

Minda Kyoraku Limited

Statutory audit for the year ended

31 March 2016

B S R & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurgaon - 122 002, India

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Independent Auditor's Report

To the Members of **Minda Kyoraku Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Minda Kyoraku Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, 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 Statements

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 of these financial statements that give a true and fair view of the financial position, 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 with 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 thereunder.

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 standalone 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 the 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.

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 flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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 control over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure B"
- (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:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 40 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022



Rajiv Goyal

Partner

Membership No.: 094549

Place: Gurgaon

Date: 11 May 2016

Annexure A referred to in our Independent Auditor's Report to the members of Minda Kyoraku Limited on the financial statements for the year ended 31 March 2016:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification during the current year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of the immovable property is held in the name of the Company, except for the leasehold land amounting to Rs. 14,000,000 for which the Company is in the process of registering the same in its name and is in the process of filing requisite documents with the authorities.
- (ii) The inventory, except stock lying with third parties and goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stock lying with third parties at the year-end, written confirmations have been obtained.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, para 3(iii) of the Order is not applicable.
- (iv) The Company has not given any loans, or made any investments, or provided any guarantee, or security as specified under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) to Section 148 of the Companies Act, 2013 in respect of any activities undertaken by the Company.
- (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, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities except for deposit of income tax where there have been serious delays in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable except for income tax dues which are given below:

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Name of the statute	Nature of dues	Amount (Rs.)	Period to which amount relates	Due date	Date of payment
Income Tax Act, 1961	Advance Tax	1,127,500	Sep-15	15-Sep-2015	Not paid

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited with the appropriate authorities on account of any dispute except mentioned below:

Name of the statute	Nature of dues	Amount *(Rs.)	Amount paid under protest (Rs.)	Financial year to which matter pertains	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales Tax	623,382	623,382	2012-2013	Joint Commissioner of Commercial Tax (Appeals-2) Bangalore

* amount as per demand orders including interest and penalty, wherever indicated in the order.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans to its bankers. The Company did not have any outstanding debentures or dues on account of loans or borrowings to any financial institutions or government during the year.
- (ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and the term loans taken by the Company have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud 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 Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022



Rajiv Goyal

Partner

Membership No.: 094549

Place: Gurgaon

Date: 11 May 2016

Annexure B to the Independent Auditor's Report of even date on the financial statements of Minda Kyoraku Limited for the year ended 31 March 2016

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 Kyoraku Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 ICAI and deemed to be 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 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 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31 March 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 B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022



Rajiv Goyal

Partner

Membership No: 094549

Place: Gurgaon

Date: 11 May 2016

Minda Kyoraku Limited
Balance Sheet as at 31 March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

	Note No.	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share capital	3	412,370,000	412,370,000
Reserves and surplus	4	18,520,896	(24,151,330)
		<u>430,890,896</u>	<u>388,218,670</u>
Non-current liabilities			
Long-term borrowing	5	71,962,556	135,204,259
Long-term provisions	6	11,089,529	8,765,746
		<u>83,052,085</u>	<u>143,970,005</u>
Current liabilities			
Short-term borrowing	7	154,517,859	46,519,697
Trade payables	8	-	-
(A) Total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		122,695,484	54,591,976
Other current liabilities	9	133,829,408	72,491,814
Short-term provisions	10	6,287,524	280,765
		<u>417,330,275</u>	<u>173,884,252</u>
Total		<u>931,273,256</u>	<u>706,072,927</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	523,615,434	509,350,017
Intangible assets	11	12,601,601	15,779,621
Capital work-in-progress		2,061,777	-
Intangible assets under development		1,159,620	-
Deferred tax assets (Net)	12	-	-
Long-term loans and advances	13	13,927,398	4,172,890
Other non-current assets	14	3,750,000	3,470,339
		<u>557,115,830</u>	<u>532,772,867</u>
Current assets			
Inventories	15	124,033,888	46,321,229
Trade receivables	16	204,353,403	105,128,120
Cash and bank balances	17	6,967,960	6,972,453
Short-term loans and advances	18	38,752,912	14,806,660
Other current assets	19	49,263	71,598
		<u>374,157,426</u>	<u>173,300,060</u>
Total		<u>931,273,256</u>	<u>706,072,927</u>
Significant accounting policies	2		

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

As per our report of even date attached

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

Rajiv Goyal
Partner
Membership No. 094549

Place : Gurgaon
Date : 11 May 2016

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

Nitesh K. Minda
Managing Director
DIN No. 00408023

Place : Gurgaon
Date : 11 May 2016

Lalit K. Jangir
Chief Financial Officer

Place : Gurgaon
Date : 11 May 2016

Shrietsu Oku
Director
DIN No. 05145404

Place : Gurgaon
Date : 11 May 2016

Avnish Dhingra
Company Secretary

Place : Gurgaon
Date : 11 May 2016

Minda Kyoraku Limited
Statement of Profit and Loss for the year ended 31 March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

	Note No.	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue from Operations	20		
Sale of products (gross)		1,035,193,690	744,197,435
Less: Excise duty		<u>120,005,572</u>	<u>83,705,818</u>
Sale of products (net)		915,188,118	660,491,617
Sale of services		458,772	1,095,000
Other operating income		<u>5,762,472</u>	<u>9,527,533</u>
		921,409,362	671,114,150
Other income	21	<u>1,529,518</u>	<u>1,013,120</u>
Total revenue		<u>922,938,880</u>	<u>672,127,269</u>
Expenses			
Cost of materials consumed	22	467,613,001	344,317,083
Changes in inventories of finished goods and work in-progress	23	(8,038,578)	13,372,367
Employee benefits	24	101,552,860	84,204,737
Finance costs	25	21,947,648	23,919,705
Depreciation and amortisation	26	78,544,979	70,165,306
Other expenses	27	<u>218,646,744</u>	<u>145,060,781</u>
Total expenses		<u>880,266,654</u>	<u>681,039,979</u>
Profit/ (Loss) before tax		42,672,226	(8,912,710)
Tax expense			
- Current tax (Minimum Alternate Tax)		8,950,000	-
- Minimum Alternate Tax credit entitlement		<u>(8,950,000)</u>	<u>-</u>
Profit/ (Loss) for the period		42,672,226	(8,912,710)
Earning/ (Loss) per equity share (nominal value of share Rs.10)			
Basic and diluted earning/ (loss) per share (Rs.)	28	1.03	(0.22)
Significant accounting policies	2		

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

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

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



Rajiv Goyal

Partner

Membership No.: 094549

Place : Gurgaon

Date : 11 May 2016

For and on behalf of the Board of Directors

Minda Kyoraku Limited



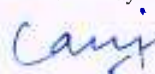
Nitesh K. Minda

Managing Director

DIN No. 00408023

Place : Gurgaon

Date : 11 May 2016



Lalit K. Jangir

Chief Financial Officer

Place : Gurgaon

Date : 11 May 2016



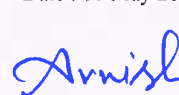
Shreshth Ojha

Director

DIN No. 05145404

Place : Gurgaon

Date : 11 May 2016



Avnish Dhingra

Company Secretary

Place : Gurgaon

Date : 11 May 2016

Minda Kyoraku Limited
Cash Flow Statement for the year ended 31 March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A. Cash Flow from operating activities		
Net Profit/ (Loss) before tax	42,672,226	(8,912,710)
Adjustments :		
Depreciation and amortisation	78,544,979	70,165,306
Interest income	(1,266,554)	(1,013,120)
Interest on borrowings	21,496,221	23,446,187
Unrealised foreign exchange fluctuation gain	347,887	(147,763)
Liabilities no longer required written back	(87,617)	-
Sundry balances written off	90,439	169,357
Fixed assets scrapped/ written off	370,025	341,659
Profit on sale of fixed assets	(175,347)	-
Provision for doubtful advances	-	122,248
Provision for doubtful debts	1,225,753	736,147
Operating cash flow before working capital changes	143,218,012	84,907,311
Adjustments :		
Increase / (Decrease) in trade payables	68,043,433	(36,415,192)
Increase / (Decrease) in provisions	2,413,212	3,438,329
Increase / (Decrease) in other current liabilities	51,499,040	5,419,871
(Increase) / Decrease in trade receivables	(100,451,036)	(31,632,807)
(Increase) / Decrease in inventories	(77,712,658)	27,058,108
(Increase) / Decrease in loans and advances	(24,650,588)	13,372,961
(Increase) / Decrease in other current assets	(4,252)	9,176,491
Cash generated from operations	62,355,163	75,325,073
Income tax paid	(3,032,670)	(39,273)
Net cash provided / (used) by operating activities (A)	59,322,493	75,285,800
B. Cash flow from investing activities:		
Purchase of fixed assets including capital work-in-progress and capital advances	(79,158,925)	(50,906,114)
Proceeds from sale of fixed assets	912,300	537,195
Bank deposits (having original maturity of more than three months)	(139,599)	(1,776,068)
Interest received on deposits	1,013,480	870,029
Net cash provided / (used) by investing activities (B)	(77,372,744)	(51,274,958)
C. Cash flow from financing activities		
Proceeds from borrowings	81,307,616	17,500,000
Repayment of borrowings	(43,046,085)	(23,545,194)
Finance costs paid	(20,355,372)	(23,408,256)
Net cash from financing activities (C)	17,906,159	(29,453,450)
D. Net increase / (decrease) in cash and cash equivalents (A+B+C)	(144,092)	(5,442,608)
E. Cash and cash equivalents as at the beginning of year (see below)	5,578,795	11,021,403
F. Cash and cash equivalents as at the end of year (see below)	5,434,703	5,578,795
Net increase/ (decrease) in cash and cash equivalents	(144,092)	(5,442,608)
Notes to cash flow statement		
1. Components of cash and cash equivalents:		
Cash on hand	270,147	221,241
Cash on imprest	-	270,000
Balance with schedule banks on current account	5,164,556	5,087,554
	5,434,703	5,578,795

2. The Cash Flow Statement has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS) - 3 on 'Cash Flow Statement', specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

3. The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

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

Rajiv Goyal
Partner
Membership No.: 094549

Place : Gurgaon
Date : 11 May 2016

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

Nitesh K. Minda
Managing Director
DIN No. 00408023

Place : Gurgaon
Date : 11 May 2016

Lalit K. Jangir
Chief Financial Officer

Place : Gurgaon
Date : 11 May 2016

Shuetsu Chou
Director
DIN No. 05145404

Place : Gurgaon
Date : 11 May 2016

Avnish Dhingra
Company Secretary

Place : Gurgaon
Date : 11 May 2016

Minda Kyoraku Limited

Notes to the financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

1. Company overview

Minda Kyoraku Limited ('the Company') was incorporated in India on 17th August 2011. It is a joint venture between Minda Industries Limited, Nagase & Co. Limited (Japan), Chiyoda Manufacturing Corporation (Japan) and Kyoraku Co. Limited (Japan). The Company is primarily involved in manufacture of blow moulding products, duct, spoiler, drain hose, cistern tank and warning triangle.

2. Significant accounting policies

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

A. Basis of preparation of financial statements

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013, pronouncements of the Institute of Chartered Accountants of India and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees.

B. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

C. Current–non-current classification

All assets and liabilities are classified into current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.



Minda Kyoraku Limited

Notes to the financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

D. Fixed assets and depreciation

Tangible Fixed Assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of tangible fixed asset is added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Tangible fixed assets acquired wholly or partly with specific grant/subsidy from government, if any, are recorded at the net acquisition cost to the company.

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Exchange differences (favourable as well as unfavourable) arising in respect of translation/settlement of long term foreign currency borrowings attributable to the acquisition of a depreciable asset are also included in the cost of the asset.

Depreciation

The useful life prescribed in Part C of Schedule II to the Companies Act, 2013 have been considered to calculate the depreciation rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Depreciation is accordingly provided at the rates calculated on the basis of useful life prescribed in Part C of Schedule II to the Companies Act, 2013 which in opinion of management are reflective of the useful life of such assets and are stated below:

- on plant and machinery: on written down value method as per life specified in Schedule II.
- on tools and dies: 30%/40% on written down value method.
- on other fixed assets: on straight line method as per life specified in Schedule II.

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

Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II to the Companies Act, 2013) unless it is



Minda Kyoraku Limited

Notes to the financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

reasonably certain that the company will obtain ownership by the end of the lease term, in which case the depreciation rates applicable for similar assets owned by the Company are applied.

Depreciation for the year is recognised in the Statement of Profit and Loss.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Assets retired from active use and held for disposal, if any, are stated at the lower of their net book value and net realisable value and shown under 'Other current assets'.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Intangible assets

Acquired 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.

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

Intangible assets are amortised in Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis. In accordance with the applicable Accounting Standard, the Company follows a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. However, if there is persuasive evidence that the useful life of an intangible asset is longer than ten years, it is amortised over the best estimate of its useful life. Such intangible assets and intangible assets that are not yet available for use are tested annually for impairment.

The amortization rates are as follows:

- a) Technical Knowhow: Amortized over a period of five/ six years
- b) Computer Software : Amortized over a period of six years

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

Capital work-in-progress

Fixed assets under construction and cost of assets not put to use before the year-end, are disclosed as capital work-in-progress.



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(All amounts are in Indian Rupees, unless otherwise stated)

E. Impairment

The carrying values of all assets are reviewed at each reporting date to determine if there is an indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed 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.

F. Leases

Operating leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit.

G. Inventories

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

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

In determining the cost, weighted average cost method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

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

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

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

Finished goods inventory is inclusive of excise duty.

Inventories in transit are valued at cost.

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

H. Revenue recognition

a) Revenue from sale of goods in the course of ordinary activities is recognized when the property in the goods or all significant risks and rewards of ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. The amount recognized as revenue is exclusive of sales tax, value added taxes



Minda Kyoraku Limited

Notes to the financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

(VAT) and is net of returns and trade discounts.

b) Service Revenue is recognized on an accrual basis as and when the services are rendered in accordance with the terms of the underlying contract.

c) Interest income is recognized on a time proportionate basis.

I. Foreign Currency Transactions

a) Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date. The resultant exchange differences are recognised in the Statement of Profit and Loss except exchange differences pertaining to long term foreign currency monetary items that are related to acquisition of depreciable assets are adjusted in the carrying amount of the related fixed assets

b) Increase or decrease in non-current liabilities on account of exchange rate fluctuations has been adjusted in the cost of tangible fixed assets.

J. Provisions

A provision is recognised if, as a result of a past event, the Company has a present 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. The provisions are measured on an undiscounted basis.

Contingencies

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

K. 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.

L. Employee Benefits

a) Short term employee benefits

All employee benefits payable / available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

b) Post employment benefits

Defined contribution fund

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 to Government administered provident



Minda Kyoraku Limited**Notes to the financial statements for the year ended 31 March 2016****(All amounts are in Indian Rupees, unless otherwise stated)**

fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

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 recognized in the Statement of Profit and Loss.

Termination benefits

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

M. Income Taxes

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in Statement of Profit or Loss except that tax expense related to items recognised directly in reserves is also recognized in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.



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Notes to the financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

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

N. Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed to be converted as of the beginning of the period, unless they have been issued at a later date.

O. Cash and cash equivalent

Cash and cash equivalents comprise cash balance on hand, cash balance with bank, and highly liquid Investments with maturity period of three months or less from the date of investment.



3 Share capital

	As at 31 March 2016	As at 31 March 2015
Authorised:		
41,237,000 (previous year 41,237,000) equity shares of Rs 10 each	412,370,000	412,370,000
Issued, subscribed and paid-up		
41,237,000 (previous year 41,237,000) equity shares of Rs 10 each	412,370,000	412,370,000
Total	412,370,000	412,370,000

(a) Reconciliation of number of shares

Equity shares:	As at 31 March 2016		As at 31 March 2015	
	Number of Shares	Amount	Number of Shares	Amount
Balance at the beginning and end of the year	41,237,000	412,370,000	41,237,000	412,370,000

(b) Rights/Preferences and Restrictions attached to shares

The Company has a single class of equity shares of Rs 10 each. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets.

The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares.

In the event of liquidation of Company, the holder 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, if any.

(c) Shares held by holding company

Equity shares:	As at 31 March 2016	As at 31 March 2015
29,550,000 shares (previous year 29,550,000 shares) held by Minda Industries Limited	295,500,000	295,500,000

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

Equity shares:	As at 31 March 2016		As at 31 March 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Minda Industries Limited	29,550,000	71.66%	29,550,000	71.66%
Kyoraku Co. Limited	6,400,000	15.52%	6,400,000	15.52%
Nagase & Co. Limited	4,000,000	9.70%	4,000,000	9.70%

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

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

4 Reserves and surplus

	As at 31 March 2016	As at 31 March 2015
Securities premium account		
Balance at the beginning and end of the year	50,942,500	50,942,500
Surplus/ (deficit) in the Statement of Profit and Loss		
Balance at the beginning of the year	(75,093,830)	(66,181,120)
Profit/ (Loss) after tax for the year	42,672,226	(8,912,710)
Balance as at the end of the year	(32,421,604)	(75,093,830)
Total reserves and surplus	18,520,896	(24,151,330)

5 Long-term borrowing

	As at 31 March 2016	As at 31 March 2015
Secured:		
Term loan from banks	108,418,556	139,041,667
Buyer's credit from bank	-	39,113,520
Less: Current maturities of long term borrowings disclosed under other current liabilities (refer note 9)	(36,456,000)	(42,950,928)
	71,962,556	135,204,259

Nature of security and terms of repayment for secured borrowings:

Term loan from bank amounting to Rs 108,418,556 (inclusive of buyer's credit amounting to Nil) [Previous year Rs 139,041,667 (inclusive of buyer's credit amounting to USD 421,955)] are secured by exclusive charge on all movable and immovable fixed assets (both present and future) and second charge on all current assets (both present and future). Corporate guarantee given by Minda Industries Limited was released during the year.



Bank name (Facility)	Outstanding as on 31 March 2016	Rate of interest	Terms of repayment
Yes Bank:			
Term Loan	59,628,556	12.00%	Total loan sanctioned amounting to Rs. 120,000,000. The principal amount of Rs. 97,574,004 is repayable in 18 equal quarterly installments of Rs. 5,420,778 commencing from 16 August 2014. Loan maturity date is 16 November 2018.
Term Loan	31,290,000	12.50%	Total loan sanctioned amounting to Rs. 65,000,000. The principal amount of Rs. 44,700,000 is repayable in 20 equal quarterly installments of Rs. 2,235,000 commencing from 2 December 2014. Loan maturity date is 2 September 2019.
Term Loan	17,500,000	12.50%	Total loan sanctioned amounting to Rs. 17,500,000 repayable in 12 equal quarterly installments of Rs. 1,458,333 commencing from 4 June 2016. Loan maturity date is 4 March 2019.

6 Long-term provisions

	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits (refer note 30)		
Provision for gratuity	6,764,482	4,809,313
Provision for compensated absences	4,325,047	3,956,433
	<u>11,089,529</u>	<u>8,765,746</u>

7 Short-term borrowing

	As at 31 March 2016	As at 31 March 2015
Secured:		
Working capital loan repayable on demand from banks	126,149,824	46,519,697
Buyer's credit from bank	28,368,035	-
	<u>154,517,859</u>	<u>46,519,697</u>

Nature of security and terms of repayment for secured borrowings:

Cash credit from banks amounting to Rs. 126,149,824 (Previous year Rs. 46,519,697) are secured by exclusive charge on all current assets (both present and future) and second charge on all fixed assets (both present and future). Corporate guarantee given by Minda Industries Limited was released during the year.

Cash credit from banks carry interest ranging between 12%-13% p.a., computed on a monthly basis on the actual amount utilized, and are repayable on demand.

Buyer's credit is secured by exclusive charge on all movable and immovable fixed assets (both present and future) and second charge on all current assets (both present and future).

Bank name (Facility)	Outstanding as on 31 March 2016	Rate of interest	Terms of repayment
Yes Bank:			
Buyer's Credit	11,111,775	1.75%	Repayable on 6 May 2016
Buyer's Credit	17,256,260	1.96%	Repayable on 21 September 2016

8 Trade payables

	As at 31 March 2016	As at 31 March 2015
(A) Total outstanding dues of micro enterprises and small enterprises; and *	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	122,695,484	54,591,976
* For dues to micro and small enterprises, refer note 33	<u>122,695,484</u>	<u>54,591,976</u>

9 Other current liabilities

	As at 31 March 2016	As at 31 March 2015
Current maturity of long term debt (refer note 5)	36,456,000	42,950,928
Interest accrued but not due on borrowings	1,372,997	232,148
Advances from customers	62,760,731	14,582,517
Capital creditors	22,001,399	6,576,617
Employee benefit payable	3,233,123	1,581,611
Statutory dues	8,005,158	6,567,992
	<u>133,829,408</u>	<u>72,491,814</u>

10 Short-term provisions

	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits (refer note 30)		
Provision for gratuity	116,297	56,919
Provision for compensated absences	253,897	219,186
Other provisions		
Provision for income tax (net of advance income tax Rs. 3,032,670, previous year Rs. Nil)	5,917,330	-
Provision for wealth tax	-	4,660
	<u>6,287,524</u>	<u>280,765</u>



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Notes to the financial statements for the year ended 31 March 2016
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11 Tangible and Intangible fixed assets

	Leasehold land ^	Freehold land	Building	Office equipment	Computer	Furniture and fixtures	Plant and machinery *	Vehicle	Dies and tools	Total tangible assets	Software	Intangible fixed assets - Technical knowhow	Total intangible assets	Gross Total
Crane block														
Balance as at 31 March 2014	14,000,000	99,450,000	190,349,062	3,830,608	4,840,558	2,293,610	265,776,103	5,334,615	24,692,304	610,586,860	3,452,932	11,340,783	14,793,715	625,380,575
Additions	-	-	967,532	525,418	245,189	400,540	28,477,177	-	7,926,110	38,341,966	275,675	10,642,946	10,918,621	49,260,587
Disposals	-	-	-	(307,090)	(84,850)	(172,853)	(812,938)	-	-	(1,377,731)	-	-	-	(1,377,731)
Balance as at 31 March 2015	14,000,000	99,450,000	191,316,594	3,848,936	5,000,897	2,521,297	293,440,342	5,334,615	32,618,414	647,551,095	3,728,607	21,983,729	25,712,336	673,263,431
Balance as at 1 April 2015	14,000,000	99,450,000	191,336,594	3,848,936	5,000,897	2,521,297	293,440,342	5,334,615	32,618,414	647,551,095	3,728,607	21,983,729	25,712,336	673,263,431
Additions	-	-	-	532,456	746,302	126,050	83,950,520	-	4,587,175	89,942,503	129,429	667,422	796,851	90,739,354
Disposals	-	-	-	(139,450)	(14,007)	(85,148)	(1,565,545)	-	(191,843)	(1,902,872)	-	-	-	(1,807,872)
Balance as at 31 March 2016	14,000,000	99,450,000	191,336,594	4,203,972	5,711,172	2,551,289	376,084,343	5,334,615	37,013,626	735,685,721	3,858,036	22,651,151	26,509,187	762,194,908
Depreciation														
Balance as at 31 March 2014	-	-	7,819,059	224,484	1,200,641	306,274	51,647,329	1,139,582	9,803,745	72,141,114	951,023	5,253,820	6,204,843	78,345,957
Depreciation for the year	-	-	6,351,441	942,334	2,348,450	242,085	50,133,856	729,484	5,689,784	66,437,434	587,152	3,140,720	3,727,872	70,165,306
Depreciation on disposals during the year	-	-	-	(30,892)	(19,086)	(23,541)	(303,531)	-	-	(377,470)	-	-	-	(377,470)
Balance as at 31 March 2015	-	-	14,170,500	1,135,926	3,530,005	524,818	101,477,634	1,869,066	15,493,529	138,201,078	1,538,175	8,394,540	9,932,715	148,133,793
Balance as at 1 April 2015	-	-	14,170,500	1,135,926	3,530,005	524,818	101,477,634	1,869,066	15,493,529	138,201,078	1,538,175	8,394,540	9,932,715	148,133,793
Depreciation for the year	-	-	6,380,953	1,059,099	943,632	257,674	58,325,731	729,484	6,869,535	74,370,168	627,953	3,346,918	3,974,871	78,544,979
Depreciation on disposals during the year	-	-	-	(14,451)	(14,451)	(31,361)	(1,525,413)	-	(113,833)	(1,700,181)	-	-	-	(1,700,898)
Balance as at 31 March 2016	-	-	20,551,453	2,078,316	4,459,412	750,133	159,435,024	2,598,550	22,217,228	212,070,288	2,166,127	11,741,458	13,907,586	225,977,874
Net block														
As at 31 March 2015	14,000,000	99,450,000	177,166,094	2,713,010	1,470,892	1,996,879	191,562,708	3,465,549	17,124,885	509,350,017	2,190,431	13,589,189	15,779,621	525,129,638
As at 31 March 2016	14,000,000	99,450,000	179,785,141	2,125,656	1,271,760	1,801,086	216,649,329	2,736,065	14,796,398	573,415,434	1,691,909	10,909,692	12,601,601	586,017,035

^ The scheduled property was on lease till 30 July 2013. The sale deed is yet to be executed with Karnataka Industrial Areas Development Board (KIADB).

* Additions to plant and machinery includes forex capitalised during the year amounting to Rs. 1,677,489 (previous year Rs. 1,926,295).



12 : Deferred tax asset (net)

	As at 31 March 2016	As at 31 March 2015
Deferred tax liabilities on		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in accounts	11,172,202	13,750,411
	<u>11,172,202</u>	<u>13,750,411</u>
Deferred tax assets on		
Provision for employee benefits	3,541,054	2,793,932
Provision for bonus	739,418	212,814
Provision for doubtful debts	491,625	463,938
Carried forward losses and unabsorbed depreciation	16,279,536	32,896,656
	<u>21,051,633</u>	<u>36,367,340</u>
Net deferred tax asset/ liability recognised in the financial statements	<u>-</u>	<u>-</u>

The company has unabsorbed tax losses as at the end of current year. In view of absence of virtual certainty of realisation of carry forward tax losses in the foreseeable future, deferred tax asset has been recognised only to the extent of deferred tax liabilities at the end of current year.

13 Long-term loans and advances

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
To parties other than related parties		
Capital advances	622,955	-
Security deposits	3,160,693	2,979,140
Advance tax and tax deducted at source	1,193,750	1,193,750
MAT credit entitlement	8,950,000	-
	<u>13,927,398</u>	<u>4,172,890</u>

14 Other non-current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
Bank deposits* (due to mature after 12 months from the reporting date) (refer note 17)	2,951,279	2,951,279
Interest accrued on deposits	798,721	519,060
	<u>3,750,000</u>	<u>3,470,339</u>

* Bank deposits amounting to Rs. 2,951,279 (previous year Rs. 2,951,279) is under lien with banks.

15 Inventories

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

	As at 31 March 2016	As at 31 March 2015
Stores and spares	5,197,193	3,314,627
Loose tools	25,388,260	2,639,084
Packing material	473,335	703,229
Raw materials [Goods in transit Rs. 2,380,228 (previous year Rs. Nil)]	77,308,020	32,035,787
Work in progress	7,409,264	4,313,319
Finished goods [Goods in transit Rs. 311,633 (previous year Rs. Nil)]	8,257,816	3,315,183
	<u>124,033,888</u>	<u>46,321,229</u>

(a) Details of inventory

(i) Finished goods:

Spoiler	2,555,391	1,158,237
Duct	2,672,744	962,192
Drain Hose	431,730	395,968
Washer Bottle	484,181	689,198
Cistern Tank	1,285,260	-
Others	828,510	109,588
Total	<u>8,257,816</u>	<u>3,315,183</u>

(ii) Work in progress

Spoiler	5,835,383	2,572,985
Duct	1,076,817	1,322,103
Cistern Tank	94,892	313,479
Others	402,172	104,753
Total	<u>7,409,264</u>	<u>4,313,319</u>



Minda Kyoraku Limited
Notes to the financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

16 Trade receivables

	As at 31 March 2016	As at 31 March 2015
Trade receivables outstanding for period exceeding six months from the date they are due for payment		
(a) Unsecured, considered good	317,799	396,311
(b) Doubtful	(317,799)	1,332,200
Less: Provision for doubtful receivable		(1,332,200)
		396,311
Other receivables		
(a) Unsecured, considered good	204,353,403	104,731,809
(b) Doubtful	1,273,218	169,216
Less: Provision for doubtful receivables	(1,273,218)	(169,216)
	204,353,403	104,731,809
Total	204,353,403	105,128,120

17 Cash and bank balances

	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents		
Cash on hand	270,147	221,241
Balances with banks		
On current accounts	5,164,556	3,843,158
Deposit accounts (with original maturity of 3 months or less)		1,244,396
	5,434,703	5,308,795
Other bank balances		
Cash on imprest accounts		270,000
Bank deposits (due for realisation within 12 months of the reporting date)	1,533,257	1,393,658
	1,533,257	1,663,658
Total	6,967,960	6,972,453

Details of bank balances/deposits

Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalent'

1,244,396

Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'

1,533,257

1,393,658

Bank deposits due to mature after 12 months of the reporting date included under 'Other non current assets' (refer note 14)

2,951,279

2,951,279

18 Short-term loans and advances

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
To parties other than related parties		
Security deposits	260,845	261,373
Prepaid expenses	839,784	728,499
Advance to suppliers	4,104,371	1,294,353
Tooling advance	15,123,862	5,603,000
Doubtful loans and advances	95,141	122,248
Provision for bad/doubtful loans and advances	(95,141)	(122,248)
Others		
- Advance recoverable from employees	576,680	652,792
- Balance with government authorities	17,339,328	6,266,643
To related parties		
Recoverable from Minda Industries Limited on account of employee benefits	508,042	
	38,752,912	14,806,660

19 Other current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
Interest accrued on deposits	37,251	63,838
Silver Coins	12,012	7,760
	49,263	71,598



20 Revenue from operations

	For the year ended 31 March 2016	For the year ended 31 March 2015
Sale of products (gross)		
Finished goods	1,035,193,690	744,197,435
	<u>1,035,193,690</u>	<u>744,197,435</u>
Less: Excise duty	120,005,572	83,705,818
Sale of products (net)	<u>915,188,118</u>	<u>660,491,617</u>
Sale of services	458,772	1,095,000
Other operating revenue	5,762,472	9,527,533
Total other operating revenue	<u>5,762,472</u>	<u>9,527,533</u>
Revenue from operations	<u>921,409,362</u>	<u>671,114,150</u>
Details of sales (finished goods):		
Spoiler	426,359,583	269,882,522
Duct	220,235,862	212,851,515
Washer Bottle	85,752,731	80,116,035
Warning Triangle	14,228,279	14,671,805
Cistern Tank	93,659,163	25,507,506
Garnish	7,616,869	3,301,288
Tools & Dies	49,315,396	51,165,456
Others	18,020,235	2,995,490
Total	<u>915,188,118</u>	<u>660,491,617</u>

21 Other income

	For the year ended 31 March 2016	For the year ended 31 March 2015
Interest income on bank deposits	1,266,554	1,013,120
Profit on sale of fixed assets	175,347	-
Liabilities no longer required written back	87,617	-
	<u>1,529,518</u>	<u>1,013,120</u>

22 Cost of materials consumed (refer note 36 and 37)

	For the year ended 31 March 2016	For the year ended 31 March 2015
Raw materials consumed (including packing materials)		
Inventory at the beginning of the year	32,739,016	43,429,001
Add : Purchases during the year	454,993,137	280,457,541
Add : Purchases of material from job worker	171,952,867	153,179,521
Less : Sale of material to job worker	114,290,664	100,009,964
Less : Inventory at the end of the year	77,781,355	32,739,016
Cost of raw materials consumed	<u>467,613,001</u>	<u>344,317,083</u>

23 Changes in inventory of finished goods and work-in-progress

	For the year ended 31 March 2016	For the year ended 31 March 2015
Stock at the beginning of the year:		
Finished goods	3,315,183	5,139,653
Work-in-progress	4,313,319	15,861,216
	<u>7,628,502</u>	<u>21,000,869</u>
Stock at the end of the year:		
Finished goods	8,257,816	3,315,183
Work-in-progress	7,409,264	4,313,319
	<u>15,667,080</u>	<u>7,628,502</u>
(Increase)/ decrease in stock	<u>(8,038,578)</u>	<u>13,372,367</u>

24 Employee benefits

	For the year ended 31 March 2016	For the year ended 31 March 2015
Salaries, wages and bonus	77,313,253	64,515,875
Contribution to provident and other funds	5,788,015	5,276,013
Gratuity (refer note 30)	2,779,323	907,707
Compensated absences (refer note 30)	1,960,883	2,736,137
Staff welfare expenses	13,711,386	10,769,005
	<u>101,552,860</u>	<u>84,204,737</u>



25 Finance costs

	For the year ended 31 March 2016	For the year ended 31 March 2015
Interest expense on borrowings	21,496,221	23,446,187
Other charges	451,427	473,518
	<u>21,947,648</u>	<u>23,919,705</u>

26 Depreciation and amortisation

	For the year ended 31 March 2016	For the year ended 31 March 2015
Depreciation on tangible assets	74,570,108	66,437,434
Amortisation on intangible assets	3,974,871	3,727,872
	<u>78,544,979</u>	<u>70,165,306</u>

27 Other expenses

	For the year ended 31 March 2016	For the year ended 31 March 2015
Consumption of stores and spare parts (refer note 36)	37,668,569	21,874,625
Job work-charges	4,046,879	3,763,693
Power and fuel	55,356,319	36,943,137
Rent (refer note 31)	723,892	792,938
Repairs		
Building	6,483,195	2,810,106
Plant and Machinery	15,375,256	8,098,466
Others	908,584	322,619
Casual labour	24,073,449	14,052,754
Insurance	429,910	272,936
Testing charges	4,134,530	2,249,368
Rates and taxes	747,409	920,893
Travelling	13,992,084	10,914,062
Payment to auditors*	967,000	704,864
Foreign exchange loss (net of foreign exchange gain Rs. 7,936,430, previous year Rs. 2,408,621)	637,803	328,086
Provision for doubtful debts	1,225,753	736,147
Legal and professional charges	6,147,939	3,579,635
Printing and stationery	1,439,009	973,312
Security expenses	2,227,699	1,851,506
Communication expenses	1,617,815	1,545,686
Research and development	128,218	423,206
Provision for doubtful advances	-	122,248
Wealth tax	-	4,660
Sales promotion expenses	3,184,784	1,861,053
Packing and forwarding expenses	13,272,364	12,479,873
Fixed assets scrapped/ written off	370,025	341,659
Loss on sale of fixed assets (net)	-	136,652
Royalty	3,019,773	773,460
SAP License fee and other charges	3,137,916	2,460,000
Shared Services - management and administration	12,219,272	9,581,000
Sundry balances written off	90,439	169,357
Cash Discount	15,630	703,791
Miscellaneous expenses	5,005,229	3,268,989
Total	<u>218,646,744</u>	<u>145,060,781</u>
*Payment to the auditors (excluding service tax)		
Statutory audit	900,000	575,000
Reimbursement of expenses	67,000	129,864
	<u>967,000</u>	<u>704,864</u>

28 Earnings per share

	For the year ended 31 March 2016	For the year ended 31 March 2015
Profit/ (Loss) as per Statement of Profit and Loss	42,672,226	(8,912,710)
Weighted average number of equity shares of Rs 10 each at the period end for calculation of Basic/ Diluted EPS	41,237,000	41,237,000
Basic/ Diluted earning/ (loss) per share (in rupees) (Face value Rs 10 per share)	1.03	(0.22)



29. Capital and other commitments (net of advances)

Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account amounts to Rs. 694,268 (previous year Rs. Nil).

30. Employee benefits

a) Defined contribution plan

An amount of Rs 5,108,428 (Previous year: Rs. 4,660,621) for the year, has been recognized as an expense in respect of the Company's contribution towards Provident Fund and an amount of Rs. 679,587 (Previous year: Rs. 615,392) for the year, has been recognized as an expense in respect of the Company's contribution towards Employee state insurance contribution, deposited with the government authorities and has been included under employee benefit expense in the Statement of Profit and Loss.

b) Defined benefit plans

Gratuity is payable to all eligible employees of the Company on superannuation, death or permanent disablement in terms of the provisions of the Payment of Gratuity Act or as per the Company's Scheme, whichever is more beneficial.

The obligation for compensated absences is recognized in the same manner as Gratuity.



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Minda Kyoraku Limited**Notes to the financial statements for the year ended 31 March 2016****(All amounts are in Indian Rupees, unless otherwise stated)**

The following table sets out the status of the gratuity plan as required under Accounting Standard 15:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
I. Changes in present value of defined benefit obligation:		
Present value of obligation as at the beginning of the year	4,866,232	2,888,587
Interest cost	379,566	262,861
Acquisition Adjustment	508,042	-
Current service cost	1,536,774	1,385,632
Benefit paid	(1,272,818)	-
Actuarial (gain)/loss on obligation	862,983	329,152
Present value of obligation as at the end of the year	6,880,779	4,866,632
-Long term	6,764,482	4,809,313
-Short term	116,297	56,919
	6,880,779	4,866,632
II. Change in the fair value of plan assets:		
The scheme does not have any assets at the valuation date to meet the gratuity liability.		
III. Actuarial gain/loss recognized	For the year ended 31 March 2016	For the year ended 31 March 2015
Actuarial loss for the year - obligation	862,983	329,152
Actuarial loss for the year - plan assets	-	-
Total loss for the year	862,983	329,152
Actuarial loss recognized in the year	862,983	329,152
Unrecognized loss at the end of the year	-	-
IV. Amount recognized in the balance sheet:	As at 31 March 2016	As at 31 March 2015
Present value of obligation as at the end of the year	6,880,779	4,866,632
Fair value of plan assets at the end of the year	-	-
Funded status of the plan – (liability)	(6,880,779)	(4,866,632)
Net (liability) recognized in the Balance Sheet	(6,880,779)	(4,866,632)
V. Expense recognized in the Statement of Profit and Loss:	For the year ended 31 March 2016	For the year ended 31 March 2015
Current service cost	1,536,774	1,385,632
Interest cost	379,566	262,861
Expected return on plan assets	-	-
Net actuarial loss recognized in the year	862,983	329,152
Adjustment on account of transfer of employee	-	1,069,938
Expense recognized in the Statement of Profit and Loss	2,779,323	907,707



Minda Kyoraku Limited

Notes to the financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

Experience adjustments

	31-Mar-2016	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012
Defined benefit obligation	6,880,779	4,866,632	2,888,587	2,253,688	974,958
Plan assets	-	-	-	-	-
Surplus/ (Deficit)	(6,880,779)	(4,866,632)	(2,888,587)	(2,253,688)	(974,958)
Experience adjustment	(1,064,643)	629,939	258,179	(418,026)	76,794

Other long term benefits

The following table set out the status of leave encashment as required under Accounting Standard 15:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
I. Changes in present value of defined benefit obligation:		
Present value of obligation as at the beginning of the year	3,329,397	2,144,966
Interest cost	259,693	195,192
Current service cost	11,74,121	1,295,637
Benefit paid	(1,557,558)	(1,268,163)
Actuarial loss on obligation	419,464	961,765
Present value of obligation as at the end of the year	3,625,117	3,329,397
-Long term	3,427,610	3,155,255
-Short term	197,507	174,142
	3,625,117	3,329,397
II. Change in the fair value of plan assets:		
The scheme does not have any assets at the valuation date to meet the Leave encashment liability.		
III. Actuarial gain/loss recognized:	For the year ended 31 March 2016	For the year ended 31 March 2015
Actuarial loss for the year-obligation	419,464	961,765
Actuarial loss for the year –Plan assets	-	-
Total loss for the year	419,464	961,765
Actuarial loss recognized in the year	419,464	961,765
Unrecognized loss at the end of the year	-	-
IV. Amount recognized in the balance sheet:	As at 31 March 2016	As at 31 March 2015
Present value of obligation as at the end of the year	3,625,117	3,329,397
Fair value of plan assets at the end of the year	-	-
Funded status of the plan – (liability)	(3,625,117)	(3,329,397)
Net (liability) recognized in the Balance Sheet	(3,625,117)	(3,329,397)
V. Expense recognized in the Statement of Profit and Loss:	For the year ended 31 March 2016	For the year ended 31 March 2015
Current service cost	1,174,121	1,295,637
Interest cost	259,693	195,192
Expected return on plan assets	-	-
Net actuarial loss recognized in the year	419,464	961,765
Expense recognized in the Statement of Profit and Loss	1,853,278	2,452,594



Minda Kyoraku Limited**Notes to the financial statements for the year ended 31 March 2016****(All amounts are in Indian Rupees, unless otherwise stated)****Other long term benefits**

The following table set out the status of sick leave as required under Accounting Standard 15:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
I. Changes in present value of defined benefit obligation:		
Present value of obligation as at the beginning of the year	846,222	562,679
Interest cost	66,005	51,204
Current service cost	334,070	386,028
Benefit paid	-	-
Actuarial gain on obligation	(292,470)	(153,689)
Present value of obligation as at the end of the year	953,827	846,242
-Long term	930,912	801,178
-Short term	22,915	45,044
	953,827	846,242
II. Change in the fair value of plan assets:		
The scheme does not have any assets at the valuation date to meet the sick leave liability.		
III. Actuarial gain/loss recognized:	For the year ended 31 March 2016	For the year ended 31 March 2015
Actuarial gain for the year-obligation	292,470	153,689
Actuarial gain for the year –Plan assets	-	-
Total gain for the year	292,470	153,689
Actuarial gain recognized in the year	292,470	153,689
Unrecognized gain at the end of the year	-	-
IV. Amount recognized in the balance sheet:	As at 31 March 2016	As at 31 March 2015
Present value of obligation as at the end of the year	953,827	(846,242)
Fair value of plan assets at the end of the year	-	-
Funded status of the plan – (liability)	(953,827)	(846,242)
Net (liability) recognized in the Balance Sheet	(953,827)	(846,242)
V. Expense recognized in the Statement of Profit and Loss:	For the year ended 31 March 2016	For the year ended 31 March 2015
Current service cost	334,070	386,028
Interest cost	66,005	51,204
Expected return on plan assets	-	-
Net actuarial gain recognized in the period	(292,470)	(153,689)
Expense recognized in the Statement of Profit and Loss	107,605	283,543



Minda Kyoraku Limited**Notes to the financial statements for the year ended 31 March 2016****(All amounts are in Indian Rupees, unless otherwise stated)****Actuarial Assumptions****A. Economic Assumptions**

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

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Discounting Rate	8.00% p.a.	7.80% p.a.
Salary Escalation Rate (per annum)	8.00% p.a.	8.00% p.a.

B. Demographic Assumptions

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
i) Retirement age	58	58
ii) Mortality Table	IALM (2006-08)	IALM (2006-08)
iii) Ages	Withdrawal rate (%)	Withdrawal rate (%)
Up to 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

31. Leases

The Company has taken offices on cancellable operating leases. The lease rentals recognised in the Statement of Profit and Loss for the year are Rs. 723,892 (previous year Rs. 792,938).

32. Segment information

As the Company's business activity primarily falls within a single business and geographical segment i.e. blow moulding products, thus there are no additional disclosures to be provided under Accounting Standard 17 – 'Segment Reporting'. The management considers that the various goods and services provided by the Company constitutes single business segment, since the risk and rewards from these services are not different from one another.

33. The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the entrepreneurs memorandum number as allocated after filing of the memorandum. Based on the information available with the management there are no over dues outstanding to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act 2006. Further, the company has not received any claim for interest from any supplier under the said Act.



Minda Kyoraku Limited

Notes to the financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

34. Related Party Disclosure

(i) Related parties where control exists:

Holding Company:

Minda Industries Limited

**(ii) Other related parties with whom transactions have taken place during the year/
previous year and the nature of related party relationship:**

Key Management Personnel:

Nitesh Minda, Chairman and Managing
Director ('CMD')
Lalit K. Jangir (Chief Financial Officer)
Ashok K. Shukla (Company Secretary)
(Uptil 20 June 2015)
Avnish Dhingra (Company Secretary)
(w.e.f. 28 October 2015)

Joint Venture Companies

Nagase & Co. Limited
Kyoraku Co. Limited
Chiyoda Manufacturing Corporation



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Minda Kyoraku Limited

Notes to the financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

Transactions with related parties during the current / previous year:

Transactions with related parties	Holding Company		Joint Venture Companies		Entities over which key managerial personnel exercise significant influence		Key management personnel and Relatives	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Purchase of materials	49,767,726	26,140,348	4,755,027	2,311,385	-	13,287,823	-	-
Purchase of Fixed assets	-	4,977,432	56,967,550	13,157,010	-	-	-	-
Tangible	-	-	-	9,896,250	-	-	-	-
Intangible	-	-	-	2,032,732	-	-	-	-
Legal & Professional Charges	-	-	3,648,722	1,297,795	-	-	-	-
Training Expenses	-	-	-	-	-	-	-	-
Shared Services- Management & Administration	12,219,272	9,581,000	-	-	-	-	-	-
SAP License fee	3,137,916	2,460,000	-	-	-	-	-	-
Rent	723,892	420,000	-	-	-	-	-	-
Managerial Remuneration	-	-	-	-	-	-	7,851,009	5,367,816
Royalty	-	-	2,515,617	-	-	-	-	-
Balance Outstanding								
(Payable)	(10,548,358)	(6,173,881)	(25,265,435)	(6,735,263)	-	(1,705,023)	-	-
Advances	-	-	-	482,980	-	-	-	-
Guarantee / Letter of comfort issued by the holding company	-	317,500,000	-	-	-	-	-	-



Minda Kyoraku Limited

Notes to the financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

Details of related parties with whom transactions exceed 10% of the class of transactions

Nature of transaction	Related party	For the year ended 31 March 2016	For the year ended 31 March 2015
Purchase of materials	Minda Industries Limited	49,767,726	26,140,348
Purchase of materials	MI Torica India Limited	-	13,287,823
Purchase of tangible fixed assets	Nagase & Co. Limited	55,069,477	13,157,010
Purchase of intangible assets	Kyoraku Co. Limited	-	9,896,250
Purchase of Fixed assets	Minda Industries Limited	-	4,977,432
Legal and professional expenses	Kyoraku Co. Limited	3,503,970	2,032,732
Training Expenses	Kyoraku Co. Limited	-	1,297,795
Shared Services- Management & Administration	Minda Industries Limited	12,219,272	9,581,000
SAP License fee	Minda Industries Limited	3,137,916	2,460,000
Rent	Minda Industries Limited	723,892	420,000
Remuneration	Nitesh Minda	5,972,804	5,367,816
Remuneration	Lalit K. Jangir	1,608,411	-
Royalty	Kyoraku Co. Limited	2,515,617	-
Payables	Minda Industries Limited	(10,548,358)	(6,173,881)
Payables	Kyoraku Co. Limited	(5,768,299)	(6,735,263)
Payables	Nagase & Co. Limited	(19,497,136)	-
Payables	MI Torika India Limited	-	(1,705,023)
Advances	Kyoraku Co. Limited	-	482,980
Guarantee / Letter of comfort	Minda Industries Limited	-	317,500,000



35. The Company's exposure in respect of foreign currency denominated liabilities and assets not hedged by derivative instruments or otherwise is as follows:

Particulars	As at 31 March 2016		As at 31 March 2015	
	Amount in foreign currency	Amount (Rupees)	Amount in foreign currency	Amount (Rupees)
Sundry Creditors				
USD	341,331	22,947,682	89,508	5,683,503
JPY	2,324,979	1,402,195	2,066,325	1,100,525
EUR	2,424	185,018	62,155	4,286,216
Advances				
EUR	21,840	1,610,045	-	-
USD	204,666	13,387,170	317	19,546
CHF	29,668	1,998,733	6,584	418,102
JPY	-	-	950,000	482,980
Short term Borrowing				
USD	421,955	28,368,035	194,200	12,327,816
Long term Borrowing				
USD	Nil	Nil	421,955	26,785,704

36. Value of imported/ indigenous raw material and spared consumed

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	Value	% of total consumption	Value	% of total consumption
Raw Material				
Imported	72,202,327	15.44%	35,814,709	10.40%
Indigenous	395,410,674	84.56%	308,502,374	89.60%
Total	467,613,001	100.00%	344,317,083	100.00%
Stores and spare parts				
Imported	1,290,705	3.43%	1,402,888	6.41%
Indigenous	36,377,864	96.57%	20,471,737	93.59%
Total	37,668,569	100.00%	21,874,625	100.00%

37. Details of raw materials consumed

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Nut Bolt insert/Seal/Bought out part	239,809,507	220,549,689
High density poly ethylene	90,582,646	55,467,795
Spoiler Assembly	14,943,121	9,526,088
Acrylic Butadile styrene	46,721,359	22,643,569
Paint RM	32,008,240	4,855,509
Tools and Dies	20,315,664	26,880,902
Others	23,232,464	4,393,531
Total	467,613,001	344,317,083



Minda Kyoraku Limited
Notes to the financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

38. Value of imports on CIF basis

	For the year ended 31 March 2016	For the year ended 31 March 2015
Capital goods	62,601,380	14,387,810
Raw materials	96,995,831	68,506,213
Stores and spares	658,998	1,696,907
Total	160,256,209	84,590,930

39. Expenditure in foreign currency

	For the year ended 31 March 2016	For the year ended 31 March 2015
Technical know-how	1,740,040	9,896,250
Staff welfare	-	1,297,795
Travelling	1,889,942	1,372,607
Legal and professional	3,475,397	2,032,732
Total	7,105,379	14,598,884

40. Contingent liabilities

	As at 31 March 2016	As at 31 March 2015
Bank Guarantee as security to customer *	-	12,500,000
Claims against the Company not acknowledged as debts		
- Sales tax	623,382	865,566
- Entry tax	-	894,605

* Irrevocable bank guarantee issued to a customer as a security for an advance payment valid up to 31 December 2015.

- 41.** The Company has established a comprehensive system of maintenance of information and documents are required by the transfer pricing legislation under section 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 is in the process of updating the documentation for the transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its transactions with the associated enterprises 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.



Minda Kyoraku Limited

Notes to the financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

42. Previous year figures have been regrouped/ reclassified to confirm current year classification.

For B S R & Co. LLP

Chartered Accountants

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



Rajiv Goyal

Partner

Membership No.: 094549

Place : Gurgaon

Date : 11 May 2016

For and on behalf of the Board of Directors

Minda Kyoraku Limited



Nitesh K. Minda

Managing Director

DIN No.:00408023

Place : Gurgaon

Date : 11 May 2016



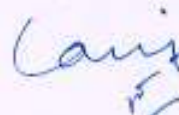
Shuetsu Oku

Director

DIN No.: 05145404

Place : Gurgaon

Date : 11 May 2016



Lalit K. Jangir

Chief Financial Officer

Place : Gurgaon

Date : 11 May 2016



Avnish Dhingra

Company Secretary

Place : Gurgaon

Date: 11 May 2016