

**Minda Kyoraku Limited**  
**Statutory Audit for the year ended**  
**31 March 2017**

# B S R & Co. LLP

Chartered Accountants

Building No. 5, 8th Floor, Tower-C  
DLF Cyber City, Phase II, Gurgaon  
Haryana - 122 002

Telephone: + 91 124 471 5400  
Fax: + 91 124 410 1635

## Independent Auditor's Report

To the Members of **Minda Kyoraku Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of Minda Kyoraku Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

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

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial control over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure B"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company does not have any pending litigations which would impact its financial position - Refer note 40 to the financial statement;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

✓

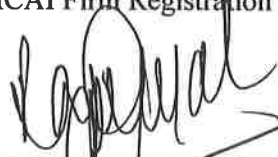
B S R & Co. LLP

- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- (iv) The Company has provided requisite disclosure in the financial statements as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of account maintained by the company- Refer note 43 to the financial statements.

**For B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 101248W/W-100022



**Rajiv Goyal**

*Partner*

Membership No.: 094549

Place: Gurgaon

Date: 13 May 2017

**Annexure A referred to in our Independent Auditor's Report to the members of Minda Kyoraku Limited on the financial statements for the year ended 31 March 2017:**

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

According to the information and explanations given to us, no undisputed amounts payable in respect of including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.



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

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

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

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans to its bankers. The Company did not have any outstanding debentures or dues on account of loans or borrowings to any financial institutions or government during the year.
- (ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and the term loans taken by the Company have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

B S R & Co. LLP

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

*For B S R & Co. LLP*

*Chartered Accountants*

ICAI Firm Registration Number: 101248W/W-100022



**Rajiv Goyal**

*Partner*

Membership No.: 094549

Place: Gurgaon

Date: 13 May 2017

**Minda Kyoraku Limited**  
**Balance Sheet as at 31 March 2017**  
(All amounts are in India Rupees, unless otherwise stated)

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
<b>Shareholders' fund</b>			
Share capital	3	412,370,000	412,370,000
Reserves and surplus	4	120,889,168	18,520,896
		<u>533,259,168</u>	<u>430,890,896</u>
<b>Non-current liabilities</b>			
Long-term borrowing	5	35,505,667	71,962,556
Long-term provisions	6	15,813,224	11,089,529
		<u>51,318,891</u>	<u>83,052,085</u>
<b>Current liabilities</b>			
Short-term borrowing	7	224,708	154,517,859
Trade payables	8		
(A) Total outstanding dues of micro enterprises and small enterprises; and		109,776,518	122,695,484
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises			
Other current liabilities	9	64,627,324	133,829,408
Short-term provisions	10	1,534,128	6,287,524
		<u>176,162,678</u>	<u>417,330,275</u>
<b>Total</b>		<u>760,740,737</u>	<u>931,273,256</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11	458,671,040	523,615,434
Intangible assets	11	10,091,171	12,601,601
Capital work-in-progress		3,580,386	2,061,777
Intangible assets under development		1,324,062	1,159,620
Deferred tax asset (net)	12	738,557	
Long-term loans and advances	13	4,730,621	13,927,398
Other non-current assets	14	3,770,967	3,750,000
		<u>482,906,804</u>	<u>557,115,830</u>
<b>Current assets</b>			
Inventories	15	99,799,015	124,033,888
Trade receivables	16	122,917,926	204,353,403
Cash and bank balances	17	27,766,243	6,967,960
Short-term loans and advances	18	27,322,805	38,752,912
Other current assets	19	27,944	49,263
		<u>277,833,933</u>	<u>374,157,426</u>
<b>Total</b>		<u>760,740,737</u>	<u>931,273,256</u>

**Significant accounting policies** 2

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

As per our report of even date attached

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

Rajiv Goyal  
Partner  
Membership No.: 094549

Place : Gurugram  
Date: 13 May 2017

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

Nitesh K. Minda  
Managing Director  
DIN No. 00408023

Place : Gurugram  
Date: 13 May 2017

Lalit K. Jangir  
Chief Financial Officer

Place : Gurugram  
Date: 13 May 2017

Shuetsu Oku  
Director  
DIN No. 05145404

Place : Gurugram  
Date: 13 May 2017

Avnish Dhangra  
Company Secretary

Place : Gurugram  
Date: 13 May 2017

**Minda Kyoraku Limited****Statement of Profit and Loss for the year ended 31 March 2017**

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

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Revenue from operations</b>	20		
Sale of products (gross)		1,441,540,359	1,035,193,690
Less: Excise duty		174,486,299	120,005,572
Sale of products (net)		<u>1,267,054,060</u>	<u>915,188,118</u>
Sale of services		5,393,740	458,772
Other operating income		14,236,324	5,762,472
		<u>1,286,684,124</u>	<u>921,409,362</u>
Other income	21	2,249,338	1,354,171
<b>Total revenue</b>		<u>1,288,933,462</u>	<u>922,763,533</u>
<b>Expenses</b>			
Cost of materials consumed	22	637,631,466	467,613,001
Changes in inventories of finished goods and work in- progress	23	845,286	(8,038,578)
Employee benefits	24	155,953,417	125,626,309
Finance costs	25	18,626,764	21,947,648
Depreciation and amortisation	26	84,020,228	78,544,979
Other expenses	27	252,347,986	194,397,948
<b>Total expenses</b>		<u>1,149,425,147</u>	<u>880,091,307</u>
<b>Profit before tax</b>		<b>139,508,315</b>	<b>42,672,226</b>
Tax expense			
- Current tax (Minimum Alternate Tax in previous year)		37,878,600	8,950,000
- Minimum Alternate Tax credit entitlement		-	(8,950,000)
- Deferred tax (credit) / charge		(738,557)	-
<b>Profit for the year</b>		<u>102,368,272</u>	<u>42,672,226</u>
Earning per equity share (nominal value of share Rs.10)			
Basic and diluted earnings per share (Rs.)	28	2.48	1.03

**Significant accounting policies**

2

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

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

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

Rajiv Goyal

Partner

Membership No.: 094549

Place : Gurugram

Date: 13 May 2017

For and on behalf of the Board of Directors

**Minda Kyoraku Limited**

Nitesh K. Minda

Managing Director

DIN No. 00408023

Place : Gurugram

Date: 13 May 2017

Lalit K. Jangir

Chief Financial Officer

Place : Gurugram

Date: 13 May 2017

Shuetsu Oku

Director

DIN No. 05145404

Place : Gurugram

Date: 13 May 2017

Avnish Dhingra

Company Secretary

Place : Gurugram

Date: 13 May 2017

**Minda Kyoraku Limited**  
**Cash Flow Statement for the year ended 31 March 2017**  
(All amounts are in India Rupees, unless otherwise stated)

	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>A. Cash Flow from operating activities</b>	<b>139,508,315</b>	<b>42,672,226</b>
Net Profit before tax		
<b>Adjustments :</b>		
Depreciation and amortisation	84,020,228	78,544,979
Interest income	(661,628)	(1,266,554)
Interest on borrowings	17,522,646	21,496,221
Unrealised foreign exchange fluctuation loss	3,381	347,887
Liabilities no longer required written back	(1,587,710)	(87,617)
Sundry balances written off	-	90,439
Loss on disposal of fixed assets	344,259	19,332
Provision for doubtful advances	225,252	-
Provision for doubtful debts	-	1,225,753
<b>Operating cash flow before working capital changes</b>	<b>239,374,743</b>	<b>143,042,665</b>
<b>Adjustments:</b>		
(Decrease) / Increase in trade payables	(10,778,767)	68,043,433
Increase in provisions	4,749,692	2,413,212
(Decrease) / Increase in other current liabilities	(48,550,769)	51,499,040
Decrease / (Increase) in trade receivables	81,435,477	(100,451,036)
Decrease / (Increase) in inventories	24,234,873	(77,712,658)
Decrease / (Increase) in loans and advances	12,289,991	(24,650,588)
(Increase) / Decrease in other non current assets	302,464	-
Increase in other current assets	(2,130)	(4,252)
<b>Cash Generated from operations</b>	<b>303,055,574</b>	<b>62,179,816</b>
Income tax paid	(34,601,952)	(3,032,670)
Income tax refund	973,596	-
<b>Net cash provided / (used) by operating activities (A)</b>	<b>269,427,218</b>	<b>59,147,146</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of fixed assets including capital work-in-progress and capital advances	(40,308,519)	(79,158,925)
Proceeds from sale of fixed assets	213,521	1,087,647
Bank deposits (having original maturity of more than three months)	1,072,829	(139,599)
Interest received on deposits	361,645	1,013,480
<b>Net cash provided / (used) by investing activities (B)</b>	<b>(38,660,524)</b>	<b>(77,197,397)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from borrowings	-	81,307,616
Repayment of borrowings	(190,750,040)	(43,046,085)
Finance costs paid	(18,145,543)	(20,355,372)
<b>Net cash from financing activities (C)</b>	<b>(208,895,583)</b>	<b>17,906,159</b>
<b>D. Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>21,871,111</b>	<b>(144,092)</b>
<b>E. Cash and cash equivalents as at the beginning of year (see below)</b>	<b>5,434,703</b>	<b>5,578,795</b>
<b>F. Cash and cash equivalents as at the end of year (see below)</b>	<b>27,305,814</b>	<b>5,434,703</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(21,871,111)</b>	<b>144,092</b>
<b>Notes to cash flow statement</b>		
1. Components of cash and cash equivalents:		
Cash on hand	80,635	270,147
Cash on imprest	-	-
Balance with schedule banks on current account	27,225,180	5,164,556
<b>Total</b>	<b>27,305,815</b>	<b>5,434,703</b>

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

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

As per our report of even date attached

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

**Rajiv Goyal**  
Partner  
Membership No.: 094549

Place : Gurugram  
Date: 13 May 2017

**Nitesh K. Minda**  
Managing Director  
DIN No. 00408023

Place : Gurugram  
Date: 13 May 2017

**Lalit K. Jangir**  
Chief Financial Officer

Place : Gurugram  
Date: 13 May 2017

**Shuetsu Oku**  
Director  
DIN No. 05145404

Place : Gurugram  
Date: 13 May 2017

**Avnish Dhingra**  
Company Secretary

Place : Gurugram  
Date: 13 May 2017

## **Minda Kyoraku Limited**

**Notes to the financial statements for the year ended 31 March 2017**

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

### **1. Company overview**

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

### **2. Significant accounting policies**

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

#### **A. Basis of preparation of financial statements**

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

#### **B. Use of estimates**

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

#### **C. Current–non-current classification**

All assets and liabilities are classified into current and non-current.

##### *Assets*

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

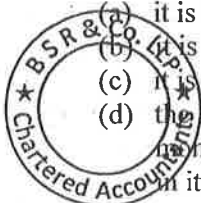
- (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless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

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

##### *Liabilities*

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

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



**Minda Kyoraku Limited**

**Notes to the financial statements for the year ended 31 March 2017**

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

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

*Operating cycle*

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

**D. Fixed assets and depreciation**

**(a) Tangible Fixed Assets**

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

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

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

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

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

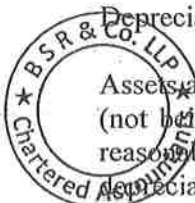
The useful life prescribed in Part C of Schedule II to the Companies Act, 2013 have been considered to calculate the revised depreciation rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review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

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

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

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

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II to the Companies Act, 2013) unless it is reasonably certain that the company will obtain ownership by the end of the lease term, in which case the depreciation rates applicable for similar assets owned by the Company are applied.



**Minda Kyoraku Limited**

**Notes to the financial statements for the year ended 31 March 2017**

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

Asset costing upto Rs. 5,000 are fully depreciated in the year of purchase.

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

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

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

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

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

**(b) Intangible assets**

**Acquired intangible assets**

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

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

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

The amortization rates are as follows:

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

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

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

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



**Minda Kyoraku Limited**

**Notes to the financial statements for the year ended 31 March 2017**

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

**Capital work-in-progress**

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

**E. Impairment**

The carrying values of all assets are reviewed at each reporting date to determine if there is an indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

**F. Leases**

**Operating leases**

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

**G. Inventories**

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

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

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

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

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

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

Finished goods inventory is inclusive of excise duty.

Inventories in transit are valued at cost.

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



**Minda Kyoraku Limited**

**Notes to the financial statements for the year ended 31 March 2017**

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

**H. Revenue recognition**

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

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

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

**I. Foreign Currency Transactions**

**(a) 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.

**(b) Conversion**

Foreign Currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Nonmonetary 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.

Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are, translated using the exchange rates that existed when such values were determined.

**(c) Exchange differences**

The Company accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

- i) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- ii) Exchange differences arising on other long-term foreign currency monetary items are accumulated in the Foreign Currency Monetary Item Translation Difference Account' and amortized over the remaining life of the concerned monetary item.
- iii) All other exchange differences are recognized as income or as expense in the period in which they arise. For the purpose of i) and ii) above, the Company treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09 August 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period.



**Minda Kyoraku Limited**

**Notes to the financial statements for the year ended 31 March 2017**

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

**J. Provisions**

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

*Contingencies*

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

**K. Contingent liabilities and contingent assets**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**L. Employee Benefits**

**a) Short term employee benefits**

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

**b) Post-employment benefits**

**Defined contribution fund**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund and ESI to Government administered fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**Defined benefit plan**

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

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



**Minda Kyoraku Limited****Notes to the financial statements for the year ended 31 March 2017****(All amounts are in Indian Rupees, unless otherwise stated)****Compensated absences**

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit to such extent is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Actuarial gains and losses are recognized in the Statement of Profit and Loss.

**Termination benefits**

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

**Employee Stock Compensation cost**

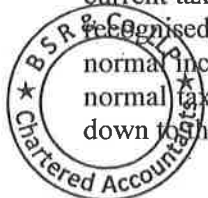
The company accounts for equity settled stock options for the parent company as per the accounting treatment prescribed by the securities & exchange board of India (Share based employee Benefits) regulations, 2014 and the guidance note on employee share-based payment issued by the institute of chartered accountant of India using the intrinsic value method

**M. Income Taxes**

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

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

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



**Minda Kyoraku Limited****Notes to the financial statements for the year ended 31 March 2017****(All amounts are in Indian Rupees, unless otherwise stated)****N. Earnings per share**

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

**O. Cash and cash equivalent**

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



**Minda Kyoraku Limited**  
**Notes to the financial statements for the year ended 31 March 2017**  
**(All amounts are in India Rupees, unless otherwise stated)**

**3 Share capital**

	As at 31 March 2017	As at 31 March 2016
<b>Authorised:</b>		
41,237,000 (previous year 41,237,000) equity shares of Rs.10 each	412,370,000	412,370,000
<b>Issued, subscribed and paid-up</b>		
41,237,000 (previous year 41,237,000) equity shares of Rs.10 each	412,370,000	412,370,000
<b>Total</b>	412,370,000	412,370,000

**(a) Reconciliation of number of shares**

**Equity shares:**

	As at 31 March 2017		As at 31 March 2016	
	Number of Shares	Amount	Number of Shares	Amount
<b>Balance at commencement and at the end of the year</b>	41,237,000	412,370,000	41,237,000	412,370,000

**(b) Rights/Preferences and Restrictions attached to shares**

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

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

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

**(c) Shares held by holding company**

	As at 31 March 2017	As at 31 March 2016
<b>Equity shares:</b>		
29,550,000 shares (previous year 29,550,000 shares) held by Minda Industries Limited	295,500,000	295,500,000

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

	As at 31 March 2017		As at 31 March 2016	
	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding in that class of shares
Minda Industries Limited	29,550,000	71.66%	29,550,000	71.66%
Kyoraku Co. Limited	6,400,000	15.52%	6,400,000	15.52%
Nagase & Co. Limited	4,000,000	9.70%	4,000,000	9.70%

**4 Reserves and surplus**

	As at 31 March 2017	As at 31 March 2016
<b>Securities premium account</b>		
At the commencement and at the end of the year	50,942,500	50,942,500
<b>Surplus/(deficit) in the Statement of Profit and Loss</b>		
Opening balance brought forward	(32,421,604)	(75,093,830)
Profit after tax for the year	102,368,272	42,672,226
<b>Closing balance</b>	69,946,668	(32,421,604)
<b>Total reserves and surplus</b>	120,889,168	18,520,896

**5 Long-term borrowing**

	As at 31 March 2017	As at 31 March 2016
<b>Secured</b>		
Term loan from bank	71,962,111	108,418,556
Less: Current maturities of long term borrowings disclosed under other current liabilities (refer note 9)	(36,456,444)	(36,456,000)
	35,505,667	71,962,556

**Nature of security and terms of repayment for secured borrowings**

Term loan from bank amounting to Rs. 71,962,111 (previous year Rs.108,418,556) are secured by exclusive charge on all movable and immovable fixed assets (both present and future) and second charge on all current assets (both present and future).



Bank name (Facility)	Rate of interest	Outstanding as on 31 March 2017	Outstanding as on 31 March 2016
<b>Yes Bank:</b> Term loan sanction amounting to Rs. 120,000,000. The Principle amount of Rs 97,574,004 is repayable in 18 equal quarterly installments of Rs.5,420,778 commencing from 16 Aug 2014. Loan maturity date is 16 November 2018.	12.00%	37,945,444	59,628,556
<b>Yes Bank:</b> Term loan sanction amounting to Rs. 65,000,000. The principle amount of Rs 44,700,000 is repayable in 20 equal quarterly installments of Rs.2,235,000 commencing from 2 Dec 2014. Loan maturity date is 2 September 2019.	12.50%	22,350,000	31,290,000
<b>Yes Bank:</b> Term loan sanction amounting to Rs. 17,500,000. The principle amount of Rs. 17,500,000 is repayable in 12 equal quarterly installments of Rs.1,458,333 commencing from 4 June 2016. Loan maturity date is 4 March 2019.	12.50%	11,666,667	17,500,000
<b>Total</b>		<b>71,962,111</b>	<b>108,418,556</b>

**6 Long-term provisions****Provision for employee benefits (refer note 30)**

Provision for gratuity

Provision for compensated absences

**Total**

As at 31 March 2017

9,717,910

6,095,314

15,813,224

As at 31 March 2016

6,764,482

4,325,047

11,089,529**7 Short-term borrowing**

Secured:

Working capital loan repayable on demand from banks

Buyer's credit from bank

**Total**

As at 31 March 2017

224,708

224,708

As at 31 March 2016

126,149,824

28,368,035

154,517,859**Nature of security and terms of repayment for secured borrowings**

Cash credit from bank amounting to Rs. 224,707 (Previous year Rs. 126,149,824 ) are secured by exclusive charge on all current assets (both present and future) and second charge on all fixed assets (both present and future).

Cash credit from banks carry interest ranging between 9.80% - 12.15% p.a., computed on a monthly basis on the actual amount utilized, and are repayable on demand.

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

Bank name (Facility)	Outstanding as on 31 March 2017	Outstanding as on 31 March 2016	Rate of interest	Terms of repayment
<b>Yes Bank:</b>				
Buyer's Credit	-	11,111,775	1.75%	Repaid on 6 May 2016.
Buyer's Credit	-	17,256,260	1.96%	Repaid on 21 Sep 2016.

**8 Trade payables**

As at 31 March 2017

109,776,518

109,776,518

As at 31 March 2016

122,695,484

122,695,484

Trade Payables\*

\* For dues to micro and small enterprises, refer note 34

**9 Other current liabilities**

As at 31 March 2017

36,456,444

750,100

16,096,300

1,350,084

Current maturity of long term debt (refer note 5)

Interest accrued but not due on borrowings

Advances from customers

Capital creditors

Other payables

- Employee benefit payable

- Statutory dues

3,462,522

6,511,874

64,627,324

As at 31 March 2016

36,456,000

1,372,997

62,760,731

22,001,399

3,233,123

8,005,158

133,829,408**10 Short-term provisions**

As at 31 March 2017

194,352

201,839

1,137,937

1,534,128

As at 31 March 2016

116,297

253,897

5,917,337

6,287,521**Provision for employee benefits (refer to note 30)**

Provision for gratuity

Provision for compensated absences

**Other provisions**

Provision for income tax (net of advance income tax Rs. 37,634,622, previous year Rs. 3,032,670)

**Total**

Note 11. Fixed Assets as at 31 March 2017

Particulars	Gross Block			Accumulated depreciation / amortisation			Net block	
	Balance as at 1 April 2016	Additions during the year	Disposal during the year	Balance as at 31 March 2017	Depreciation / amortisation expenses during the year	Eliminated on disposal of assets	Balance as at 31 March 2017	Balance as at 31 March 2016
<b>Tangible</b>								
Leasehold land	14,000,000	2,782,182	-	16,782,182	-	-	16,782,182	14,000,000
Freehold land	99,450,000	-	-	99,450,000	-	-	99,450,000	99,450,000
Building	191,336,594	-	-	191,336,594	6,380,953	-	164,404,188	170,785,141
Office Equipment	4,203,972	645,901	(279,751)	4,570,122	962,443	(251,725)	2,789,035	2,125,655
Computers	5,711,171	824,472	(117,524)	6,418,119	708,738	(111,647)	1,381,617	1,271,760
Furniture and Fixtures	2,531,389	289,477	(99,934)	2,740,932	452,498	(56,954)	1,595,085	1,801,086
Plant and machinery *	376,084,353	9,790,314	(1,507,345)	384,367,322	65,021,092	(1,048,524)	223,407,592	216,649,329
Vehicle	5,334,615	1,424,385	-	6,759,000	823,720	-	3,336,730	2,736,065
Dies & Tools	37,013,626	-	(107,340)	36,906,286	5,799,337	(90,700)	8,980,421	14,796,398
<b>Total tangible assets</b>	<b>735,685,720</b>	<b>15,756,731</b>	<b>(2,111,894)</b>	<b>749,330,557</b>	<b>80,148,781</b>	<b>(1,559,550)</b>	<b>290,659,517</b>	<b>523,615,434</b>
<b>Intangible</b>								
Software	3,858,036	1,366,452	(42,732)	5,181,756	726,283	(37,297)	2,855,114	1,691,908
Technical Knowhow	22,651,151	-	-	22,651,151	3,145,164	-	14,886,622	10,909,693
<b>Total intangible assets</b>	<b>26,509,187</b>	<b>1,366,452</b>	<b>(42,732)</b>	<b>27,832,907</b>	<b>3,871,447</b>	<b>(37,297)</b>	<b>17,741,736</b>	<b>12,601,601</b>

Fixed Assets as at 31 March 2016:

Particulars	Gross Block			Accumulated depreciation / amortisation			Net block	
	Balance as at 1 April 2015	Additions during the year	Disposal during the year	Balance as at 31 March 2016	Depreciation / amortisation expenses during the year	Eliminated on disposal of assets	Balance as at 31 March 2016	Balance as at 31 March 2015
<b>Tangible</b>								
Leasehold land	14,000,000	-	-	14,000,000	-	-	14,000,000	14,000,000
Freehold land	99,450,000	-	-	99,450,000	-	-	99,450,000	99,450,000
Building	191,336,594	-	-	191,336,594	6,380,953	-	170,785,141	177,166,094
Office Equipment	3,848,936	532,456	(177,420)	4,203,972	1,059,099	(116,708)	2,078,317	2,713,010
Computers	5,000,896	746,302	(36,027)	5,711,171	943,632	(34,225)	4,439,411	1,470,892
Furniture and Fixtures	2,521,297	126,050	(95,958)	2,551,389	257,674	(31,789)	750,303	1,996,879
Plant and machinery *	293,440,342	83,950,520	(1,306,509)	376,084,353	58,329,731	(372,341)	159,435,024	191,962,708
Vehicle	5,334,615	-	-	5,334,615	729,484	-	2,736,065	3,465,549
Dies & Tools	32,618,414	4,587,175	(191,963)	37,013,626	6,869,535	(145,836)	22,217,228	17,124,885
<b>Total tangible assets</b>	<b>647,551,094</b>	<b>89,942,503</b>	<b>(1,807,877)</b>	<b>735,685,720</b>	<b>74,570,108</b>	<b>(700,899)</b>	<b>212,070,286</b>	<b>509,350,017</b>
<b>Intangible</b>								
Software	3,728,607	129,429	-	3,858,036	627,953	-	2,166,128	2,190,432
Technical Knowhow	21,983,729	667,422	-	22,651,151	3,346,918	-	11,741,458	13,589,189
<b>Total intangible assets</b>	<b>25,712,336</b>	<b>796,851</b>	<b>-</b>	<b>26,509,187</b>	<b>3,974,871</b>	<b>-</b>	<b>13,907,586</b>	<b>15,779,621</b>

\* Additions to plant and machinery includes foreign exchange fluctuation capitalised during the year amounting to Nil (previous year Rs. 1,677,489).



**Minda Kyoraku Limited**
**Notes to the financial statements for the year ended 31 March 2017**
**(All amounts are in India Rupees, unless otherwise stated)**
**12 Deferred tax asset (net)**
**As at 31 March 2017**
**As at 31 March 2016**
**Deferred tax liabilities on**

Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/amortisation provided in accounts

5,812,134

11,172,202

**Total deferred tax liabilities**

5,812,134

11,172,202

**Deferred tax assets on**

Provision for employee benefits

5,609,754

3,541,054

Provision for bonus payable

776,665

739,418

Provision for doubtful debts

164,272

491,625

Brought forward losses and unabsorbed depreciation

16,279,536

**Total deferred tax assets**

6,550,691

21,051,633

**Net deferred tax asset/ (liability) recognised in the financial statements**

738,557

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

**13 Long-term loans and advances**
*(Unsecured, considered good unless otherwise stated)*
**As at 31 March 2017**
**As at 31 March 2016**
**To parties other than related parties**

Capital advances

622,955

Security deposits

3,836,663

3,160,693

Advance tax and tax deducted at source

1,193,750

MAT credit entitlement

893,958

8,950,000

**Total**

4,730,621

13,927,398

**14 Other non-current assets**
*(Unsecured, considered good unless otherwise stated)*
**As at 31 March 2017**
**As at 31 March 2016**

Bank deposits\* (due to mature after 12 months from the reporting date) (refer note 17)

2,648,815

2,951,279

Interest accrued on deposits

1,122,152

798,721

3,770,967

3,750,000

\* Bank deposits amounting to Rs. 2,648,815 (previous year Rs. 2,951,279) is under lien with banks.

**15 Inventories**
*(Valued at the lower of cost and net realisable value)*
**As at 31 March 2017**
**As at 31 March 2016**

Raw materials [Goods in transit Rs. 766,325 (previous year Rs. 2,380,228)]

70,898,456

77,781,355

Work in progress

5,914,481

7,409,264

Finished goods [Goods in transit Rs. 5,860,713 (previous year Rs. 311,633)]

8,907,313

8,257,816

Stores and spares

7,452,144

5,197,193

Loose tools

6,626,621

25,388,260

99,799,015

124,033,888

**(a) Details of inventory**
**(i) Finished goods:**
**As at 31 March 2017**
**As at 31 March 2016**

Spoiler

4,819,384

2,555,391

Duct

1,971,097

2,672,744

EA PAD

890,172

3,029,681

Others

1,226,660

8,257,816

**Total**

8,907,313

**(ii) Work in progress**
**As at 31 March 2017**
**As at 31 March 2016**

Spoiler

4,119,849

5,835,383

Others

1,794,632

1,573,881

**Total**

5,914,481

7,409,264

**(iii) Raw material**
**As at 31 March 2017**
**As at 31 March 2016**

Tools

34,331,194

28,026,453

Nut Bolt insert/Seal/Bought out part

18,496,840

23,249,268

High Density Poly Ethylene

7,230,959

13,301,946

Acrylic Butadile Styrene

7,058,073

4,277,620

Others

3,781,390

8,926,068

**Total**

70,898,456

77,781,355



**Minda Kyoraku Limited**

Notes to the financial statements for the year ended 31 March 2017

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

	As at 31 March 2017	As at 31 March 2016
<b>16 Trade receivables</b>		
Trade receivables outstanding for period exceeding six months from the date they are due for payment		
(a) Unsecured, considered good	179,686	317,799
(b) Doubtful	179,686	317,799
Less: Provision for doubtful receivable		
Other receivables		
(a) Unsecured, considered good	122,917,926	204,353,403
(b) Doubtful	40,553	1,273,218
Less: Provision for doubtful receivables	40,553	1,273,218
	122,917,926	204,353,403
<b>Total</b>	<b>122,917,926</b>	<b>204,353,403</b>
<b>17 Cash and bank balances</b>		
Cash and cash equivalents		
Cash on hand	80,635	270,147
Balances with banks		
On current accounts	7,425,180	5,164,556
Deposit accounts (with original maturity of 3 months or less)	19,800,000	
	27,305,815	5,434,703
Other bank balances		
Bank deposits (due for realisation within 12 months of the reporting date)	460,428	1,533,257
	460,428	1,533,257
<b>Total</b>	<b>27,766,243</b>	<b>6,967,960</b>
<b>Details of bank balances/deposits</b>		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalent'	19,800,000	
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	460,428	1,533,257
Bank deposits due to mature after 12 months of the reporting date included under 'Other non current assets' (refer note 14)	2,648,815	2,951,279
<b>18 Short-term loans and advances</b>		
(Unsecured, considered good unless otherwise stated)		
<b>To parties other than related parties</b>		
Security deposits	260,845	260,845
Prepaid expenses	663,684	839,784
Advance to suppliers	10,749,903	19,228,233
Doubtful loans and advances	254,425	95,141
Provision for bad/doubtful loans and advances	(254,425)	(95,141)
<b>Others</b>		
- Advance recoverable from employees	1,150,693	576,680
- Balance with government authorities	13,023,753	17,339,328
- Capital advances	1,473,927	
<b>To related parties</b>		
Recoverable from Minda Industries Limited on account of employee benefits		508,042
	27,322,805	38,752,912
<b>19 Other current assets</b>		
(Unsecured, considered good unless otherwise stated)		
Interest accrued on deposits	13,803	37,251
Silver Coins	14,141	12,012
<b>Total</b>	<b>27,944</b>	<b>49,263</b>



**Minda Kyoraku Limited**  
**Notes to the financial statements for the year ended 31 March 2017**  
**(All amounts are in India Rupees, unless otherwise stated)**

**20 Revenue from operations**

	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of products (gross)	1,441,540,359	1,035,193,690
Finished goods	<u>1,441,540,359</u>	<u>1,035,193,690</u>
Less: Excise duty	174,486,299	120,005,572
<b>Total sale of products (net)</b>	<u>1,267,054,060</u>	<u>915,188,118</u>
Sale of services	5,393,740	458,772
<b>Other operating revenue</b>	11,237,255	4,455,877
Development cost recovery	2,999,069	1,306,595
Sale of scrap	<u>14,236,324</u>	<u>5,762,472</u>
<b>Total other operating income</b>	<u>1,286,684,124</u>	<u>921,409,362</u>
<b>Revenue from operations</b>		
<b>Details of sales (Finished goods):</b>		
Spoiler	573,293,993	426,359,583
Duct	313,956,112	220,235,862
Tools & Dies	121,136,172	7,616,869
Cistern Tank	118,191,912	49,315,396
Others	140,475,871	211,660,408
<b>Total</b>	<u>1,267,054,060</u>	<u>915,188,118</u>

**21 Other income**

	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest income on bank deposits	661,628	1,266,554
Liabilities no longer required written back	<u>1,587,710</u>	<u>87,617</u>
	<u>2,249,338</u>	<u>1,354,171</u>

**22 Cost of materials consumed (refer notes 36 and 37)**

	For the year ended 31 March 2017	For the year ended 31 March 2016
Raw materials consumed (including packing materials)	77,781,355	32,739,016
Inventory at the beginning of the year	630,748,567	512,655,340
Add : Purchases during the year	70,898,456	77,781,355
Less : Inventory at the end of the year	<u>637,631,466</u>	<u>467,613,001</u>
<b>Cost of raw materials consumed</b>		

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

	For the year ended 31 March 2017	For the year ended 31 March 2016
Stock at the beginning of the period:		
Finished goods	8,257,816	3,315,183
Work in progress	<u>7,409,264</u>	<u>4,313,319</u>
	<u>15,667,080</u>	<u>7,628,502</u>
Stock at the end of the year:		
Finished goods	8,907,313	8,257,816
Work in progress	<u>5,914,481</u>	<u>7,409,264</u>
	<u>14,821,794</u>	<u>15,667,080</u>
<b>Decrease / (Increase) in stock</b>	<u>845,286</u>	<u>(8,038,578)</u>

**24 Employee benefits**

	For the year ended 31 March 2017	For the year ended 31 March 2016
Salaries, wages and bonus	130,836,665	103,347,585
Contribution to provident and other funds	7,272,306	5,788,015
Employee stock option expenses (refer note 42)	666,674	-
Gratuity (refer note 30)	2,724,166	2,779,323
Staff welfare expenses	<u>14,453,606</u>	<u>13,711,386</u>
	<u>155,953,417</u>	<u>125,626,309</u>



**Minda Kyoraku Limited**
**Notes to the financial statements for the year ended 31 March 2017**
**(All amounts are in India Rupees, unless otherwise stated)**
**25 Finance costs**

	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest expense on borrowings	17,522,646	21,496,221
Other charges	537,323	451,427
Interest on income tax	566,795	
<b>Total</b>	<b>18,626,764</b>	<b>21,947,648</b>

**26 Depreciation and amortisation**

	For the year ended 31 March 2017	For the year ended 31 March 2016
Depreciation on tangible assets	80,148,781	74,570,108
Amortisation on intangible assets	3,871,447	3,974,871
	<b>84,020,228</b>	<b>78,544,979</b>

**27 Other expenses**

	For the year ended 31 March 2017	For the year ended 31 March 2016
Consumption of stores and spare parts (refer note 36)	66,571,435	37,668,569
Job work-charges	5,953,195	4,046,879
Power and fuel	66,280,599	55,356,319
Rent (refer note 32)	723,600	723,892
Repairs		6,483,195
Building	4,553,915	15,375,256
Plant and Machinery	20,949,043	908,584
Others	745,193	429,910
Insurance	562,567	4,134,530
Testing charges	835,280	747,409
Rates and taxes	1,057,786	13,992,084
Travelling	14,178,431	967,000
Payment to auditors*	967,000	637,803
Foreign exchange loss (net of foreign exchange gain Rs. 2,493,695, previous year Rs. 7,936,430)	9,132	1,225,753
Provision for bad debts		6,147,939
Legal and professional charges	8,301,547	1,439,009
Printing and stationery	1,961,322	2,227,699
Security expenses	2,750,025	1,617,815
Communication expenses	1,643,104	
Provision for doubtful advances	225,252	
Wealth tax		3,184,784
Sales promotion expenses	3,094,986	13,272,364
Packing and forwarding expenses	15,465,169	19,332
Loss on disposal of fixed assets	344,259	3,019,773
Royalty	6,800,593	3,137,916
SAP License fee and Other Charges	3,464,235	12,219,272
Shared Services- Management and Administration	15,866,940	5,414,862
Miscellaneous expenses	9,043,378	194,397,948
<b>Total</b>	<b>252,347,986</b>	

**\*Payment to the auditors (excluding service tax)**

Statutory audit	900,000	900,000
Reimbursement of expenses	67,000	67,000
	<b>967,000</b>	<b>967,000</b>

**28 Earnings per share**

	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit as per Statement of Profit and Loss	102,368,272	42,672,226
Weighted average number of equity shares of Rs.10 each at the period end for calculation of Basic/Diluted EPS	41,237,000	41,237,000
Basic/Diluted earning/loss per share (In Rupees) (Face value Rs 10 per share)	<b>2.48</b>	<b>1.03</b>



## 29 Capital and other commitments (net of advances)

Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account amounts to Rs. 1,902,285 (previous year Rs. 694,268).

## (a) Employee benefits

## (a) Defined contribution plan

An amount of Rs 6,471,164 (Previous year: Rs. 5,108,428) for the year, has been recognized as an expense in respect of the Company's contribution towards Provident Fund and an amount of Rs. 801,142 (Previous year: Rs. 679,587) for the year, has been recognized as an expense in respect of the Company's contribution towards Employee state insurance contribution, deposited with the government authorities and has been included under employee benefit expense in the Statement of Profit and Loss.

## (b) Defined benefit plans

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

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

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

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>I. Changes in present value of defined benefit obligation:</b>		
Present value of obligation as at the beginning of the year	6,880,779	4,866,232
Interest cost	550,070	379,566
Acquisition Adjustment	373,367	508,042
Current service cost	2,045,536	1,536,774
Benefit paid	(66,050)	(1,272,818)
Actuarial (gain)/loss on obligation	128,560	862,983
<b>Present value of obligation as at the end of the year</b>	<b>9,912,262</b>	<b>6,880,779</b>
- Long term	9,717,910	6,764,482
- Short term	194,352	116,297
	9,912,262	6,880,779
<b>II. Change in the fair value of plan assets:</b>		
The scheme does not have any assets at the valuation date to meet the gratuity liability.		
<b>III. Actuarial gain/loss recognized</b>		
	For the year ended 31 March 2017	For the year ended 31 March 2016
Actuarial gain/(loss) for the year - obligation	(128,560)	(862,983)
Actuarial (gain)/loss for the year - plan assets	-	-
<b>Total (gain)/loss for the year</b>	<b>128,560</b>	<b>862,983</b>
Actuarial (gain)/loss recognized in the year	128,560	862,983
Unrecognized (gain)/loss at the end of the year	-	-
<b>IV. Amount recognized in the balance sheet:</b>		
	For the year ended 31 March 2017	For the year ended 31 March 2016
Present value of obligation as at the end of the year	9,912,262	6,880,779
Fair value of plan assets at the end of the year	-	-
Funded status of the plan - (liability)	(9,912,262)	(6,880,779)
<b>Net (liability) recognized in the Balance Sheet</b>	<b>(9,912,262)</b>	<b>(6,880,779)</b>
<b>V. Expense recognized in the Statement of Profit and Loss:</b>		
	For the year ended 31 March 2017	For the year ended 31 March 2016
Current service cost	2,045,536	1,536,774
Interest cost	550,070	379,566
Expected return on plan assets	-	-
<b>Net actuarial (gain)/ loss recognized in the period</b>	<b>128,560</b>	<b>862,983</b>
Adjustment on account of transfer of employee	-	-
<b>Expense recognized in the Statement of Profit and Loss</b>	<b>2,724,166</b>	<b>2,779,323</b>

## VI. Experience adjustments

Particulars	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Experience adjustments	739,053	(1,064,643)	626,939	258,179	(418,026)

### Other long term benefits:

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

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>I. Changes in present value of defined benefit obligation:</b>		
Present value of obligation as at the beginning of the year	4,578,944	4,175,619
Acquisition adjustment	194,151	-
Interest cost	366,054	325,698
Current service cost	1,689,200	1,508,191
Benefit paid	(955,991)	(1,557,558)
Actuarial (gain)/loss on obligation	424,795	126,994
Present value of obligation as at the end of the year	6,297,153	4,578,944
-Long term	6,095,314	4,325,047
-Short term	201,839	253,897
	6,297,153	4,578,944
<b>II. Change in the fair value of plan assets:</b>		
The scheme does not have any assets at the valuation date to meet the Leave encashment liability		
<b>III. Actuarial gain/loss recognized:</b>		
	For the year ended 31 March 2017	For the year ended 31 March 2016
Actuarial gain/(loss) for the year-obligation	(424,795)	(126,994)
Actuarial (gain)/loss for the year – Plan assets	-	-
Total (gain)/loss for the year	424,795	126,994
Actuarial (gain)/loss recognized in the year	424,795	126,994
Unrecognized (gain)/loss at the end of the year	-	-
<b>IV. Amount recognized in the balance sheet:</b>		
	For the year ended 31 March 2017	For the year ended 31 March 2016
Present value of obligation as at the end of the year	6,297,153	4,578,944
Fair value of plan assets at the end of the year	-	-
Funded status of the plan – (liability)	(6,297,153)	(4,578,944)
Net (liability) recognized in the Balance Sheet	(6,297,153)	(4,578,944)
<b>V. Expense recognized in the Statement of Profit and Loss:</b>		
	For the year ended 31 March 2017	For the year ended 31 March 2016
Current service cost	1,689,200	1,508,191
Interest cost	366,054	325,698
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the period	424,795	126,994
Expense recognized in the Statement of Profit and Loss	2,480,049	1,960,883

### Experience adjustments:

Particulars	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Experience Adjustments	(108,431)	(549,990)	(304,101)	(41,165)	(417,412)

(viii) Principal actuarial assumptions at the balance sheet date are as follows:

#### A. Economic Assumptions

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

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Discounting Rate	7.45% p.a.	8.00% p.a.
Salary Escalation Rate (per annum)	8.00% p.a.	8.00% p.a.

#### B. Demographic Assumptions

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
i) Retirement age	58	58
ii) Mortality Table	IALM (2006-08)	IALM (2006-08)
iii) Ages	Withdrawal rate (%)	Withdrawal rate (%)
Up to 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

### 31 Related Party Disclosure

#### (i) Related parties where control exists:

Holding Company:

Minda Industries Limited

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

Joint Venture Partners

Nagase & Co. Limited  
Kyoraku Co. Limited  
Chiyoda Manufacturing Corporation  
Minda Distribution & Services Ltd

Entities over key managerial personnel exercise significant influence

Nitesh Minda, Chairman and Managing Director ('CMD')  
Lalit K. Jangir (Chief Financial Officer)  
Avnish Dhingra (Company Secretary)

#### (iii) Transaction with related parties:

Transactions with related parties	Holding Company	Joint Venture	Entities over key	Key management
Purchase of goods	57,628,777 (49,767,726)	7,200,758 (4,755,027)	-	-
Sale of goods	-	-	474,975	-
Purchase of tangible fixed assets	-	2,333,960 (56,967,550)	-	-
Purchase of intangible fixed assets	-	-	-	-
Legal & Professional expenses	-	3,359,110 (3,648,722)	-	-
Shared Services- Management & Administration	15,866,940 (12,219,272)	-	-	-
SAP License fee	3,464,235 (3,137,916)	-	-	-
Rent	723,600 (723,892)	-	-	-
Royalty	-	6,800,593 (2,515,617)	-	-
Expenses recovered	679,808	-	-	-
Managerial Remuneration	-	-	-	9,234,943 (7,851,009)
Payable	10,672,602 (10,548,358)	4,084,084 (25,265,435)	-	-
Advances	-	3,448,211	-	-

#### (iv) Details of related parties with whom transactions exceed 10% of the class of transactions:

Nature of transaction	Related Party	For the year ended 31 March 2017	For the year ended 31 March 2016
Purchase of goods	Minda Industries Limited	57,628,777	49,767,726
Purchase of goods	Kyoraku Co. Limited	7,200,758	4,755,027
Sales of goods	Minda Distribution Sales Ltd.	474,975	-
Purchase of tangible fixed assets	Nagase & Co. Limited	2,333,960	55,069,477
Legal and professional expenses	Kyoraku Co. Limited	3,239,565	3,503,970
Legal and professional expenses	Nagase & Co. Limited	59,898	-
Legal and professional expenses	Chiyoda Manufacturing Corporation	59,647	-
Shared Services- Management & Administration	Minda Industries Limited	15,866,940	12,219,272
SAP License fee	Minda Industries Limited	3,464,235	3,137,916
Rent	Minda Industries Limited	723,600	723,892
Royalty	Kyoraku Co. Limited	6,800,593	2,515,617
Managerial Remuneration	Nitesh Minda	6,952,032	5,972,804
Managerial Remuneration	Lalit K. Jangir	1,872,423	1,608,411
Managerial Remuneration	Avnish Dhingra	410,488	269,794

Balance as at year end	Related Party	For the year ended 31 March 2017	For the year ended 31 March 2016
Payable	Minda Industries Limited	10,672,602	10,548,358
Payable	Kyoraku Co. Limited	4,084,084	5,768,299
Payable	Nagase & Co. Limited	-	19,497,136
Payable	MI Torika India Limited	-	-
Advances	Kyoraku Co. Ltd	3,448,211	-



**32 Leases**

The Company has taken offices on cancellable operating leases. The lease rentals recognised in the Statement of Profit and Loss for the year are Rs. 723,600 (previous year Rs. 723,892).

**33 Segment information**

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

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

35

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	Amount in foreign currency	Amount (Rupees)	Amount in foreign currency	Amount (Rupees)
<b>Trade payables:</b>				
USD	8,994	591,334	341,331	22,947,682
JPY	93,599	55,351	2,324,979	1,402,195
EUR	2,330	178,152	2,424	185,018
<b>Advance to suppliers:</b>				
EUR	-	-	21,840	1,610,045
USD	10,101	660,566	204,666	13,387,170
CHF	30,940	2,099,439	29,668	1,998,733
JPY	5,805,000	3,448,211	-	-
<b>Shor term borrowing</b>				
USD	-	-	421,955	28,368,035

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

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Value	% of total	Value	% of total
<b>Raw Material</b>				
- Imported	96,622,518	15.15%	72,202,327	15.44%
- Indigenous	541,008,948	84.85%	395,410,674	84.56%
<b>Total</b>	<b>637,631,466</b>	<b>100.00%</b>	<b>467,613,001</b>	<b>100.00%</b>
<b>Store and spare parts</b>				
- Imported	2,165,989	3.25%	1,290,705	3.43%
- Indigenous	64,405,445	96.75%	36,377,864	96.57%
<b>Total</b>	<b>66,571,434</b>	<b>100.00%</b>	<b>37,668,569</b>	<b>100.00%</b>

**37 Details of raw materials consumed:**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Nut Bolt insert/Seal/Bought out part	351,614,659	239,809,507
High density poly ethylene	89,786,146	90,582,646
Acrylic Butadile styrene	82,856,481	46,721,359
Tools and Dies	44,844,402	20,315,664
Others	68,529,778	70,183,825
<b>Total</b>	<b>637,631,466</b>	<b>467,613,001</b>

**38 Value of imports on CIF basis**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Raw materials	127,251,091	96,995,831
Capital Goods	2,333,960	62,601,380
Stores and spares	9,083,454	658,998
<b>Total</b>	<b>138,668,505</b>	<b>160,256,209</b>



### 39 Expenditure in foreign currency

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Technical know-how	-	1,740,040
Tool Modification Exp.	2,590,961	-
Travelling	1,585,922	1,889,942
Legal and professional	2,711,638	3,475,397
<b>Total</b>	<b>6,888,521</b>	<b>7,105,379</b>

### 40 Contingent Liabilities

Particulars	As at 31 March 2017	As at 31 March 2016
Bank Guarantee given to supplier	800,000	-
Claims against the company not acknowledged as debts - Sales tax	-	623,382

- 41 The Company has established a comprehensive system of maintenance of information and documents are required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

### 42 Share-based compensation

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 30,000 options to certain eligible employees 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.

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

Scheme	Year	Date of Grant	Number of options granted	Vesting conditions	Exercise period	Exercise price (INR) per share
Minda Employee Stock Option Scheme 2016	2016-17	23-Nov-16	30,000	Achieving target of market capitalisation.	1 Year from the date of vesting	180

The number and weighted average exercise prices of share options under employee stock benefit plan is as follows:

Scheme	Descriptions	Year	Outstanding at the beginning of the year	Granted during the year	Forfeited/ Expired during the year	Exercised during the year	Outstanding at the end of the year
Minda Employee Stock Option Scheme 2016	Number of Shares Options	2016-17	-	30,000	-	-	30,000
Minda Employee Stock Option Scheme	Weighted average exercise	2016-17	-	180	-	-	180

The options outstanding at 31 March have an exercise price and a weighted average contractual life as given below:

31-Mar-17		
Number of outstanding share options	Range of exercise price	Weighted average remaining life
180	180	1.35 years

The parent company has adopted the intrinsic value method as permitted by 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

Particulars	For the year ended 31 March 2017
Net profit after tax for the year	102,368,272
Add: employee compensation expenses as per intrinsic value method	-
Less: employee compensation expenses as per fair value method	776,429
Adjusted proforma net profit after tax for the year	101,591,843
<b>Basic Earnings Per Share (EPS)</b>	
Weighted average number of equity shares	41,237,000
Basic EPS as reported (in Rs.)	2.48
Proforma Basic EPS (in Rs.)	2.46
<b>Diluted Earnings Per Share (EPS)</b>	
Weighted average number of equity shares (including dilutive ESOP shares)	41,237,000
Diluted EPS as reported (in Rs.)	2.48
Proforma Diluted EPS (in Rs.)	2.46



The following assumptions were used for calculation of fair value of grants as at 31 March 2017:

Particulars	As at 31 March 2017
Share Price based on valuation carried out by an independent valuer	265.10
Exercise price	180
Risk-free interest rate (%)	6.13%
Expected life of options (years)	1.85 Year
Expected volatility (%)	43.62%
Dividend yield	4.61%

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:

Particulars	As at 31 March 2017
Expense arising from employee share-based payment plan	666,674

#### 43 Disclosure on specified bank notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other	Total
Closing cash in hand as on 08 November 2016	234,000	59,712	293,712
Add: Permitted receipts	133,500	449,964	583,464
Less: Permitted payments	(3,500)	(406,197)	(409,697)
Less: Amount deposited in Banks	(364,000)	-	(364,000)
Closing cash in hand as on 30 December 2016	-	103,479	103,479

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

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

For BSR & Co. LLP

Chartered Accountants

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

Rajiv Goyal

Partner

Membership No.: 094549

Place : Gurugram

Date: 13 May 2017

For and on behalf of the Board of Directors

Minda Kyoraku Limited

Nitesh K. Minda

Managing Director

DIN No. 00408023

Place : Gurugram

Date: 13 May 2017

Lalit K. Jangir

Chief Financial Officer

Place : Gurugram

Date: 13 May 2017

Shuetsu Oku

Director

DIN No. 05145404

Place : Gurugram

Date: 13 May 2017

Avnish Dhangra

Company Secretary

Place : Gurugram

Date: 13 May 2017