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MINDA DISTRIBUTION AND SERVICES LIMITED
AUDITED FINANCIAL RESULTS
FOR THE F.Y. 2016-17

MINDA DISTRIBUTION AND SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE:-1 ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1. Background

Minda Distribution and Services Limited (the Company) was incorporated in India on November 11, 2011. The Company is primarily involved in the trading of Auto and Allied products.

2. Basis of Preparation

The Financial Statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles, accounting standards notified under Section 133 of the Companies Act 2013 and the relevant provision thereof. All income and expenditure having a material bearing in the Financial Statements are recognized on accrual basis.

3. Significant Accounting Policies

3.01 Use of Estimates

The preparation of Financial Statement requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of Financial Statement and the reported amount of revenue and expenses during the reported period. Differences between the actual results and estimates are recognized in the period in which the results are known/ materialized.

3.02 Fixed Asset

Fixed Assets are stated at cost (including expenses related to acquisition and installation) less accumulated depreciation/ Amortization.

3.03 Depreciation/Amortization

Depreciation on fixed assets is provided over the useful life of the assets based on technological evaluation or the useful life for the tangible assets prescribed under Schedule II of Companies Act, 2013 is as under:

Building (temporary structure)	3 years
Electrical Fittings	10 years
Plant and Equipments	7 years
Furniture and Fixtures	10 years
Vehicles	8 years
Office Equipments	5 years
Computer Hardware	3 years

The cost of Intangible assets is amortized over a period of four years the estimated economic life of the assets.

All assets costing ₹ 5,000/- or below are depreciated full by way of one time depreciation after retaining five percent residual value.



3.04 Impairment

The Company reviews the carrying amounts of its fixed assets annually to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment Loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows expected from the continuing use of the asset and from its ultimate disposal are discounted to their present values using a pre-determined discount rate that reflects the current market assessments of the time value of money and risks specific to the assets.

An impairment loss to be charged to the statement of profit and loss in the year in which an asset is Identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

3.05 Inventory

Inventories of stock in trade, packing material are valued at lower of cost or net realisable value. Cost is computed on the Weighted Average basis. Inventories in transit is valued at cost.

3.06 Retirement Benefits

Provision for Gratuity and Leave Encashment has been made on the basis of actuarial valuation.

3.07 Sales/ purchases

- a) Sales are stated at net of return, discount and rejections.
- b) Purchases are stated at net of return and rejection.

3.08 Foreign Currency Transactions

a) 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 transaction.

b) Transaction

Foreign currency monetary assets and liabilities are translated at the year end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c) Exchange Difference

All exchange differences arising on settlement and translation of monetary items are recognised as income or expense in the year in which they arise.



3.09 Liabilities

All liabilities are provided for in the accounts except liabilities of contingent nature which are disclosed in the notes to account.

3.10 Income Tax

- a) The provision for income tax for the year is based on the assessable profit as computed in accordance with the Income Tax Act, 1961/Income Tax Rules, 1962.
- b) Deferred tax is recognized subject to consideration, of prudence on timing differences, being the difference between Taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods.



MINDA DISTRIBUTION AND SERVICES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
		₹	₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	02	1,98,76,000	1,98,76,000
(b) Reserves and surplus	03	6,75,92,022	4,12,32,240
		8,74,68,022	6,11,08,240
(2) Non-current liabilities			
(a) Long-term borrowings	04	39,04,680	78,38,564
(b) Other Long term liabilities	05	3,33,00,000	2,91,27,495
(c) Long-term provisions	06	1,88,74,609	1,46,28,615
		5,60,79,289	5,15,94,674
(3) Current liabilities			
(a) Trade payables	07	42,10,11,909	42,86,35,767
(b) Other current liabilities	08	10,89,26,098	11,37,43,353
(c) Short-term provisions	09	87,30,211	30,68,412
		53,86,68,218	54,54,47,532
TOTAL		68,22,15,529	65,81,50,446
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		3,14,73,885	3,20,85,471
(ii) Intangible assets		40,10,939	53,77,079
(iii) Capital Work - in- progress		1,26,145	-
(iv) Intangible assets under development		1,55,250	-
(b) Deferred tax assets (net)	11	66,51,100	39,62,600
(c) Long-term loans and advances	12	30,28,900	30,61,900
		4,54,46,219	4,44,87,050
(2) Current assets			
(a) Inventories	13	25,07,22,704	28,29,26,051
(b) Trade receivables	14	29,87,57,300	27,17,42,683
(c) Cash and cash equivalents	15	7,79,07,231	4,31,92,037
(d) Short-term loans and advances	16	92,11,501	1,55,52,163
(e) Other current assets	17	1,70,574	2,50,462
		63,67,69,310	61,36,63,396
TOTAL		68,22,15,529	65,81,50,446
See accompanying notes to financial statements	26		

In terms of our report attached

For R.N.SARAF & CO.
CHARTERED ACCOUNTANTS
 Registration Number: 002023 N

R.N.SARAF, F.C.A.
 Membership No. 12439

2659/2 Gurdwara Road,
 Karol Bagh New Delhi 110005

Place: New Delhi
 Date : 15th May, 2017



For and on behalf of Board of Directors

(ANAND KUMAR MINDA)
 Whole Time Director
 DIN : 00007964

(RAKESH KHER)
 Whole Time Director
 DIN : 06535828

(SHYAM SUNDER WADHWA)
 General Manager - Finance & Accounts

MINDA DISTRIBUTION AND SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	For the year ended 31 March 2017	For the year ended 31 March 2016
		₹	₹
Revenue from operations	18	4,52,54,78,276	4,22,14,00,177
Other income	19	2,13,82,790	1,67,01,651
Total revenue		4,54,68,61,066	4,23,81,01,828
Expense			
Purchases of stock-in-trade	20	3,65,68,19,704	3,53,15,92,415
Changes in inventories of stock-in-trade	21	4,39,15,233	(8,17,46,836)
Employee benefits expense	22	17,88,47,741	17,42,74,525
Finance costs	23	37,26,108	34,96,267
Depreciation and amortization expense	24	1,06,20,083	1,24,86,554
Other expenses	25	61,42,60,915	57,25,06,099
Total expenses		4,50,81,89,784	4,21,26,09,024
Profit before tax		3,86,71,282	2,54,92,804
Tax expenses			
Current tax		1,50,00,000	1,05,00,000
Earlier years		-	11,530
Deferred tax liabilities / (assets)		(26,88,500)	(17,95,000)
Profit for the year		2,63,59,782	1,67,76,274
Earning Per Equity Share (Basic and diluted)		13.26	8.44
See accompanying notes to financial statements	26		

In terms of our report attached

For R.N.SARAF & CO.
CHARTERED ACCOUNTANTS
Registration Number: 002023N

R.N.SARAF, F.C.A.
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2659/2 Gurdwara Road,
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For and on behalf of Board of Directors

(ANAND KUMAR MINDA)
Whole Time Director
DIN : 00007964

(RAKESH KHER)
Whole Time Director
DIN : 06535828

(SHYAM SUNDER WADHWA)
General Manager - Finance & Accounts

MINDA DISTRIBUTION AND SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 02 SHARE CAPITAL

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Authorised Equity shares of ₹ 10 each	22,50,000	2,25,00,000	22,50,000	2,25,00,000
Issued, Subscribed and fully paid up Equity shares of ₹ 10 each	19,87,600	1,98,76,000	19,87,600	1,98,76,000
Total	19,87,600	1,98,76,000	19,87,600	1,98,76,000

Refer Notes (i) to (iv) below

(i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting year is set out below:

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Balance at the beginning of the year	19,87,600	1,98,76,000	19,87,600	1,98,76,000
Add: Issued during the year	-	-	-	-
Balance at the end of the year	19,87,600	1,98,76,000	19,87,600	1,98,76,000

(ii) Equity Shares held by holding Company

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Number of shares	Number of shares
Minda Industries Limited and its nominees	1987600	1987600

(iii) Details of Shareholders holding more than five percent of equity shares is set out below

Class of shares / Name of shareholder	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares held	Percentage of holding	Number of shares held	Percentage of holding
Equity shares				
Minda Industries Limited and its nominees	19,87,600	100	1987600	100

(iv) Terms/Rights attached.

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity is entitled to one vote per share.



MINDA DISTRIBUTION AND SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 03 RESERVES AND SURPLUS

Particulars	As at 31 March 2017	As at 31 March 2016
	₹	₹
Surplus in statement of profit and loss		
Balance as per last financial statement	4,12,32,240	2,44,55,965
Add: Profit for the year	2,63,59,782	1,67,76,275
Total	6,75,92,022	4,12,32,240

Note 04 LONG TERM BORROWINGS

Particulars	As at 31 March 2017	As at 31 March 2016
	₹	₹
Term loan (Secured)		
- From Kotak Mahindra Prime Ltd.	78,60,098	1,22,40,404
Less : Current maturities of long term debt (refer note no 08)	(39,55,418)	(44,01,840)
Total	39,04,680	78,38,564

Term loan is secured by hypothecation of vehicles financed .

Note 05 OTHER LONG TERM LIABILITIES

Particulars	As at 31 March 2017	As at 31 March 2016
	₹	₹
- Security from customers	3,33,00,000	2,91,27,495
Total	3,33,00,000	2,91,27,495

Note 06 LONG TERM PROVISIONS

Particulars	As at 31 March 2017	As at 31 March 2016
	₹	₹
Provision for employee benefits		
Gratuity	1,22,85,580	99,10,144
Leave encashment	65,89,029	47,18,471
Total	1,88,74,609	1,46,28,615



MINDA DISTRIBUTION AND SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 07 TRADE PAYABLES

Particulars	As at 31 March 2017	As at 31 March 2016
	₹	₹
On account of purchase and services	42,10,11,909	42,86,35,767
Total	42,10,11,909	42,86,35,767

Note 08 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2017	As at 31 March 2016
	₹	₹
Current maturities of long term debt (refer note no 4)	39,55,418	44,01,840
Advance from customers/ customer at credit	70,64,475	87,89,113
Employee stock option expense payable to Minda Industries Limited Holding company	11,11,123	-
Statutory dues		
- Provident fund and other funds	17,35,805	15,84,364
- Service tax	4,83,023	7,69,729
- Sales Tax / Vat	4,70,45,557	4,11,65,675
- Tax deducted at source	17,94,711	28,32,989
Expenses payable	4,57,35,986	5,41,99,643
Total	10,89,26,098	11,37,43,353

Note 09 SHORT TERM PROVISIONS

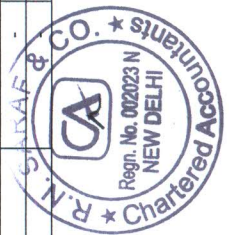
Particulars	As at 31 March 2017	As at 31 March 2016
	₹	₹
Provision for employee benefits		
Gratuity	21,53,230	11,04,630
Leave encashment	22,54,100	19,63,782
Provision for Income tax (net of taxes paid)	43,22,881	-
Total	87,30,211	30,68,412



MINDA DISTRIBUTION AND SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 10 FIXED ASSETS

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTIZATION				NET BLOCK	
	Balance as at 01.04.2016	Additions during the year	Disposals during the year	Balance as at 31.03.2017	Balance as at 01.04.2016	Depreciation/ amortization for the year	Eliminated on disposal of assets during the year	Balance as at 31.03.2017	Balance as at 31.03.2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹
I) TANGIBLE ASSETS									
Building	13,59,400	-	-	13,59,400	12,91,430	-	-	67,970	67,970
Electrical Fittings	17,62,021	3,05,135	-	20,67,156	5,87,808	1,80,712	-	12,86,636	11,74,213
Plant and Equipments	36,94,392	9,50,224	-	46,44,616	18,07,105	5,21,473	-	23,16,038	18,87,287
Furniture and Fixtures	55,85,083	7,23,519	-	63,08,602	27,68,660	6,57,273	-	28,82,669	28,16,423
Vehicles	2,20,86,392	-	22,50,014	1,98,36,378	48,65,729	23,21,515	10,25,857	1,36,74,991	1,72,20,663
Office Equipments	1,15,99,563	29,07,127	-	1,45,06,690	56,58,796	25,64,845	-	62,83,049	59,40,767
Computer Hardware	98,07,717	38,82,096	11,93,921	1,24,95,892	68,29,570	17,86,017	10,70,226	49,50,531	29,78,147
Total	5,58,94,568	87,68,101	34,43,935	6,12,18,734	2,38,09,097	80,31,835	20,96,083	3,14,73,885	3,20,85,471
Total Previous Year	4,03,99,185	1,85,81,017	30,85,634	5,58,94,568	1,84,01,253	86,58,229	12,50,385	3,20,85,471	2,39,97,932
II) INTANGIBLE ASSETS									
Computer Software	1,74,89,026	12,22,108	-	1,87,11,134	1,21,11,947	25,88,248	-	40,10,939	53,77,079
Total	1,74,89,026	12,22,108	-	1,87,11,134	1,21,11,947	25,88,248	-	40,10,939	53,77,079
Total Previous Year	1,44,21,043	30,67,983	-	1,74,89,026	82,83,622	38,28,325	-	53,77,079	61,37,421
III) CAPITAL WORK-IN-PROGRESS									
Furniture and Fixtures	-	1,26,145	-	1,26,145	-	-	-	1,26,145	-
Total	-	1,26,145	-	1,26,145	-	-	-	1,26,145	-
Total Previous Year	-	-	-	-	-	-	-	-	-
IV) INTANGIBLE ASSETS UNDER DEVELOPMENT									
Computer Software	-	1,55,250	-	1,55,250	-	-	-	1,55,250	-
Total	-	1,55,250	-	1,55,250	-	-	-	1,55,250	-
Total Previous Year	-	-	-	-	-	-	-	-	-



MINDA DISTRIBUTION AND SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
Note 11 DEFERRED TAX ASSETS (NET)

Particulars	As at 31 March 2017	As at 31 March 2016
	₹	₹
Assets at the beginning of the year	39,62,600	21,67,600
Addition during the year	26,88,500	17,95,000
Assets at the end of the year	66,51,100	39,62,600

Note 12 LONG TERM LOANS AND ADVANCES
(Unsecured, Considered good)

Particulars	As at 31 March 2017	As at 31 March 2016
	₹	₹
Security deposit with revenue authorities	52,000	52,000
Electricity Deposit	1,57,500	1,57,500
Contribution to Gratuity Trust fund	10,000	10,000
Other Deposit	28,09,400	28,42,400
Total	30,28,900	30,61,900

Note 13 INVENTORIES

(As taken, valued and certified by the management)

Particulars	As at 31 March 2017	As at 31 March 2016
	₹	₹
Stock in Trade	23,57,53,030	27,96,68,263
Packing Material	7,34,213	4,94,470
Goods In Transit	1,42,35,461	27,63,318
Total	25,07,22,704	28,29,26,051

Note 14 TRADE RECEIVABLES

Particulars	As at 31 March 2017	As at 31 March 2016
	₹	₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	44,67,654	-
Considered doubtful	24,89,019	17,32,704
Other Trade receivables		
Considered good	29,42,89,646	27,17,42,683
Considered doubtful	-	-
	30,12,46,319	27,34,75,387
Less: Provision for doubtful trade receivables	24,89,019	17,32,704
(Secured to the extent of Rs. 2,30,32,527/- last year Rs. 2,11,76,135/-)		
Total	29,87,57,300	27,17,42,683



MINDA DISTRIBUTION AND SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 15 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2017	As at 31 March 2016
	₹	₹
Balances with Banks		
- On current accounts	7,76,64,230	4,29,51,336
- On deposit accounts @	2,20,000	2,20,000
Others		
- Silver coins @@	23,001	20,701
Total	7,79,07,231	4,31,92,037

@ Pledged as Security with Sales Tax Authorities

2,20,000

2,20,000

@@ In Nos

79

75

Note 16 SHORT TERM LOANS AND ADVANCES
(Unsecured, Considered good)

Particulars	As at 31 March 2017	As at 31 March 2016
	₹	₹
Advance to suppliers	23,33,147	81,03,564
Employee advance/Imprest	19,55,800	33,78,580
Prepaid expenses	49,22,554	37,49,794
Deposit of disputed demand of sales tax	-	2,70,400
Taxes paid / deducted at source (net of provisions)	-	49,825
Total	92,11,501	1,55,52,163

Note 17 OTHER CURRENT ASSETS

Particulars	As at 31 March 2017	As at 31 March 2016
	₹	₹
Interest accrued on deposit with bank	1,12,014	86,209
Duty drawback Receivable	58,560	1,38,361
Insurance Claim Receivable	-	25,892
Total	1,70,574	2,50,462



MINDA DISTRIBUTION AND SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 18 REVENUE FROM OPERATIONS	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
Sale of Product (Refer Note (1) below)	4,52,41,48,806	4,22,09,65,001
Other operating revenue(refer Note(2) below)	13,29,470	4,35,176
	4,52,54,78,276	4,22,14,00,177

Note(1) :-
Sale of Products comprises

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
Domestic/ export		
Switches	1,33,98,82,493	1,19,64,69,801
Lights	91,57,87,017	75,57,26,526
Horns	74,73,79,999	71,17,89,380
Others	1,52,10,99,297	1,55,69,79,294
Total	4,52,41,48,806	4,22,09,65,001

Note(2) :-
Other operating revenue

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
Sale of Waste	13,29,470	4,35,176
	13,29,470	4,35,176

Note 19 OTHER INCOME

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
Interest income		
on Deposits with Bank	49,77,023	29,66,861
on Electricity deposit	6,118	6,118
on Others	1,58,836	5,58,857
Cash discount income	1,43,58,977	1,11,06,143
Service Income	8,69,206	15,23,296
Export Incentive	9,93,738	4,03,441
Exchange gain (Net)	18,892	-
Provision for Doubtful Trade Receivables written back	-	1,36,935
Total	2,13,82,790	1,67,01,651



MINDA DISTRIBUTION AND SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 20 PURCHASES OF STOCK IN TRADE

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
Switches	1,08,39,94,613	98,03,51,790
Lights	75,28,28,533	62,95,81,247
Horns	61,48,33,996	57,34,38,731
Others	1,20,51,62,562	1,34,82,20,648
Total	3,65,68,19,704	3,53,15,92,415

Note 21 CHANGES IN INVENTORIES OF STOCK IN TRADE

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
Inventories at the end of the year: Stock in trade	23,57,53,030	27,96,68,263
Less: Inventories at the beginning of the year: Stock in trade	27,96,68,263	19,79,21,427
Net (increase) / decrease	4,39,15,233	(8,17,46,836)

Note 22 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
Salaries and Wages	15,13,53,008	14,43,95,308
Contribution to Provident fund and other fund	1,12,10,040	99,68,691
Gratuity	43,47,023	61,49,612
Recruitment expenses	12,44,752	12,35,052
Employee Stock Option expenses	11,11,123	-
Staff welfare expenses	95,81,795	1,25,25,862
Total	17,88,47,741	17,42,74,525

Note 23 FINANCE COSTS

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
Interest to - Security deposit from customer	25,23,102	22,07,791
Financial Charges	9,28,429	12,23,590
Bank charges	2,74,577	64,886
Total	37,26,108	34,96,267



MINDA DISTRIBUTION AND SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 24 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
Depreciation for the year on tangible assets Refer note 10 (I)	80,31,835	86,58,229
Amortization for the year on intangible assets Refer note 10 (II)	25,88,248	38,28,325
Total	1,06,20,083	1,24,86,554

Note 25 OTHER EXPENSES

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹
Power and fuel	23,89,130	21,24,690
Rent (including lease rent)	2,08,37,149	1,85,82,630
Repair to		
Building	21,36,276	11,41,460
Others	65,54,252	52,12,185
Insurance	33,17,464	30,08,973
Rates and taxes	1,87,883	64,834
Legal and Consultancy Charges	1,56,90,371	1,31,72,593
Auditors Remuneration		
- As Auditors	5,75,000	5,15,250
- For Tax audit	1,72,500	1,14,500
- For Limited review	2,58,750	-
- For Income Tax matters	-	80,150
Printing and stationery	52,55,261	51,33,026
Communication expenses	73,60,968	74,59,807
Travelling and conveyance	6,03,30,159	5,82,29,946
CSR Expenses / Donation	9,53,000	21,21,000
Loss on sale of fixed assets (net)	7,11,936	4,02,082
Forwarding expenses	3,98,13,719	3,15,37,029
Carriage and forwarding agent expenses	2,76,45,136	2,58,46,016
Packing expenses	2,35,19,814	2,35,58,624
Provision for doubtful trade receivables	7,56,315	-
Advertising and sales promotion	8,51,77,223	7,73,03,177
Commission on sales	6,05,444	3,15,123
Cash and target discount	28,47,06,475	26,79,45,831
Sales tax expenses / Octroi reimbursement @	89,90,090	84,88,248
Sales conference/ Dealer meet expenses	1,25,79,830	1,63,11,161
Sample expenses	63,560	87,701
Vehicle expenses	32,93,345	28,53,677
General expenses	3,79,865	8,31,767
Exchange loss (Net)	-	64,619
Total	61,42,60,915	57,25,06,099

@ Includes Penalty

- 1,04,899



MINDA DISTRIBUTION AND SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE 26 : NOTES ON CONTINGENT LIABILITIES AND FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

1. Certain amounts appearing under the Trade receivable/Trade payables and Loans and Advances are subject to confirmation/ reconciliation.
2. **Managerial Remuneration to Directors.**

Particulars	Mr. Rakesh Kher		Mr. Anand Kumar Minda	
	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2017	For the year ended 31 March 2016
	₹	₹	₹	₹
Salary	7,009,126	5,634,660	1,262,043	865,584
House Rent Allowances	2,098,593	1,690,404	759,113	519,348
Incentives	2,075,425	355,061	-	-
City Compensatory and other Allowances	867,330	563,472	124,316	86,556
Leave encashment	404,373	325,077	-	-
Contribution to Provident Fund and other funds	841,095	676,164	151,447	103,872
Reimbursement of Medical Expenses	15,000	15,000	-	16,955

Excluding value of perquisites of telephone, car and reimbursement of expenses on conveyance, refreshment, professional pursuit, membership fees, uniform and books periodicals exclusive of provision for future liabilities in respect of gratuity and leave encashment which are based on actuarial valuation done on overall company basis.

3. **EMPLOYEE STOCK COMPENSATION COST**

The Company has participated in the Minda Industries Limited Employee Stock Option Scheme 2016 and during the year, the Nomination & Remuneration Committee of Minda Industries Limited ('the Parent Company') has approved the grant of 50,000 equity shares of face value of Rs. 2/- to its whole time director Mr. Rakesh Kher in terms of the Employee Stock Option Scheme 2016. the scheme is monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors of Minda Industries Limited in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.



Scheme	Year	Date of Grant	Number of options Granted	Vesting Conditions	Exercise period	Exercise price (INR) per share
Minda Employee Stock Option Scheme 2016	2016	23rd November 2016	50,000 options of Equity shares of face value of Rs. 2/- each	Achieving target of market capitalization of the parent Company on or before March 31, 2018	1 Year from the date of vesting	180.00

Number of Shares Options							
Scheme	Year	Outstanding at the beginning of the year	Granted during the year	Forfeited /expired during the year	Exercised during the year	Exercisable at the end of the year	Outstanding at the end of the year
Minda Employee Stock Option Scheme 2016	2016	-	50,000 options of Equity shares of face value of Rs. 2/- each	-	-	-	50,000 options of Equity shares of face value of Rs. 2/- each

The Parent Company has adopted the intrinsic value method as permitted by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 (as amended from time from time) and the Guidance Note on Accounting for Employee Share Based payment issued by the Institute of Chartered Accountants of India in respect of stock options granted.

The Company's profit for the year and earnings per share would have been as under, had the compensation cost for employees' stock options been recognized based on the fair value at the date of grant in accordance with Black Scholes model. The Parent Company has determined the fair value of the underlying shares by an independent valuer.

	For the year ended 31 March 2017
Profit for the year	26,359,782
Less: Increase in employee compensation cost based on fair value	(182,794)
Profit for the year as per fair value method	26,176,988
Basic Earning Per Share (EPS)	
Weighted average number of equity shares	1,987,600
Basic EPS as reported (in Rs.)	13.26
Proforma Basic EPS (in Rs.)	13.17
Diluted Earning Per Share (EPS)	
Weighted average number of equity shares (including dilutive ESOP value)	1,987,600
Dilutive EPS as reported (in Rs.)	13.26
Proforma Dilutive EPS (in Rs.)	13.17
Weighted average remaining contractual life of options (in years)	1.85 years



The following assumptions were used for calculation of fair value of grants:

	As at 31st March 2017	As at 31st March 2016
Risk -free interest rate (%)	6.13%	NA
Expected life of options (years)	1.85 years	NA
Expected volatility (%)	43.62%	NA
Dividend yield	4.61%	NA

The risk free interest rates are determined based on the zero - coupon yield curve for Government Securities or Government bonds with maturity equal to the expected term of the option. Volatility calculation is based on annualized standard deviation of the continuously compounded rate of return of the stock over a period of time. The historical period taken into account to match the expected life of the option. Dividend yield has been arrived by dividing the dividend for the period with the current market price.

Effect of share-based payment plan on the statement of Profit and Loss:

	As at 31st March 2017	As at 31st March 2016
Expense arising from employee share-based payment plan (Rs.)	1111123	Nil

The Company accounts for Equity Stock Options of the Parent Company as per the accounting treatment prescribed by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended from time to time) and the Guidance Note on Employee Share Based Payment issued by The Institute of Chartered Accountants of India using intrinsic value method.

During the year Minda Industries Limited, parent company, has granted 50000 options to Mr. Rakesh Kher, Whole time Director, to subscribe for 50000 equity shares of Rs.2 each (face value)

A sum of Rs. 4255000 towards these options have been evaluated, by considering the total period from 23rd November 2016 (Date of Grant) to 31 March 2018, vesting period, being the difference of exercise price and applicable market price. Accordingly proportionate sum applicable to the period ended on 31 March 2017, of Rs. 1111123 has been contributed to Minda Industries Limited. The same has been charged to statement of Profit and Loss.

4. DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

The Company did not have 'specified bank notes' meaning of same is provided in the notification of the Government of India in the Ministry of Finance Department of Economic Affairs Number SO 3407 ('E') dated the 8th November 2016. Hence transaction during the period from 8th November 2016 to 30th December 2016 required as per MCA notification GSR 308 ('E') dated 30th March 2017 is not applicable.

5. RELATED PARTY DISCLOSURE

Related party disclosures as required under Accounting Standard - 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:-



Transactions during the year

	For the year ended ' 31 March 2017	For the year ended ' 31 March 2016
	₹ in lacs	₹ in lacs
Holding Companies : Minda Industries Limited		
-Purchase	15788.09	11,562.23
-Employee Stock Option expense	11.11	-
-Trade payables	1395.73	1,167.34
-Employee Stock Option expense payable	11.11	-
Associates :		
-Purchase : Mindarika Private Limited	450.45	485.30
-Trade payable : Mindarika Private Limited	56.13	91.29
-Purchase : Auto Component	5400.42	4679.87
-Trade payable : Auto Component	795.42	808.68
-Purchase : Yogendra Engineering	2411.09	5560.41
-Trade payable : Yogendra Engineering	-	687.65
-Purchase of Asset : Minda NexGenTech Limited	1.03	1.22
-Trade payable : Minda NexGenTech Limited	-	1.22
Other entities over which key management personnel and their relatives are able to exercise significant influence :		
-Purchase : Samaira Engineering	8983.76	8345.01
-Trade payable : Samaira Engineering	1362.42	967.51
-Purchase : S.M. Auto	1671.60	1609.15
-Trade payable : S.M. Auto	204.92	248.03
-Rent : Minda Industries	0.10	-
-Rent payable : Minda Industries	0.10	-
-Sale of scrap : Shanker Moulding Limited	0.18	-
-Trade payable : Shanker Moulding Limited	-	-

Key Management Personnel:

- Mr. Anand Kumar Minda
- Mr. Rakesh Kher
- Mr. Satish Sekhri
- Mr. Sudhir Jain
- Mrs. Seema Gupta

Remuneration paid to Directors and Whole Time Director is disclosed in the notes to Financial Statements.



6. Ministry of Micro Small Enterprises has issued an Office Memorandum dated 26th August, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs' Memorandum number as allocated after filling of the Memorandum. Based on the information available with the management, there are no overdue outstanding to Micro and Small enterprises as defined in 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.

7. **Earnings Per Share (EPS)**

Particulars	For the year ended ' 31 March 2017	For the year ended ' 31 March 2016
	₹	₹
Net profit for the year attributable to the equity shareholders	26359782	16776274
Weighted average of equity shares	1987600	1987600
Basic and diluted earning (in ₹) per share	13.26	8.44

8. The Company has recognized the cumulative net deferred tax assets in accordance with the provision of Accounting Standard - 22 issued by the Institute of Chartered Accountants of India.

Following are major components of deferred tax assets (liabilities):-

S.No.	Particulars	(₹ in Thousand)	
		As at 31.03.2017	As at 31.03.2016
a)	Difference between book depreciation and tax depreciation	561	(22)
b)	Provision for Gratuity and Leave Encashment	5267	3420
c)	Provision for doubtful receivables and advances	823	573
d)	Preliminary Expenses	0	(8)
e)	Net deferred tax Assets (Liabilities)	6651	3963

9.

	This Year	Last Year
	₹	₹
C.I.F. Value of Import	Nil	Nil

10.

	This Year	Last Year
	₹	₹
Expenditure in Foreign Currency - Travelling	2,970,935	2,359,361

11.

	This Year	Last Year
	₹	₹
Earning in Foreign Exchange - FOB Value of Export	35521146	19268771



12.

	This Year	Last Year
	₹	₹
- Remittance in Foreign Currency	Nil	Nil

13. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For R.N.SARAF & CO.

For and on behalf of Board of Directors

CHARTERED ACCOUNTANTS

Registration No. 002023N

R.N.SARAF, F.C.A

Membership No. 12439



(ANAND KUMAR MINDA)

Whole Time Director

DIN: 00007964

(RAKESH KHER)

Whole Time Director

DIN: 06535828

2659/2 Gurudwara Road,

Karol Bagh New Delhi 110005

Place: New Delhi

Date: 15th May, 2017

(SHYAM SUNDER WADHWA)

General Manager – Finance & Accounts

MINDA DISTRIBUTION AND SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	FOR THE YEAR ENDED 31ST MARCH, 2017		FOR THE YEAR ENDED 31ST MARCH, 2016	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before taxation	3,86,71,282		2,54,92,804	
Adjustments for :-				
Depreciation and amortisation expense	1,06,20,083		1,24,86,554	
Interest/ Financial expense	34,51,531		34,31,381	
Interest/ Cash discount income	(1,95,00,954)		(1,46,37,979)	
(Profit)/loss on sale of assets (net)	7,11,937	3,39,53,879	4,02,083	2,71,74,843
Operating profit before working capital changes		3,39,53,879		2,71,74,843
Movement in working capital :-				
Decrease/(increase) in inventories	3,22,03,347		(7,94,89,638)	
Decrease/(increase) in Trade receivable	(2,70,14,617)		(4,41,53,428)	
Decrease/ (increase) in loans and advances	63,23,837		(87,69,224)	
Decrease/ (increase) in other current assets/non current assets	79,888		36,676	
(Decrease)/increase in current /non current liabilities	(22,37,274)	93,55,181	12,83,64,387	(40,11,227)
Net Cash used in operating activities		4,33,09,059		2,31,63,616
Less: Taxes Paid		1,06,27,294		1,02,52,282
		3,26,81,765		1,29,11,334
B. CASH FLOW FROM INVESTING ACTIVITIES				
Interest/ Cash discount received	1,95,00,954	-	1,46,37,979	-
Purchase/sale of fixed assets(net)	(96,35,688)		(2,02,15,833)	
		98,65,266		(55,77,854)
Net cash from/(used in) investing activities		98,65,266		(55,77,854)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest/ financial expenses paid	(34,51,531)		(34,31,381)	
Increase in borrowings (net)	(43,80,306)		82,98,477	
		(78,31,837)		48,67,096
Net cash from financing activities		(78,31,837)		48,67,096
D. Net Increase/(decrease) in cash and cash equivalents (A+B+C)		3,47,15,194		1,22,00,576
Cash and cash equivalents as at the beginning of the year		4,31,92,037		3,09,91,461
Cash and cash equivalents as at the end of the year		7,79,07,231		4,31,92,037
Note:		3,47,15,194		1,22,00,576
Cash and cash equivalents include:				
Cash		23,001		20,701
Balance with scheduled banks :				
in Current accounts		7,76,64,230		4,29,51,336
in Fixed deposit accounts		2,20,000		2,20,000
Cash and Cash equivalents at the end of the year		7,79,07,231		4,31,92,037
See accompanying notes to financial statements				
In terms of our report attached				

For R.N.SARAF & CO.
CHARTERED ACCOUNTANTS
Registration Number: 002023N

R.N.SARAF, F.C.A.
Membership No. 12439

2659/2 Gurdwara Road,
Karol Bagh New Delhi 110005

Place: New Delhi
Date : 15th May, 2017



For and on behalf of Board of Directors

(ANAND KUMAR MINDA)
Whole Time Director
DIN : 00007964

(RAKESH KHER)
Whole Time Director
DIN : 06535828

(SHYAM SUNDER WADHWA)
General Manager - Finance & Accounts