

Minda Storage Batteries Private Limited

Statutory Audit for the year ended

31 March 2018

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Minda Storage Batteries Private Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Minda Storage Batteries Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.



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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 2018, its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.



- e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the 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.
 - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since, they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed- refer note 11 to the Ind AS financial statements.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022



Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram
Date: 14 May 2018

Annexure A referred to in our Independent Auditor's Report to the Members of Minda Storage Batteries Private Limited on the Ind AS financial statements for the year ended 31 March 2018

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment and other intangible assets).
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this program, certain fixed assets were verified during the 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 observed on such verification.
- (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 yet to be registered in the name of the Company.
- (ii) According to the information and explanations given to us, the inventories have been physically verified by the management during the year at reasonable intervals. In our opinion, the frequency of such verification is reasonable. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Company has granted loans to two companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (b) In respect of loans granted, the repayment of the principal amount is as stipulated and payment of interest has been regular.
- (c) There are no amounts of loans granted to companies listed in the register maintained under section 189 of the Companies Act, 2013 which are outstanding for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to entities in which directors are interested have been complied with by the Company, to the extent applicable. According to the information and explanations given to us, the Company has not made any investments, or provided any guarantee, or security as specified under Section 185 and 186 of the Companies Act 2013.
- (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, Goods and Service Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Service Tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax, Cess and other material statutory dues, to the extent applicable, were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks. 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 any money by way of initial public offer or further public offer (including debt instrument) or term loans during the period. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or 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 based on our examination of the records of the Company, the provisions of Section 197 read with Schedule V of the Companies Act, 2013 have been complied with.
- (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, all 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 Ind AS 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. Accordingly, paragraph 3(xiv) of the Order is not applicable.



- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For BSR & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022



Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram
Date : 14 May 2018

Annexure B to the Independent Auditor's Report of even date on the Ind AS financial statements of Minda Storage Batteries Private Limited for the year ended 31 March 2018

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

We have audited the internal financial controls with reference to financial statements of Minda Storage Batteries Private Limited, ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on 'Audit of Internal Financial Controls over Financial Reporting' issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial statements and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control over financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022



Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram

Date: 14 May 2018

Minda Storage Batteries Private Limited
Balance Sheet as at 31 March 2018
 (All amounts in ₹ lakhs, unless otherwise stated)
CIN: U35900DL2011PTC228383

	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	11,693.3	34.9	39.0
Capital work-in-progress	4	54.9	9,864.2	9,062.6
Goodwill		549.5	-	-
Other intangible assets	4	5.6	0.8	1.2
Financial assets				
(i) Loans	5	60.3	1,862.5	25.6
(ii) Other financial assets	6	179.3	179.3	179.3
Deferred tax assets (net)	7	-	-	-
Other non-current assets	8	-	312.3	4.9
Total non-current assets		12,542.9	12,254.0	9,312.6
Current assets				
Inventories	9	953.5	256.9	512.9
Financial assets				
(i) Trade receivables	10	440.1	2.0	-
(ii) Cash and cash equivalents	11	64.9	147.5	3,716.6
(iii) Loans	12	2,210.2	3,761.6	-
(iv) Other financial assets	13	40.1	23.9	9.5
Other current assets	14	461.9	144.3	25.0
Total current assets		4,170.7	4,336.2	4,264.0
Total assets		16,713.6	16,590.2	13,576.6
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	18,860.0	18,860.0	9,600.0
Other equity		(4,294.6)	(3,702.5)	(1,888.7)
Total equity		14,565.4	15,157.5	7,711.3
Liabilities				
Non-current liabilities				
Provisions	16	153.7	-	-
Government grants	17	914.2	979.5	979.5
Total non-current liabilities		1,067.9	979.5	979.5
Current liabilities				
Financial liabilities				
(i) Borrowings	18	375.6	-	-
(ii) Trade payables	19	-	-	-
(a) total outstanding dues of micro and small enterprises		-	-	-
(b) total outstanding dues of creditors other than micro and small enterprises		486.1	388.5	367.0
(iii) Other financial liabilities	20	37.6	0.3	4,336.8
Other current liabilities	21	11.1	2.2	179.5
Provisions	22	72.6	-	-
Government grants	17	65.3	-	-
Current tax liabilities (net)	23	32.0	62.2	2.5
Total current liabilities		1,080.3	453.2	4,885.8
Total equity and liabilities		16,713.6	16,590.2	13,576.6

Significant accounting policies 3
 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
 Firm Registration No: 101248W/W-100022

Tarun Gupta
 Partner
 Membership No. : 507892

Place : Gurugram
 Date : 14/05/2018

For and on behalf of the Board of Directors of
Minda Storage Batteries Private Limited

Sudhir Jain
 Director
 DIN No. 00010445
 Place: New Delhi
 Date: 14/05/2018
Rajesh Tiwari
 Company secretary
 Membership No. : 30566
 Place: New Delhi
 Date: 14/05/2018

Sanjay Jain
 Director
 DIN No. 03364405
 Place: New Delhi
 Date: 14/05/2018
Shyam Sunder Wadhwa
 Chief Financial Officer
 Place: New Delhi
 Date: 14/05/2018

Minda Storage Batteries Private Limited
Statement of Profit and Loss for the year ended 31 March 2018
(All amounts in ₹ lakhs, unless otherwise stated)
CIN: 035900DL2011PTC228383

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from operations	24	6,703.6	163.1
Other income	25	207.4	226.0
Total Income		6,911.0	389.1
Expenses			
Cost of materials consumed	26	5,525.0	492.1
Changes in inventories of finished goods and work-in-progress	27	(461.6)	-
Excise duty	24	82.3	19.3
Employee benefit expenses	28	780.1	276.8
Finance costs	29	78.1	1.3
Depreciation and amortization	30	433.7	4.5
Other expenses	31	1,066.9	1,330.3
Total expenses		7,504.5	2,124.3
Loss before tax		(593.5)	(1,735.2)
Tax expense:			
Current tax		-	78.6
Deferred tax		-	-
Loss for the year		(593.5)	(1,813.8)
Other comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements gains/(losses) on defined benefit plans		1.4	-
Income tax effect		-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		1.4	-
Total comprehensive income for the year		(592.1)	(1,813.8)
Basic and diluted earnings per share (in ₹)	32		
(Face value of ₹ 10 per share)		(0.31)	(1.12)

Significant accounting policies 3
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
Firm Registration No: 101248W/W-100022


Tarun Gupta
Partner
Membership No. : 507892


Place : Gurugram
Date : 14/05/2018

For and on behalf of the Board of Directors of
Minda Storage Batteries Private Limited


Sudhir Jain
Director
DIN No. 00010445
Place: New Delhi
Date: 14/05/2018

Rajesh Tiwari
Company secretary
Membership No. : 30566
Place: New Delhi
Date: 14/05/2018


Sanjay Jain
Director
DIN No. 03364405
Place: New Delhi
Date: 14/05/2018


Shyam Sunder Wadhwa
Chief Financial Officer
Place: New Delhi
Date: 14/05/2018

Minda Storage Batteries Private Limited
Cash Flow Statement for the year ended 31 March 2018
 (All amounts in ₹ lakhs, unless otherwise stated)
 CIN: 035900BL2011PTC228383

A. Cash flows from operating activities :

Loss before tax
 Adjustments for:
 Depreciation and amortisation
 Provision for gratuity considered in other comprehensive income
 Finance costs
 Interest income on deposits
 Interest income on loan
 Exchange loss on foreign currency fluctuations (net)
 Property, plant and equipment scrapped/ written off

For the year ended
31 March 2018

For the year ended
31 March 2017

(593.5)	(1,735.2)
433.7	4.5
1.4	-
78.1	1.3
(15.9)	(14.5)
(190.9)	(184.8)
1.3	-
35.0	-
342.7	(193.5)
(250.8)	(1,928.7)
(27.9)	(6.8)
(696.6)	256.0
(439.6)	(2.0)
(2.9)	(2.0)
(317.6)	(119.3)
97.8	21.2
8.9	(177.3)
37.3	0.2
226.2	-
(1,114.4)	(30.0)
(1,365.1)	(1,958.7)
(30.2)	(18.8)
(1,395.4)	(1,977.5)

Operating profit before working capital changes
 Adjustments for working capital changes:
 (Increase) in loans
 (Increase)/ decrease in inventories
 (Increase) in trade receivables
 (Increase) in other financial assets
 (Increase) in other current assets
 Increase in trade payables
 Increase/(decrease) in other current liabilities
 Increase in other financial liabilities
 Increase in provisions

Cash generated from operations

Income tax paid

Net Cash used in operating activities (A)

B. Cash flows from investing activities

Purchase of property, plant and equipment and other intangible assets
 Purchase of goodwill
 Loans to related parties
 Investment in bank deposits- other financial assets
 Loans repaid by related parties
 Interest received on deposits
 Interest received on loan to related parties
 Net cash from (used in) investing activities (B)

(2,010.3)	(1,829.9)
(549.5)	-
-	(5,591.5)
-	-
3,381.6	-
2.6	2.1
190.9	185.2
1,015.3	(7,234.1)

C. Cash flows from financing activities

Increase in equity share capital
 Proceeds from short term borrowings
 Repayment of borrowings
 Interest paid on borrowings
 Net cash from financing activities (C)
 Net decrease in cash and cash equivalents (A+B+C)

-	9,260.0
375.6	-
-	(3,613.1)
(78.1)	(4.4)
297.5	5,642.5
(82.6)	(3,569.1)

Cash and cash equivalents as at opening

Cash and cash equivalents as at closing

147.5	3,716.6
64.9	147.5

Balances with banks:

- on current accounts

cash on hand

Cash and cash equivalents at the end of the year

63.9	147.5
1.0	-
64.9	147.5

Significant accounting policies

The accompanying notes form an integral part of the financial statements

The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, as specified under the section 133 of the Companies Act, 2013.

Amendment to Ind AS 7

Effective 01 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

As per our report of even date attached

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



Tarun Gupta
 Partner
 Membership No. : 507892
 Place : Gurugram
 Date : 14/05/2018

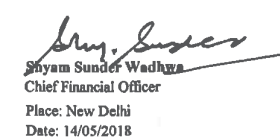
For and on behalf of the Board of Directors of
 Minda Storage Batteries Private Limited



Sudhir Jain
 Director
 DIN No. 00010445
 Place : New Delhi
 Date : 14/05/2018


 Sanjay Jain
 Director
 DIN No. 03364405
 Place : New Delhi
 Date : 14/05/2018


 Rajesh Tiwari
 Company secretary
 Membership No. : 30566
 Place : New Delhi
 Date : 14/05/2018


 Shyam Sunder Wadhwa
 Chief Financial Officer
 Place : New Delhi
 Date : 14/05/2018

Minda Storage Batteries Private Limited
Statement of changes in Equity for the year ended 31 March 2018
(All amounts in ₹ lakhs, unless otherwise stated)
CIN : U35900DL2011PTC228383
a) Equity share capital

Particulars	Amount
Balance as at 1 April 2016	9,600.0
Changes in equity share capital during 2016-17	9,260.0
Balance as at the 31 March 2017	18,860.0
Changes in equity share capital during 2017-18	-
Balance as at 31 March 2018	18,860.0

b) Other equity

	Attributable to equity shareholders		
	Reserves and surplus	Items of OCI	Total
	Retained earnings	Remeasurement of defined benefit liability / asset	
As at 1 April 2016	(1,888.7)	-	(1,888.7)
Profit for the year	(1,813.8)	-	(1,813.8)
Other comprehensive income (net of tax)	-	-	-
Total comprehensive income	(1,813.8)	-	(1,813.8)
Transferred to retained earnings	-	-	-
As at 31 March 2017	(3,702.5)	-	(3,702.5)
Profit for the year	(593.5)	-	(593.5)
Other comprehensive income (net of tax)	-	1.4	1.4
Total comprehensive income	(593.5)	1.4	(592.1)
Transferred to retained earnings	-	-	-
As at 31 March 2018	(4,296.0)	1.4	(4,294.6)

Significant accounting policies

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
Firm Registration No: 101248W/W-100022

Tarun Gupta

Partner

Membership No. : 507892

Place: Gurugram

Date : 14/05/2018

For and on behalf of the Board of Directors of
Minda Storage Batteries Private Limited

Sudhir Jain

Director

DIN No. 00010445

Place: New Delhi

Date: 14/05/2018

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Director

DIN No. 03364405

Place: New Delhi

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Rajesh Tiwari

Company secretary

Membership No. : 30566

Place: New Delhi

Date: 14/05/2018

Shyam Sunder Wadhwa

Chief Financial Officer

Place: New Delhi

Date: 14/05/2018

Minda Storage Batteries Private Limited
Notes forming part of the financial statements for the year ended 31 March 2018

1. Corporate information

Minda Storage Batteries Private Limited (Formerly known as Panasonic Minda Storage Batteries India Private Limited) is a private limited company and it is a 100% subsidiary of Minda Industries Limited with effect from 23 September 2016. The Company is into the business of manufacturing lead acid storage batteries for automotive and industrial application.

The Company has entered into a Business Transfer Agreement wherein Minda Industries Limited transferred two wheeler battery division by way of slump sale with effect from 1 April 2017.

2. Basis of preparation

A. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 46

The financial statements were authorized for issue by the Company's Board of Directors on 14 May 2018.

Details of the Company's accounting policies are included in Note 3.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs and one decimal thereof, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
(a) Net defined benefit (asset)/ liability	Present value of defined benefit obligations
(b) Other financial assets and liabilities	Amortized cost



D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Judgements

The areas involving critical estimates or judgements are:

- Estimation of income tax (current and deferred) – Note 7
- Estimated useful life of other intangible asset – Note 4
- Estimated useful life and residual value of property, plant and equipment – Note 4
- Recognition and measurement of provisions and contingencies – Note 33
- Estimation of defined benefit obligation – Note 35

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

E. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. The Company as presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liability as current and non-current.



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An asset is classified as current when it is:

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realized within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. Significant accounting policies

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

A. Foreign currency transactions

i. Initial recognition and settlement

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognized in profit or loss.

ii. Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognized in profit or loss.

B. Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity.

i. Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.



A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- a) Amortized cost; or
- b) FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on DE recognition is also recognized in profit or loss.



iii. Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

C. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working



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Notes forming part of the financial statements for the year ended 31 March 2018

condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Property, plant and equipment under construction are disclosed as capital work-in-progress. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general are included in capital work-in-progress.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 46)

iii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv. Depreciation

Depreciation on items of property, plant and equipment is provided as per straight-line method basis except for certain property, plant and equipment transferred under Business Transfer Agreement from Minda Industries Limited under slump sale with effect from 1 April 2017 on which depreciation is provided as per written down value method, as per useful life of the assets estimated by the management, which is equal to the useful life prescribed under Schedule II of the Companies Act, 2013 except in the case of certain class of assets, life is based on technical evaluation and assessment.

Leasehold land is amortised on a straight line basis over the period of lease or their useful lives, whichever is shorter.

Depreciation on additions/ (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which asset is ready for use/ (disposed of).

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

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



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The estimated useful lives of items of property, plant and equipment are as follows:

Particulars	Management estimate of useful life (years)	Companies Act useful life (years)
Buildings	30	30
Plant and equipment	2/10/15	15
Furniture and fixtures	10	10
Vehicles	8	8
Office equipment	5	5
Computers	3	3

D. Goodwill and other intangible assets

i. Goodwill

For measurement of goodwill that arises on a business combination measured at fair value. Any goodwill that arises is tested annually for impairment. Subsequent measurement is at cost less any accumulated impairment losses.

ii. Other intangible assets

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

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortization

Amortization is calculated to write off the cost of other intangible assets over their estimated useful lives using the straight-line method, and is included in amortization expense in profit or loss.

The estimated useful lives are as follows:

- Software 6 years

Amortization method, useful life and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its other intangible assets recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such other intangible assets.



E. Impairment

i. Impairment of financial instruments

The Company recognizes loss allowances for expected credit loss on financial assets measured at amortized cost.

At each reporting date, the Company assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- it is probable that the borrower will enter bankruptcy or other financial re-organization; or
- The disappearance of active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.



Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated.

Assets that do not generate independent cash flows are grouped together into cash generating units (CGU).

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made 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 amortization, if no impairment loss had been recognized.

F. Borrowing cost

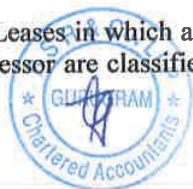
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs).

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

G. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to



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statement of profit or loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

H. 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 (net of recoverable taxes, where applicable), costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The basis of determining costs for various categories of inventories are as follows: -

Raw materials, components, stores and spares	-	Weighted average cost
Work-in-progress and finished goods	-	Material cost plus appropriate share of labour, manufacturing overheads.

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.

I. Revenue recognition

(i) Sale of goods:

Measurement of revenue:

Revenue is measured at the fair value of the consideration received or receivable. Sales are recognized when the significant risks and rewards of ownership are transferred to the buyer as per the terms of contract and are recognized. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Timing of recognition:

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(ii) Interest income is recognized using the effective interest method.

(iii) Duty drawback and export incentives- Income from duty drawback and export incentives is recognized on an accrual basis.



J. Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Share-based payment transactions

The Company accounts for equity settled stock options for the parent company using the fair value method.

(iii) Defined contribution plans

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 (EPF) and Employees' State Insurance to Government administered fund which is a defined contribution plan. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Defined benefit plan

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then- net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.



(v) Other long term employee benefits

Compensated absences

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

K. Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a systematic basis over the expected lives of the related assets and presented within other income.

L. Provisions and contingencies

(i) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive 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 recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(ii) Contingencies

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

M. Income taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received



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after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized / reduced to the extent that it is probable / no longer probable respectively that the related tax benefits will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

Minimum Alternative tax ('MAT') under the provisions of Income-tax Act, 1961 is recognized as current tax in profit or loss. The credit available under the Act in respect of MAT paid is recognized as deferred tax 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 recognized as deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

N. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.



O. 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 recognized 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 recognized in the period in which the change occurs.

P. Segment reporting

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available.

The Company is engaged in the business of manufacturing lead acid storage batteries and its accessories for automotive and industrial application. Accordingly, the Company's activities/business is reviewed regularly by the Company's Board of directors from an overall business perspective, rather than reviewing its products/services as individual standalone components.

Based on the dominant source and nature of risks and returns of the Company, management has identified its business segment as its primary reporting format.

Q. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above.

R. Recent accounting pronouncement

Standards issued but not yet effective

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognized. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not reasonably estimable as at present.

(i) Sales of goods

For the sale of goods, revenue is currently recognized when the goods are delivered, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership are transferred. Revenue is recognized at this point provided that the



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revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognized when a customer obtains control of the goods. The revenue from these contracts will be recognized as the products are being manufactured. The Company's initial assessment indicates that this will result in revenue, and some associated costs, for these contracts being recognized earlier than at present – i.e. before the goods are delivered to the customers' premises.

(ii) Transition

The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognized at the date of initial application (i.e. 1 April 2018) in retained earnings. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

Appendix B to Ind AS 21, foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.



Note 4 Property, plant and equipment

a. Reconciliation of carrying amount

	Leasehold Land	Buildings	Plant and equipment *	Furniture and fixtures	Vehicles	Office Equipment	Computers	Total (A)
Cost or deemed cost (gross carrying amount)								
Balance at 1 April 2016	-	-	23.1	7.7	-	5.2	3.0	39.0
Additions	-	-	-	-	-	-	-	-
Deductions/ Adjustments	-	-	-	-	-	-	-	-
Balance at 31 March 2017	-	-	23.1	7.7	-	5.2	3.0	39.0
Additions	159.0	2,295.5	9,586.4	10.0	32.2	13.7	29.2	12,126.0
Deductions/ Adjustments	-	-	23.8	-	-	11.0	0.2	35.0
Balance at 31 March 2018	159.0	2,295.5	9,585.7	17.7	32.2	7.9	32.0	12,130.0
Accumulated depreciation and impairment losses								
Balance at 1 April 2016	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	1.5	0.7	-	1.0	0.9	4.1
Disposals	-	-	-	-	-	-	-	-
Balance at 31 March 2017	-	-	1.5	0.7	-	1.0	0.9	4.1
Depreciation for the year	2.0	32.0	380.0	2.7	10.1	3.2	2.6	432.6
Disposals	-	-	-	-	-	-	-	-
Balance at 31 March 2018	2.0	32.0	381.5	3.4	10.1	4.2	3.5	436.7
Carrying amounts (net)								
At 31 March 2018	157.0	2,263.5	9,204.2	14.3	22.1	3.7	28.5	11,693.3
At 31 March 2017	-	-	21.6	7.0	-	4.2	2.1	34.9
At 1 April 2016	-	-	23.1	7.7	-	5.2	3.0	39.0

Carrying amount of property, plant and equipment (shown above) pledged as securities for borrowings to the extent of borrowing limits.

* Includes government grant in Plant and equipment as on 01 April 2016: Gross Block: Nil, Accumulated Depreciation: Nil), 31 March 2017: Gross Block: Nil, Accumulated Depreciation: Nil and 31 March 2018: Gross Block: ₹ 979.5 Lakhs, Accumulated Depreciation: Nil) (refer note 17)

The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition.



Minda Storage Batteries Private Limited
Notes to the financial statements for the year ended 31 March 2018
(All amounts in ₹ lakhs, unless otherwise stated)

B. Other intangible assets

	Software	Total
Cost or deemed cost at 1 April 2016	1.2	1.2
Additions	-	-
Balance at 31 March 2017	1.2	1.2
Additions	6.0	6.0
Balance at 31 March 2018	7.1	7.1
Accumulated amortisation and impairment losses at 1 April 2016	-	-
Amortisation for the year	0.4	0.4
Balance at 31 March 2017	0.4	0.4
Amortisation for the year	1.1	1.1
Balance at 31 March 2018	1.5	1.5
Carrying amount (net)		
At 31 March 2018	5.6	5.6
At 31 March 2017	0.8	0.8
At 1 April 2016	1.2	1.2

The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its other intangible assets as its deemed cost as at the date of transition.

C. Capital Work-in-progress:

Particulars	31 March 2017 *	31 March 2017 *	1 April 2016 *
CWIP- Plant & Machinery	54.9	9,864.2	9,062.6

Notes:

(a) CWIP includes payment made to State Infrastructure and Industrial Development Corporation of Uttarakhand Limited ('SIDCUL') amounting to ₹ 146.8 lakhs in 31 March 2017 pertaining to transfer of lease hold land, which is yet to be registered in the Company's name.

* Includes government grant in Capital work in progress as on 01 April 2016: ₹ 979.5 Lakhs, 31 March 2017: ₹ 979.5 Lakhs and 31 March 2018: Nil) (refer note 17)



Minda Storage Batteries Private Limited
Notes to the financial statements for the year ended 31 March 2018
(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
5 Loans			
<i>(unsecured considered good unless otherwise stated)</i>			
Security deposits	60.3	32.5	25.6
Loans to related party	-	1,830.0	-
	<u>60.3</u>	<u>1,862.5</u>	<u>25.6</u>
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
6 Other financial assets			
Bank deposits (due to mature after 12 months from the reporting date)	179.3	179.3	179.3
	<u>179.3</u>	<u>179.3</u>	<u>179.3</u>



Minda Storage Batteries Private Limited
Notes to the financial statements for the year ended 31 March 2018
(All amounts in ₹ lakhs, unless otherwise stated)

7. Deferred tax assets (net)/ Deferred tax liabilities (net)

	For the year ended 31 March 2018	For the year ended 31 March 2017
--	-------------------------------------	-------------------------------------

a. Amount recognised in the Statement of profit or loss

Current tax	-	78.6
for current period	-	-
Deferred tax	-	-
Tax expense for the year recognised in the Statement of profit or loss	-	78.6

b. Income tax recognised in other comprehensive income

	For the year ended 31 March 2018	For the year ended 31 March 2017
	Before tax	Before tax
	Tax (expense) / benefit	Tax (expense) / benefit
	Net of tax	Net of tax
	1.5	1.5
	1.5	1.5

Remeasurements of defined benefit plan

c. Reconciliation of effective tax rate

	For the year ended 31 March 2018	For the year ended 31 March 2017
	Rate (%)	Rate (%)
	Amount	Amount
Loss before tax		
Tax using company's domestic tax rate	31.2%	33.1%
	(592.1)	(1,735.2)
	(184.7)	(573.7)
Effect of:		
Tax payable on other income	-	4.5%
Tax payable on other income	365.7	-28.5%
Recognition of previously unrecognised tax losses	(158.2)	0.0%
Change in unrecognised temporary differences	(22.8)	0.0%
Others	0.0%	0.0%
	0.0	(0.0)



Minda Storage Batteries Private Limited
Notes to the financial statements for the year ended 31 March 2018
(All amounts in ₹ lakhs, unless otherwise stated)
Deferred tax assets (net)/ Deferred tax liabilities (net) (contd.)

d. Deferred tax assets / liabilities		Deferred tax assets		(Deferred tax liabilities)		Net deferred tax assets / (liabilities)	
As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 1 April 2016
Property, plant and equipment and other intangible assets (net)	-	-	(194.4)	-	-	(194.4)	-
Provision for employee benefits	25.7	-	-	-	-	25.7	-
Other financial liabilities (bonus to employees)	10.5	-	-	-	-	10.5	-
Carried forward and unabsorbed depreciation	365.7	-	-	-	-	365.7	-
	401.9	-	(194.4)	-	-	207.5	-
Deferred tax liabilities						(194.4)	-
Deferred tax assets (to the extent of deferred tax liabilities)						(194.4)	-
Deferred tax assets (liability) recognised						-	-

As at 31 March 2018, the Company has unabsorbed depreciation/business losses as per Income tax Act, 1961. In the absence of probable certainty of sufficient future taxable profits, deferred tax asset has been recognised only to the extent of deferred tax liability.

e. Movement of temporary differences

Net deferred tax assets / (liabilities)					
As at 1 April 2016	Unrecognised temporary differences	Unrecognised tax losses	As at 31 March 2017	Unrecognised temporary differences	Unrecognised tax losses
Property, plant and equipment and other intangible assets (net)	-	-	-	(194.4)	-
Provision for employee benefits	-	-	-	25.7	-
Other financial liabilities (bonus to employees)	-	-	-	10.5	-
Carried forward and unabsorbed depreciation	-	-	-	365.7	-
	-	-	-	(157.9)	365.7
					207.5

f. Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

Expire year	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Business Loss	86.9	27.1	-	-	-	-
2025-2026						
Unabsorbed depreciation	1,085.4	338.6	-	-	-	-
Never expire	1,172.3	365.7	-	-	-	-



Minda Storage Batteries Private Limited
Notes to the financial statements for the year ended 31 March 2018
(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
8 Other non-current assets (unsecured considered good unless otherwise stated)			
Capital advances	-	312.3	4.9
	-	312.3	4.9
9 Inventories* (Valued at lower of cost or net realisable value)			
Raw materials (including goods in transit of: Nil (As at 31 March 2017: Nil, As at 01 April 2016: 51.8 Lakhs)	436.2	256.9	512.9
Work-in-progress	453.0	-	-
Finished goods	8.6	-	-
Stores and spares	55.7	-	-
	953.5	256.9	512.9
Carrying amount of inventories (shown above) pledged as securities for borrowings to the extent of borrowing limits.			
*Provision for written down of inventory amounting to ₹ 67.9 Lacs (As at 31 March 2017: Nil, As at 01 April 2016: Nil)			
10 Trade receivables (Unsecured, considered good unless otherwise stated)			
Unsecured considered good	100.4	-	-
- From related parties	339.7	2.0	-
- From other than related parties	440.1	2.0	-
a) Trade receivable includes amount due from companies having common directors as follows:			
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Minda Distribution Services Ltd	100.2	-	-
11 Cash and cash equivalents			
- Balances with banks	63.9	147.5	3,716.6
On current accounts	63.9	147.5	3,716.6
- Cash on hand	1.0	-	-
	64.9	147.5	3,716.6

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited financial statements for the period ended 31 March 2017 have been disclosed below:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in Banks	-	-	-
Closing cash in hand as on 30 December 2016	-	-	-

* 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.

12 Loans (unsecured considered good unless otherwise stated)	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Loans to related party	2,206.9	3,761.6	-
Loan to employees	3.3	-	-
	2,210.2	3,761.6	-
13 Other financial assets	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Interest accrued on fixed deposits	35.2	21.9	9.5
Export benefit receivable	4.9	-	-
Advance to employees	-	2.0	-
	40.1	23.9	9.5
14 Other current assets	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Prepaid expenses	9.5	4.3	10.7
Advance to suppliers	57.8	-	-
- To related parties	15.1	70.5	-
- To Others	373.6	69.5	14.3
Balances with government authorities	5.9	-	-
Others	461.9	144.3	25.0



Minda Storage Batteries Private Limited
Notes to the financial statements for the year ended 31 March 2018
(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
15 Equity share capital						
(a) Authorised						
	Number	Amount	Number	Amount	Number	Amount
Equity shares of ₹10/- each with voting rights (previous year ₹10/- each)	190,000,000	19,000.0	190,000,000	19,000.0	160,000,000	16,000.0
	190,000,000	19,000.0	190,000,000	19,000.00	160,000,000	16,000.00
(b) Issued, subscribed and fully paid up						
	Number	Amount	Number	Amount	Number	Amount
Equity share capital	188,600,000	18,860.0	188,600,000	18,860.0	960	9,600.0
Equity shares of ₹10/- each with voting rights (previous year ₹10/- each)	188,600,000	18,860.0	188,600,000	18,860.0	960	9,600.0
(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:						
	Number	Amount	Number	Amount	Number	Amount
Equity shares	188,600,000	18,860.0	96,000,000	9,600.0	96,000,000	9,600.0
Opening balance		-	92,600,000	9,260.0		
Add: Shares issued during the year						
Closing balance	188,600,000	18,860.0	188,600,000	18,860.0	96,000,000	9,600.0

- (d) (i) Rights, preferences and restrictions attached to equity shares**
The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company may declare and pay dividends in Indian rupees. The final dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
(e) Details of shareholders holding more than 5% shares in the Company:						
Class of shares / Name of shareholder	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Panasonic Holding (Netherlands) B.V.	-	-	-	-	96,000,000	99.99%
Minda Industries Limited (including nominee shareholders)	188,600,000	100.00%	188,600,000	100.00%	-	-

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
16 Long-term provisions						
Provision for employee benefits						
Gratuity (Refer note 35)		58.1		-		-
Compensated absences		27.8		-		-
		85.9		-		-
Others						
Provision for warranty*		67.8		-		-
		153.7		-		-

* The company has made a warranty provision on account of sale of products with warranty clause. These provisions are based on management's best estimate and past trends. Actual expenses for warranty are charged directly against the provision. Un-utilised provision is reversed on expiry of the warranty period (refer note 37).

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
17 Government Grants						
Export promotion capital grant		65.3		-		-
Current portion		914.2		979.5		979.5
Non current portion						
		979.5		979.5		979.5
Opening balance		979.5		979.5		979.5
Add: Grants received during the year		-		-		-
Less: Released to profit or loss		-		-		-
Closing balance		979.5		979.5		979.5



	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
18 Short-term borrowings			
Secured cash credit from banks	375.6	-	-
	<u>375.6</u>	<u>-</u>	<u>-</u>

a. Terms repayment schedule and security

Nature of security	Terms of repayment and rate of interest
Axis Bank Rupee cash credit from banks amounting to ₹ 375.6 Lakhs (31 March 2017: Nil, 1 April 2016: Nil) is secured by: - First pari passu charge on all movable and immovable fixed assets (both present and future).	Floating @ MCLR rate plus 75 bps. Currently 8.75% at 31 March 2018. Maximum tenor of loan is for 1 Year from the date of first disbursement. Principal amount is repayable on demand from the date of first disbursement. First disbursement of the loan was in year 2017-18.

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
19 Trade payables			
Trade payables (refer to note 36)			
(a) total outstanding dues of micro and small enterprises	486.1	388.5	367.0
(b) total outstanding dues of creditors other than micro and small enterprises	<u>486.1</u>	<u>388.5</u>	<u>367.0</u>

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
20 Other financial liabilities			
Current maturities of long-term borrowings	-	-	3,612.7
Payables for property, plant and equipment	-	-	720.9
Interest accrued but not due on long term borrowings	-	-	3.1
Payable to employees	37.6	0.3	0.1
	<u>37.6</u>	<u>0.3</u>	<u>4,336.8</u>

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
21 Other current liabilities			
Advance from customers	-	-	0.3
Statutory dues	11.1	2.2	179.2
	<u>11.1</u>	<u>2.2</u>	<u>179.5</u>

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
22 Short-term provisions			
Provision for employee benefits			
Gratuity (refer note 35)	1.0	-	-
Compensated absences	1.5	-	-
	<u>2.5</u>	<u>-</u>	<u>-</u>
Others			
Provision for warranty	70.1	-	-
	<u>70.1</u>	<u>-</u>	<u>-</u>
	<u>72.6</u>	<u>-</u>	<u>-</u>

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
23 Current tax liabilities (net)			
Current tax liabilities (net)	32.0	62.2	2.5
	<u>32.0</u>	<u>62.2</u>	<u>2.5</u>



Inda Storage Batteries Private Limited
Notes forming part of the financial statements
(All amounts in ₹ lakhs, unless otherwise stated)

24 Revenue from operations

Sale of products (Including excise duty)
 Finished goods

6,576.8

Other operating revenues

Scrap sales

5.0

163.1

Export benefits

121.8

6,703.6

163.1

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 March 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. Accordingly, Financial statements for the year ended 31 March 2018 and in particular, Sales and ratios in percentage of sales, are not comparable with the figures of the previous year.

25 Other income

Interest income on deposits

15.9

14.5

Interest income on loans

190.9

184.8

Miscellaneous income

0.6

26.7

207.4

226.0

**For the year ended
31 March 2018**

**For the year ended
31 March 2017**

26 Cost of materials consumed

Opening inventories

256.9

512.9

Purchases

5,704.3

236.1

Closing inventories

(436.2)

(256.9)

5,525.0

492.1



inda Storage Batteries Private Limited
Notes forming part of the financial statements
(All amounts in ₹ lakhs, unless otherwise stated)

27 Changes in inventories of finished goods and work in progress

Inventories at the end of the year

Work-in-progress

Finished goods

Inventories at the beginning of the year

Work-in-progress

Finished goods

Net (increase) / decrease in stocks

For the year ended
31 March 2018

For the year ended
31 March 2017

453.0

8.6

461.6

-

-

-

(461.6)

-

For the year ended
31 March 2018

For the year ended
31 March 2017

28 Employee benefits expense

Salaries, wages and bonus

Expense on employee stock option schemes (Refer note 38)

Contribution to provident and other funds

Staff welfare expense

639.7

32.6

45.9

61.9

780.1

276.3

-

0.4

0.1

276.8

For the year ended
31 March 2018

For the year ended
31 March 2017

29 Finance costs

Interest on borrowings

Other charges

Interest cost on employee benefits expenses

62.9

9.4

5.8

78.1

-

1.3

-

1.3

For the year ended
31 March 2018

For the year ended
31 March 2017

30 Depreciation and amortisation

Depreciation of property plant and equipment

Amortisation of other intangible assets

432.6

1.1

433.7

4.1

0.4

4.5

For the year ended
31 March 2018

For the year ended
31 March 2017

31 Other expenses

Consumption of stores and spare parts

Power and fuel

Rent (Refer note 43)

Repairs and maintenance

Travelling and conveyance

Contract cancellation fees

Legal and professional

Payments to auditors*

Freight

Warranty

Net loss on foreign currency fluctuations

Management and administrative expenses

SAP license fee

Miscellaneous expenses

96.0

326.4

30.0

90.4

51.2

-

21.6

18.6

94.2

175.6

6.1

51.0

21.0

84.8

1,066.9

-

39.6

94.9

4.9

28.7

467.8

314.7

10.7

2.0

172.0

108.0

-

-

87.0

1,330.3

For the year ended
31 March 2018

For the year ended
31 March 2017

Note:

* Payments to the auditors (excluding service tax)

Statutory audit

Other services

Reimbursement of expenses

15.0

3.0

0.6

18.6

9.8

-

0.9

10.7

For the year ended
31 March 2018

For the year ended
31 March 2017



Minda Storage Batteries Private Limited
Notes forming part of the financial statements
All amounts in ₹ lakhs, unless otherwise stated)

32 Earnings per share

	For the year ended 31 March 2018	For the year ended 31 March 2017
Net loss after tax as per Statement of Profit and loss	(593.5)	(1,813.8)
Net loss attributable to equity shares	(593.5)	(1,813.8)
Weighted average number of Equity Shares (in Nos.):		
for Basic EPS	188,600,000	161,961,644
for Diluted EPS	188,600,000	161,961,644
Basic earnings per share in rupees	(0.31)	(1.12)
Diluted earnings per share in rupees	(0.31)	(1.12)
Calculation of weighted average number of shares for basic/diluted earnings per share		
For basic earnings per share		
Opening and closing balance of equity shares	188,600,000	96,000,000
Closing Balance of equity shares	188,600,000	188,600,000
For diluted earnings per share	188,600,000	161,961,644



33 Contingent liabilities

Liability of Customs duty towards export obligation undertaken by the Company under "Export Promotion Capital Goods Scheme (EPCG)" amounting to ₹ 497.5 lakhs (31 March 2017: ₹ 979.5 lakhs, 1 April 2016: ₹ 979.5 lakhs). The Company has imported capital goods under EPCG and saved duty to the tune of ₹ Nil (31 March 2017: ₹ Nil, 1 April 2016: ₹ 979.5 Lakhs). As per the EPCG terms and conditions, the Company needs to export goods amounting to ₹ 2,790.7 Lakhs (31 March 2017: ₹ 5,877.1 Lakhs, 1 April 2016: ₹ 5,877.1 Lakhs), 6 times of duty saved on import of Capital goods on FOB basis within a period of 6 years (Block year 1st to 4th – 50% and 5th to 6th – 50%). If the Company does not export goods in prescribed time, then the Company may have to pay duty on import of capital goods, including interest and penalty thereon.

34 Segment information

Operating segments

a. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

The Company is engaged in the business of manufacturing of lead acid storage batteries and its accessories for automotive and industrial application, which constitutes a single business segment, accordingly, disclosure requirement of Ind AS 108, "Operating Segments" are not required to be given. Results of the Company are reviewed regularly by the Company's Board of Directors to assess the performance of the Company and to make decisions accordingly.

b. Geographical information

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets which have been based on the geographical location of the assets.

(i) Revenues

India

Other countries

Total other countries

Total Revenue

For the year ended 31 March 2018 For the year ended 31 March 2017

	3,617.1	163.1
	3,617.1	163.1
	3,086.5	-
	3,086.5	-
	6,703.6	163.1

(ii) Non-current assets

India

Outside India

Total

As at 31 March 2018 As at 31 March 2017

	12,542.9	12,254.0
	-	-
	12,542.9	12,254.0

Non-current assets exclude deferred tax assets, income tax assets. Capital advances have been shown in India as the assets against which advances have been given shall be installed in India though they have been given to parties outside India.

(iii) Trade receivable

India

Outside India

Total

As at 31 March 2018 As at 31 March 2017

	308.1	2.0
	132.0	-
	440.1	2.0

c. Major customer

Revenue from two customers of the Company are more than 90% of the Company's total revenue.



35 Disclosure pursuant to Ind AS 19 on "Employee Benefits"

(a) Defined benefit plans

Gratuity is payable to all eligible employees of the Company on retirement/exit, death or permanent disablement in terms of the provisions of the Payment of Gratuity Act, 1972.

Inherent Risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks

Salary inflation risk

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

Gratuity

(i) Changes in present value of obligation:

Particulars	As at 31 March 2018
Present value of obligation as at the beginning of the year	-
Acquisition adjustment	-
Interest cost	3.7
Current service cost	12.8
Past Service Cost	3.5
Curtailment cost/(credit)	-
Benefits paid	(9.3)
Actuarial (gain)/loss on obligation	(1.5)
Transfer In Liability	49.9
Present value of obligation as at the end of year	59.1
- Long term	58.1
- Short term	1.0

(ii) The amounts recognized in the Balance Sheet are as follows:

Particulars	As at 31 March 2018
Present value of obligation as at the end of the year	59.1
Fair value of plan assets as at the end of the year	-
Net (asset)/liability recognized in balance sheet	59.1

(iii) Expenses recognized in the Statement of Profit and Loss:

Particulars	For the Year ended 31 March 2018
Current service cost	12.8
Past service cost	3.5
Interest cost	3.7
Expected return on plan assets	-
Net actuarial (gain)/ loss recognized in the year	-
Expenses recognized in the Statement of Profit and Loss	20.0

(iv) Re-measurements recognised in other Comprehensive Income (OCI):

Particulars	For the Year ended 31 March 2018
Changes in Financial Assumption	(3.4)
Changes in Demographic Assumption	-
Experience Adjustments	1.9
Actual return on plan assets less interest on plan assets	-
Amount recognized in other Comprehensive Income (OCI)	(1.5)

(v) Maturity profile of defined benefit obligation:

Particulars	For the Year ended 31 March 2018
Within next 12 Months	1.0
Between 2 and 5 years	6.0
Between 6 and 10 years	28.4
More than 10 years	231.2



(vi) 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 taking account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31 March 2018
Discount rate	7.80%
Future salary increase	8.00%

b) Demographic assumptions:

Particulars	As at 31 March 2018
i) Retirement Age (Years)	58
ii) Mortality Table	100%
iii) Ages	
Up to 30 years	3.00%
From 31 to 44 years	2.00%
Above 44 years	1.00%

(vii) Sensitivity analysis for significant assumptions:

Increase/(Decrease) on present value of defined benefits obligation at the end of the year

Particulars	For the Year ended 31 March 2018
1% increase in discount rate	50.7
1% decrease in discount rate	69.6
1% increase in salary escalation rate	69.2
1% decrease in salary escalation rate	50.6
50% increase in attrition rate	58.6
50% decrease in attrition rate	59.7
10% increase in mortality rate	59.1
10% decrease in mortality rate	59.1

(viii) Enterprise best estimate of contribution during the next year

Particulars	Amount
Gratuity	-

(ix) Transfer of employees

During the current year certain employees of Minda Industries Limited were transferred to Minda Storage Batteries Private Limited, pursuant to a business transfer agreement. As per the terms of the agreement, the liability on account of gratuity has been transferred from Minda Industries Limited to Minda Storage Batteries Private Limited. Hence, in the previous year there were no employee benefit liabilities.

(b) Defined contribution plan

The Company makes contribution towards employees' provident fund, employees' state insurance plan scheme, pension fund and superannuation fund. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The Company has recognised ₹ 45.9 lakhs (31 March 2017 ₹ 0.4 Lakhs) during the year as expense towards contribution to these plans.

Particulars

Provident fund
Employees' state insurance scheme
Pension fund
Superannuation fund
Total

For the year ended 31 March 2018	For the year ended 31 March 2017
20.0	0.4
10.0	-
14.4	-
1.5	-
45.9	0.4



36 Information pursuant to the provisions of Section 22 of Micro, Small and Medium Enterprises Development Act, 2006.

During the year the Company has not paid any interest in terms of the section 18 of the above mentioned act. No principal amount or interest amount are due at the end of this accounting year which is payable to any Micro, Small or Medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.
As per the Act, the Company is required to identify the Micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. Based on the information available with the Company, none of the creditors have confirmed the applicability of Act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

37 Provision for Contingencies

(i) Warranty

The following disclosures have been made in accordance with the provisions of Ind AS 37 - 'Provisions, Contingent Liabilities and Contingent Assets'

Particulars	As at 31 March 2018
Balance as at beginning of the year	-
Add: Provision made during the year (including ₹20.4 lakhs transferred from Minda Industries Limited under Business transfer agreement)	294.7
Less: Utilized during the year	156.8
Balance as at the end of the year	137.9
Non Current	67.8
Current	70.1

38 Share Based Payments

The Company had participated in the Minda Industries Limited Employee Stock Option Scheme 2016 and during the previous year, the Nomination & Remuneration Committee of Minda Industries Limited ('the Parent Company') had approved the grant of 50,000 equity shares of face value of Rs. 2/- to its President Mr. Arijit Dutta 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 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 Ind AS - 102 on Share Based Payment.

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

Scheme	Minda Employee Stock Option Scheme 2016
Year	2016
Date of Grant	23 November 2016
Number of Options granted	50,000
Vesting Condition	Achieving target of market capitalization of the parent Company on or before 31 March 2018
Exercise Period	1 Year from the date of vesting
Exercise Price (INR) per share	180

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

Scheme	Minda Employee Stock Option Scheme 2016
Year	2016
Outstanding at the beginning of the year 01.04.2017	50,000 options of Equity shares of face value of Rs. 2/- each
Granted during the year	-
Forfeited /expired during the year	-
Exercised during the year	50,000 options of Equity shares of face value of Rs. 2/- each
Exercisable at the end of the year 31.03.2018	-
Outstanding at the end of the year 31.03.2018	-

Fair valuation

The parent company has provided the fair value of Share based payment cost that have been done by an independent firm of valuers on the date of grant using the Black-Scholes Model.

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

Particulars	As at 31st March 2018
Risk-free interest rate (%)	6.13%- 6.15 %
Expected life of options (years) [(year of vesting) +(contractual option term)/2]	1.53 year - 1.85 years
Expected volatility (%)	27.92% - 43.62 %
Dividend yield	4.61%- 6.90%

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.

The above disclosure is based on the information, to the extent available with the Company.



Minda Storage Batteries Private Limited

Notes forming part of the financial statements for the year ended 31 March 2018

(All amounts in ₹ lakhs, unless otherwise stated)

39 Financial Risk Management Objectives

The Company, as an active supplier for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The Company's decentralised management structure with the main activities in the plant make necessary organised risk management system. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. The sensitivity analyses in the following sections relate to the position as at 31 March 2018. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company transacts business in local currency as well as in foreign currency. The Company has foreign currency trade payables, receivables and borrowings and is therefore, exposed to foreign exchange risk.



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Particulars of un-hedged foreign currency exposure

Currency	As at 31 March 2018			As at 31 March 2017			As at 1 April 2016		
	Foreign currency Amount	Exchange rate (in ₹)	₹ in Lakhs	Foreign currency Amount	Exchange rate (in ₹)	₹ in Lakhs	Foreign currency Amount	Exchange rate (in ₹)	₹ in Lakhs
Trade Receivables									
USD	202,516	65.04	131.7	-	-	-	-	-	-
Trade Payables									
USD	-	-	-	-	-	-	108,000	66.33	71.6
JPY	-	-	-	-	-	-	120,691,366	0.54	653.6
THB	-	-	-	-	-	-	5,109,885	1.87	95.7
External Commercial Borrowings									
USD	-	-	-	-	-	-	5,446,564	66.33	3,612.7
Interest accrued but not due on long term borrowings									
USD	-	-	-	-	-	-	4,815	62.52	3.0

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, THB and JPY exchange rates, with all other variables held constant. The impact on the company profit before tax is due to changes in the fair value of monetary assets and liabilities.

Exposure gain/(loss) Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Change +1%	Change -1%	Change +1%	Change -1%	Change +1%	Change -1%
Trade Receivables						
USD	1.3	(1.3)				
Trade Payables						
USD					(0.7)	0.7
JPY					(6.5)	6.5
THB					(1.0)	1.0
External Commercial borrowing						
USD					(36.1)	36.1
Interest accrued but not due on long term borrowings						
USD					(0.03)	0.03



Minda Storage Batteries Private Limited
Notes forming part of the financial statements for the year ended 31 March 2018
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(ii) Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During 31 March 2018 and 31 March 2017, the Company's borrowings at variable rate were mainly denominated in ` and USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	1 April 2016
Variable Rate borrowings	375.6	-	-
Total	375.6	-	-

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

Particulars	Impact on profit after tax	
	As at 31 March 2018	As at 31 March 2017
Increase by 0.5%	0.18	-
Decrease by 0.5%	(0.18)	-

(iii) Other price risks

Fluctuation in commodity price affects directly and indirectly the price of raw material and components used by the Company in its various products. Substantial pricing pressure from major after market customers to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the Company.

b) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31 March 2018	On demand	Less than 3 months	3 to 12 months	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	375.6	-	-	-	-	375.6
Trade payable	-	387.4	-	98.7	-	486.1
Other financial liabilities	-	4.0	33.6	-	-	37.6
As at 31 March 2017	-	-	-	-	-	-
Interest bearing borrowings	-	-	-	-	-	-
Trade payable	-	289.8	-	98.7	-	388.5
Other financial liabilities	-	0.3	-	-	-	0.3
As at 1 April 2016	-	-	-	-	-	-
Interest bearing borrowings	-	-	-	-	-	-
Trade payable	-	367.0	-	-	-	367.0
Other financial liabilities	-	4,336.8	-	-	-	4,336.8



Minda Storage Batteries Private Limited
Notes forming part of the financial statements for the year ended 31 March 2018
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c) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are combined into homogenous companies and assessed for impairment collectively. The Company evaluates the concentration of risk with respect to trade receivables as low. Further, the Company's customer base majorly includes Large Corporates and Tier-1 vendors of Original equipment manufacturers. Based on the past trend of recoverability of outstanding trade receivables, the Company has not incurred material losses on account of bad debts.

The table below summarises the ageing bracket of trade receivables.

Particulars	Gross carrying amount		
	31 March 2018	31 March 2017	1 April 2016
Current (not past due)	414.6	2.0	-
1-30 days past due	25.5	-	-

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.



Minda Storage Batteries Private Limited
Notes forming part of the financial statements for the year ended 31 March 2018
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40 Related Party Disclosures

Related party and nature of related party relationship where control exists:-

Nature of relationship

Holding Company

Ultimate Holding Co.

Name of related party

Minda Industries Limited (from 23 September 2016)
 Panasonic Holding(Netherlands) B.V. (upto 22 September 2016)

Panasonic Corporation, Japan (Upto 22 September 2016)

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

Nature of relationship

Fellow Subsidiaries
 Fellow Subsidiaries
 Fellow Subsidiaries
 Fellow Subsidiaries
 Fellow Subsidiaries
 Fellow Subsidiaries
 Fellow Subsidiaries
 Fellow Subsidiaries
 Fellow Subsidiaries

Key management personnel

Name of related party

Minda Distribution Services Limited (from 23 September 2016)
 Panasonic Storage Battery Co. Ltd. Japan (till 22 September 2016)
 M J Casting limited (from 23 September 2016)
 Relo Panasonic Excel International Co. Ltd.(till 22 September 2016)
 Panasonic India Private Limited.(till 22 September 2016)
 Panasonic Energy Thailand Co. Ltd (till 22 September 2016)
 MI Torica India Pvt. Ltd.(from 22 September 2016)
 Mindarika Pvt. Ltd (from 23 September 2016)
 S.M.Auto (from 23 September 2016)

Hiroshi Mashima (upto 22 September 2016)
 Takashi Komo (upto 22 September 2016)
 Shinya Ajisaka (upto 22 September 2016)
 Satish Sekhri (from 27 September 2016)



Minda Storage Batteries Private Limited
Notes forming part of the financial statements for the year ended 31 March 2018
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(b) Details of related parties with whom transactions have taken place

Related party	Nature of transaction	For the year ended 31 March 2018	For the year ended 31 March 2017
Transactions during the year			
Minda Distribution and Services Limited	Sale of scrap	-	0.7
Panasonic Storage Battery Co. Ltd. Japan	Reimbursement of expenses	-	162.1
Minda Industries Limited	Other expenses	71.9	85.8
Minda Industries Limited	Interest income on loans	54.1	124.5
Minda Industries Limited	Reimbursement of expenses	-	219.0
Minda Industries Limited	Loan received	3,293.2	-
Minda Industries Limited	Loan given	-	3,700.0
M J Casting Limited	Interest income on loans	136.8	60.3
M J Casting Limited	Loan given	-	1,800.0
Panasonic Storage Battery Co. Ltd. Japan	Royalty expenses	-	297.5
MI Torica India Pvt. Ltd.	Purchases	231.2	-
Minda Industries Limited	Purchase of net assets as per under business transfer agreement (refer to note 41)	2,650.0	-
Minda Distribution and Services Limited	Sale of products	2,698.9	-
Minda Distribution and Services Limited	Reimbursement of expenses	2.5	-
Mindarika Pvt. Ltd.	Services Rendered	1.7	-
S.M.Auto	Sale of products	530.1	-
S.M.Auto	Reimbursement of expenses	0.0	-

Related party	Nature of transaction	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 1 April 2016
Balance as at year end				
Panasonic India Private Limited	Trade payables	-	-	19.3
Panasonic Storage Battery Co. Ltd.	Trade payables	-	-	107.3
Panasonic Storage Battery Co. Ltd.	Payable for property, plant and equipment	-	-	545.3
Minda Industries Limited	Trade payables	-	191.9	-
Minda Industries Limited	Loans	406.8	3,700.0	-
Minda Industries Limited	Trade payables	14.5	-	-
M J Casting Limited	Loans	1,800.0	1,800.0	-
Minda Industries Limited	Interest accrued on loan	-	61.6	-
M J Casting Limited	Interest accrued on loan	-	30.0	-
Mindarika Pvt. Ltd.	Trade receivables	0.2	-	-
Minda Distribution Services Limited	Trade receivables	100.2	-	-
MI Torica India Pvt. Ltd.	Advance to suppliers	57.8	-	-
Hiroshi Mashima	Payable to employees	-	-	0.1

(c) Key managerial personnel compensation*

Particulars	31 March 2018	31 March 2017	01 April 2016
Short term employee benefits	-	218.5	316.0
Post-employment benefits	-	-	-
Long term employee benefits	-	-	-
Directors sitting fee	2.4	4.1	-
Reimbursement of Expenses	-	-	9.6
Total compensation	2.4	222.6	325.6

* Does not include provisions/ contributions towards gratuity, compensated absences , as such provisions/ contributions are for the Company as a whole.



Minda Storage Batteries Private Limited**Notes forming part of the financial statements for the year ended 31 March 2018****(All amounts in ₹ lakhs, unless otherwise stated)****41. Business Transfer Agreement**

The Company has entered into a business transfer agreement with Minda Industries Limited ("MIL") under which MIL has transferred two wheeler battery division by way of slump sale with effect from 01 April 2017. The following assets and liabilities were transferred and excess amount paid recognised as goodwill.

Particulars	Amount
Property, plant and equipment	1,846.0
Other assets	833.5
Total Assets	2,679.5
Total liabilities	579.0
Net assets	2,100.5
Purchase consideration paid	2,650.0
Goodwill	549.5

42 Capital management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors NET Debt to EBITDA ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs). The Company's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

	31 March 2018	31 March 2017
Net Debt	310.8	(147.5)
EBITDA	(81.7)	(1,729.4)
Net Debt to EBITDA	(3.8)	0.1

43 Operating Leases**Leases as lessee**

The Company enters into operating lease arrangements for premise which are cancellable with mutual consent.

Amount recognised in profit or loss:

	Year ended 31 March 2018	Year ended 31 March 2017
Lease expense for the year	30.0	94.9

44 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under Sections 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 continuously updates its documentation to determine whether the transactions entered into with the associated enterprises during the financial year on an arm's length basis. The management is of the opinion that such transactions 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.



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45 Fair value measurements

a. Financial instruments by category and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy -

Category	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	Amortised Cost	Amortised Cost	Amortised Cost
1) Financial assets at amortized cost			
Trade receivables	440.1	2.0	-
Loans	2,270.5	5,624.1	25.6
Cash and cash equivalents	64.9	147.5	3,716.6
Bank deposits	179.3	179.3	179.3
Other financial assets	40.1	23.9	9.5
Total	2,994.9	5,976.8	3,931.0
2) Financial Liabilities at amortized cost			
Borrowings	375.6	-	-
Trade payables	486.1	388.5	367.0
Other financial liabilities	37.6	0.3	4,336.8
Total	899.3	388.8	4,703.8

Assets and liabilities which are measured at amortised cost

1. Fair value of trade receivables, cash and cash equivalents, Bank deposits, other current financial assets, trade payables, other current financial liabilities and borrowings approximate their carrying amount, largely due to the short-term nature of these instruments.
2. Interest rates on borrowings (including current maturities) are equivalent to the market rate of interest. Accordingly, the carrying value of such borrowings approximates fair value.
3. Fair value of all other non-current assets have not been disclosed as the change from carrying amount is inconsequential.



Minda Storage Batteries Private Limited
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46 First time adoption of Ind AS

As stated in Note 2A, these financial statements for the year ended 31 March 2018, are the Company's first financial statements prepared in accordance with Ind AS. For the periods upto and included 31 March 2017, the Company had prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act ('previous GAAP').

Accordingly the Company has prepared these financial statements which comply with Ind AS applicable for year ended on 31 March 2018, together with the comparative period data for the year ended 31 March 2017 and Ind AS opening balance sheet as at 1 April 2016. Further, in presenting the comparative information, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening consolidated Ind AS balance sheet on the date of transition i.e. 1 April 2016.

Optional exemptions availed

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

i. Deemed cost for property, plant and equipment and other intangible assets:

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognised as of April 01, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Mandatory exceptions

Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS or as at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is a objective evidence that those estimates were in error. However the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of comparative period, as the case may be.

The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies, if any).



Reconciliation of equity as at 01 April 2016 (date of transition to Ind AS)

Particulars	Footnotes	1 April 2016			31 March 2017		
		Regrouped Indian GAAP	Ind AS adjustments	Ind AS	Regrouped Indian GAAP	Ind AS adjustments	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		39.0	-	39.0	34.9	-	34.9
Capital work-in-progress	(b)	8,083.1	979.5	9,062.6	8,884.7	979.5	9,864.2
Other intangible assets		1.2	-	1.2	0.8	-	0.8
Financial assets							
(i) Loans		25.6	-	25.6	1,862.5	-	1,862.5
(ii) Other financial assets		179.3	-	179.3	179.3	-	179.3
Other non-current assets		4.9	-	4.9	312.3	-	312.3
Total non-current assets		8,333.1	979.5	9,312.6	11,274.5	979.5	12,254.0
Current assets							
Inventories		512.9	-	512.9	256.9	-	256.9
Financial assets							
(i) Trade receivables		-	-	-	2.0	-	2.0
(ii) Cash and cash equivalents		3,716.6	-	3,716.6	147.5	-	147.5
(iii) Loans		-	-	-	3,761.6	-	3,761.6
(iv) Other financial assets		9.5	-	9.5	23.9	-	23.9
Other current assets		25.0	-	25.0	144.3	-	144.3
Total current assets		4,264.0	-	4,264.0	4,336.2	-	4,336.2
Total Assets		12,597.1	979.5	13,576.6	15,610.7	979.5	16,590.2
II EQUITY AND LIABILITIES							
Equity							
Equity share capital		9,600.0	-	9,600.0	18,860.0	-	18,860.0
Other equity		(1,888.7)	-	(1,888.7)	(3,702.5)	-	(3,702.5)
Total equity		7,711.3	-	7,711.3	15,157.5	-	15,157.5
Liabilities							
Non-current liabilities							
Government Grants	(b)	-	979.5	979.5	-	979.5	979.5
Total non-current liabilities		-	979.5	979.5	-	979.5	979.5
Current liabilities							
Financial liabilities							
(i) Trade payables		367.0	-	367.0	388.5	-	388.5
(ii) Other financial liabilities		4,336.8	-	4,336.8	0.3	-	0.3
Other current liabilities		179.5	-	179.5	2.2	-	2.2
Current tax liabilities (net)		2.5	-	2.5	62.2	-	62.2
Total current liabilities		4,885.8	-	4,885.8	453.2	-	453.2
Total Equity and Liabilities		12,597.1	979.5	13,576.6	15,610.7	979.5	16,590.2



Minda Storage Batteries Private Limited
forming part of the financial statements for the year ended 31 March 2018
(All amounts in ₹ lakhs, unless otherwise stated)

Reconciliation of Total Comprehensive Income for the year ended 31 March 2017

Particulars	Footnotes	Regrouped Indian GAAP	Ind AS adjustments	Ind AS
Income				
Revenue from operations	(a)	143.8	19.3	163.1
Other income		226.0	-	226.0
Total income		369.8	19.3	389.1
Expenses				
Cost of materials consumed		492.1	-	492.1
Excise duty	(a)	-	19.3	19.3
Employee benefit expenses		276.8	-	276.8
Finance costs		1.3	-	1.3
Depreciation and amortization		4.5	-	4.5
Other expenses		1,330.3	-	1,330.3
Total expenses		2,105.0	19.3	2,124.3
Loss before tax		(1,735.2)	-	(1,735.2)
Tax expense:				
Current tax		-	-	-
Deferred tax		78.6	-	78.6
Loss for the year		(1,813.8)	-	(1,813.8)
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements gains/(losses) on defined benefit plans		-	-	-
Income tax effect		-	-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		-	-	-
Total comprehensive income for the year		(1,813.8)	-	(1,813.8)

Impact of Ind AS on the statements of cash flows for the year ended 31 March 2017

Particulars	Footnotes	Regrouped Indian GAAP	Adjustments	Ind AS
Net cash used in operating activities		(1,977.5)	-	(1,977.5)
Net cash used in investing activities		(7,234.1)	-	(7,234.1)
Net cash from financing activities		5,642.5	-	5,642.5
Net increase/(decrease) in cash and cash equivalents		(3,569.1)	-	(3,569.1)
Cash and cash equivalents as at 01 April 2016		3,716.6	-	3,716.6
Cash and cash equivalents as at 31 March 2017		147.5	-	147.5



Minda Storage Batteries Private Limited
Notes forming part of the financial statements for the year ended 31 March 2018
(All amounts in ₹ lakhs, unless otherwise stated)
CIN: U35900 DL2011PTC228363

Footnotes to the reconciliation of equity as at 01 April 2016 and 31 March 2017 and Statement of Profit or Loss for the year ended 31 March 2017:

(a) Excise duty

Under previous GAAP, revenue from sale of goods was presented net of excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented as an expense in profit or loss. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2017. The total comprehensive income for the year ended and equity as at 31 March 2017 has remain unchanged.

The impact arising from the change is as follows:

	Increase / (Decrease) Year ended 31 March 2017
Statement of Profit and Loss	
Revenue from operations	19.3
Excise duty	19.3
Adjustment before income tax - Profit / (Loss)	-

As per our report of even date attached:

(b) Export promotion capital goods scheme

Under Ind AS, Government grants relating to the purchase of property, plant and equipment shall be presented in the balance sheet by setting up the grant as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

	As at 31 March 2017	As at 1 April 2016
Balance sheet		
Capital Work in progress	979.5	979.5
Government grant/ deferred income	979.5	979.5
Adjustment to retained earnings	-	-

As per our report of even date attached

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



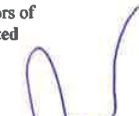
Tarun Gupta
Partner
Membership No. : 507892

Place : Gurugram
Date : 14/05/2018

For and on behalf of the Board of Directors of
Minda Storage Batteries Private Limited



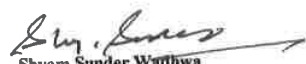
Sudhir Jain
Director
DIN No. 00010445
Place: New Delhi
Date: 14/05/2018



Sanjay Jain
Director
DIN No. 03364405
Place: New Delhi
Date: 14/05/2018



Rajesh Tiwari
Company Secretary
Membership No. : 30566
Place: New Delhi
Date: 14/05/2018



Shyam Sunder Wadhwa
Chief Financial Officer
Place: New Delhi
Date: 14/05/2018