

INDEPENDENT AUDITOR'S REPORT

To the Members of Minda TG Rubber Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Minda TG Rubber Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the period from January 14, 2015 to March 31, 2016, 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 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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, issued by the Institute of Chartered Accountants of India, as 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.

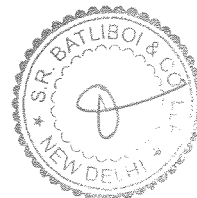
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2016, its loss, and its cash flows for the period ended on that date.


Report on Other Legal and Regulatory Requirements

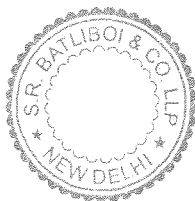
1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.



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 purpose 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, Statement of Profit and Loss, and 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 written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 2" to this report;
 - (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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005


per Vikas Mehra
Partner
Membership Number: 94421

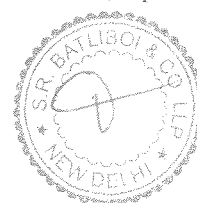


Place: New Delhi
Date: May 13, 2016

Annexure I referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date

Re: Minda TG Rubber Private Limited (“the Company”)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties, included in fixed assets except for the land acquired during the year, are held in the name of the Company. As explained to us, registration of title deed is in progress in respect of the land acquired during the year aggregating 140,405,000.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacturing of automobile components, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, , service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to banks. The Company did not have any debentures outstanding during the year.
- (ix) According to the information and explanations given by the management, the Company has neither raised any monies by way of initial public offer or further public offer (including debt instruments) and term loans during the year nor did it have any such unutilized monies outstanding at the start of the year. Hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or material 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 by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon..
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon. .
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-1A of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E /E300005

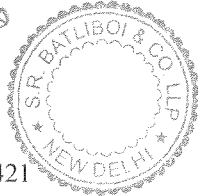
per Vikas Mehra

Partner

Membership Number: 94421

Place: New Delhi

Date: May 13, 2016



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS OF MINDA TG RUBBER PRIVATE 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 TG Rubber Private Limited ("the Company") as of March 31, 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 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 the 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.

Auditor's Responsibility

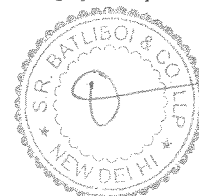
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified 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 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 31, 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 S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

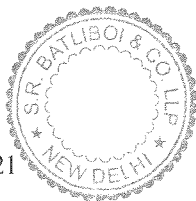

per Vikas Mehra

Partner

Membership Number: 94421

Place: New Delhi

Date: May 13, 2016



MINDA TG RUBBER PRIVATE LIMITED
Balance Sheet as at March 31, 2016

	Notes	As at March 31, 2016 Rs.
Equity and liabilities		
Shareholders' funds		
Share capital	3	350,000,000
Reserves and Surplus	4	(82,663,252)
		267,336,748
Non-current liabilities		
Long-term borrowings	5	311,148,587
Long-term provisions	6	426,664
Other long term liabilities	8	60,697,876
		372,273,127
Current liabilities		
Trade and other payables		
Total outstanding dues of micro enterprises and small enterprises	7	225,148
Total outstanding dues of creditors other than micro enterprises and small enterprises	7	54,737,225
Other current liabilities	8	84,273,331
Short-term Provisions	6	1,224,325
		140,460,029
		780,069,904
Assets		
Non-current assets		
Fixed assets		
Tangible assets	9 A	525,157,765
Intangible assets	9 B	5,997,430
Capital work-in-progress		115,799,414
Loans & advances	10	3,601,000
Other non current asset	13	1,607,000
		652,162,609
Current assets		
Inventories	11	33,465,401
Trade receivables	12	7,224,684
Cash and bank balances	13	5,051,910
Loans & advances	10	44,024,263
Other current assets	14	38,141,037
		127,907,295
		780,069,904
Summary of significant accounting policies	2.1	

The accompanying notes are an integral part of these financial statements
As per our report of even date

For S.R.Batliboi & Co. LLP

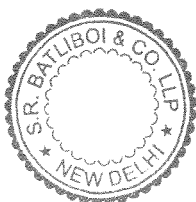
Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

per **Vikas Mehra**

Partner

Membership No: 94421



Place: Gurgaon
Date: May 13, 2016

For and on behalf of the Board of Directors of
MINDA TG RUBBER PRIVATE LIMITED

Ravi Shankar Gupta
Director
DIN - 00100578

Kiyoshi Shibata
Director
DIN - 07399689

Dinesh Saini
Company Secretary

MINDA TG RUBBER PRIVATE LTD**Statement of Profit and Loss for the Period 14-Jan-2015 to 31-Mar-2016**

	Notes	For the Period 14-Jan-2015 to 31-Mar-2016 Rs.
Income		
Revenue from operations (Gross)	15	46,128,367
Less: excise duty		(2,947,585)
Revenue from operations (Net)		43,180,782
Other income	16	12,382,984
	A	55,563,766
Expenses		
Cost of raw materials and components consumed	17	29,019,440
Purchase of traded goods	18	10,539,789
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	18	(7,680,816)
Employee benefits expense	19	35,814,411
Finance costs	20	15,091,059
Depreciation and amortisation expense	21	15,352,574
Other expenses	22	40,090,561
	B	138,227,018
Loss for the year	A-B	(82,663,252)
Earnings per equity share [nominal value of share Rs. 10 each] Basic and diluted	23	(2.51)
Summary of significant accounting policies	2.1	
The accompanying notes are an integral part of these financial statements		

As per our report of even date

For S.R.Batliboi & Co. LLP

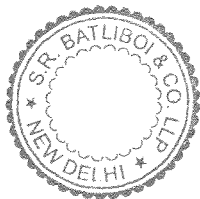
Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

per **Vikas Mehra**

Partner

Membership No: 94421



Place: Gurgaon

Date: May 13, 2016

For and on behalf of the Board of Directors of
MINDA TG RUBBER PRIVATE LIMITED

Ravi Shankar Gupta
Ravi Shankar Gupta
 Director
 DIN - 00100578

K. Shibata
Kiyoshi Shibata
 Director
 DIN - 07399689

D. Saini
Dinesh Saini
 Company Secretary

MINDA TG RUBBER PRIVATE LTD**Cash flow statement for the period 14- Jan-2015 to 31-Mar-2016**

**For the period
14-Jan-2015 to 31-
Mar-2016**

Cash flows from operating activities

Loss for the year (8,26,63,252)

Non-cash adjustments:

Depreciation and amortisation expenses 1,53,52,574

Unrealised foreign exchange gain (16,36,720)

Interest income (1,05,75,691)

Interest expense 1,50,91,059

Operating loss before working capital changes **(6,44,32,030)**

Movement in working capital:

Increase in sundry debtors (72,24,684)

Increase in loans and advances (4,55,99,254)

Increase in inventories (3,34,65,401)

Increase in other assets (2,19,92,710)

Increase in liabilities and provisions 7,63,29,525

Cash used in operations **(9,63,84,554)**

Direct taxes paid (10,56,402)

Net cash used in operating activities [A] (9,74,40,956)

Cash flows from investing activities

Purchase of fixed assets (including capital work in progress and capital advances) (59,12,93,600)

Interest received 1,04,84,525

Investment in fixed deposits (Original maturity is more than 12 months) (16,07,000)

Net cash used in investing activities [B] (58,24,16,075)

Cash flows from financing activities

Proceeds from issue of equity share capital 35,00,00,000

Proceeds from long term borrowings 35,00,00,000

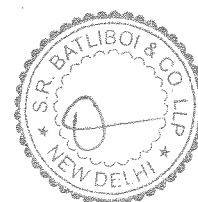
Interest paid (1,50,91,059)

Net cash generated from financing activities [C] 68,49,08,941

Net increase in cash and cash equivalents [A+B+C] 50,51,910

Cash and cash equivalents at the end of the period 50,51,910

This space has been intentionally left blank



Components of cash and cash equivalents

Cash on hand	371,068
Balances with banks:	
- In current accounts	4,680,842
Total Cash and Cash equivalents (note 13)	5,051,910

Summary of significant accounting policies

2.1

Note:

The above Cash Flow Statement has been prepared under the indirect method as stated in Accounting Standard 3 "Cash Flow Statement".

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

**per Vikas Mehra**

Partner

Membership No: 94421



Place: Gurgaon

Date: May 13, 2016

For and on behalf of the Board of Directors of
MINDA TG RUBBER PRIVATE LIMITED

**Ravi Shankar Gupta**

Director

DIN - 00100578

**Kiyoshi Shibata**

Director

DIN - 00100578

**Dinesh Saini**

Company Secretary

MINDA TG RUBBER PRIVATE LTD

Notes to financial statements for the period from 14-Jan-2015 to 31-Mar-2016

1 Corporate information

Mnda TG Rubber Private Limited was incorporated on January 14, 2015. Company was subsidiary of Maa Rukmani Devi Auto Private Limited. On March 30, 2016 Minda Industries Limited acquired shares from Maa Rukmani Devi Auto Private Limited. The company is engaged in the business of manufacturing and trading of automotive brake Hose, fuel hose and their components, accessories and fittings.

2 Basis of preparation

For the period ended March 31, 2016, the financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

2.1 Summary of significant accounting policies**a. Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods

b. Tangible Fixed Assets

Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of plant, property and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Tangible assets held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss. The cost of fixed assets not ready for their intended use before such date is recorded as capital work in progress.

c. Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

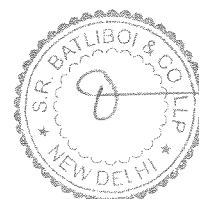
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d. Depreciation/ amortisation on fixed assets

Depreciation is charged to the books of account under straight line method based on useful life of the assets as estimated by the management which except for plant and machinery-bins & tools is equal to rates prescribed under schedule II of the Companies Act, 2013. The useful life of fixed assets are:

Particulars	Useful life (years)
Building	30
Office equipment	5
Furniture and fixtures (including electrical fittings)	10
Computers	3
Vehicle	8
Plant & Machinery- general purpose machineries	15
Plant & Machinery-Trolley	3
Plant & Machinery-Bins	2

Intangible assets are amortized over the period of 6 years



MINDA TG RUBBER PRIVATE LTD

Notes to financial statements for the period from 14-Jan-2015 to 31-Mar-2016

e. Leases**Where the company is lessee**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

f. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sales of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

g. Foreign currency translations**Foreign currency transactions and balances****Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange Differences

All Exchange difference on reinstatement of all other monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

Forward exchange contracts entered into to hedge foreign currency risk of an asset / liability

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market and the net loss, after considering the offsetting effect of gain on underlying hedged item, if any, is charged to the statement of profit and loss. Net gain if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored

h. Borrowing Costs:

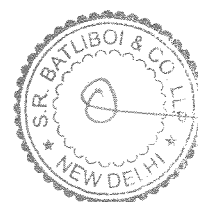
Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of cost of respective asset. All other borrowing costs are expensed in the period they occur.

i. Segment reporting:**Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of products sold, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

j. Inventories

Inventories are valued as under:	
Raw materials, components	Raw materials and components are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and components is determined on a moving average basis
Work-in-progress, finished goods and traded goods	Finished goods and traded goods are valued at lower of cost and net realizable value. Cost of WIP & finished goods includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a moving average basis.
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make sale.	



MINDA TG RUBBER PRIVATE LTD

Notes to financial statements for the period from 14-Jan-2015 to 31-Mar-2016

k. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than contribution payable to the provident fund. The company recognizes contribution payable to the provident fund schemes as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance-sheet date exceeds the contribution already paid, the deficit payable to the schemes is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that pre-payment will lead to, for example a reduction in future payment or a cash refund.

The Company operates defined benefit plan for gratuity for its employees. The Cost of providing benefit under this plan are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within 12 months is treated as short term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at reporting date.

l. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

m. Earning per share

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

For the purpose of calculating diluted earnings per share, 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.

n. Provisions and contingent liability

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

o. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

p Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.



MINDA TG RUBBER PRIVATE LIMITED

Notes to financial statements for the period from 14-Jan-2015 to 31-Mar-2016

3. Share capital

	As at March 31, 2016 Rs.
Authorized shares	
35,000,000 equity shares of Rs. 10 each	350,000,000
Issued, Subscribed and fully paid-up	
35,000,000 equity shares of Rs. 10 each	350,000,000
	350,000,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	No. of shares	As at March 31, 2016 Rs.
Equity shares		
Issued during the period	35,000,000	350,000,000
Outstanding at the end of the period	35,000,000	350,000,000

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. The holder of each fully paid equity share is entitled to one vote per share. In the event of liquidation of the company, holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company

Out of the equity shares issued by the Company, shares held by its holding company are as follows:

	As at March 31, 2016 Rs.
Minda Industries Limited	
1,785,000 Equity shares of Rs 10 each fully paid	17,850,000

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

Name of the shareholder	As at March 31, 2016 Rs.	%
	Number of shares	
Minda Industries Limited (w.e.f March 11, 2016)	17,850,000	51
Toyoda Gosei Co. Limited, Japan	15,400,000	44

4. Reserves and surplus

	As at March 31, 2016 Rs.
Deficit the statement of Profit and Loss	
Loss for the period	(82,663,252)
	(82,663,252)

5. Long-term borrowings

	As at March 31, 2016 Rs.
Term Loans	
Foreign currency loans from banks (unsecured)	366,057,161
Amount disclosed under the head other current liabilities (note 8)	(54,908,574)
	311,148,587

Note

Borrowings	Terms of repayment	Interest rate
External Commercial Borrowings of USD 1,572,122 equivalent to Rs 100,000,000	20 Quarterly installment of Rs. 500,000 each starting from september 2016 upto June, 2021	8.95% p.a.
External Commercial Borrowings of USD 1,596,666 equivalent to Rs 100,000,000	20 Quarterly installment of Rs. 500,000 each starting from september 2016 upto June, 2021	9.3% p.a.
External Commercial Borrowings of USD 2,349,698 equivalent to Rs 150,000,000	20 Quarterly installment of Rs. 750,000 each starting from september 2016 upto June, 2021	8.98% p.a.



Minda TG Rubber Private Limited
Notes to financial statements for the period from 14-Jan-2015 to 31-Mar-2016

6. Provisions

	Non Current As at March 31, 2016 Rs.	Current As at March 31, 2016 Rs.
Provision for Gratuity (Note 26)	426,664	6,644
Provision for Leave Encashment	-	636,753
Provision for excise duty on finished goods	-	580,928
	426,664	1,224,325

7. Trade Payables

	As at March 31, 2016 Rs.
Total outstanding dues to micro enterprises and small enterprises(Refer note 33)	225,148
Total outstanding dues to creditors other than micro enterprises and small enterprises	54,737,225
	54,962,373

8. Other liabilities

	Non-Current As at March 31, 2016 Rs.	Current As at March 31, 2016 Rs.
Current maturities of long term borrowings (note 5)	-	54,908,574
Advance from customers	-	16,238,933
Liability for Capital Goods	60,697,876	11,285,313
Others payables	-	1,840,511
-Statutory dues	-	-
	60,697,876	84,273,331

This space has been intentionally left blank



Minda TG Rubber Private Limited

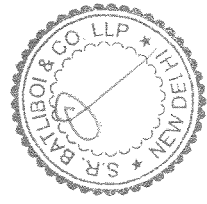
Notes to financial statements for the period from 14-Jan-2015 to 31-Mar-2016

9A Tangible assets

Particulars	Freehold land	Building	Plant and Machinery	Electrical fitting	Office equipments	Computers	Furniture and fixtures	Vehicles	Total
Additions	140,405,000	154,134,382	218,073,997	13,596,778	5,244,756	2,357,053	2,746,492	3,171,611	539,730,069
As at March 31, 2016	140,405,000	154,134,382	218,073,997	13,596,778	5,244,756	2,357,053	2,746,492	3,171,611	539,730,069
Depreciation									
Charge for the year	-	3,880,014	8,974,933	742,993	471,849	177,331	178,081	147,103	14,572,304
As at March 31, 2016	-	3,880,014	8,974,933	742,993	471,849	177,331	178,081	147,103	14,572,304
Net Block									
As at March 31, 2016	140,405,000	150,254,368	209,099,064	12,853,785	4,772,907	2,179,722	2,568,411	3,024,508	525,157,765

9B Intangible Assets

Gross block	Software	Total
As at March 31, 2016	6,777,700	6,777,700
Depreciation		
Charge for the year	780,270	780,270
As at March 31, 2016	780,270	780,270
Net Block		
As at March 31, 2016	5,997,430	5,997,430



10. Loans and advances

	Non-current As at March 31, 2016 Rs.	Current As at March 31, 2016 Rs.
Capital advances		
Unsecured, considered good	969,606	-
(A)	<u>969,606</u>	<u>-</u>
Security deposit		
Unsecured, considered good	1,525,200	-
(B)	<u>1,525,200</u>	<u>-</u>
Loans and advances to related party		
Unsecured, considered good	-	132,600
(C)	<u>-</u>	<u>132,600</u>
Other loans and advances		
Advance income tax	1,056,403	-
Advance to suppliers	-	142,277
Prepaid expenses	49,791	449,332
Balances with government authorities	-	43,010,518
Advances to Employees	-	289,536
(D)	<u>1,106,194</u>	<u>43,891,663</u>
Total (A+B+C+D)	<u><u>3,601,000</u></u>	<u><u>44,024,263</u></u>

This space has been intentionally left blank



11. Inventories (valued at lower of cost and Net realizable value)

	As at March 31, 2016 Rs.
Raw materials	24,913,723
Work in progress	1,712,617
Finished goods	4,200,767
Stores & spares	870,862
Traded Goods	1,767,432
	33,465,401

12. Trade receivables

	As at March 31, 2016 Rs.
Unsecured, considered good	
Outstanding for a period more than 6 months from the date they are due for payment	33,896
Others	7,190,788
	7,224,684

13. Cash and bank balances

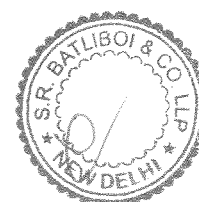
	Non-Current As at March 31, 2016 Rs.	Current As at March 31, 2016 Rs.
Cash and cash equivalents		
Cash on hand	-	371,068
Balances with banks:		
- In current accounts	-	4,680,842
Other bank balances		
-Deposits with original maturity for more than 12 months *	1,607,000	-
	1,607,000	5,051,910
Amount Disclosed under non current assets (Refer Note 14)	(1,607,000)	
	-	5,051,910

*Fixed deposit pledged with custom authority

14. Other assets

	Non-Current As at March 31, 2016 Rs.	Current As at March 31, 2016 Rs.
Unsecured, considered good unless stated		
Non-current bank balances		
Deposit with original maturity for more than 12 months (Refer Note 13)	1,607,000	-
Others		
Interest accrued on deposits with Banks	-	91,166
Derivative Instrument	-	16,057,161
Insurance claim receivable#	-	2,547,844
Unbilled Revenue	-	19,444,866
	1,607,000	38,141,037

Insurer has acknowledged the claim amounting to Rs.5,708,969 against machinery damaged during transit. The company has already received Rs.3,161,125 against the same and is confident of recoverability of the balance claim receivable amounting to Rs.2,547,844



15. Revenue from operations

	For the period ended March 31, 2016 Rs.
Sale of products	
Finished goods	
Traded Goods	26,516,339
Other operating revenue	19,444,866
Scrap Sales	
Revenue from operations (Gross)	167,162
Less: excise duty	46,128,367
Revenue from operations (Net)	(2,947,585)
	43,180,782

#Excise duty on sales amounting to Rs 2,947,585 has been reduced from sales in profit and loss account. Excise duty on increase/ decrease in stock amounting to Rs 580,928 has been considered as expenses in note 22 of financial statements.

	For the period ended March 31, 2016 Rs.
Details of products sold	
Finished goods	
Brake Hose	25,783,290
Fuel Hose	733,049
	26,516,339
Traded good	
Moulds	19,444,866
	19,444,866

16. Other income

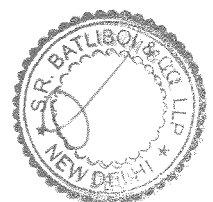
	For the period ended March 31, 2016 Rs.
Interest income on Bank deposits	10,575,691
Exchange difference (Net)	1,366,795
Miscellaneous Income	440,498
	12,382,984

17. Cost of raw materials and components consumed

	For the period ended March 31, 2016 Rs.
Purchases	53,933,163
Less: Inventories at the end of the year	53,933,163
Cost of materials consumed	24,913,723
	29,019,440

Details of raw materials and components consumed

	For the period ended March 31, 2016 Rs.
Fittings	19,146,146
Rubber and Chemicals	6,275,214
Others	3,598,080
	29,019,440



Minda TG Rubber Private Limited

Notes to financial statements for the period from 14-Jan-2015 to 31-Mar-2016

Details of Inventories

	As at March 31, 2016 Rs.
Fittings	9,220,647
Rubber and Chemicals	11,475,415
Others	4,217,661
	24,913,723

18. (Increase)/ decrease in inventories

	As at March 31, 2016 Rs.
Inventories at the end of the year	
Work in progress	1,712,617
Finished goods	4,200,767
Traded Goods	1,767,432
	7,680,816
Inventories at the beginning of the year	
Work in progress	-
Finished goods	-
Traded Goods	-
	(7,680,816)

Details of Inventories

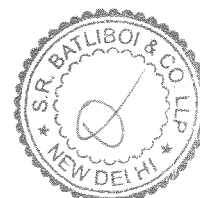
	As at March 31, 2016 Rs.
Work in progress	
Brake Hose	769,453
Fuel Hose	943,164
	1,712,617
Finished goods	
Brake Hose	2,207,266
Fuel Hose	1,993,501
	4,200,767

Detail of purchase of traded goods

	For the period ended March 31, 2016 Rs.
Moulds	10,539,789
	10,539,789

19. Employee Benefits Expense

	For the period ended March 31, 2016 Rs.
Salaries and Wages	28,286,007
Contribution to provident and other funds	1,952,265
Gratuity expenses (Note 26)	15,332
Staff welfare expenses	5,560,807
	35,814,411



Minda TG Rubber Private Limited

Notes to financial statements for the period from 14-Jan-2015 to 31-Mar-2016

20. Finance costs

	For the period ended March 31, 2016 Rs.
Interest expense (Refer note 39)	15,091,059
	15,091,059

21. Depreciation and amortization expenses

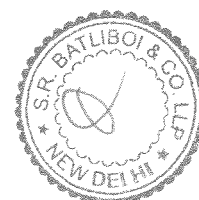
	For the period ended March 31, 2016 Rs.
Depreciation on tangible assets	14,572,304
Amortization of Intangible assets	780,270
	15,352,574

22. Other Expenses

	For the period ended March 31, 2016 Rs.
Consumption of stores and spares	5,938,157
Power and Fuel	4,483,698
Rent	1,639,777
Provision for excise duty on finished goods	580,928
Repair and Maintenance	
Building	941,261
Others	145,970
Testing Charges	2,543,404
Insurance	230,588
Rates and taxes	3,851,803
Legal & Professional	1,447,025
Payment to auditors (refer details below)	700,000
Communication	499,000
Travelling and Conveyance	7,949,800
Technical Support Charges (Refer Note 39)	5,763,684
Business promotion	416,472
Printing and stationery	675,936
Royalty expenses	143,437
Freight	363,756
Bank Charges	367,950
Miscellaneous expenses	1,407,915
	40,090,561
Payment to auditors	
As auditor:	
Statutory Audit Fee	500,000
Tax Audit Fees	150,000
In other capacity:	
TP Certification	50,000
	700,000

23. Earning/ (deficit) per equity share

	For the period ended March 31, 2016 Rs.
Loss attributable to equity shareholders	(82,663,252)
Weighted average number of equity shares outstanding	32,907,895
Basic and diluted EPS	(2.51)



Minda TG Rubber Private Limited

Notes to financial statements for the period from 14-Jan-2015 to 31-Mar-2016

24. Segmental information

Business segments:

The Company is engaged in the business of manufacturing and selling of automotive brake hose and fuel hose. The entire operations are governed by the same set of risk and returns and, hence, the same has been considered as representing a single primary segment.

Since the Company's business activity falls within a single business segment, there are no additional disclosures to be provided under Accounting Standard-17 'Segment Reporting' other than those already provided in the Financial Statements.

Geographical segments:

The Company sells its products and services within India and do not have any operations in economic environments with different set of risks and returns. Hence, it is considered to be operating in a single geographical segment.



This space has been intentionally left blank

25 Related party disclosures

1) Names of related parties and related party relationship

A Related Parties where control exists

Holding Company

Minda Industries Limited (from March 30, 2016)

Maa Rukmani Devi Auto Pvt. Ltd. (till March 29, 2016)

B Related parties with whom transactions have taken place during the period

Entities having significant influence

Toyoda Gosei Co. Ltd, Japan

Toyoda Gosei Minda India Private Limited

Key Managerial Personnel ("KMP")

Mr. Ravi Shankar Gupta (w.e.f February 4, 2016)

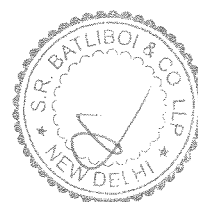
Mr. Kiyoshi Shibata (w.e.f February 4, 2016)

Mr. Dinesh Saini (w.e.f March 30, 2016)

2) Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

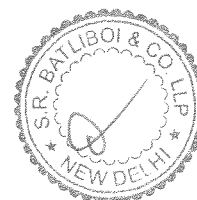
Nature of transactions	Holding Company	Companies having Significant influence	Key management personnel
	For the period 14-Jan-2015 to 31-Mar-2016 Rs.	For the period 14-Jan-2015 to 31-Mar-2016 Rs.	For the period 14-Jan-2015 to 31-Mar-2016 Rs.
(A) Purchases of fixed assets			
Maa Rukmani Devi Auto Pvt. Ltd.	13,63,79,750	-	-
Toyoda Gosei Co. Ltd, Japan (including technical support cost)	-	7,69,65,770	-
Minda Industries Ltd.	1,04,07,576	-	-
Toyoda Gosei Minda India Private Limited	-	3,62,09,418	-
(B) Sales of Material			
TG Minda India Private Limited	-	1,46,869	-
(C) Purchases of Materials			
Toyoda Gosei Co. Ltd, Japan(Raw Material)	-	8,30,535	-
Toyoda Gosei Co. Ltd, Japan(Traded Goods)	-	88,32,361	-
Toyoda Gosei Minda India Private Limited (spares)	-	12,34,742	-
(D) Reimbursement of expenses			
Maa Rukmani Devi Auto Pvt. Ltd.	33,35,172	-	-
Toyoda Gosei Minda India Private Limited	-	24,01,178	-
(E) Payment for expenses			
Minda Industries Ltd. (Management Fees)	2,35,688	-	-
Toyoda Gosei, Japan (Royalty)	-	1,43,437	-
Toyoda Gosei, Japan (Technical support Cost)	-	57,00,025	-
(F) Issue of shares(In Rs.)			
Maa Rukmani Devi Auto Pvt. Ltd.	17,85,00,000	-	-
Toyoda Gosei Co. Ltd, Japan	-	15,40,00,000	-
(G) Managerial remuneration(Amount paid in the capacity of KMP)			
Mr. Kiyoshi Shibata	-	-	11,06,321
Mr. Ravi Shankar Gupta	-	-	8,08,428
Mr. Dinesh Saini	-	-	4,193



3) Outstanding balances at the year end

Particulars	Holding Company	Companies having Significant influence	Key management personnel
	As at March 31, 2016 Rs.	As at March 31, 2016 Rs.	As at March 31, 2016 Rs.
(A) Trade and other payables			
Toyoda Gosei Co. Ltd, Japan	-	68,663,540	-
Minda Industries Ltd.	2,421,402	-	-
(B) Advance recoverable in Cash & Kind			
Maa Rukmani Devi Auto Pvt. Ltd.	-	132,600	-

This space has been intentionally left blank



MINDA TG RUBBER PRIVATE LIMITED

Notes to financial statements for the period 14-Jan-2015 to 31-Mar-2016

26. Employee benefits: post-employment benefit plans

The company operates one defined plans, viz., gratuity, for its employees. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the gratuity.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

	For the year ended March 31, 2016 Rs.
Current service cost	433,308
Net benefit expense	433,308

Balance sheet

Benefit Asset/Liability

	For the year ended March 31, 2016 Rs.
Present value of defined benefit obligation	433,308
Fair Value of Plan Asset	-
Plan Asset/(Liability)	(433,308)

Changes in the present value of the defined benefit obligation are as follows:

	For the year ended March 31, 2016 Rs.
Current service cost	433,308
Closing defined benefit obligation	433,308

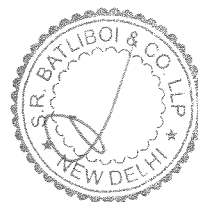
The principal assumptions used in determining gratuity for the Company's plans are shown below:

	For the year ended March 31, 2016 Rs.
Discount rate	8%
Rate of increase in compensation level	6%
Retirement Age	58 Years
Withdrawal rates:	
Upto 30 years	3%
From 31 to 44 years	2%
Above 44 years	1%

Amount for the current period.

	For the year ended March 31, 2016 Rs.
Present value of obligation as at the end of period	433,308
Surplus/(Deficit)	(4,33,308)

This space has been intentionally left blank



27. Value of imports calculated on CIF basis

	For the year ended March 31, 2016 Rs.
Raw Materials	12,774,141
Capital good	133,358,596
Stores and Spares	1,540,084
	147,672,821

28. Expenditure in foreign currency (accrual basis)

	For the year ended March 31, 2016 Rs.
Royalty expense	143,437
Travelling and Conveyance	2,449,981
	2,593,418

29. Capital and other commitments

	For the year ended March 31, 2016 Rs.
Estimated amount of capital contracts remaining to be executed (net of advances)	8,486,765
Estimated amount of other contracts remaining to be executed (net of advances)	1,406,208
	9,892,973

30. Imported and indigenous raw materials, components and spare parts consumed

	For the period ended March 31, 2016 Rs.	% of total
Raw Materials	Value	
Imported	9,896,364	34%
Indigenously	19,123,077	66%
Total	29,019,440	100%
Spares and Stores		
Imported	1,540,084	26%
Indigenously	4,398,073	74%
Total	5,938,157	100%

31. Derivative instruments and unhedged foreign currency exposure

a) Derivative outstanding as at reporting date

Particulars	Currency	As at March 31, 2016 Rs. Amount in Foreign currency	As at March 31, 2016 Rs. Amount in INR
Derivative Instrument	USD	5,518,727	366,057,161
		5,518,727	366,057,161

a) Particular of Unhedged foreign currency exposures as at reporting date

Particulars	As at March 31, 2016 Rs. Amount in Foreign currency	As at March 31, 2016 Rs. Amount in INR
Trade Payables		
JPY	106,551,704	62,929,436
USD	163,807	10,865,793
EUR	25,502	1,915,085
Loans and Advances		
USD	10,766	724,767



Minda TG Rubber Private Limited
Notes to financial statements for the period from 14-Jan-2015 to 31-Mar-2016
32. Contingent Liability

(Amount in Rs)	
Particulars	For the year ended March 31, 2016 Rs.
Liability of Customs duty towards export obligation undertaken by the Company under "Export Promotion Capital Goods scheme (EPCG)"	1,03,92,695
During current period the Company had Imported Capital goods under EPCG and saved duty to the tune of Rs 10,392,695 ,As per EPCG terms & conditions company needs to export US \$ 1,020,965 in 6 years i.e 6 times of duty saved on Import of Capital goods on FOB basis within period of 6 years (Block year 1st to 4th -50% and 5th to 6th -50%), If company does not export goods in prescribed time then company may have to pay excise duty saved on import of capital good ,including interest & penalty thereon.	

33. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(Amount in Rs)	
Particulars	For the year ended March 31, 2016 Rs.
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil
Principal amount due to micro and small enterprises	2,25,148
Interest due on above	Nil
	<u>2,25,148</u>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil

34. The Company, based on legal opinion, has examined the definition of salary for the purpose of provident fund in case of expat employees. The management is confident that basis above opinion, the amount of 'salary' considered for provident fund purpose is in conformity with applicable laws and no further liability is expected in this regard.

35. The Company has incurred loss of Rs. 82,663,252 during the period and has accumulated losses as at March 31, 2016 amounts to Rs. 82,663,252. The Company had started commercial operations during the current period and the management believes that it is in initial gestation period and had expected to incur losses. Accordingly, these financial statements have been prepared using the going concern assumption.

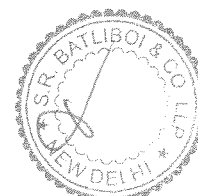
36. According to the transfer pricing norms under the Income-tax Act, 1961, the Company is required to compute arm's length prices and maintain adequate documentation in respect of transactions with associated enterprises. The Company is in the process of completing a study to ascertain whether such transactions with associated enterprises are in compliance with the transfer pricing norms referred to above. The management is confident that its transactions are at arm's length and no adjustment is likely on completion of analysis.

37. The Company has a net deferred tax asset, primarily comprising of unabsorbed depreciation and carry forward losses under tax laws. However, as the subsequent realization of such amounts is not virtually certain in near future, the management is of the view that it is prudent not to recognize deferred tax asset. Accordingly, deferred tax assets have been recognised only to the extent of deferred tax liabilities.

38. Haryana State Industrial & Infrastructure Development Corporation Limited ('HSIIDC') had re-allotted a land to the Company which was initially allotted to Maa Rukmai Devi Auto Private Limited (the 'Party'). The Party had got the earlier land allotment and paid stamp duty at the price at which the Party had acquired from it from the HSIIDC. The Company has paid the Party a total consideration of Rs.136,379,750 which includes the amount paid towards the cost of the land, consideration for vacating/ surrendering the said property, stamp duty chares, registration charges, development charges, bifurcation charges, taxes and any other charges, etc. The management is of the view that since the original letter of allotment has been given to the Company by HSIIDC, therefore and the Company has paid stamp duty on the cost of land and no duty needs to be paid on the extra cost paid to the Party against transfer of the said land. Further, the company is in the process of transferring the title of the said land in favour of the company.

39. During the period, in relation to a new plant which is in construction stage, the Company has capitalized the following expenses of revenue nature to the cost of fixed asset/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company

Particulars	For the year ended March 31, 2016 Rs.
Technical support charges	1,84,78,481
Interest expense	1,38,09,317
	<u>3,22,87,798</u>



Minda TG Rubber Private Limited

Notes to financial statements for the period from 14-Jan-2015 to 31-Mar-2016

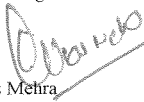
40. The accompanying financial statements reflect the results of the activities undertaken by the Company during the period from January 14, 2015 to March 31, 2016. This being the first financial period/ year of the Company, previous period/ year comparative figures has not been given.

As per our report of even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005


per Vikas Mehra
Partner

Membership No: 94421




Place: Gurgaon

Date: May 13, 2016


For and on behalf of the Board of Directors of

MINDA TG RUBBER PRIVATE LIMITED


Ravi Shankar Gupta

Director

DIN - 00100578


Kiyoshi Shibata

Director

DIN - 07399689


Dinesh Saini

Company Secretary