

INDEPENDENT AUDITOR'S REPORT

To the Members of Minda TG Rubber Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Minda TG Rubber Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of 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 financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 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 March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity 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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, 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 Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements- Refer Note 32(b) to the Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 1003E/E300005



per Vikas Mehra

Partner

Membership Number: 94421

Place of Signature: New Delhi

Date: May 14, 2018



Annexure referred to in paragraph under the heading "Report on Other Legal and Regulatory requirements" of our report of even date

Re: Minda TG Rubber Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, custom- duty, excise duty, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax and value added tax on account of any dispute, are as follows:

Name of Statute	Nature of dues	Amount (Lacs)	Period to which the amount relates	Forum to where dispute is pending
Income Tax Act, 1961	Demand under protective assessment of tax	396.82	AY 2015-16	Commissioner (Appeal)

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues in respect of a financial institution or to government and did not have any outstanding debentures during the year.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments). During the year the Company has utilized the monies raised by way of term loan for the purpose for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud /on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005


per **Vikas Mehra**

Partner

Membership Number: 94421

Place of Signature: New Delhi

Date: May 14, 2018



ANNEXURE – II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MINDA TG RUBBER PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of Minda TG Rubber Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005


per **Vikas Mehra**
Partner



Membership Number: 94421

Place: New Delhi

Date: May 14, 2018

Minda TG Rubber Private Limited
Balance Sheet as at March 31, 2018
INR in lacs, unless otherwise stated

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Assets				
Non-current assets				
Property, plant and equipment	4A	6,948.59	6,651.75	5,265.97
Capital work-in-progress	4B	311.00	27.54	1,157.99
Intangible assets	5	18.01	40.14	59.97
Financial assets :				
Other financial assets	6	16.07	16.07	35.38
Other non-current assets	7	4.30	38.02	20.76
Deferred tax assets (net)	8	-	-	-
		<u>7,297.97</u>	<u>6,773.52</u>	<u>6,540.07</u>
Current assets				
Inventories	9	789.80	488.94	334.66
Financial assets :				
Trade receivables	10	739.74	503.39	72.25
Cash and cash equivalents	11	164.90	225.72	50.52
Others financial assets	6	97.86	18.26	253.81
Other current assets	7	564.73	452.62	440.24
		<u>2,357.03</u>	<u>1,688.93</u>	<u>1,151.48</u>
Total assets		<u>9,655.00</u>	<u>8,462.45</u>	<u>7,691.55</u>
Equity and liabilities				
Equity				
Equity share capital	12	5,052.30	4,662.30	3,500.00
Other equity	13	(1,854.37)	(1,462.99)	(955.67)
Total equity		<u>3,197.93</u>	<u>3,199.31</u>	<u>2,544.33</u>
Non-current liabilities				
Financial liabilities :				
Borrowings	14	2,242.19	2,676.47	3,111.49
Other financial liabilities	15	1,170.72	1,266.39	1,156.07
Long term provisions	16	22.79	17.88	4.27
Government grants	17	39.62	43.08	46.54
		<u>3,475.32</u>	<u>4,003.82</u>	<u>4,318.37</u>
Current liabilities				
Financial liabilities :				
Borrowings	14	1,410.00	450.00	-
Trade payables	18	1,207.81	585.43	555.43
Other financial liabilities	15	310.98	191.79	82.72
Short term provisions	16	32.23	14.56	6.44
Government grants	17	3.46	3.46	3.46
Other current liabilities	19	17.27	14.07	180.80
		<u>2,981.75</u>	<u>1,259.31</u>	<u>828.85</u>
Total liabilities		<u>6,457.07</u>	<u>5,263.14</u>	<u>5,147.22</u>
Total equity and liabilities		<u>9,655.00</u>	<u>8,462.45</u>	<u>7,691.55</u>

Summary of significant accounting policies 3
The accompanying notes are an integral part of these financial statements
As per our report of even date

For S.R.Batliloi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301807-24-20005

per Vikas Mehra

Partner

Membership No: 94421



Place: New Delhi

Date: May 14, 2018

For and on behalf of the Board of Directors of
Minda TG Rubber Private Limited

Ravi Shankar Gupta

Managing Director

DIN - 00100578

Dinesh Saini

Chief financial officer

Place: New Delhi

Date: May 14, 2018

Daisuke Esaki

Whole Time Director

DIN - 07843902

Avinav Sharma

Company Secretary

M.No.: A42599

Minda TG Rubber Private Limited
Statement of Profit and Loss for the year ended March 31, 2018
INR in lacs, unless otherwise stated

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from operations	20	5,387.21	3,991.80
Other income	21	9.42	13.64
Total income	A	5,396.63	4,005.44
Expenses			
Cost of raw materials and components consumed	22 A	3,385.16	2,128.38
Cost of moulds, tools & dies consumed	22 B	16.25	184.75
(Increase) in inventories of finished goods and work-in-progress	23	(182.51)	(113.03)
Excise duty on sale of goods		136.07	467.90
Employee benefits expense	24	794.01	617.46
Finance costs	25	367.14	333.22
Depreciation and amortisation expense	26	466.13	302.69
Other expenses	27	814.25	572.74
Total expenses	B	5,796.50	4,494.11
(Loss) for the year	C [A-B]	(399.87)	(488.67)
Other comprehensive income			
Items that will not be reclassified to profit and loss in subsequent period:			
Re-measurement gains/(loss) on defined benefit plans		13.02	(7.03)
Income tax effect (refer note 8)		-	-
Net comprehensive income not to be reclassified to statement of profit or loss in subsequent periods		13.02	(7.03)
Other comprehensive income for the year (net of tax)	D	13.02	(7.03)
Total comprehensive income for the year (comprising of profit and other comprehensive income)	C + D	(386.85)	(495.70)
Earnings per equity share on profit for the year			
Basic	29	(0.81)	(1.17)
Diluted	29	(0.81)	(1.17)

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S.R.Batliloi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per **Vikas Mehra**
Partner
Membership No: 94421



Place: New Delhi
Date: May 14, 2018

For and on behalf of the Board of Directors of
Minda TG Rubber Private Limited

Ravi Shankar Gupta
Managing Director
DIN - 00100578

Dinesh Saini
Chief financial officer

Place: New Delhi
Date: May 14, 2018

Daisuke Esaki
Whole Time Director
DIN - 07843902

Avinav Sharma
Avinav Sharma
Company Secretary
M.No.: A42599

Minda TG Rubber Private Limited
Statement of Changes in equity for the year ended March 31, 2018
INR in lacs, unless otherwise stated

Particulars	Share capital*	Other Equity		Total equity
		Retained earnings	Total Reserves and surplus	
As at April 01, 2016 (A)	3,500.00	(955.67)	(955.67)	2,544.33
Add: Profit (loss) for the year	-	(488.67)	(488.67)	(488.67)
Add: Other comprehensive income	-	(7.03)	(7.03)	(7.03)
Add: Share issue expenses	-	(11.62)	(11.62)	(11.62)
Add: Issue of shares	1,162.30	-	-	1,162.30
Total comprehensive income (B)	4,662.30	(1,462.99)	(1,462.99)	3,199.31
As at March 31, 2017 (A+B)	4,662.30	(1,462.99)	(1,462.99)	3,199.31
Add: Profit (loss) for the year		(399.87)	(399.87)	(399.87)
Add: Other comprehensive income		13.02	13.02	13.02
Add: Share issue expenses		(4.53)	(4.53)	(4.53)
Add: Issue of shares	390.00			390.00
Total comprehensive income (C)	5,052.30	(1,854.37)	(1,854.37)	3,197.93
As at March 31, 2018 (A+B+C)	5,052.30	(1,854.37)	(1,854.37)	3,197.93

The accompanying notes form an integral part of these financial statements

For S. R. Batliboi & Co. LLP
Firm Registration No.: 301003E/E300005
Chartered Accountants

[Signature]
per Vikas Mehra
Partner
Membership No. 94421



For and on behalf of the Board of Directors
Minda TG Rubber Private Limited

[Signature] *[Signature]*
Ravi Shankar Gupta **Daisuke Esaki**
Managing Director Whole Time Director
DIN - 00100578 DIN - 07843902

[Signature] *[Signature]*
Dinesh Saini **Avinav Sharma**
Chief financial officer Company Secretary
M.No.: A42599

Place: New Delhi
Date: May 14, 2018

Place: New Delhi
Date: May 14, 2018

Minda TG Rubber Private Limited

Cash flow statement for the year ended March 31, 2018

INR in lacs, unless otherwise stated

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Cash Flow from Operating Activities		
(Loss) before tax	(399.87)	(488.67)
Adjustment to reconcile loss before tax to net cash flows		
Depreciation and amortisation expenses	466.13	302.69
Interest expense	367.14	333.22
Interest Income	(5.45)	(7.82)
Profit on sale of property, plant and equipment	(0.03)	-
Unrealised foreign exchange loss/(gain)	13.32	(123.70)
Operating profit before working capital changes	441.22	15.72
Movements in working capital :		
Increase in trade payables	607.75	55.38
(Increase)/ decrease in other financial liabilities	(51.06)	64.97
(Increase)/ decrease in other liabilities	3.20	(166.73)
Decrease in provisions	35.61	14.71
Decrease in government grants	(3.46)	(3.46)
(Increase) in trade receivables	(236.35)	(431.14)
(Increase) in inventories	(300.86)	(154.27)
(Increase) in other assets	(113.26)	(12.37)
(Increase)/ decrease in financial assets	(78.42)	256.18
Cash generated from operations	304.37	(361.02)
Refund received/(Direct taxes paid)	(0.55)	8.45
Net cash generated from operating activities (A)	303.83	(352.57)
Cash flows from investing activities		
Purchase of property, plant and equipment, including CWIP and advances for Property, Plant and Equipment	(1,000.98)	(621.18)
Proceeds from sale of Property, Plant and Equipment	0.73	-
Interest received	4.27	6.50
Net cash used in investing activities (B)	(995.98)	(614.69)
Cash flows from financing activities		
Proceeds from issuance of equity share capital (net of share issue expenses)	385.47	1,150.68
Proceeds from short term borrowings (net)	960.00	450.00
Proceeds from long term borrowings	400.00	400.00
Repayment of long term borrowings	(747.00)	(525.00)
Interest paid	(367.14)	(333.22)
Net cash used in financing activities (C)	631.33	1,142.46
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(60.82)	175.20
Cash and cash equivalents at the beginning of the year	225.72	50.52
Cash and cash equivalents at the end of the year	164.90	225.72

-----This space has been intentionally left blank-----



[Handwritten signature]

Minda TG Rubber Private Limited
Cash flow statement for the year ended March 31, 2018
INR in lacs, unless otherwise stated

Components of cash and cash equivalents

Cash on hand	0.84	0.35
Balance with banks		
- on current accounts	164.06	36.37
- on deposit accounts	-	189.00
Total cash and cash equivalents (refer note 11)	164.90	225.72

Summary of significant accounting policies (refer note 3)

For S.R.Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

[Signature]
per Vikas Mehra
Partner
Membership No: 94421



Place: New Delhi
Date: May 14, 2018

For and on behalf of the Board of Directors of
Minda TG Rubber Private Limited

[Signature]
Ravi Shankar Gupta
Managing Director
DIN - 00100578

[Signature]
Daisuke Esaki
Whole Time Director
DIN - 07843902

[Signature]
Dinesh Saini
Chief financial officer

[Signature]
Avinav Sharma
Avinav Sharma
Company Secretary
M.No.: A42599

Place: New Delhi
Date: May 14, 2018

Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018

1. Corporate Information

Minda TG Rubber Private Limited ("the Company") is a private unlisted company domiciled in India and is incorporated under the provisions of Companies Act, 1956. The Company is a subsidiary of Minda Industries Limited. The registered office of the Company is located at B-64/1, Wazirpur Industrial Area- Delhi.

The company is engaged in the business of manufacturing and trading of Industrial Brake Hose, Fuel Hose and their components, accessories and fittings.

Information on other related party relationships of the Company is provided in Note 34.

The financial statements were authorised for issue in accordance with a resolution of directors on May 14, 2018..

2. Significant accounting policies

2.1 Basis of preparation

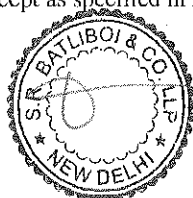
The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). Ind AS is applicable to the Company during the year ended March 31, 2018 (transition date being April 01, 2016). The Company, being subsidiary of Minda Industries Limited ("MIL"), prepared its financial statements as per Ind AS accordingly.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 ("Indian GAAP"). These financial statements for the year ended 31 March 2018 are the Company's first financial statement prepared in accordance with Ind AS.

The transition was carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as ("previous GAAP"), as defined in Ind AS 101. 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 40. The preparation of these financial statements resulted in changes to the accounting policies as compared to most recent annual financial statements prepared under Indian GAAP ("Previous GAAP"). Accounting policies have been applied consistently to all periods presented in the financial statements. They have also been applied in preparing the Ind AS opening balance sheet as at April 01, 2016 for the purpose of transition to Ind AS, as required by Ind AS 101.

The balance sheet corresponds to the classification provisions as contained in Ind AS 1 "Presentation of Financial Statements". For the purpose of clarity, various items are aggregated in the statements of profit and loss and balance sheet, however, the details of such items are separately presented in the notes to accounts of the financial statements, where applicable.

The Company uses same accounting policies in its opening Ind AS balance sheet and throughout all periods presented in its first Ind AS financial statements. These accounting policies comply with Ind AS effective at the end of the first Ind AS reporting period, except as specified in Ind AS 101.



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018

2.2 Basis of measurement

The financial statements have been prepared in accordance with the historical cost convention except for certain financial instruments that are measured at fair value as required under relevant Ind AS.

3. Summary of significant accounting policies

A. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ 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 current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

B. Foreign currencies

The Company's financial statements are presented in India Rupees (INR), which is also the Company's functional currency.

Transactions and balances:

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair



A handwritten signature in dark ink, appearing to be "R. V."

Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018

value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

C. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

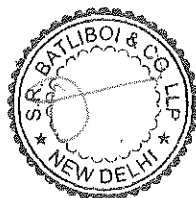
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

D. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018

The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) / Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Revenue from government grants

Refer note 3(E) for the policy to recognise revenue against government grants.

E. Government grants

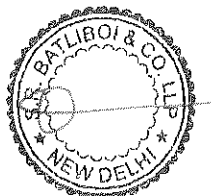
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

F. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

G. Property, plant and equipment

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management which is equal to as the rates prescribed Schedule II to the Companies Act, 2013. The company has used the following rates to provide depreciation on its property, plant and equipment.



BL

Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

H. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

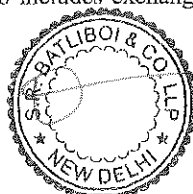
The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

I. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018

J. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term

K. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

► Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving average basis.

► Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on moving average basis.

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

L. Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for



Minda TG Rubber Private Limited**Notes to financial statements for the year ended March 31, 2018**

subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

M. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

N. Retirement and other employee benefits

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

The Company operates a defined benefit gratuity plan, which is unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- ▶ The date of the plan amendment or curtailment, and
- ▶ The date that the Company recognises related restructuring costs



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ▶ Net interest expense or income

O. Provision (other than employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

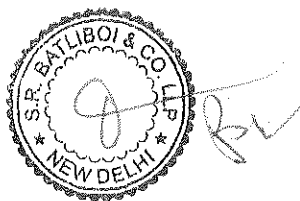
P. Derivative instruments

The Company holds derivative financial instrument such as interest rate swaps and cross currency swaps to mitigate the risk of change in interest rate and change in exchange rate on foreign currency exposure respectively. The counterparty for these contracts is generally a bank. These derivative financial instruments are marked to market as at the reporting date and are designated at fair value through profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Q. Share based payments

Certain eligible employees of the Company receive remuneration in the form of share-based payments, whereby eligible employees render services as consideration for equity of parent Company.

The cost is measured initially at fair value at the grant date using a Black Scholes model, further details of which are given in Note 41. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018

R. Cash and cash equivalents

Cash and cash equivalent 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, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

S. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

T. Financial instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial assets

i. Recognition and initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt instruments at amortised cost

The category applies to the Company's trade and other receivables, cash and cash equivalents, security deposits and other loans and advances, etc.

A debt instrument is measured at the amortised cost if both the following conditions are met

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018

- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The accretion of EIR is recorded as an income or expense in statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- (i) The contractual rights to receive cash flows from the asset has expired, or
- (ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings etc.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at Amortized cost

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

U. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are initially measured at fair value with subsequent measurement at amortised cost e.g., trade and other receivables, security deposits, loan to employees, etc.

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 recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as an expense in the statement of profit and loss.

V. Contingent liabilities and contingent assets

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

W. Standard issued but not yet effective

a) Ind AS 115 - Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs had notified Ind AS 115 'Revenue from Contracts with Customers' which would be applicable for accounting periods beginning on or after 1 April 2018. This Standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Company is evaluating the requirements of the standard and its impact on the financial statements.



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018

b) **Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the company as the company has no deductible temporary differences or assets that are in the scope of the amendments.

c) **Transfers of Investment Property — Amendments to Ind AS 40**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Company will apply amendments when they become effective. However, since there are no investment properties, the Company does not expect any effect on its financial statements.

d) **Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration**

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018
INR in lacs, unless otherwise stated

4 Property, plant and equipment and capital work in progress

A) Property, plant and equipment (net)

The details of property, plant and equipment (net) :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Freehold land	1,404.05	1,404.05	1,404.05
Building	1,414.99	1,465.18	1,502.54
Plant and machinery	4,022.88	3,662.98	2,233.92
Furniture and fixtures	24.40	25.48	25.68
Office equipments	45.70	49.89	47.73
Computers	14.25	17.89	21.80
Vehicles	22.31	26.28	30.25
Total	6,948.59	6,651.75	5,265.97

B) Capital work in progress

The details of capital work in progress:

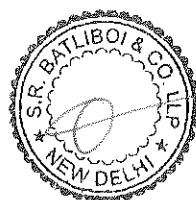
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital work in progress	311.00	27.54	1,157.99
Total	311.00	27.54	1,157.99

C) Ind AS 101 Exemption: The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment and capital work in progress as its deemed cost as at the date of transition

Details of gross block, accumulated depreciation and net block carried at deemed cost

Particulars	Gross Block as at April 01, 2016	Accumulated depreciation as April 01, 2016	Net Block as at April 01, 2016/Deemed Cost
Freehold land	1,404.05	-	1,404.05
Buildings	1,541.34	38.80	1,502.54
Plant and machinery	2,316.71	97.18	2,219.53
Furniture and fixtures	27.46	1.78	25.68
Office equipments	52.45	4.72	47.73
Computers	23.57	1.77	21.80
Vehicles	31.72	1.47	30.25
Total	5,397.30	145.72	5,251.58

This space has been intentionally left blank



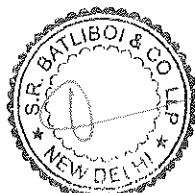
Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018
INR in lacs, unless otherwise stated

4.1 Property, Plant and Equipment

Particulars	Freehold land	Building	Plant and Machinery	Furniture and fixtures	Office equipments	Computers	Vehicles	Total
Cost								
As at April 01, 2016	1,404.05	1,541.34	2,331.10	27.46	52.45	23.57	31.72	5,411.69
Additions	-	21.04	1,620.81	3.93	13.24	2.96	-	1,661.99
As at March 31, 2017	1,404.05	1,562.38	3,951.91	31.40	65.69	26.53	31.72	7,073.68
Additions	-	9.17	711.89	2.84	10.38	5.04	-	739.32
Disposals	-	-	-	-	-	(0.74)	-	(0.74)
As at March 31, 2018	1,404.05	1,571.55	4,663.81	34.24	76.07	30.83	31.72	7,812.27
Depreciation								
As at April 01, 2016	-	38.80	97.18	1.78	4.72	1.77	1.47	12.59
Charge for the year	-	58.40	191.75	4.13	11.08	6.87	3.97	276.20
As at March 31, 2017	-	97.20	288.93	5.92	15.80	8.64	5.44	288.79
Charge for the year	-	59.36	352.00	3.92	14.57	7.99	3.97	441.81
Disposal	-	-	-	-	-	(0.05)	-	(0.05)
As at March 31, 2018	-	156.56	640.93	9.84	30.37	16.58	9.41	730.56
Net Block								
As at March 31, 2018	1,404.05	1,414.99	4,022.88	24.40	45.70	14.25	22.31	6,948.58
As at March 31, 2017	1,404.05	1,465.18	3,662.98	25.48	49.89	17.89	26.28	6,651.75
As at March 31, 2016	1,404.05	1,502.54	2,233.92	25.68	47.73	21.80	30.25	5,265.97

Net Book Value	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Property, plant and equipment	6,948.58	6,651.75	5,265.97

This space has been intentionally left blank



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018
INR in lacs, unless otherwise stated

5 Intangible assets

a) Details of intangible assets:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Intangible assets			
- Computer software	18.01	40.14	59.97
Total	18.01	40.14	59.97

b) Disclosures regarding gross block of intangible assets, accumulated amortisation and net block are as given below:

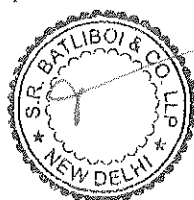
Particulars	Softwares	Total
Cost		
At April 01, 2016	67.78	67.78
Add: Additions	3.29	3.29
At March 31, 2017	71.07	71.07
Add: Additions	2.11	2.11
At March 31, 2018	73.18	73.18
Amortisation and impairment		
At April 01, 2016	7.80	7.80
Add: Amortisation charge for the year	23.13	23.13
Less: Disposals	-	-
At March 31, 2017	30.93	30.93
Add: Amortisation charge for the year	24.24	24.24
Less: Disposals	-	-
At March 31, 2018	55.17	55.17
Net book value		
At March 31, 2018	18.01	18.01
At March 31, 2017	40.14	40.14
At April 01, 2016	59.97	59.97

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

Details of gross block, accumulated depreciation and net block carried at deemed cost

Particulars	Gross Block as at April 01, 2016	Accumulated depreciation as April 01, 2016	Net Block as at April 01, 2016/Deemed
- Computer software	67.78	7.80	59.97
Total	67.78	7.80	59.97

This space has been intentionally left blank



Prh

Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018
INR in lacs, unless otherwise stated

6 Financial assets

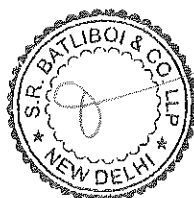
a) Breakup of financial assets:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A. Trade receivables (Refer note 10)	739.74	503.39	72.25
B. Cash and cash equivalents (Refer note 11)	164.90	225.72	50.52
C. Other financial assets			
Non- current			
Fixed deposits	16.07	16.07	16.07
Derivative assets	-	-	19.31
	16.07	16.07	35.38
Current			
Security deposits	13.95	16.02	15.25
Interest accrued on fixed deposits	3.42	2.24	0.91
Insurance claim receivable	71.43	-	25.48
Unbilled revenue	9.06	-	194.45
Derivative assets	-	-	17.72
	97.86	18.26	253.81
Total (C)	113.93	34.33	289.19
Total (A + B + C)	1,018.57	763.44	411.96
Total current	1,002.50	747.37	376.58
Total non- current	16.07	16.07	35.38
	1,018.57	763.44	411.96

b) Break up of financial assets carried at amortised cost:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade receivables	739.74	503.39	72.25
Cash and cash equivalents	164.90	225.72	50.52
Other financial assets	113.93	34.33	252.16
Total	1,018.57	763.44	374.93

This space has been intentionally left blank



bn

Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2018

INR in lacs, unless otherwise stated

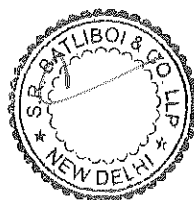
7 Other assets

(Unsecured, considered good, unless otherwise stated)

The details of other assets:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non- current			
Advances for property, plant and equipment	-	35.42	9.70
Advance income tax (net of provision for tax)	2.66	2.12	10.56
Prepaid expenses	1.64	0.48	0.50
	4.30	38.02	20.76
Total (A)	4.30	38.02	20.76
Current			
Balance with statutory / government authorities	523.81	424.77	430.11
Advance to employees	-	-	2.90
Advance to suppliers	11.73	2.75	1.42
Loans and advance to related parties	-	-	1.33
Prepaid expenses	29.19	25.10	4.49
Total (B)	564.73	452.62	440.24
Total (A+B)	569.03	490.64	461.00
Total current	564.73	452.62	440.24
Total non -current	4.30	38.02	20.76

This space has been intentionally left blank



Signature

Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2018

INR in lacs, unless otherwise stated

8	Deferred tax:	Particulars	Balance sheet		
			As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
		Deferred tax assets relates to the following :			
		Carried forward unabsorbed depreciation and losses	870.79	665.54	387.93
		Impact of expenditures charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	17.00	10.02	3.31
		Others	4.12	6.18	8.24
		(A)	891.91	681.74	399.48
		Deferred tax liability relates to the following :			
		Property, plant and equipment: impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(379.71)	(289.14)	(151.40)
		(B)	(379.71)	(289.14)	(151.40)
		Total deferred tax assets (Net)	512.20	392.60	248.08
		(A)- (B)			
		Total deferred tax assets recognised *	-	-	-

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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

This space has been intentionally left blank



Handwritten signature

Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2018

INR in lacs, unless otherwise stated

9 Inventories (Valued at lower of cost and net realisable value)

a) Details of inventories:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw material and components	329.09	260.32	249.14
Work-in-progress	177.89	73.81	17.13
Finished goods	176.79	98.36	42.01
Stores and spares	83.12	38.94	8.71
Moulds, tools and dies	22.91	17.51	17.67
Total	789.80	488.94	334.66

b) Stores and spares are capitalised if they meet the definition of property, plant and equipment as per Ind AS 16, otherwise they are classified as inventory.

As per Ind AS 16, Property, plant and equipment are tangible items that:

- i) Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- ii) Are expected to be used during more than one period

Management has assessed that the useful life of stores and spares is less than one year, considered as part of inventories.

10 Trade receivables

a) Details of trade receivables:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Outstanding for a period exceeding six months from the date they were due for payment			
Unsecured - considered good	6.46	-	0.34
Total (A)	6.46	-	0.34
Other trade receivables			
Unsecured - considered good	733.28	503.39	71.91
Total (B)	733.28	503.39	71.91
Total (A+B)	739.74	503.39	72.25

b) Trade receivables due from related parties amounts to INR Nil as at March 31, 2018 (March 31, 2017 : INR Nil , April 01, 2016

c) Trade receivables are non-interest bearing and are generally on terms of not more than 30-60 days.

This space has been intentionally left blank



Handwritten signature

Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018
INR in lacs, unless otherwise stated

11 Cash and cash equivalents

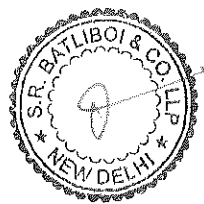
a) Details of cash and cash equivalents:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with banks:			
-Current account	164.06	36.37	46.81
-Deposit with original maturity of less than three months	-	189.00	-
Cash on hand	0.84	0.35	3.71
Total	164.90	225.72	50.52

b) For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with banks:			
-Current account	164.06	36.37	46.81
-Deposit with original maturity of less than three months	-	189.00	-
Cash on hand	0.84	0.35	3.71
Total	164.90	225.72	50.52

This space has been intentionally left blank



Signature

Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018
INR in lacs, unless otherwise stated

12 Share Capital

a) Details of share capital is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised share capital			
505.23 lacs (March 31, 2017: 466.23 lacs , April 01, 2016: 350.00 lacs) equity shares of INR 10 each	5,052.30	4,662.30	3,500.00
	<u>5,052.30</u>	<u>4,662.30</u>	<u>3,500.00</u>
Issued, subscribed and paid up			
505.23 lacs (March 31, 2017: 466.23 lacs , April 01, 2016: 350.00 lacs) equity shares of INR 10 each	5,052.30	4,662.30	3,500.00
	<u>5,052.30</u>	<u>4,662.30</u>	<u>3,500.00</u>

b) Reconciliation of authorised, issued, subscribed and paid up share capital:

i. Reconciliation of authorised share capital as at year end :

Particulars	Equity Shares No. of shares	Amount
At April 01, 2016	350.00	3,500.00
Increase during the year	116.23	1,162.30
At March 31, 2017	<u>466.23</u>	<u>4,662.30</u>
Increase during the year	39.00	390.00
At March 31, 2018	<u>505.23</u>	<u>5,052.30</u>

ii. Reconciliation of issued, subscribed and paid up share capital as at year end:

Particulars	Equity Shares No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 01, 2016	350.00	3,500.00
Issued during the year	116.23	1,162.30
At March 31, 2017	<u>466.23</u>	<u>4,662.30</u>
Issued during the year	39.00	390.00
At March 31, 2018	<u>505.23</u>	<u>5,052.30</u>

This space has been intentionally left blank



Bm

Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2018

INR in lacs, unless otherwise stated

c) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having a par value of INR 10 per share.

During the year, no interim/ final dividend has been paid or proposed by the Company.

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

d) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of shares (in lacs)	% holding in the equity	No. of shares (in lacs)	% holding in the equity shares
Minda Industries Ltd	257.67	51	237.78	51
Toyoda Gosei Co.Ltd., Japan	247.56	49	205.14	44
Toyota Tsusho Corporation, Japan	-	-	23.31	5

e) There are no bonus issue or buy back of equity shares during the preceeding years.

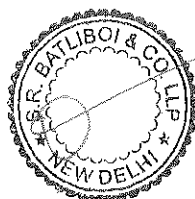
f) As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

g) Shares held by Holding Company

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount	No. of shares	Amount
Minda Industries Ltd	257.67	2,576.67	237.78	2,377.77

13 Other equity

Particulars	Retained	Total
At April 01, 2016	(955.67)	(955.67)
(Loss) for the year	(488.67)	(488.67)
Other comprehensive income for the year, net of tax	(7.03)	(7.03)
Share issue expenses	(11.62)	(11.62)
At March 31, 2017	(1,462.99)	(1,462.99)
(Loss) for the year	(399.87)	(399.87)
Other comprehensive income for the year, net of tax	13.02	13.02
Share issue expenses	(4.53)	(4.53)
At March 31, 2018	(1,854.37)	(1,854.37)



[Handwritten signature]

This space has been intentionally left blank

Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2018

INR in lacs, unless otherwise stated

14 Borrowings

a) Details of borrowings:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current Borrowings			
Term loans from banks (Unsecured) *	3,088.94	3,437.25	3,660.57
Less: Amount clubbed "other current liabilities"	846.76	760.78	549.09
	2,242.19	2,676.47	3,111.49
Current Borrowings			
Working capital demand loan (Unsecured) **	1,410.00	450.00	-
	1,410.00	450.00	-
Total current	1,410.00	450.00	-
Total non- current	3,088.94	3,437.25	3,660.57

* Term loan

Borrowings	Terms of repayment	Interest rate
External Commercial Borrowing of USD 10.13 lacs equivalent to INR 678.62 lacs (March 31, 2017 : USD 13.25 lacs equivalent to INR 859.25 lacs and April 1, 2016: USD 15.59 lacs equivalent to INR 1031.73 lacs)	20 Quarterly instalments of INR 50 lacs each starting from september 2016 upto June, 2021.	8.95%
External Commercial Borrowing of USD 10.43 lacs equivalent to INR 659.16 lacs (March 31, 2017 : USD 13.64 lacs equivalent to INR 884.63 lacs and April 1, 2016: USD 16.05 lacs equivalent to INR 1062.20 lacs)	20 Quarterly instalments of INR 50 lacs each starting from september 2016 upto June, 2021.	9.30%
External Commercial Borrowing of USD 15.38 lacs equivalent to INR 1000.91 lacs (March 31, 2017 : USD 20.12 lacs equivalent to INR 1304.75 lacs and April 1, 2016: USD 23.67 lacs equivalent to INR 1566.64 lacs)	20 Quarterly instalments of INR 50 lacs each starting from september 2016 upto June, 2021.	8.98%
External Commercial Borrowing of USD 5.8 lacs equivalent to INR 344.02 lacs (March 31, 2017 : USD 5.99 lacs equivalent to INR 388.60 lacs and April 1, 2016: USD Nil equivalent to INR Nil)	16 Quarterly instalments of INR 23.25 lacs each and 1 installment of INR 24 starting from December 2017 upto December 2021.	9.05%
External Commercial Borrowing of USD 6.24 lacs equivalent to INR 406.20 lacs (March 31, 2017 : USD Nil equivalent to INR Nil and April 1, 2016: USD Nil equivalent to INR Nil)	16 Quarterly instalments of INR 25 lacs each starting from december 2018 upto September, 2022.	7.87%

** Working capital demand loan

Working capital demand loan to the tune of INR 960 lacs (Interest rate 8.40%) and INR 450 lacs (Interest rate 11.80%) borrowed on 6 March, 2018 and 28 March, 2018 respectively (March 31, 2017: INR 330 lacs (Interest rate 8.50%) and INR 120 lacs (Interest rate 9.00%) borrowed on March 15, 2017 and March 24, 2018 respectively.)

This space has been intentionally left blank



[Handwritten signature]

Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2018

INR in lacs, unless otherwise stated

15 Other financial liabilities

a) Details of other financial liabilities carried is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Amount payable for property, plant and equipment	313.86	450.57	606.98
Current maturity of long term borrowing (refer note 14)	846.76	760.78	549.09
Derivative liabilities	10.10	55.04	-
Total	1,170.72	1,266.39	1,156.07
Current			
Amount payable for property, plant and equipment	307.16	181.86	82.72
Derivative liabilities	3.82	9.93	-
Total	310.98	191.79	82.72
Total current	310.98	191.79	82.72
Total non-current	1,170.72	1,266.39	1,156.07

b) Breakup of financial liabilities at amortised cost:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Long term borrowings	2,242.19	2,676.47	3,111.49
Current maturity of long term borrowings	846.76	760.78	549.09
Short term borrowings	1,410.00	450.00	-
Trade payables	1,207.81	585.43	555.43
Amount payable for property, plant and equipment	621.02	632.43	689.70
Total	6,327.78	5,105.11	4,905.71

c) Amount payable for property, plant and equipment to related parties amounts to INR 621.02 as at March 31, 2018 (March 31, 2017 : 578.97 , April 01, 2016 : 576.42).

16 Provisions

a) Details of provisions:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Provision for employee benefits			
Provision for gratuity	22.79	17.88	4.27
Total (A)	22.79	17.88	4.27
Current			
Provision for employee benefits			
Provision for gratuity	0.76	0.91	0.07
Provision for compensated absences	31.47	13.65	6.37
Total (B)	32.23	14.56	6.44
Total (A+B)	55.02	32.44	10.71



[Handwritten signature]

Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018
INR in lacs, unless otherwise stated

17 Government grants

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non- current			
Deferred government grants	39.62	43.08	46.54
Total (A)	39.62	43.08	46.54
Current			
Deferred government grants	3.46	3.46	3.46
Total (B)	3.46	3.46	3.46
Total (A+B)	43.08	46.54	50.00

Note: During the year 2015-16, the Company got entitled to government grants under the "export promotion capital goods scheme (EPCG)".

This space has been intentionally left blank



Handwritten signature

Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018
INR in lacs, unless otherwise stated

18 Trade payables

a) Details of trade payables:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade payables			
- Trade payables (Refer Note 33 & 34)	1,207.81	585.43	555.43
Total	1,207.81	585.43	555.43

b) Trade payables are non-interest bearing and are normally settled on 30-60 days terms.

c) Trade payables to related parties amounts to as at March 31, 2018 INR 91.23 (March 31, 2017 : INR 100.61 , April 01, 2016 : INR 104.29).

19 Other liabilities

a) Details of other liabilities:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current			
Statutory dues	17.27	14.07	18.41
Advance from customers	-	-	162.39
Total	17.27	14.07	180.80
Current	17.27	14.07	180.80

This space has been intentionally left blank



[Handwritten signature]

Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018
INR in lacs, unless otherwise stated

20 Revenue from operations

a) The details of revenue from operations is as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products		
Finished goods *	5,331.33	3,789.73
Total sale of products (A)	5,331.33	3,789.73
Other operating revenue:		
- Scrap sale	10.64	4.95
- Mould sale	45.24	197.12
Total other operating revenue (B)	55.88	202.07
Revenue from operations (A+B)	5,387.21	3,991.80

*Sale of goods includes excise duty collected from customers of INR 136.06 lacs (31 March 2017: INR 467.90 lacs). Sale of goods net of excise duty is INR 5195.27 lacs (31 March 2017: INR 3321.82

Revenue from operations for periods up to 30 June 2017 includes excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The group collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended 31 March 2018 is not comparable 31 March 2017.

b) Detail of products sold:

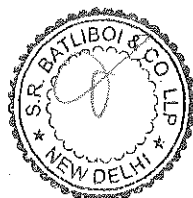
Particulars	For the year ended March 31, 2018	For the year ended
Details of finished goods sold		
Brake Hose	2,952.25	1,627.45
Fuel Hose	2,379.08	2,162.28
Total	5,331.33	3,789.73

21 Other income

The details of other income:

Particulars	For the year ended March 31, 2018	For the year ended
Interest income		
- On fixed deposits	5.45	7.82
Miscellaneous income	0.51	2.36
Government grants	3.46	3.46
Total	9.42	13.64

This space has been intentionally left blank



[Handwritten signature]

Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018
INR in lacs, unless otherwise stated

22 Cost of raw materials and components consumed

a) Cost of raw materials and components consumed :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year	260.32	249.14
Add: Purchases made during the year	3,453.93	2,139.56
Less: Inventory at the end of the year	329.09	260.32
Cost of raw material and components consumed	3,385.16	2,128.38

b) Details of raw materials and components consumed :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Fittings	1,445.58	723.65
Rubber and Chemicals	1,523.56	1,064.19
Others	416.02	340.54
Total	3,385.16	2,128.38

c) Cost of moulds consumed

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year	17.51	17.67
Add: Purchases made during the year	21.65	184.59
Less: Inventory at the end of the year	22.91	17.51
Total	16.25	184.75

d) (Increase)/ decrease in inventories

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the end of the year		
Work in progress	177.89	73.81
Finished goods	176.79	98.36
	354.68	172.17
Inventories at the beginning of the year		
Work in progress	73.81	17.13
Finished goods	98.36	42.01
	172.17	59.14
Change in inventories	(182.51)	(113.03)

This space has been intentionally left blank



[Handwritten signature]

Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018
INR in lacs, unless otherwise stated

23 (Increase)/Decrease in inventories of finished goods and work-in-progress

a) Details of Changes in inventories of finished goods and work-in-progress is as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Changes in inventories of finished goods and work-in-progress	(182.51)	(113.03)
Total	(182.51)	(113.03)

b) Detailed breakup of the changes in inventories of finished goods and work-in-progress is as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock		
- Finished goods	98.36	42.01
- Work-in progress	73.81	17.13
Total A	172.17	59.13
Closing stock		
- Finished goods	176.79	98.36
- Work-in progress	177.89	73.81
Total B	354.68	172.17
Changes in inventories of finished goods and work-in-progress		
- Finished goods	(78.43)	(56.35)
- Work-in progress	(104.08)	(56.69)
Total (A-B)	(182.51)	(113.04)

Details of inventory

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Finished goods		
Brake Hose	133.07	12.71
Fuel Hose	43.72	85.65
Work in progress		
Brake Hose	140.73	22.21
Fuel Hose	37.16	51.60
Total	354.68	172.17

This space has been intentionally left blank



Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018
INR in lacs, unless otherwise stated

24 Employee benefits expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus (includes wages for contract labour)	616.26	479.56
Contributions to provident and other funds	29.45	29.82
Gratuity expense (refer note 31)	14.00	4.54
Staff welfare expense	98.31	89.97
Employee compensation expenses	35.99	13.57
Total	794.01	617.46

25 Finance costs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense		
-to Banks	357.13	319.79
Unwinding of discount	10.01	13.43
Total	367.14	333.22

26 Depreciation and amortization expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant and equipment	441.89	279.56
Amortization of intangible assets	24.24	23.13
Total	466.13	302.69

This space has been intentionally left blank



Signature

Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2018

INR in lacs, unless otherwise stated

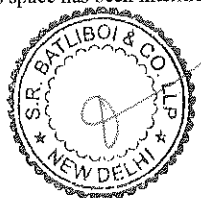
27 Other expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spares	112.90	58.13
Power and fuel	197.80	134.86
Rent	31.20	29.00
Decrease of excise duty on inventory	9.92	4.11
Repairs and maintenances		
Building	-	0.11
Others	20.18	5.31
Insurance	36.15	16.13
Rates and taxes	7.78	0.61
Legal and professional expenses	12.25	25.99
Communication cost	6.82	7.73
Travelling and conveyance	57.39	70.15
Payments to auditors (refer details below)	10.50	7.00
Printing and stationery	2.74	3.50
Royalty expenses	104.11	72.91
Exchange difference (net)	2.30	(7.21)
Freight expenses	25.41	9.51
Bank charges	1.65	3.25
SAP license fee	22.48	12.06
Management fee	51.98	33.53
Loss on sale of property, plant and equipment	1.89	-
Miscellaneous expenses	98.80	86.07
Total	814.25	572.74

Payment made to auditors is as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Payment to auditors		
As auditor:		
Statutory Audit Fee (including fee for limited reviews)	8.50	5.00
Tax Audit Fees	1.50	1.50
TP Certification	0.50	0.50
Total	10.50	7.00

This space has been intentionally left blank



Handwritten signature

28 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	Retained earnings	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Re-measurement (gains)/ losses on defined benefit plans	(13.02)	7.03
Deferred tax thereon (Refer note 8)	-	-
	<u>(13.02)</u>	<u>7.03</u>

29 Earnings per share (EPS)

- a) Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.
- b) Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.
- c) The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2018	March 31, 2017
Profit attributable to the equity holders of the Company	(399.87)	(488.67)
Weighted average number of equity shares for basic and diluted EPS (Number in lacs)	495.62	419.10
Basic and diluted earnings per share (face value INR 10 per share)	<u>(0.81)</u>	<u>(1.17)</u>

- d) There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

This space has been intentionally left blank



[Handwritten signature]

30 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on amounts recognised in the financial statements:

Lease of equipment not in legal form of lease

Significant judgement is required to apply leases accounting rules under Appendix C Ind AS 17 : Determining whether arrangement contains a lease. In assessing the applicability of arrangement entered into by the Company, management has exercised judgement to evaluate the right to use underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether arrangement meet the criteria under Appendix C to Ind AS 17.

Contingencies

Contingent liability may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and use of estimates regarding the outcome of future events.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

This space has been intentionally left blank



A handwritten signature in black ink, appearing to be "R".

Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2018

INR in lacs, unless otherwise stated

Defined benefit plans

The present value of the gratuity is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Property, plant and equipment

Refer note 3(G) for the estimated useful lives of property, plant and equipment. The carrying value of property, plant and equipment has been disclosed in note 4.

Intangible assets

Refer note 3(H) for the estimated useful life of intangible assets. The carrying value of intangible assets has been disclosed in note 5.

This space has been intentionally left blank



A handwritten signature in dark ink, consisting of a stylized 'R' followed by a horizontal stroke.

31 Post employment defined benefit plan (gratuity)

The company operates one defined plans, viz., gratuity, for its employees. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is unfunded.
The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the gratuity plan.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

	For the year ended March 31, 2018 Rs.	For the year ended March 31, 2017 Rs.
Current service cost	7.34	3.92
Past service cost	5.35	-
Interest cost obligation	1.31	0.62
Net benefit expense	14.00	4.54

Amount recognised in Other Comprehensive Income:

	For the year ended March 31, 2018 Rs.	For the year ended March 31, 2017 Rs.
Actuarial (gain)/loss on defined benefit obligation	(13.02)	7.03
Amount recognised in Other Comprehensive Income	(13.02)	7.03

Remeasurement of the net defined benefit liability/ (asset):

	For the year ended March 31, 2018 Rs.	For the year ended March 31, 2017 Rs.
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(3.65)
Actuarial (gain)/loss arising from changes in financial assumptions	(3.60)	8.64
Actuarial (gain)/loss arising from changes in experience adjustments	(9.42)	2.04
Total	(13.02)	7.03

Balance sheet

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

	For the year ended March 31, 2018 Rs.	For the year ended March 31, 2017 Rs.
Defined benefit obligation at the beginning of the year	18.79	4.33
Current service cost	7.34	3.92
Interest cost	1.31	0.62
Past service cost	5.35	-
Acquisition adjustment	5.02	3.36
Benefits paid	(1.25)	(0.47)
Actuarial (gain)/ loss on obligations - OCI	(13.02)	7.03
Defined benefit obligation at the end of the year	23.54	18.79

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

	For the year ended March 31, 2018 Rs.	For the year ended March 31, 2017 Rs.
Discount rate	7.60%	6.95%
Rate of increase in compensation level	8%	9%
Retirement Age	58 Years	58 Years
Withdrawal rates:		
Upto 30 years	13%	13%
From 31 to 44 years	9%	9%
Above 44 years	1%	1%
Mortality rate	100%	100%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Assumptions regarding future mortality are based on the published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:

Gratuity Plan

	Impact on DBO 31-Mar-18	31-Mar-17
Assumptions		
Increase in discount rate of 1%	21.34	16.8
Decrease in discount rate of 1%	26.13	21.16
Increase in future salary of 1%	25.26	20.21
Decrease in future salary of 1%	22.09	17.58

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.



[Handwritten signature]

32 Commitments and contingencies

a) Capital and other commitments

- (1) Capital commitments (net of advance) are INR 422.22 (March 31, 2017: INR. 133.81 April 1, 2016: INR. 84.86).
(2) Others commitments (net of advance) are INR 56.52 (March 31, 2017: INR. 15.01, April 1, 2016: INR. 14.06).

b) Contingencies

	For the year ended March 31, 2018 Rs.	For the year ended March 31, 2017 Rs.
The Company has received demand under protective assessment amounting to INR 396.82 lacs for Assessment Year 2015-16 which has been appealed by the Company before Commissioner (Appeal) and Company believe that there would not be any probable outflow of resource in this matter.	396.82	Nil
Liability of Customs duty towards export obligation undertaken by the Company under "Export Promotion Capital Goods scheme (EPCG)"	103.93	103.93

This space has been intentionally left blank



Signature

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
Principal amount due to micro and small enterprises	20.81	10.41	2.25
Interest due on above	0.11	0.14	-
	20.92	10.55	2.25
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	0.11	0.14	0
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.11	0.14	0
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-

This space has been intentionally left blank



[Handwritten signature]

34 Related party disclosures

1) Names of related parties and related party relationship

A Related Parties where control exists

Holding Company
Minda Industries Limited

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

Entities having significant influence

Toyoda Gosei Co. Ltd, Japan

Key Managerial Personnel ("KMP")

Mr. Ravi Shankar Gupta
Mr. Kiyoshi Shibata
Mr. Daisuke Esaki (w.e.f June 6, 2017)

2) Related party transactions

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

Nature of transactions	Holding Company		Companies having Significant influence		Key management personnel	
	For year ended March 31, 2018 Rs.	For year ended March 31, 2017 Rs.	For year ended March 31, 2018 Rs.	For year ended March 31, 2017 Rs.	For year ended March 31, 2018 Rs.	For year ended March 31, 2017 Rs.
(A) Purchases of fixed assets						
Toyoda Gosei Co. Ltd, Japan (including technical support cost)	-	-	204.26	-	-	-
Minda Industries Limited	-	0.92	-	-	-	-
(B) Sales of fixed assets						
Minda Industries Limited	0.72	-	-	-	-	-
(C) Purchases of Materials						
Toyoda Gosei Co. Ltd, Japan(Consumables)	-	-	112.75	24.18	-	-
Toyoda Gosei Co. Ltd, Japan(Moulds and dies)	-	-	-	70.28	-	-
(D) Reimbursement of expenses						
Minda Industries Limited	1.70	-	-	-	-	-
Toyoda Gosei Co. Ltd, Japan	-	-	-	7.53	-	-
(E) Payment for expenses (Gross)						
Minda Industries Limited. (Management Fees)	51.98	33.53	-	-	-	-
Minda Industries Limited (SAP Fees)	22.44	12.06	-	-	-	-
Minda Industries Limited (ESOP)	35.99	13.57	-	-	-	-
Minda Industries Limited (Software maintenance)	10.00	-	-	-	-	-
Toyoda Gosei Co Ltd, Japan (Royalty)	-	-	104.11	72.91	-	-
Toyoda Gosei Co Ltd, Japan (Technical support Cost)	-	-	78.77	89.51	-	-
(F) Issue of shares(In INR)						
Toyoda Gosei Co. Ltd, Japan	-	-	171.60	511.41	-	-
Minda Industries Limited	198.90	592.77	-	-	-	-
(G) Managerial remuneration(Amount paid in the capacity of KMP)						
Mr. Kiyoshi Shibata	-	-	-	-	14.97	64.97
Mr. Daisuke Esaki	-	-	-	-	56.21	-
Mr. Ravi Shankar Gupta *	-	-	-	-	113.35	83.84

* including ESOP

3) Outstanding balances at the year end

Particulars	Holding Company		Companies having Significant influence		Key management personnel	
	For year ended March 31, 2018 Rs.	For year ended March 31, 2017 Rs.	For year ended March 31, 2018 Rs.	For year ended March 31, 2017 Rs.	For year ended March 31, 2018 Rs.	For year ended March 31, 2017 Rs.
(A) Trade and other payables						
Toyoda Gosei Co. Ltd, Japan	-	-	786.08	680.04	-	-
Minda Industries Limited	24.16	16.25	-	-	-	-



Handwritten signature/initials.

Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2018

INR in lacs, unless otherwise stated

35 Segmental information

Business segments:

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

Since the Company's business activity falls within a single business segment, there are no additional disclosures to be provided under Ind AS-108 'Operating Segments' other than those already provided in the Financial Statements.

Geographical segments:

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

This space has been intentionally left blank



A handwritten signature in blue ink, appearing to be 'R. S.' or similar, located to the right of the circular stamp.

36 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, all equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Company reviews the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

37 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

a) Fair value of financial assets:

Particulars	Carrying values			Fair values		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial assets measured at amortised cost(Refer to note 6 (b))						
Trade receivables *	739.74	503.39	72.25	739.74	503.39	72.25
Cash and cash equivalents *	164.90	225.72	50.52	164.90	225.72	50.52
Security deposit*	13.95	16.02	15.25	13.95	16.02	15.25
Interest accrued but not due on fixed deposits*	3.42	2.24	0.91	3.42	2.24	0.91
Insurance claim receivable *	71.43	-	25.48	71.43	-	25.48
Fixed Deposit *	16.07	16.07	16.07	16.07	16.07	16.07
Unbilled revenue *	9.06	-	194.45	9.06	-	194.45
Derivative assets	-	-	37.03	-	-	37.03
Total	1,018.57	763.44	411.96	1,018.57	763.44	411.96

b) Fair value of financial liabilities:

Particulars	Carrying values			Fair values		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial liabilities measured at amortised cost (Refer note 15(b))						
Borrowings	2,242.19	2,676.47	3,111.49	2,242.19	2,676.47	3,111.49
Current maturity of long term borrowings	846.76	760.78	549.09	846.76	760.78	549.09
Working capital demand loan*	1,410.00	450.00	-	1,410.00	450.00	-
Trade payables *	1,207.81	585.43	555.43	1,207.81	585.43	555.43
Amount payable for property, plant and equipment	621.02	632.43	689.70	621.02	632.43	689.70
Derivative liabilities	13.92	64.97	-	13.92	64.97	-
Total	6,341.70	5,170.08	4,905.71	6,341.70	5,170.08	4,905.71

* Management has assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables and interest accrued on borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.



Handwritten signature

38 Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at amortised cost(Refer to note 6 (b))				
Trade receivables *	739.74	-	-	-
Cash and cash equivalents *	164.90	-	-	-
Security deposit*	13.95	-	-	-
Interest accrued but not due on fixed deposits*	3.42	-	-	-
Insurance claim receivable *	71.43	-	-	-
Fixed Deposit *	16.07	-	-	-
Unbilled revenue *	9.06	-	-	-
Total	1,018.57	-	-	-

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2018:

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortised cost (Refer note 15(b))				
Borrowings	2,242.19	-	-	-
Current maturity of long term borrowings	846.76	-	-	-
Working capital demand loan*	1,410.00	-	-	-
Trade payables *	1,207.81	-	-	-
Amount payable for property, plant and	621.02	-	-	-
Derivative liabilities	13.92	-	-	-
Total	6,341.70	-	-	-



Signature

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at amortised cost(Refer to note 6 (b)).				
Trade receivables *	503.39	-	-	-
Cash and cash equivalents *	225.72	-	-	-
Security deposit*	16.02	-	-	-
Interest accrued but not due on fixed deposits*	2.24	-	-	-
Insurance claim receivable *	-	-	-	-
Fixed Deposit *	16.07	-	-	-
Total	763.44	-	-	-

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2017:

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortised cost (Refer note 15(b))				
Borrowings	2,676.47	-	-	-
Current maturity of long term borrowings	760.78	-	-	-
Working capital demand loan*	450.00	-	-	-
Trade payables *	585.43	-	-	-
Amount payable for property, plant and	632.43	-	-	-
Derivative liabilities	64.97	-	-	-
Total	5,170.08	-	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at April 01, 2016:

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at amortised cost(Refer to note 6 (b))				
Trade receivables *	72.25	-	-	-
Cash and cash equivalents *	50.52	-	-	-
Security deposit*	15.25	-	-	-
Interest accrued but not due on fixed deposits*	0.91	-	-	-
Insurance claim receivable *	25.48	-	-	-
Fixed Deposit *	16.07	-	-	-
Unbilled revenue *	194.45	-	-	-
Derivative assets	37.03	-	-	-
Total	411.96	-	-	-

Quantitative disclosures fair value measurement hierarchy for liabilities as at April 01, 2016:

Particulars	Total (Carrying Value)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortised cost (Refer note 15(b))				
Borrowings	3,111.49	-	-	-
Current maturity of long term borrowings	549.09	-	-	-
Working capital demand loan*	-	-	-	-
Trade payables *	555.43	-	-	-
Amount payable for property, plant and	689.70	-	-	-
Total (A+B)	4,905.71	-	-	-

Management has assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables and Interest accrued on borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

There have been no transfers between Level 1 and Level 2 during the period.



Raw

39 Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade and other payables, borrowings, security deposits and payables for property, plant and equipment. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash, fixed deposits and security deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. The finance department provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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 risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

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) 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 interest bearing financial liabilities includes borrowings with fixed interest rates.

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.

ii) Foreign currency risk

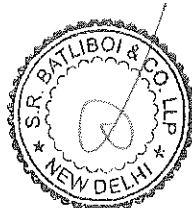
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense 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 and receivables and is therefore, exposed to foreign exchange risk. The Company may use currency swaps or forward contracts towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate as per the risk management policy.

Foreign currency sensitivity

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

Payables	Impact on Profit before tax and equity		
Currency	March 31, 2018	March 31, 2017	January 1, 2016
USD Sensitivity			
INR/USD - Increase by 1%	(3.60)	(0.28)	(1.09)
INR/USD -decrease by 1%	3.60	0.28	1.09
EURO Sensitivity			
INR/EURO- Increase by 1%	(0.87)	(0.16)	(0.19)
INR/EURO- decrease by 1%	0.87	0.16	0.19
JPY Sensitivity			
INR/JPY - Increase by 1%	(4.69)	(5.06)	(6.29)
INR/JPY - decrease by 1%	4.69	5.06	6.29



[Handwritten signature]

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations 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 and financial institutions, foreign exchange transactions and other financial instruments.

i) Trade receivables

Customer credit risk is managed by each Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. 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 grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets (trade receivable) disclosed in Note 10. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Further, the Company's customer base majorly includes Original Equipment Manufacturers (OEMs), Large Corporates and Tier-1 vendors of OEMs. Based on the past trend of recoverability of outstanding trade receivables, the Company has not incurred material losses on account of bad debts. Hence, no adjustment has been made on account of Expected Credit Loss (ECL) model.

C. 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 March 31, 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	1,410.00	202.80	643.95	2,242.19	-	4,498.94
Trade and other payables	-	1,207.81	-	-	-	1,207.81
Other financial liabilities	-	621.02	-	-	-	621.02
Total	1,410.00	2,031.63	643.95	2,242.19	-	6,327.77

As at March 31, 2017	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	450.00	179.33	583.66	2,674.26	-	3,887.25
Trade and other payables	-	585.43	-	-	-	585.43
Other financial liabilities	-	632.43	-	-	-	632.43
Total	450.00	1,397.19	583.66	2,674.26	-	5,105.11

As at April 01, 2016	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	-	-	549.09	3,111.49	-	3,660.57
Trade and other payables	-	555.43	-	-	-	555.43
Other financial liabilities	-	689.70	-	-	-	689.70
Total	-	1,245.13	549.09	3,111.49	-	4,905.70



[Handwritten signature]

40 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018 has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017

a) Exemptions applied

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

Ind AS optional exemptions

i. Deemed cost-Previous GAAP carrying amount: (PPE and Intangible):

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP (Indian GAAP) and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible. Intangible Assets covered by Ind AS 38. Accordingly, the Company has elected to measure all of its property, plant and equipment, capital work in progress and intangible assets at their previous GAAP carrying value.

ii. Arrangements containing a lease:- (Arrangement in the nature of leases):

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Ind AS mandatory exceptions

i. Estimates

The estimates at April 01, 2016 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).

ii. Classification and measurement of financial instruments

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

This space has been intentionally left blank

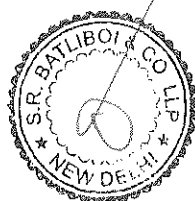


Minda TG Rubber Private Limited
Notes to financial statements for the year ended March 31, 2018
INR in lacs, unless otherwise stated

b) Reconciliation of equity as at March 31, 2017

Particulars	IGAAP	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	6,640.72	11.04	6,651.75
Capital work-in-progress	27.54	-	27.54
Intangible assets	40.14	-	40.14
Financial assets :			
Other financial assets	16.07	-	16.07
Other non-current assets	38.02	-	38.02
Deferred tax assets (net)	-	-	-
	6,762.49	11.04	6,773.52
Current assets			
Inventories	488.94	-	488.94
Financial assets :			
Trade receivables	503.39	-	503.39
Cash and cash equivalents	225.72	-	225.72
Others financial assets	18.26	-	18.26
Other current assets	514.86	(62.24)	452.62
	1,751.17	(62.24)	1,688.93
TOTAL ASSETS	8,513.66	(51.20)	8,462.45
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4,662.30	-	4,662.30
Other equity	(1,314.53)	(148.47)	(1,463.00)
Total equity	3,347.77	(148.47)	3,199.30
Non-current liabilities			
Financial liabilities :			
Borrowings	2,676.47	-	2,676.47
Other financial liabilities	1,253.59	82.87	1,336.46
Provisions	17.88	-	17.88
Government grants	-	43.08	43.08
	3,947.94	125.95	4,073.89
Current liabilities			
Financial liabilities :			
Borrowings	450.00	-	450.00
Trade payables	582.97	2.45	585.42
Other payables	156.34	(34.59)	121.75
Provisions	14.56	-	14.56
Government grants	-	3.46	3.46
Other liabilities	14.07	-	14.07
	1,217.94	(28.68)	1,189.26
Total liabilities	5,165.89	97.27	5,263.15
Total Equity And Liabilities	8,513.66	(51.20)	8,462.45

This space has been intentionally left blank



[Handwritten signature]

Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2018

INR in lacs, unless otherwise stated

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

Particulars	IGAAP	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	5,251.58	14.39	5,265.97
Capital work-in-progress	1,157.99	-	1,157.99
Intangible assets	59.97	-	59.97
Financial assets :			
Other financial assets	16.07	19.31	35.38
Other non-current assets	20.76	-	20.76
Deferred tax assets (net)	-	-	-
	6,506.37	33.70	6,540.07
Current assets			
Inventories	334.66	-	334.66
Financial assets :			
Trade receivables	72.25	-	72.25
Cash and cash equivalents	50.52	-	50.52
Others financial assets	236.09	17.72	253.81
Other current assets	600.81	(160.57)	440.24
	1,294.33	(142.85)	1,151.48
TOTAL ASSETS	7,800.70	(109.15)	7,691.55
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3,500.00	-	3,500.00
Other equity	(826.65)	(129.01)	(955.67)
Total equity	2,673.35	(129.01)	2,544.33
Liabilities			
Non-current liabilities			
Financial liabilities :			
Borrowings	3,111.49	-	3,111.49
Other payables	1,156.07	-	1,156.07
Provisions	4.27	-	4.27
Government grants	-	46.54	46.54
	4,271.83	46.54	4,318.37
Current liabilities			
Financial liabilities :			
Trade payables	555.43	-	555.43
Other payables	112.85	(30.14)	82.72
Provisions	6.44	-	6.44
Government grants	-	3.46	3.46
Other liabilities	180.80	-	180.80
	855.52	(26.68)	828.85
Total liabilities	5,127.35	19.86	5,147.22
Total Equity And Liabilities	7,800.70	(109.15)	7,691.55

This space has been intentionally left blank



[Handwritten signature]

Minda TG Rubber Private Limited

Notes to financial statements for the year ended March 31, 2018

INR in lacs, unless otherwise stated

c) Reconciliation of profit or loss for the year ended March 31, 2017

Particulars	IGAAP	Adjustments	Ind AS
Income			
Revenue from operations	3,991.80	-	3,991.80
Other income	10.18	3.46	13.64
Total income	4,001.98	3.46	4,005.44
Expenses			
Cost of raw materials and components consumed	2,128.38	-	2,128.38
Cost of moulds, tools & dies consumed	184.75	-	184.75
(Increase) in inventories of finished goods and work-in-progress	(113.03)	-	(113.03)
Excise duty on sale of goods	467.90	-	467.90
Employee benefits expense	622.03	(4.57)	617.46
Finance costs	319.79	13.43	333.22
Depreciation and amortisation expense	299.34	3.35	302.69
Other expenses	580.68	(7.94)	572.74
Total expenses	4,489.84	4.27	4,494.11
(Loss) for the year	(487.86)	(0.82)	(488.67)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/(loss) on defined benefit plans	-	(7.03)	(7.03)
Income tax effect	-	-	-
Other comprehensive income for the period, net of tax	-	(7.03)	(7.03)
Total comprehensive income for the period, net of tax	(487.86)	(7.84)	(495.70)

c) Footnotes to the reconciliation of equity as at March 31, 2017 and April 01, 2016 and profit or loss for the year ended March 31, 2017:

1 Inventory and consumption of stores and spares

Under Ind AS, the stores and spares having a useful economic life of greater than one year are required to be recognised as property, plant and equipment in the books of account. Accordingly, such stores and spares identified as at March 31, 2017 were derecognised from inventory and capitalised in the books of account. Additionally, any depreciation to be charged basis the date of purchase of the spare parts and its economic life, is recognised in retained earnings.

2 Deferred tax assets

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences relating to various transition adjustments which are recognised in correlation to the underlying transaction either in retained earnings as a separate component in equity.

3 Other comprehensive income

Under Previous GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled Previous GAAP profit or loss to profit or loss as per Ind AS. Further, Previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

4 Actuarial (gains)/ losses

Both under IGAAP and under Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to the Statement of Profit and Loss. Under Ind AS, re-measurements of defined benefit obligation are recognised immediately in the books with a corresponding debit or credit to retained earnings through OCI.

5 Statement of cash flows

The transition from Previous GAAP to Ind AS has not had a material impact on the statement of cash flows.



[Handwritten signature]

- 41 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 whole time director Mr. R.S. Gupta 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	Year	Date of Grant	Number of options granted	Vesting conditions	Exercise period	Exercise Price (INR) per share
Minda Employee Stock Option Scheme 2016	2016	23-11-2016	0.50 lacs options of Equity shares of face value of INR 2/- each.	Achieving target of market capitalization of parent Company on or before March 31, 2018	1 Year from the date of vesting	180

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

Scheme	Year	Outstanding at the beginning of the year 01.04.2017	Granted during the year	Forfeited/expired during the year	Exercised during the year	Exercisable at the end of the year 31.03.2018	Outstanding at the end of the year 31.03.2018
Minda Employee Stock Option Scheme 2016	2016	Equity shares of face value of INR 2/- each.	-	-	0.20 lacs options of Equity shares of face value of INR 2/- each.	0.30 lacs options of Equity shares of face value of INR 2/- each.	0.30 lacs options of Equity shares of face value of INR 2/- each.

Fair valuation

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

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.

- 42 The Company has incurred loss during the year amounting to INR 399.87 (March 31, 2017: INR 488.67 lacs) and has accumulated losses as at March 31, 2018 amount to INR 1854.37 lacs. However, net worth of the Company is positive and it has started commercial operations in financial year 2015-2016 and the management believes that it is in initial gestation years and had expected to incur losses. Accordingly, these financial statements have been prepared using the going concern assumption.



This space has been intentionally left blank

- 43 The Company is in the process of updating the documentation for the transactions entered into with the associated enterprises during the financial year and expects it to be completed before the filing of tax return for the current period. The management confirms that all transactions with associated enterprises are undertaken at negotiated contracted prices on usual commercial terms and is of the opinion that its international transactions are at arm's length and thus, no adjustments are likely to arise which will have to be recorded in any subsequent period.

As per our report of even date

For S.R.Batilbhai & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per Vikas Mehra
Partner
Membership No: 94421



Place: New Delhi
Date: May 14, 2018

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

Ravi Shankar Gupta
Managing Director
DIN - 00100578

Dinesh Saini
Chief financial officer

Place: New Delhi
Date: May 14, 2018

D. Esaki
Daisuke Esaki
Whole Time Director
DIN - 07843902

Avinav Sharma
Avinav Sharma
Company Secretary
M.No.: A42599