount in INR	Amount in INR
Payable (others)	9,759,065	5,106,120
Provision for Excise Duty on Finished Goods	-	212,977
Total	9,759,065	5,319,097

- 6.1 All payables which are due to be paid within 12 months of the Reporting Date or within the normal Operating cycle
- 6.2 Includes Employee Wages Payables, Bonus Exgratia Payables and other Statutory Dues



Note 7

Fixed Assets

(a) Tangible Assets - Consolidated

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	BALANCE AS ON 31-Mar-15	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	BALANCE AS ON 31-Mar-16	BALANCE AS ON 31-Mar-15	DURING THE YEAR	Deletions/ Adjustments during the year	BALANCE AS ON 31-Mar-16	BALANCE AS ON 31-Mar-15
Plant & Machinery	5,485,225	531,564	-	6,016,789	2,747,353	526,061	-	2,743,375	2,737,872
Tools & Dies	1,975,421	-	1,046,828	928,593	1,410,587	20,460	565,233	62,779	564,834
Office Equipments	189,109	341,579	-	530,688	125,980	65,502	-	339,207	63,129
Computers	464,033	551,725	-	1,015,758	435,820	123,433	-	456,504	28,212
Furniture & Fixture	908,669	1,045,464	-	1,954,133	843,733	230,189	-	1,080,211	264,936
Vehicle	1,287,830	-	-	1,287,830	601,176	186,167	-	500,488	686,654
Total	10,310,286	2,470,331	1,046,828	11,733,789	5,964,648	1,151,810	565,233	5,182,564	4,345,638
Previous Year	23,042,335	476,583	13,208,631	10,310,287	12,786,073	2,006,311	8,827,736	5,984,646	4,345,638



Note 8

(a) Long term loans and advances

Particulars	Balance as at 31.03.16	Balance as at 31.03.15
	Amount in INR	Amount in INR
Unsecured		
Balance with Customs & Excise and VAT		
Advances to be recoverable in Cash or kind or for value to be received or pending adjustments	1,590,981	555,535
Security Deposits	2,336,803	2,408,833
Less: Provision for Doubtful Advances	250,407	1,584,880
Net Security Deposits	2,086,396	823,953
Total	3,677,377	1,379,488

(b) Short-term loans and advances

Particulars	Balance as at 31.03.16	Balance as at 31.03.15
	Amount in INR	Amount in INR
Advances to be recoverable in Cash or kind or for value to be received or pending adjustments		
Balance with Customs & Excise and VAT	1,680,233	789,215
Advance Income Tax / Tax Deducted at source	10,955,890	11,525,438
Total	12,636,123	12,314,653

Note 9

Inventories

Particulars	Balance as at 31.03.16	Balance as at 31.03.15	Balance as at 31.03.16	Balance as at 31.03.15
	Current Assets		Non Current Assets	
Raw Materials	21,057,201	22,249,129	-	-
Work in Progress	-	-	-	-
Traded Goods/ Finished Goods	7,851,151	2,121,530	-	-
Total	28,908,351	24,370,659	-	-

9.1 Raw Material Stock also contains the Material In Transit of Rs. 6,572,980 (Previous Year Rs.3,787,706)

9.2 Finished Goods include excise duty of Rs Nil (Previous Year Rs 212,977) payable on goods laying at bonded warehouse but not sold as at March 31,2016



Note 10

Trade Receivables

Particulars	Balance as at 31.03.16	Balance as at 31.03.15
Non current		
Considered Good	-	-
Others - Debts due by Directors or Other Officers of the company	-	-
Considered Doubtful	-	-
Total Non - Current	-	-
Less : Provision for Doubtful Debts	-	-
Net Non - Current	-	-
Current		
Debtors Outstanding for more than Six Months		
Considered Good	-	1,997,827
Others - Debts due by Directors or Other Officers of the company	-	-
Considered Doubtful	-	922,447
Others - Considered Good	193,686,192	89,185,182
Others - Debts due by Directors or Other Officers of the company	-	-
Considered Doubtful	-	-
Total Current	193,686,192	92,105,456
Less: Provision for doubtful debts	-	922,447
Net Current	193,686,192	91,183,009

- 10.1 The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid as at the year end together with interest paid /payable under this Act have not been given.

Note 11

Cash & Cash Equivalents

Particulars	Balance as at 31.03.16	Balance as at 31.03.15
Cash in Hand *	200,148	10,394
Silver Coins	3,460	3,460
Balances with Scheduled Banks		
In Current Accounts	3,592,878	3,389,108
in Foreign Bank a/c	3,783,584	
Total	7,580,070	3,402,962

* includes cash Balance of Rs. 76,278/- in Japan Branch



Note 12

Revenue from Operations

Particulars	For the Year Ended 31.03.16	For the Year Ended 31.03.15
Sale of Products (Gross)	768,411,353	778,561,550
Less - Excise Duty	(72,838,203)	(72,221,200)
Less - Sales Tax Incentives	-	-
Less - Warranty Rejection	-	(1,262,346)
Sale of Products (Net)	695,573,150	705,078,004
Income from Services	28,000,350	-
Sale of Products & Services (Net)	723,573,500	705,078,004

Note 13

Other Income

Particulars	For the Year Ended 31.03.16	For the Year Ended 31.03.15
Profit on sale of Fixed Assets	-	1,561,579
Exchange Fluctuation	23,859	-
Miscellaneous Income	20,145	3,177,888
Miscellaneous Provisions Written back	2,507,127	-
Interest on Bank Deposits	13,822	132,395
Total	2,564,954	4,871,862

Note 14

Cost of Material Consumed

Particulars	For the Year Ended 31.03.16	For the Year Ended 31.03.15
Raw Material Consumed Indigenous	620,231,818	599,484,252
Total	620,231,818	599,484,252

14.1 Particulars of Material Consumed

Particulars	For the Year Ended 31.03.16	For the Year Ended 31.03.15
HANDLE BAR	164,939,339	93,054,885
SWITCH	177,651,575	192,944,513
OTHERS	277,640,904	313,484,854
TOTAL	620,231,818	599,484,252



Note 15

Increase/ (Decrease) in Finished Goods and Work in Progress

Particulars	For the Year Ended 31.03.16	For the Year Ended 31.03.15
Closing Stock		
Finished Goods - Traded	7,851,151	2,121,530
Work in Progress	-	-
Total	7,851,151	2,121,530
Opening Stock		
Finished Goods - Manufactured	2,121,530	1,651,236
Work in Progress	-	-
Total	2,121,530	1,651,236
Increase/(Decrease) in Stock	5,729,620	470,294

Note 16

Employee Benefit Expense

Particulars	For the Year Ended 31.03.16	For the Year Ended 31.03.15
Salaries & Wages, Dearness Allowances and Bonus	20,248,114	10,252,137
Contribution to Provident Fund and Other funds	831,071	801,630
Workmen and Staff Welfare Expenses	1,062,172	711,209
Total	22,141,356	11,764,976

Note 17

Interest and Financial costs

Particulars	For the Year Ended 31.03.16	For the Year Ended 31.03.15
Bank Charges	111,352	43,468
Bill Discounting charges	5,615,157	5,543,187
Total	5,726,509	5,586,655



Note 18

Other Expenses

Particulars	For the Year Ended 31.03.16	For the Year Ended 31.03.15
Other Manufacturing Expenses		
Stores & Spares	3,131,965	3,691,975
Power & Fuel	436,464	482,138
Total Other Manufacturing Expenses	3,568,429	4,174,113
Administrative And Other Expenses		
Rent & Hire Charges *	5,111,152	2,625,248
Rates & Taxes	193,191	164,865
Insurance	96,682	73,524
Travelling & Conveyance	2,755,196	277,060
Printing & Stationery	181,192	102,877
Vehicle Maintenance	87,932	23,111
Legal & Professional Charges	6,157,161	406,498
Communication Expenses	942,239	229,159
Repairs and Maintenance		
Machinery	244,980	333,586
Others	42,002	36,283
Auditors' Remuneration :		
Statutory Audit	400,000	350,000
Tax Audit	125,000	100,000
Provision for Bad and Doubtful Debts	-	480,447
Provision for Bad and Doubtful Advances	250,207	1,584,880
Bad and Doubtful Advances written off	1,584,880	-
Security Charges	961,992	893,097
Loss on Sale of Fixed Assets	-	382,251
Assets Written off	481,595	17,396
House Keeping Expenses	351,857	160,032
Fine & Penalty	39,164	175,612
Charity&Donation	2,010,651	15,951
Miscellaneous Expenses	183,891	141,306
Total Administrative And Other Expenses	22,200,964	8,573,183
Selling & Distribution Expenses		
Sales Promotion Expenses	88,970	49,180
Packing & Forwarding Expenses	4,058,973	3,702,675
Total Selling & Distribution Expenses	4,147,943	3,751,855
Total	29,917,336	16,499,151

* The company is a lessee under various operating leases. Rental expense for operating leases in the year ending March 31, 2016 and March 31,2015 was 5,111,152and Rs 2,625,248 respectively.

Note 19

Exceptional Items

Particulars	For the Year Ended 31.03.16	For the Year Ended 31.03.15
Prior Period Items	-	-
Total	-	-



Note 20

Extraordinary Items

Particulars	For the Year Ended 31.03.16	For the Year Ended 31.03.15
Total	-	-

Note 21

Related Party Disclosures

As per Accounting standard 18, the disclosures of Transactions with the Related Parties are given below:

Related Party:

Holding Company - Minda Industries Limited

Natur of Transaction	For the Year Ended 31.03.16	For the Year Ended 31.03.15
Purchase of Raw Materials	373,602,222	351,991,851
Sale of Goods	7,385,744	29,758,482
Sale of Fixed Assets	-	5,377,380
Shared Expenses	2,264,160	1,220,695
Payable (Closing Balance)	78,334,940	89,537,924

Note 22

Foreign Exchange outflow

Natur of Transaction	For the Year Ended 31.03.16	For the Year Ended 31.03.15
Travelling Exp	249,808	-
Remittances towards Expense of Japan office	22,812,054	-

Note 23

Foreign Exchange inflow

Natur of Transaction	For the Year Ended 31.03.16	For the Year Ended 31.03.15
Management consultancy Fee-Gross	11,800,350	-

