

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Mindarika Private Limited

Report on the Audit of the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other matter

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 12 May 2017 and 16 May 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements (refer note 30 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.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited financial statements for the period ended 31 March 2017 have been disclosed (refer note 11 to the Ind AS financial statements).

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022



Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram
Date: 14 May 2018

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

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment and intangible assets).
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this program, certain fixed assets were verified during the year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were observed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of the immovable property is held in the name of the Company.
- (ii) According to the information and explanations given to us, the inventories, except stock lying with third party and goods-in-transit, has been physically verified by the management during the year at reasonable intervals. For stock lying with third parties at the year end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) 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 required under Section 189 of the Companies Act, 2013. Accordingly, para 3 (iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the Company has not given any loans, or made any investments, or provided any guarantee, or security as specified under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Service Tax ('GST'), Service tax, Duty of Customs, Duty of Excise, Value



Added Tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities.

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

- (b) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

| Name of the statute | Nature of the dues | Amount of dispute (Rs. in crore)* | Amount deposited under protest (Rs. in crore) | Period to which the amount relates | Forum where dispute is pending |
|---------------------|--------------------|-----------------------------------|---|------------------------------------|--------------------------------------|
| Finance Act, 1994 | Service tax | 0.60 | 0.03 | April 2011 to June 2017 | CESTAT/ Commissioner (Appeals) |

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

Note: The above table includes only those amounts on which demand orders have been served and are under dispute.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks and financial institution. The Company has not taken any loans or borrowings from government and did not have any outstanding debentures during the year.
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instrument) during the year. Further, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with section

177 and 188 of the Act, where applicable, and the details have been disclosed in the Ind AS financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022



Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram

Date : 14 May 2018

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Statements

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

Inherent Limitations of Internal Financial Controls over Financial Statements

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

Opinion

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

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022



Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram
Date: 14 May 2018

Mindarika Private Limited**Balance Sheet as at 31 March 2018**

(All figures are in ₹ crore except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692

| | Note No. | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|--|----------|------------------------|------------------------|-----------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 4 | 115.04 | 102.80 | 101.43 |
| Capital work in progress | 4 | 19.97 | 0.09 | 0.01 |
| Intangible assets | 5 | 4.99 | 2.71 | 3.00 |
| Intangible assets under development | 5 | 0.45 | - | 0.21 |
| Financial assets | | | | |
| Loans | 6 | 1.86 | 1.45 | 1.26 |
| Other non-current assets | 8 | 8.80 | 5.60 | 4.49 |
| Current assets | | | | |
| Inventories | 9 | 80.75 | 66.04 | 62.62 |
| Financial assets | | | | |
| Trade receivables | 10 | 86.27 | 68.88 | 66.30 |
| Cash and cash equivalents | 11A | 28.41 | 3.40 | 1.81 |
| Bank balances other than cash and cash equivalents | 11B | - | 0.90 | - |
| Loans | 6 | 1.00 | 0.40 | 0.41 |
| Other financial assets | 7 | 0.37 | 0.14 | 0.48 |
| Other current assets | 8 | 9.65 | 9.41 | 16.53 |
| TOTAL ASSETS | | 357.56 | 261.82 | 258.55 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | 12A | 10.00 | 10.00 | 10.00 |
| Other equity | 12B | 148.72 | 102.93 | 68.46 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 13 | 37.48 | 13.28 | 19.89 |
| Provisions | 14 | 9.99 | 9.79 | 10.52 |
| Deferred tax liabilities (net) | 15 | 4.88 | 3.60 | 3.31 |
| Government grants | 16 | 0.39 | 0.48 | 0.59 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 13 | 11.69 | 11.57 | 34.27 |
| Trade payables | | | | |
| Total outstanding dues of micro enterprises and small enterprises | | 3.90 | 2.46 | 3.00 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 17 | 95.62 | 71.75 | 72.30 |
| Other financial liabilities | 18 | 16.00 | 11.90 | 10.84 |
| Other current liabilities | 19 | 13.60 | 11.58 | 18.47 |
| Provisions | 14 | 3.74 | 3.54 | 3.92 |
| Government grant | 16 | 0.09 | 0.11 | 0.13 |
| Current tax liabilities (net) | 20 | 1.46 | 8.83 | 2.85 |
| TOTAL EQUITY AND LIABILITIES | | 357.56 | 261.82 | 258.55 |

Significant accounting policies

3

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

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration No.:101248W/W-100022



Tarun Gupta

Partner

Membership No. : 507892

For and on behalf of the Board of Directors of
Mindarika Private Limited
Nirmal Kumar Minda

Managing Director

DIN No: 00014942

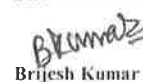

Sanjay Kumar Aggarwal

Chief Financial Officer


Anand Kumar Minda

Director

DIN No: 00007964


Brijesh Kumar

Company Secretary

Membership No. 36070

Place: Gurugram

Date: 14 May 2018

Place: Gurugram

Date: 14 May 2018

Mindarika Private Limited

Statement of Profit and Loss for the year ended 31 March 2018

(All figures are in ₹ crore except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692

| Particulars | Note No. | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|----------|--------------------------|--------------------------|
| Income | | | |
| Revenue from operations | 21 | 766.36 | 710.81 |
| Other income | 22 | 0.62 | 1.65 |
| Total income | | 766.98 | 712.46 |
| Expenses | | | |
| Cost of materials consumed | 23 | 472.78 | 403.65 |
| Purchase of stock-in-trade | 24 | 11.09 | 5.88 |
| Changes in inventories of finished goods and work-in-progress | 25 | (6.98) | (0.04) |
| Excise duty | | 22.47 | 78.14 |
| Employee benefits expense | 26 | 96.20 | 77.85 |
| Finance costs | 27 | 1.57 | 3.74 |
| Depreciation and amortisation expense | 28 | 19.34 | 17.93 |
| Other expenses | 29 | 81.22 | 72.98 |
| Total expenses | | 697.69 | 660.13 |
| Profit before tax | | 69.29 | 52.33 |
| Tax expense: | 15 | | |
| Current tax expense | | 21.08 | 18.73 |
| Earlier year adjustments | | (9.16) | (2.99) |
| Deferred tax charge/ (credit) | | 0.88 | (0.31) |
| Profit for the year | | 56.49 | 36.90 |
| Other comprehensive income | | | |
| Items that will not to be reclassified subsequently to profit or loss | | | |
| Re-measurement gains on defined benefit plans | | 1.14 | 1.78 |
| Income tax effect | | (0.40) | (0.60) |
| Net other comprehensive income not to be reclassified subsequently to profit or loss | | 0.74 | 1.18 |
| Total comprehensive income for the year | | 57.23 | 38.08 |
| Basic and diluted earnings per share (in ₹) | 12D | 56.49 | 36.90 |
| (Face value of ₹ 10 per share) | | | |

Significant accounting policies

3

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

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration No.:101248W/W-100022



Tarun Gupta

Partner

Membership No. : 507892

For and on behalf of the Board of Directors of
Mindarika Private Limited



Nirmal Kumar Minda

Managing Director

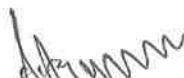
DIN No: 00014942



Anand Kumar Minda

Director

DIN No: 00007964



Sanjay Kumar Aggarwal

Chief Financial Officer



Brijesh Kumar

Company Secretary

Membership No. 36070

Place: Gurugram
Date: 14 May 2018

Place: Gurugram
Date: 14 May 2018

Mindarika Private Limited**Statement of changes in equity for the year ended 31 March 2018**

(All figures are in ₹ crore except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692

A. Equity share capital

| Particulars | Amount |
|---|--------|
| Balance as at 1 April 2016 | 10.00 |
| Changes in equity share capital during the year | - |
| Balance as at 31 March 2017 | 10.00 |
| Changes in equity share capital during the year | - |
| Balance as at 31 March 2018 | 10.00 |

B. Other equity

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|--|------------------------|------------------------|-----------------------|
| i) Reserves and surplus | | | |
| General reserve | | | |
| Balance at the beginning and end of the year | 6.55 | 6.55 | 6.55 |
| Capital reserve | | | |
| Balance at the beginning and end of the year | 0.09 | 0.09 | 0.09 |
| Retained earnings | | | |
| Balance at the beginning of the year | 96.29 | 61.82 | 61.82 |
| Profit for the year | 56.49 | 36.90 | - |
| Other comprehensive income, net of tax | 0.74 | 1.18 | - |
| Less:- appropriations | | | |
| Final dividend paid for 31 March 2017: ₹ 9.50 per share (31 March 2016 ₹ 3 per share) | 9.50 | 3.00 | - |
| Dividend distribution tax on final dividend | 1.94 | 0.61 | - |
| | 142.08 | 96.29 | 61.82 |
| Total | 148.72 | 102.93 | 68.46 |

Significant accounting policies

3

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

As per our report of even date attached

For: **BSR & Co. LLP**

Chartered Accountants

Firm Registration No.:101248W/W-100022

**Tarun Gupta**


Partner

Membership No. : 507892

For and on behalf of the Board of Directors of
Mindarika Private Limited**Nirmal Kumar Minda**

Managing Director

DIN No: 00014942

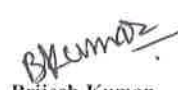
**Sanjay Kumar Aggarwal**

Chief Financial Officer

**Anand Kumar Minda**

Director

DIN No: 00007964

**Brijesh Kumar**

Company Secretary

Membership No. 36070

Place: Gurugram

Date: 14 May 2018

Place: Gurugram

Date: 14 May 2018

Mindarika Private Limited**Statement of Cash Flow for the year ended 31 March 2018**

(All figures are in ₹ crore except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|-----------------------------|-----------------------------|
| A. Cash flow from operating activities | | |
| Profit for the year before tax | 69.29 | 52.33 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 19.34 | 17.93 |
| Property, plant and equipment written off | 0.06 | 0.15 |
| Allowance for doubtful trade receivables | 0.35 | 0.41 |
| (Profit) on property, plant and equipment sold / discarded | (0.05) | (0.67) |
| Allowance for doubtful trade receivables written back | (0.34) | (0.72) |
| Bad trade receivables, other receivables and advances written off | 0.19 | 0.45 |
| Finance costs | 1.52 | 3.02 |
| Interest income | (0.16) | (0.22) |
| Operating profit before working capital changes | 90.20 | 72.68 |
| Working capital adjustments: | | |
| (Increase) in inventories | (14.70) | (3.42) |
| (Increase) in trade receivables | (17.92) | (3.45) |
| (Increase) in loans and other financial assets | (0.36) | (0.74) |
| Decrease in other assets | 0.63 | 6.81 |
| (Decrease) / increase in trade payables | 24.97 | (1.80) |
| Increase in other financial liabilities | 0.96 | 0.25 |
| Increase in provisions | 1.54 | 0.66 |
| Increase / (decrease) in other current liabilities | 2.02 | (6.90) |
| | (2.86) | (8.59) |
| Cash generated from operations | 87.34 | 64.09 |
| Income tax paid, net of refund | (19.29) | (9.76) |
| Net cash generated from operating activities | 68.05 | 54.33 |
| B. Cash flow from investing activities: | | |
| Purchase of property, plant and equipment, Capital work in progress and intangible assets | (56.72) | (17.26) |
| Proceeds from sale of property, plant and equipment | 0.10 | 1.16 |
| Interest received | 0.17 | 0.22 |
| Net cash used in investing activities | (56.45) | (15.88) |
| C. Cash flows from financing activities | | |
| Proceeds from long-term borrowings | 32.43 | - |
| Repayments of long-term borrowings | (8.23) | (6.61) |
| Proceeds/(repayments) of short-term borrowings (net) | 2.16 | (23.48) |
| Finance cost paid | (1.51) | (3.16) |
| Dividend paid | (9.50) | (3.00) |
| Dividend distribution tax | (1.94) | (0.61) |
| Net cash from / (used) in financing activities | 13.41 | (36.86) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | 25.01 | 1.59 |
| Cash and cash equivalents at the beginning of the year | 3.40 | 1.81 |
| Cash and cash equivalents at the end of the year | 28.41 | 3.40 |
| Notes to cash flow statement | | |
| Cash and cash equivalents (refer to note 11A) | | |
| Components of cash and cash equivalents:- | | |
| Cash on hand | 0.08 | 0.10 |
| Balance with banks: | | |
| - Current account* | 9.33 | 3.30 |
| - Term deposit (with original maturity of less than 3 months) | 19.00 | - |
| | 28.41 | 3.40 |



Mindarika Private Limited

Statement of Cash Flow for the year ended 31 March 2018

(All figures are in ₹ crore except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692

* includes ₹ Nil (absolute ₹ 62,201 for 31 March 2017) on account of exchange difference on reinstatement of foreign currency.

The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard-7 on Statement of Cash flows as notified under section 133 of the Companies Act, 2013.

Amendment to Ind AS 7

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

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration No.:101248W/W-100022

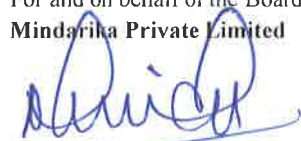


Tarun Gupta

Partner

Membership No. : 507892

For and on behalf of the Board of Directors of
Mindarika Private Limited



Nirmal Kumar Minda

Managing Director

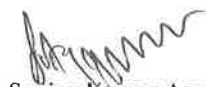
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Anand Kumar Minda

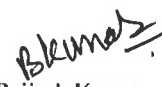
Director

DIN No: 00007964



Sanjay Kumar Aggarwal

Chief Financial Officer



Brijesh Kumar

Company Secretary

Membership No. 36070

Place: Gurugram

Date: 14 May 2018

Place: Gurugram

Date: 14 May 2018

Mindarika Private Limited**Notes to the financial statements for the year ended 31 March 2018**

CIN : U74899DL1995PTC073692

1. Corporate information

Mindarika Private Limited ("the Company") is a private limited company incorporated on 9 November 1995 under the Companies Act. It is a venture between Minda Industries Limited and Tokai Rica Co. Limited, Japan. The Company became subsidiary of Minda Industries Limited w.e.f. 1 January 2018. The Company is primarily engaged in the business of manufacturing of auto electrical switches and other automotive components.

2. Basis of preparation**A. Statement of compliance**

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

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

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 40.

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

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

B. Functional and presentation currency

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

C. Basis of measurement

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

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

D. Use of estimates and judgements

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

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



Mindarika Private Limited

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

CIN : U74899DL1995PTC073692

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

Judgements

The areas involving critical estimates or judgements are:

- Estimation of income tax (current and deferred) – Note 15
- Estimated useful life of intangible asset – Note 5
- Estimated useful life and residual value of property, plant and equipment – Note 4
- Recognition and measurement of provisions and contingencies – Note 30
- Estimation of defined benefit obligation – Note 14

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

E. Current versus non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

Operating cycle

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



Mindarika Private Limited

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

CIN : U74899DL1995PTC073692

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. Significant accounting policies

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

A. Foreign currency transactions

i. Initial recognition and settlement

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

ii. Measurement at the reporting date

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

Exchange differences are recognised in statement of profit and loss.

B. Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.



Mindarika Private Limited

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

CIN : U74899DL1995PTC073692

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

C. Financial instruments

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

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

- a) Amortised cost; or
- b) FVTPL

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

| | |
|---------------------------|--|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss. |
|---------------------------|--|



Mindarika Private Limited**Notes to the financial statements for the year ended 31 March 2018**

CIN : U74899DL1995PTC073692

| | |
|------------------------------------|---|
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on de-recognition is recognised in statement of profit and loss. |
|------------------------------------|---|

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition**Financial assets**

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

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

Financial liabilities

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

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

iv. Offsetting

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

v. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency risk exposures.



Mindarika Private Limited

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

CIN : U74899DL1995PTC073692

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognised in statement of profit and loss.

vi. Impairment of financial assets

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

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

D. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

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

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 4)

iii. Subsequent expenditure

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

iv. Depreciation

Depreciation on building is provided on straight line method and depreciation on other items of property, plant and equipment is provided as per written down value method basis as per useful



Mindarika Private Limited**Notes to the financial statements for the year ended 31 March 2018****CIN : U74899DL1995PTC073692**

life of the assets estimated by the management, which is equal to the useful life prescribed under Schedule II of the Companies Act, 2013 except in the respect of following categories where life of the asset has been assessed based on the technical advice, taking into account the nature of property, plant and equipment, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technologies changes, manufacturers warranties and maintenance support, etc.:

- Moulds, tools and dies are amortised over a period of five years.
- Leasehold land is amortised over the period of lease.

Freehold land is not depreciated.

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

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

Losses arising from retirement or gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognized in the Statement of Profit and Loss.

E. Intangible assets

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

Subsequent expenditure

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

Amortisation

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

The estimated useful lives are as follows:

- | | |
|----------------------|---------|
| - Software | 3 years |
| - Technical know how | 6 years |

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets (refer note 5).



F. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost.

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

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

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

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

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

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

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

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet



Mindarika Private Limited

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

CIN : U74899DL1995PTC073692

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

Write-off

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

ii. Impairment of non-financial assets

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

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

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

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

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

G. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to statement of profit or loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

H. Inventories

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

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

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

Raw materials and components, stores and spares - Weighted average cost



Mindarika Private Limited

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

CIN : U74899DL1995PTC073692

Work-in-progress and finished goods

Material cost plus
appropriate share of labour,
manufacturing overheads.

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

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

I. Revenue recognition

(i) Sale of goods:

Measurement of revenue:

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

Timing of recognition:

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

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

(iii) Revenue from sales of services

Sales of services are recognized in the accounting period in which the services are rendered.

J. Employee benefits

(i) Short term employee benefits

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

(ii) Share-based payment transactions

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

(iii) Defined contribution plans



A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards Employee Provident Fund (EPF) and Employees' State Insurance to Government and Superannuation to superannuation fund administered by the Company. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

(iv) Defined benefit plan

Gratuity

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

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

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

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

(v) Other long term employee benefits

Compensated absences

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



Mindarika Private Limited

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

CIN : U74899DL1995PTC073692

K. Government grants

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

L. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

M. Provisions and contingencies

(i) Provisions

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

Warranty

A provision for warranties is recognized when the underlying products are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all the possible outcomes by their associated probabilities.

(ii) Contingencies

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



N. Income taxes

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

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

Deferred tax

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

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

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

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

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

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

N. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive



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equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

O. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither 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.

P. Segment reporting

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

The Company is engaged in the business of manufacturing of auto electrical switches & other automotive components. Accordingly, the Company's activities/ business is reviewed regularly by the Company's Board of directors from an overall business perspective, rather than reviewing its products/services as individual standalone components.

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

Q. Cash and cash equivalents

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

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

R. Recent accounting pronouncement

Standards issued but not yet effective

- Ind AS 115, Revenue from Contracts with Customers

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

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

(i) Sales of goods



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For the sale of goods, revenue is currently recognised when the goods are delivered, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods. The revenue from these contracts may be recognised as the products are being manufactured.

(ii) Transition

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

- Ind AS 21, The Effects of Changes in Foreign Exchange Rates

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



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4. Property, plant and equipment and capital work in progress

a. Reconciliation of carrying amount

| Particulars | Freehold land | Leasehold Land | Building | Leasehold improvements | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | Total | Capital work in progress |
|--|---------------|----------------|----------|------------------------|---------------------|------------------------|----------|------------------|-----------|--------|--------------------------|
| Gross carrying value (deemed cost) | | | | | | | | | | | |
| As at 1 April 2016 | 1.36 | 2.32 | 37.47 | 0.44 | 56.45 | 0.74 | 1.38 | 0.58 | 0.69 | 101.43 | - |
| Add: Additions made during the year | - | - | - | - | 17.70 | 0.06 | 0.76 | 0.11 | 0.45 | 19.08 | - |
| Less: Disposals / adjustments during the year | - | - | - | - | (0.37) | - | (0.23) | - | (0.01) | (0.61) | - |
| As at 31 March 2017 | 1.36 | 2.32 | 37.47 | 0.44 | 73.78 | 0.80 | 1.91 | 0.69 | 1.13 | 119.90 | - |
| Add: Additions made during the year | 5.31 | - | - | 2.04 | 20.94 | 0.31 | 0.62 | 0.27 | 1.18 | 30.67 | - |
| Less: Disposals / adjustments during the year | - | - | - | - | (0.06) | - | (0.03) | - | (0.02) | (0.11) | - |
| As at 31 March 2018 | 6.67 | 2.32 | 37.47 | 2.48 | 94.66 | 1.11 | 2.50 | 0.96 | 2.29 | 150.46 | - |
| Accumulated depreciation | | | | | | | | | | | |
| As at 1 April 2016 | - | - | - | - | - | - | - | - | - | - | - |
| Add: Depreciation charge for the year | - | 0.02 | 1.46 | 0.03 | 14.15 | 0.19 | 0.55 | 0.29 | 0.41 | 17.10 | - |
| Less: On disposals / adjustments during the year | - | - | - | - | - | - | - | - | - | - | - |
| As at 31 March 2017 | - | 0.02 | 1.46 | 0.03 | 14.15 | 0.19 | 0.55 | 0.29 | 0.41 | 17.10 | - |
| Add: Depreciation charge for the year | - | 0.02 | 1.46 | 0.32 | 15.03 | 0.19 | 0.57 | 0.19 | 0.54 | 18.32 | - |
| Less: On disposals / adjustments during the year | - | - | - | - | - | - | - | - | - | - | - |
| As at 31 March 2018 | - | 0.04 | 2.92 | 0.35 | 29.18 | 0.38 | 1.12 | 0.48 | 0.95 | 35.42 | - |
| Net carrying value | | | | | | | | | | | |
| As at 31 March 2018 | 6.67 | 2.28 | 34.55 | 2.13 | 65.48 | 0.73 | 1.38 | 0.48 | 1.34 | 115.04 | 19.97 |
| As at 31 March 2017 | 1.36 | 2.30 | 36.01 | 0.41 | 59.63 | 0.61 | 1.36 | 0.40 | 0.72 | 102.80 | 0.09 |
| As at 1 April 2016 | 1.36 | 2.32 | 37.47 | 0.44 | 56.45 | 0.74 | 1.38 | 0.58 | 0.69 | 101.43 | 0.01 |

a. Government grants

Includes government grant in plant and equipment gross block: ₹ 0.79 crores, accumulated depreciation: ₹ 0.31 crores (31 March 2017: gross block: ₹ 0.79 crores, accumulated depreciation: ₹ 0.20 crores, 01 April 2016: gross block: ₹ 0.79 Crore, accumulated depreciation: ₹ 0.07 Crores).

b. Ind AS exemption

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

c. Security

Carrying amount of property, plant and equipment (shown above) pledged as securities for borrowings to the extent of borrowing limits (refer note 13).

d. Capital work in progress

Capital work in progress majorly includes factory building under construction and plant and machinery pending installation.



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(All figures are in ₹ crore except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692**5. Intangible assets****a. Reconciliation of carrying amount**

| Particulars | Software | Technical know how | Total |
|--|-------------|--------------------|-------------|
| Gross carrying value (deemed cost) | | | |
| As at 1 April 2016 | 1.08 | 1.92 | 3.00 |
| Add: Additions during the year | 0.29 | 0.28 | 0.57 |
| Less: Disposals / adjustments during the year | (0.01) | (0.02) | (0.03) |
| As at 31 March 2017 | 1.36 | 2.18 | 3.54 |
| Add: Additions during the year | 3.00 | 0.30 | 3.30 |
| Less: Disposals / adjustments during the year | - | - | - |
| As at 31 March 2018 | 4.36 | 2.48 | 6.84 |
| Accumulated amortisation | | | |
| As at 1 April 2016 | - | - | - |
| Add: Amortisation charge for the year | 0.41 | 0.42 | 0.83 |
| Less: On disposals/adjustments during the year | - | - | - |
| As at 31 March 2017 | 0.41 | 0.42 | 0.83 |
| Add: Amortisation charge for the year | 0.58 | 0.44 | 1.02 |
| Less: On disposals / adjustments during the year | - | - | - |
| As at 31 March 2018 | 0.99 | 0.86 | 1.85 |
| Net carrying value | | | |
| As at 31 March 2018 | 3.37 | 1.62 | 4.99 |
| As at 31 March 2017 | 0.95 | 1.76 | 2.71 |
| As at 1 April 2016 | 1.08 | 1.92 | 3.00 |

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

b. Intangible assets under development *

- Software
- Technical know how

| | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|----------------------|------------------------|------------------------|-----------------------|
| - Software | 0.02 | - | - |
| - Technical know how | 0.43 | - | 0.21 |
| | 0.45 | - | 0.21 |

* Intangible assets under development includes technical know-how for switches of which production has not yet started and softwares pending installation.



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6. Loans*(Unsecured considered good unless otherwise stated)***Non-current**

| | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|---|------------------------|------------------------|-----------------------|
| Security deposits-others | 0.90 | 0.77 | 0.62 |
| Security deposits-related parties (refer note 36) | 0.75 | 0.68 | 0.62 |
| Loan to employees | 0.21 | - | 0.02 |

(Unsecured considered doubtful)

| | | | |
|--------------------------------------|---|---|--------|
| Security deposits | - | - | 0.36 |
| Loss allowance for doubtful deposits | - | - | (0.36) |

Current*(Unsecured considered good unless otherwise stated)*

| | | | |
|-------------------|------|------|------|
| Security deposits | 0.16 | 0.11 | 0.08 |
| Loan to employees | 0.84 | 0.29 | 0.33 |

| | | |
|-------------|-------------|-------------|
| 1.86 | 1.45 | 1.26 |
|-------------|-------------|-------------|

The Company's exposure to credit risk related to security deposits and loan to employees are disclosed in Note no. 33

7. Other financial assets*(Unsecured considered good unless otherwise stated)***Current**

| | | | |
|------------------------------------|------|------|------|
| Export/other incentives receivable | 0.36 | 0.14 | 0.48 |
| Interest accrued on fixed deposits | 0.01 | - | - |

| | | |
|-------------|-------------|-------------|
| 0.37 | 0.14 | 0.48 |
|-------------|-------------|-------------|

The Company's exposure to credit risk related to export incentive receivable and interest accrued on fixed deposits are disclosed in Note no 33.



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| | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|---|------------------------|------------------------|-----------------------|
| 8. Other assets | | | |
| <i>(Unsecured, considered good, unless otherwise stated)</i> | | | |
| Non-current | | | |
| Capital advances | | | |
| - related party (refer to note 36) | 3.51 | - | - |
| - other than related party | 3.50 | 2.94 | 2.14 |
| Prepaid expenses | 1.70 | 1.73 | 1.78 |
| Balance with government authorities | 0.09 | 0.93 | 0.57 |
| | 8.80 | 5.60 | 4.49 |
| Current | | | |
| Balance with government authorities | 4.63 | 3.26 | 8.13 |
| Advances to suppliers | | | |
| - related party (refer to note 36) | 0.12 | - | - |
| - other than related party | 3.94 | 5.12 | 7.64 |
| Prepaid expenses | 0.95 | 1.02 | 0.75 |
| Others | 0.01 | 0.01 | 0.01 |
| | 9.65 | 9.41 | 16.53 |
| | 18.45 | 15.01 | 21.02 |
| 9. Inventories ** | | | |
| <i>(valued at lower of cost or net realisable value)</i> | | | |
| Raw material and components | 50.64 | 43.26 | 39.74 |
| [Includes goods in transit ₹ 9.79 crores (31 March 2017: ₹ 7.84 crores, 1 April 2016: ₹ 7.40 crores)] | | | |
| Work in progress | 5.39 | 4.08 | 4.77 |
| Finished goods | 9.90 | 7.13 | 6.29 |
| [Includes goods in transit ₹ 2.98 crore, (31 March 2017: ₹ 2.63 Crore, 1 April 2016: ₹ 2.69 crore)] | | | |
| Tools, moulds, dies and fixtures - bought out and manufactured | 13.94 | 11.03 | 11.14 |
| Stores and spares | 0.88 | 0.54 | 0.68 |
| | 80.75 | 66.04 | 62.62 |
| | 80.75 | 66.04 | 62.62 |

** Carrying amount of inventories (included in above) hypothecated as securities for borrowings (refer to note no. 13).

The write down of inventories to net realisable value during the year amounted to ₹ 0.19 crores (31 March 2017: 0.12 crores, 1 April 2016: ₹ 0.10 crores). The write down is included in cost of material consumed or changes in inventories of finished goods and work-in-progress.



Mindarika Private Limited**Notes forming part of the financial statements for the year ended 31 March 2018**

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10. Trade receivables

Unsecured - considered good

- from related parties

- from others

Doubtful

- from related parties

- from others

Loss allowance

| | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|------------------------|------------------------|------------------------|-----------------------|
| - from related parties | 23.14 | 15.12 | 5.76 |
| - from others | 63.13 | 53.76 | 60.54 |
| Doubtful | | | |
| - from related parties | 0.38 | 0.39 | 0.49 |
| - from others | | | |
| Loss allowance | (0.38) | (0.39) | (0.49) |
| | 86.27 | 68.88 | 66.30 |

a) For receivables secured against borrowings, refer to note no. 13

b) The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note no 33.

11A. Cash and cash equivalents

Balances with banks

- current account

- in term deposit (with original maturity of less than 3 months)

Cash on hand

| | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|--|------------------------|------------------------|-----------------------|
| - current account | 9.33 | 3.30 | 1.76 |
| - in term deposit (with original maturity of less than 3 months) | 19.00 | - | - |
| Cash on hand | 0.08 | 0.10 | 0.05 |
| | 28.41 | 3.40 | 1.81 |

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

(in absolute ₹)

| Particulars | SBNs* | Other denomination notes | Total |
|--|-----------|--------------------------|----------------|
| Closing cash in hand as on 08 November 2016 | 957,000 | 32,684 | 989,684 |
| Add: Permitted receipts | - | 682,658 | 682,658 |
| Less: Permitted payments | - | (488,774) | (488,774) |
| Less: Amount deposited in banks | (957,000) | - | (957,000) |
| Closing cash in hand as on 30 December 2016 | - | 226,568 | 226,568 |

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

11B. Bank balances other than cash and cash equivalents

Term deposits (pledged with bank against bank guarantees)

| | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|---|------------------------|------------------------|-----------------------|
| Term deposits (pledged with bank against bank guarantees) | - | 0.90 | - |
| | - | 0.90 | - |



Mindarika Private Limited**Notes forming part of the financial statements for the year ended 31 March 2018**

(All figures are in ₹ crore except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692**12 A. Share capital****a) Details of share capital****Authorised share capital**

15,000,000 (31 March 2017: 15,000,000, 1 April 2016 : 15,000,000) equity shares of ₹ 10 each

Issued, subscribed and paid up

10,000,000 (31 March 2017: 10,000,000, 1 April 2016 : 10,000,000) equity shares of ₹ 10 each fully paid up

| As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|------------------------|------------------------|-----------------------|
| 15.00 | 15.00 | 15.00 |
| 10.00 | 10.00 | 10.00 |
| 10.00 | 10.00 | 10.00 |

b) Reconciliation of outstanding equity shares at the beginning and at the end of the reporting period

| | Number of shares | Amount (₹ in Crore) |
|------------------------------------|---------------------|-------------------------|
| As at 1 April 2016 | 10,000,000 | 10.00 |
| Add: Shares issued during the year | - | - |
| As at 31 March 2017 | 10,000,000 | 10.00 |
| Add: Shares issued during the year | - | - |
| As at 31 March 2018 | 10,000,000 | 10.00 |

c) Shareholders holding more than 5% shares in the Company

| Name of the shareholder | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|---|------------------------|------------------------|-----------------------|
| Tokai Rika Co., Limited, Japan | 3,700,000 | 3,700,000 | 3,700,000 |
| Tokai Rika Co., Limited, Japan (% held) | 37.00% | 37.00% | 37.00% |
| Minda Industries Limited | 5,100,000 | 2,707,600 | 2,707,600 |
| Minda Industries Limited (% held) | 51.0% | 27.1% | 27.1% |
| Mr. Nirmal K. Minda | 1,200,000 | 3,292,400 | 3,292,400 |
| Mr. Nirmal K. Minda (% held) | 12.00% | 32.92% | 32.92% |

c) Shares held by holding company

| Name of the shareholder | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|---|------------------------|------------------------|-----------------------|
| Minda Industries Limited (refer note (f) below) | 5,100,000 | - | - |
| Minda Industries Limited (% held) | 51.00% | - | - |

d) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company may declare and pay dividends in Indian rupees. The final dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all Preferential amounts, in proportion of their shareholding.

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 all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) There is no bonus issue or buy back of equity shares during the period of five years immediately preceding the reporting date.

f) During the current year, Mr. Nirmal Kumar Minda and Minda Investment Limited have transferred their shares to Minda Industries Limited , accordingly Minda Industries Limited has become holding company w.e.f 1 January 2018.



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12.B Other equity

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|--|---------------------|---------------------|--------------------|
| i) Reserves and surplus | | | |
| General reserve | | | |
| Balance at the beginning and end of the year | 6.55 | 6.55 | 6.55 |
| Capital reserve | | | |
| Balance at the beginning and end of the year | 0.09 | 0.09 | 0.09 |
| Retained earning | | | |
| Balance at the beginning of the year | 96.29 | 61.82 | 61.82 |
| Profit for the year | 56.49 | 36.90 | - |
| Other comprehensive income, net of tax | 0.74 | 1.18 | - |
| Less:- appropriations | | | |
| Final dividend paid for 31 March 2017: ₹ 9.50 per share (31 March 2016 ₹ 3 per share) | 9.50 | 3.00 | - |
| Dividend distribution tax on final dividend | 1.94 | 0.61 | - |
| | 142.08 | 96.29 | 61.82 |
| Total | 148.72 | 102.93 | 68.46 |

Nature of reserves

General reserves

In previous years, the Company appropriated a portion of profits to general reserve as per the provisions of the Act. The said reserve is available for payment of dividend to the share holders as per the provisions of the Companies Act, 2013

Capital reserves

This has been created out of the capital profits. The same would be utilised as per the provisions of the Companies Act, 2013

Dividends

The following dividends were declared and paid by the Company during the year

| Particulars | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|-------------------------------------|-------------------------------------|
| Final dividend for the year 2016-17 - Rs. 9.5 per equity share (Final dividend for the year 2015-16- Rs 3 per equity share) | 9.50 | 3.00 |
| Dividend distribution tax on dividend to equity shareholders | 1.94 | 0.61 |

No dividends were proposed by the Company for the year ended 31 March 2018

12 C. Capital management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, consistent with others in the industry. The Company monitors capital using a gearing ratio, which is calculated as:

Net debt (total borrowings net of cash and cash equivalents) divided by "Total equity" (as shown in the Balance Sheet).

| | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|---------------------------------------|------------------------|------------------------|-----------------------|
| Interest bearing loans and borrowings | 57.49 | 31.13 | 61.22 |
| Less: Cash and cash equivalents | (28.41) | (3.40) | (1.81) |
| Total debts | 29.08 | 27.73 | 59.41 |
| Equity share capital | 10.00 | 10.00 | 10.00 |
| Other equity | 148.72 | 102.93 | 68.46 |
| Total equity | 158.72 | 112.93 | 78.46 |
| Debt to equity ratio | 0.18 | 0.25 | 0.76 |

12 D. Earning per share

Profit for the year attributable to the equity shareholders (₹ in crores)
Weighted average number of equity shares outstanding
Basic and diluted earnings per share (face value ₹ 10 per share) (in ₹)

| As at 31 March 2018 | As at 31 March 2017 |
|------------------------|------------------------|
| 56.49 | 36.90 |
| 10,000,000 | 10,000,000 |
| 56.49 | 36.90 |



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13. Borrowings
Non-current borrowings
Term loans from banks
Secured

- Rupee loan from banks
- Foreign currency loan from banks
- Rupee loan from others

Less: Amount included under 'other financial liabilities' (refer to note 18)

Current borrowings
Loans from banks
Secured

- Loans repayable on demand (cash credit)
- Buyer's credit

| As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|------------------------|------------------------|-----------------------|
| 32.60 | 0.17 | 0.36 |
| 13.20 | 19.38 | 26.46 |
| - | 0.01 | 0.13 |
| 45.80 | 19.56 | 26.95 |
| 8.32 | 6.28 | 7.06 |
| 37.48 | 13.28 | 19.89 |
| 11.69 | 11.57 | 15.97 |
| - | - | 18.30 |
| 11.69 | 11.57 | 34.27 |
| 49.17 | 24.85 | 54.16 |

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note no. 33

a. Long term loan repayment schedule and security

| Nature of security | Terms of repayment and rate of interest | Outstanding as on 31 March 2018 | Outstanding as on 31 March 2017 | Outstanding as on 1 April 2016 |
|--|---|---------------------------------------|---------------------------------------|--------------------------------------|
| ECB loan from Standard Chartered Bank a) Sanctioned amount \$ 4,000,000 b) Secured by: - First exclusive mortgage of the Land/Building situated at Chennai. - First exclusive charge on assets financed out of external commercial borrowing (ECB). | Rate of interest - 2.25%+Libor Repayable in 17 equal quarterly instalments Starting from Mar'16 and Apr'16 (i.e. 12 months after first instalment of the loan) Last instalment due in Mar'20 and April '20. | 13.20 | 19.38 | 26.46 |
| Term loan from HSBC bank Sanctioned amount ₹ 32.50 Crore Secured by: First charge on the movable property, plant and equipment of Gujarat plant with minimum asset cover of 1.25x | Rate of interest - 3 month MCLR +0.05% Repayable in 16 quarterly equal instalments starting from Jan'19 (i.e. 12 months from the date of first disbursement). Last instalment due in Jan'23. | 32.50 | - | - |
| Vehicle loan from ICICI bank Secured by hypothecation of vehicle. | Interest rate 10% Repayable in 48 equal monthly instalments Last instalment due in Aug'19. | 0.10 | 0.17 | 0.36 |
| Vehicle loan from Volkswagen Finance Secured by hypothecation of vehicle. | Rate of interest 10.34% and 10.84 % Repayable in 48 equal monthly instalments. Last instalment due in Jun'17. | - | 0.01 | 0.12 |
| Vehicle loan from HDFC Bank Secured by hypothecation of vehicle. | Rate of interest 10.50% Repayable in 36 monthly instalments Last instalment due in Jul'16 | - | - | 0.01 |
| Total | | 45.80 | 19.56 | 26.95 |



Mindarika Private Limited

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

(All figures are in ₹ crore except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692

b. Short term loan repayment schedule and security

| Nature of security | Terms of repayment and rate of interest | Outstanding as on 31 March 2018 | Outstanding as on 31 March 2017 | Outstanding as on 1 April 2016 |
|---|---|---------------------------------|---------------------------------|--------------------------------|
| Short term loan from Bank of Tokyo Secured by first pari passu charge on current assets of the Company. Second charge on movable property, plant and equipment of the Company, both present & future | Rate of interest 8.75% on 31 March 2018 Rate of interest 10.15% on 31 March 2017 Rate of interest range 10% to 12.69% on 1 April 2016 Repayable on demand and within 0 to 3 months | 4.70 | 0.15 | 4.02 |
| Buyers credit facility Secured by first pari passu charge on current assets of the Company. | Rate interest LIBOR+1.55% p.a Last instalment due in August 2016 | - | - | 18.30 |
| Short term loan from Mizuho Bank Secured by first pari passu hypothecation charge on current assets of the Company ranking pari passu with other banks. Second pari passu hypothecation charge on movable property, plant and equipment of the Company ranking pari passu with other banks. | Rate of interest 7.95% on 31 March 2018 Rate of interest 9.00% on 31 March 2017 Rate of interest range 9.65% to 13% on 1 April 2016 Repayable on demand and within 0 to 3 months | 3.50 | 3.50 | 6.63 |
| Short term loan from HDFC bank Secured by first pari passu charge on current assets of the Company. Second charge on movable property, plant and equipment of the Company, both present and future. | Rate of interest 12.20% on 31 March 2018 Rate of interest 12.25% on 31 March 2017 Rate of interest is 12.30% on 31 March 2016 Repayable on demand and within 0 to 3 months | 0.78 | 0.71 | 0.72 |
| Short term loan from Standard Chartered Bank Secured by first pari passu charge on inventories, book debts of the Company. Second charge on movable property, plant and equipment of the Company, both present and future. | Rate of interest 10.50% on 31 March 2018 Rate of interest 10.95% on 31 March 2017 Rate of interest range 9.50% to 10.95% on 31 March 2016 Repayable on demand and within 0 to 3 months | 2.71 | 3.28 | 4.60 |
| Short term loan from HSBC Bank Secured by first pari passu charge on current assets of the Company. Second charge on movable property, plant and equipment of the Company, both present & future. | Rate of interest 9.20% on 31 March 2017 Repayable on demand and within 0 to 3 months | - | 3.93 | - |
| Total | | 11.69 | 11.57 | 34.27 |

Reconciliation of movements of liabilities to cash flows arising from financing activities

| | As at 31 March 2018 | | As at 31 March 2017 | |
|--|------------------------|---------------------|------------------------|---------------------|
| | Non-current borrowings | Current borrowings* | Non-current borrowings | Current borrowings* |
| Balance as at the beginning of the year | 14.06 | 17.07 | 19.89 | 41.33 |
| Changes from financing cash flows | | | | |
| Proceeds from non-current borrowings | 30.40 | 2.04 | - | - |
| Repayment of non-current borrowings | (8.24) | - | (5.83) | (0.78) |
| Proceeds from/repayments of current borrowings (net) | - | 2.16 | - | (23.48) |
| Balance as at the end of the year | 36.22 | 21.27 | 14.06 | 17.07 |

* current borrowings include current maturities of non-current borrowings



CIN:-U74899DL1995PTC073692

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



15. Income tax

| | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--|-----------------------------|-----------------------------|
|--|-----------------------------|-----------------------------|

a. Amount recognised in statement of profit and loss

| | | |
|-------------------------------|--------------|--------------|
| Current tax expense | 21.08 | 18.73 |
| Earlier year adjustments | (9.16) | (2.99) |
| Deferred tax charge/ (credit) | 0.88 | (0.31) |
| Tax expense | 12.80 | 15.43 |

b. Income tax recognised in other comprehensive income

| | Year ended 31 March 2018 | | Year ended 31 March 2017 | |
|--|-----------------------------|----------------------------|-----------------------------|----------------------------|
| | Before tax | Tax (expense) / benefit | Before tax | Tax (expense) / benefit |
| Remeasurements of defined benefit plan | 1.14 | (0.40) | 0.74 | 1.78 |
| | 1.14 | (0.40) | 0.74 | 1.78 |
| | | | (0.60) | 1.18 |

c. Reconciliation of effective tax rate

| | Year ended 31 March 2018 | | Year ended 31 March 2017 | |
|--|-----------------------------|--------------|-----------------------------|--------------|
| | Rate (%) | Amount | Rate (%) | Amount |
| Profit before tax | | 69.29 | | 52.33 |
| Tax using company's domestic tax rate | 34.61% | 24.00 | 34.61% | 18.10 |
| Effect of: | | | | |
| Earlier year tax adjustments | -13.21% | (9.16) | -5.72% | (2.99) |
| Non-deductible expenses / income | 0.25% | 0.17 | 0.61% | 0.32 |
| Deduction of research and development expenses | -3.25% | (2.25) | 0.00% | - |
| Rate change impact on temporary differences | 0.06% | 0.04 | 0.09% | - |
| Effective tax rate | 18.45% | 12.80 | 29.60% | 15.43 |



Mindarika Private Limited

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

(All figures are in ₹ crore except share data and unless otherwise stated)

CIN:- U74899DL1995PTC073692

Income tax (continued)

d. Deferred tax assets / liabilities

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|---|------------------------|------------------------|-----------------------|
| Deferred tax assets :- | | | |
| Provisions for employee benefits | 3.90 | 3.83 | 4.12 |
| Provision for doubtful debts | 0.13 | 0.14 | 0.17 |
| Others | 0.02 | 0.02 | 0.05 |
| Deferred tax liabilities | | | |
| Property, plant and equipment and other | (8.93) | (7.59) | (7.65) |
| Deferred tax liabilities (net) | (4.88) | (3.60) | (3.31) |
| Deferred tax (charge)/ created during the year | (1.28) | (0.29) | |

e. Movement of temporary differences

| | As at 1 April 2016 | Movement in statement of profit and loss | As at 31 March 2017 | Movement in statement of profit and loss | As at 31 March 2018 |
|---|-----------------------|--|------------------------|--|------------------------|
| Property, plant and equipment and intangible assets (net) | (7.65) | 0.06 | (7.59) | (1.34) | (8.93) |
| Provisions for employee benefits | 4.12 | (0.29) | 3.83 | 0.07 | 3.90 |
| Provision for doubtful debts | 0.17 | (0.03) | 0.14 | (0.01) | 0.13 |
| Others | 0.05 | (0.03) | 0.02 | - | 0.02 |
| | (3.31) | (0.29) | (3.60) | (1.28) | (4.88) |



Mindarika Private Limited**Notes forming part of the financial statements for the year ended 31 March 2018**

(All figures are in ₹ crore except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692

16. Government grants

| | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|---|------------------------|------------------------|-----------------------|
| Opening balance | 0.59 | 0.72 | 0.79 |
| Add: Grants received during the year | - | - | - |
| Less: Released to profit or loss (refer to note no. 21) | (0.11) | (0.13) | (0.07) |
| Closing balance | 0.48 | 0.59 | 0.72 |
| Current portion | 0.09 | 0.11 | 0.13 |
| Non current portion | 0.39 | 0.48 | 0.59 |

17. Trade payables

| | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|--|------------------------|------------------------|-----------------------|
| Total outstanding dues of micro enterprises and small enterprises | 3.90 | 2.46 | 3.00 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 95.62 | 71.75 | 72.30 |
| | 99.52 | 74.21 | 75.30 |

(i) All trade payables are 'current'

(ii) For trade payables to related parties refer note no 36.

(iii) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note no 33.

(iv) Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 based on the information available with the Company is as follows:

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|--|------------------------|------------------------|-----------------------|
| The amounts remaining unpaid to suppliers as at the end of the year | 3.90 | 2.46 | 3.00 |
| - Principal | | | |
| - Interest | | | |
| The amount of payments made under the Act beyond the appointed day during the year | 10.35 | 11.46 | 14.82 |
| The amount of interest paid under the act beyond the appointed day during the year | 0.03 | 0.12 | 0.05 |
| 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 Act | 0.01 | 0.01 | 0.08 |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | 0.01 | 0.01 | 0.08 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Act | - | - | - |

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the management.



Mindarika Private Limited**Notes forming part of the financial statements for the year ended 31 March 2018**

(All figures are in ₹ crore except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692**18. Other financial liabilities****Current**

Current maturities of long term borrowings (refer to note no. 13)

Employee related payables

Interest accrued on borrowings

Payables for property, plant and equipment

Deposit from vendors

| As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|------------------------|------------------------|-----------------------|
| 8.32 | 6.28 | 7.06 |
| 4.10 | 3.30 | 3.04 |
| 0.09 | 0.07 | 0.22 |
| 3.16 | 2.08 | 0.35 |
| 0.33 | 0.17 | 0.17 |
| 16.00 | 11.90 | 10.84 |

The Company's exposure to currency and liquidity risks related to above financial liabilities is disclosed in note no 33.

19. Other current liabilities

Advances from customers

- related party (refer to note 36)

- other than related party

Statutory dues

| As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|------------------------|------------------------|-----------------------|
| 3.31 | - | - |
| 9.16 | 8.59 | 15.14 |
| 1.13 | 2.99 | 3.33 |
| 13.60 | 11.58 | 18.47 |

20. Current tax liabilities

- Provision for tax (net of advance tax)

| As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|------------------------|------------------------|-----------------------|
| 1.46 | 8.83 | 2.85 |
| 1.46 | 8.83 | 2.85 |

Advance tax (including tax deducted at source)

| | | |
|-------|-------|-------|
| 64.89 | 45.61 | 34.38 |
|-------|-------|-------|



Mindarika Private Limited**Notes forming part of the financial statements for the year ended 31 March 2018**

(All figures are in ₹ crore except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692**21. Revenue from operations**

Sale of products

- Manufacturing

- Traded goods

Sale of services

Other operating revenue:

Scrap sales

Export incentives

Government grant

| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|--|-------------------------------------|-------------------------------------|
| | | |
| | 744.40 | 693.54 |
| | 17.04 | 12.26 |
| | 1.34 | 2.31 |
| | 762.78 | 708.11 |
| | | |
| | 3.06 | 2.30 |
| | 0.41 | 0.27 |
| | 0.11 | 0.13 |
| | 3.58 | 2.70 |
| | 766.36 | 710.81 |

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

22. Other income

Interest income on fixed deposits and others

Liabilities/ provision written back

Provisions for doubtful trade receivables written back

Profit on sale of property, plant and equipments (net)

Miscellaneous income

| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|--|-------------------------------------|-------------------------------------|
| | 0.16 | 0.22 |
| | 0.05 | 0.49 |
| | 0.29 | 0.23 |
| | 0.05 | 0.67 |
| | 0.07 | 0.04 |
| | 0.62 | 1.65 |

23. Cost of materials consumed

Opening stock of raw materials and components

Add : Purchases of raw materials and components

Less : Closing stock of raw materials and components

| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|--|-------------------------------------|-------------------------------------|
| | 43.26 | 39.74 |
| | 480.16 | 407.17 |
| | 523.42 | 446.91 |
| | 50.64 | 43.26 |
| | 472.78 | 403.65 |
| | | |
| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |

24. Purchase of stock-in-trade

Purchase of stock-in-trade

| | | |
|--|--------------|-------------|
| | 11.09 | 5.88 |
| | 11.09 | 5.88 |



Mindarika Private Limited**Notes forming part of the financial statements for the year ended 31 March 2018**

(All figures are in ₹ crore except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692

25. Changes in inventories of finished goods and work-in-progress**a. Inventories at the end of the year**

- Work in progress
- Finished goods

b. Inventories at the beginning of the year

- Work in progress
- Finished goods

Changes in inventories of finished goods and work in progress (a-b)

- Work in progress
- Finished goods

Net increase

| For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|-------------------------------------|-------------------------------------|
| 5.39 | 4.08 |
| 23.83 | 18.16 |
| 29.22 | 22.24 |
| 4.08 | 4.77 |
| 18.16 | 17.43 |
| 22.24 | 22.20 |
| 1.31 | (0.69) |
| 5.67 | 0.73 |
| 6.98 | 0.04 |

26. Employee benefits

- Salaries, wages and bonus
- Contribution to provident and other funds (refer to note 32)
- Employee stock option expenses (refer to note 39)
- Staff welfare expenses

| For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|-------------------------------------|-------------------------------------|
| 85.69 | 69.09 |
| 4.22 | 3.24 |
| 0.85 | 0.24 |
| 5.44 | 5.28 |
| 96.20 | 77.85 |

27. Finance costs**Interest expense on:**

- (i) borrowings
- (ii) trade payables
- (iii) delayed payment of income tax

| For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|-------------------------------------|-------------------------------------|
| 1.49 | 2.98 |
| 0.04 | 0.04 |
| 0.04 | 0.72 |
| 1.57 | 3.74 |



Mindarika Private Limited**Notes forming part of the financial statements for the year ended 31 March 2018**

(All figures are in ₹ crore except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692**28. Depreciation and amortisation expense**

Depreciation of property, plant and equipment
Amortisation of intangible assets

| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|--|-------------------------------------|-------------------------------------|
| | 18.32 | 17.10 |
| | 1.02 | 0.83 |
| | 19.34 | 17.93 |
| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |

29. Other expenses

| | | |
|---|--------------|--------------|
| Consumption of stores and spares | 16.92 | 16.43 |
| Increase/ (decrease) of excise duty on inventory | (0.68) | 0.13 |
| Power and fuel | 9.39 | 8.41 |
| Rent (refer note 34) | 5.76 | 4.23 |
| Repair and maintenance | 11.32 | 7.96 |
| Insurance | 1.23 | 0.94 |
| Rates and taxes | 0.34 | 0.23 |
| Travelling and conveyance | 7.75 | 6.67 |
| Packing and forwarding expenses | 7.03 | 7.27 |
| Warranty expenses | 2.36 | 3.17 |
| Royalty | 4.49 | 3.23 |
| Legal and professional | 8.93 | 8.34 |
| Payment to auditor's (refer note (i) below) | 0.52 | 0.49 |
| Property, plant and equipment written off | 0.06 | 0.15 |
| Bad trade receivables, other receivables and advances written off | 0.19 | 0.45 |
| Provision for doubtful trade receivables | 0.35 | 0.41 |
| Corporate social responsibility expenses (refer note (ii) below) | 0.60 | 0.30 |
| Net loss on foreign currency transaction and translation | 0.54 | 0.10 |
| Miscellaneous expenses | 4.12 | 4.07 |
| | 81.22 | 72.98 |

Notes:-i

Payments to the auditor's comprises :

As auditors

| | | |
|-------------------------------|-------------|-------------|
| Statutory audit fees | 0.35 | 0.33 |
| Reimbursement of expenses ^^ | 0.03 | 0.02 |
| Certification fees and others | 0.14 | 0.14 |
| | 0.52 | 0.49 |

^^ including ₹ 0.01 as reimbursement of expenses to erstwhile auditors

Notes:-ii

Details of corporate social responsibility expenditure

| | | |
|---|-------------|------|
| a. Amount required to be spent by the Company during the year | 0.59 | 0.27 |
| b. Amount spent during the year: | | |
| (i) Construction / acquisition of any asset | - | - |
| (ii) On purpose other than (i) above | 0.60 | 0.30 |



30. Contingent Liabilities and commitments

(to the extent not provided for)

Contingent liabilities

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|--|------------------------|------------------------|-----------------------|
| Income tax (refer note (a) below) | - | 1.79 | 1.39 |
| Service tax matters (refer note (b) below) | 0.60 | 1.49 | 0.07 |
| Total | 0.60 | 3.28 | 1.46 |

- a) The matters were sub judice and the Company had filed appeals against the order of the Assessing Officer for disallowance of management fees and the same were pending with CIT. During the current year, the orders have been passed in favour of the Company.
- b) The matters are sub judice and the Company has filed appeals against the order of the Assessing Officer for incorrect availment of cenvat credit over telephone services, exempted services and non levy of service tax on canteen/ bus services to employees.

Capital commitments (net of advance)

Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ 7.42 crores (31 March 2017: ₹ 5.53 crores, 1 April 2016: ₹ 3.27 crores).

Other commitments

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|---|------------------------|------------------------|-----------------------|
| - Export obligations to be undertaken under the Export promotion capital goods (EPCG) scheme in the next six years to the extent unexecuted | - | - | 4.11 |
| - Pending submission of proof of exports, excise duty payable on exports undertaken under a letter of undertaking | - | 0.31 | 0.27 |
| Total | - | 0.31 | 4.38 |

31. Amount remitted in foreign currency during the year on account of dividend

| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|-------------------------------------|-------------------------------------|
| Amount of dividend remitted (amount in absolute ₹) | 3,51,50,000 | 1,11,00,000 |
| Total number of non resident shareholders | 1 | 1 |
| Total number of shares held by them on which dividend was due | 37,00,000 | 37,00,000 |
| Year to which dividend relates | 31 March 2017 | 31 March 2016 |



Mindarika Private Limited

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

(All figures are in ₹ crores, except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692

32. Employee Benefits

a) Assets and liabilities relating to employee benefits

Non-current

Net defined benefit liability - Gratuity

Provision for compensated absences

Current

Net defined benefit liability - Gratuity

Provision for compensated absences

Total employee benefit liabilities

Total

| | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|--|------------------------|------------------------|-----------------------|
| Net defined benefit liability - Gratuity | (4.67) | (4.94) | (5.83) |
| Provision for compensated absences | (3.51) | (3.06) | (3.39) |
| | (8.18) | (8.00) | (9.22) |
| Net defined benefit liability - Gratuity | - | - | - |
| Provision for compensated absences | (0.54) | (0.42) | (0.39) |
| Total employee benefit liabilities | (0.54) | (0.42) | (0.39) |
| | (8.72) | (8.42) | (9.61) |

b) Defined benefit plan - Gratuity

The Company has a defined benefit gratuity plan, governed by the Payment of Gratuity Act. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

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

Demographic risk:

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

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

Reconciliation of the net defined benefit (asset) / liability

| | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|----------------------------------|------------------------|------------------------|-----------------------|
| Fair value of plan assets | 4.05 | 3.72 | 3.40 |
| Defined benefit obligation | 8.72 | 8.66 | 9.23 |
| Defined benefit liability | 4.67 | 4.94 | 5.83 |

Reconciliation of present value of defined benefit obligation

| | As at 31 March 2018 | As at 31 March 2017 |
|--|------------------------|------------------------|
| Balance at the beginning of the year | 8.66 | 9.23 |
| Current service cost | 1.19 | 1.12 |
| Interest cost | 0.61 | 0.64 |
| Benefits paid | (0.65) | (0.56) |
| Actuarial gain (loss) recognised in other comprehensive income | | |
| - experience adjustments | (0.67) | (1.33) |
| - changes in financial assumptions | (0.42) | (0.44) |
| Balance at the end of the year | 8.72 | 8.66 |



Mindarika Private Limited

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

(All figures are in ₹ crores, except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692

Employee Benefits (Contd.)

Changes in fair value of plan assets are as follows:

| | As at 31 March 2018 | As at 31 March 2017 |
|--|------------------------|------------------------|
| Fair value of plan assets at the beginning of the year | 3.72 | 3.40 |
| Interest income of plan assets | 0.26 | 0.26 |
| Return on plan assets, excluding amount recognised in net interest expense | 0.05 | 0.01 |
| Employer's contribution | 0.02 | 0.05 |
| Benefits paid | - | - |
| Fair value of plan assets at the end of the year | 4.05 | 3.72 |

Expense recognised in statement of profit and loss

| | As at 31 March 2018 | As at 31 March 2017 |
|-----------------------------|------------------------|------------------------|
| Current service cost | 1.19 | 1.12 |
| Net interest cost/ (income) | 0.35 | 0.38 |
| | 1.54 | 1.50 |

Remeasurements recognised in other comprehensive income

| | | |
|---|--------|--------|
| Actuarial (gain) / loss arising during the year | (1.09) | (1.77) |
| Return on plan assets (greater) / less than discount rate | (0.05) | (0.01) |
| | (1.14) | (1.78) |

Defined benefit obligations

| | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|---------------------------------------|------------------------|------------------------|-----------------------|
| Actuarial assumptions | | | |
| Discount rate (per annum) | 7.60% | 7.00% | 7.71% |
| Future salary growth rate (per annum) | 9.00% | 9.00% | 10.50% |
| Attrition rate | | | |
| upto 30 years | 20.00% | 20.00% | 20.00% |
| from 31- 44 years | 10.00% | 10.00% | 10.00% |
| above 44 years | 8.00% | 8.00% | 8.00% |

Assumptions regarding future mortality are based on Indian Assured Lives Mortality (IALM) (2006-08) rates.

As at 31 March 2018, the weighted average duration of the defined benefit obligation was 8 years.

Expected employer's contribution for the year ending 31 March 2019 is ₹ 5.90 crore.

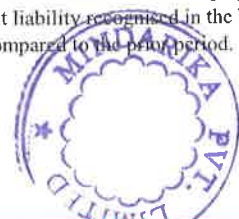
Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

| | As at 31 March 2018 | | As at 31 March 2017 | |
|---|------------------------|----------|------------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | 8.09 | 9.45 | 7.99 | 9.42 |
| Future salary growth rate (1% movement) | 9.32 | 8.17 | 9.40 | 8.00 |
| Attrition rate (50% of attrition rates) | 8.49 | 9.12 | 8.21 | 9.41 |
| Mortality rate (10% of mortality rates) | 8.72 | 8.72 | 8.66 | 8.66 |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.



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Expected benefit payments

Undiscounted amount of expected benefit payments for next 8 years are as follows:

| | As at 31 March 2018 |
|--------------------|------------------------|
| Within 1 year | 0.99 |
| 2-5 years | 3.55 |
| 6-10 years | 4.00 |
| More than 10 years | 9.90 |

The major categories of plan assets of the fair value of the total plan assets are as follows:-

| | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|--------------------------|------------------------|------------------------|-----------------------|
| Investments with insurer | 100% | 100% | 100% |

c) Defined contribution plans

The Company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The Company has recognised ₹ 4.59 crore (31 March 2017 ₹ 4.02 crore) during the year as expense towards contribution to these plans.

| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Provident fund | 3.73 | 3.39 |
| Superannuation fund | 0.11 | 0.12 |
| Employees' state insurance scheme | 0.75 | 0.51 |
| | 4.59 | 4.02 |



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

(All figures are in ₹ crores, except share data and unless otherwise stated)

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33. Financial Instruments - Fair Values And Risk Management

a. Financial instruments by category and fair values

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

| | Level of hierarchy | Note No. | 31 March 2018 | | 31 March 2017 | | 1 April 2016 | |
|--|--------------------|----------|----------------|------------|----------------|------------|----------------|------------|
| | | | Carrying value | Fair value | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets | | | | | | | | |
| <i>(not measured at fair value)</i> | | | | | | | | |
| Non-current | | | | | | | | |
| Loans | | 6 | 1.86 | | 1.45 | | 1.26 | |
| Current | | | | | | | | |
| Trade receivables | | 10 | 86.27 | | 68.88 | | 66.30 | |
| Cash and cash equivalents | | 11A | 28.41 | | 3.40 | | 1.81 | |
| Bank balances other than cash and cash equivalents | | 11B | - | | 0.90 | | - | |
| Loans | | 6 | 1.00 | | 0.40 | | 0.41 | |
| Other financial assets | | 7 | 0.37 | | 0.14 | | 0.48 | |
| | | | 117.91 | | 75.17 | | 70.26 | |
| Financial liabilities | | | | | | | | |
| Non-current | | | | | | | | |
| Borrowings | 3 | 13 | 37.48 | 37.48 | 13.28 | 13.28 | 19.89 | 19.89 |
| Current | | | | | | | | |
| Borrowings | 3 | 13 | 11.69 | 11.69 | 11.57 | 11.57 | 34.27 | 34.27 |
| <i>(not measured at fair value)</i> | | | | | | | | |
| Trade payables | | 17 | 99.52 | | 74.21 | | 75.30 | |
| Other financial liabilities | | 18 | 16.00 | | 11.90 | | 10.84 | |
| | | | 164.69 | | 110.96 | | 140.30 | |

Notes:

1. Fair value of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents current, other current financial assets, trade payables, other current financial liabilities and current borrowings approximate their carrying amount, largely due to the short-term nature of these instruments.

2. Interest rates on long term borrowings (including current maturities) are equivalent to the market rate of interest. Accordingly, the carrying value of such borrowings approximates fair value. The fair value of long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.

3. The fair value of long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.

4. Security deposits under non-current loans discounted at present value.

5. Fair value of all other non-current assets have not been disclosed as the change from carrying amount is inconsequential.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2018 and 31 March 2017.



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

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Financial Instruments - Fair Values And Risk Management (Contd.)

b. Financial risk management

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

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian automobile manufacturers original equipment manufactures (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default.

The Company's review also includes financial statements, industry information, promoter's background and in some cases bank references.

Expected credit loss on trade receivable :

The Company's expected probability of default is Nil and all major payments are received on due dates without any significant delays. Based on internal assessment which is driven by historical experience/ current facts available in relation to default in collection thereof, the expected credit loss for trade receivables is estimated to be in the range of 0.45% to 0.75%. While the amount of total allowance for credit loss is disclosed in Note no. 10, the movement thereof during the years ended 31 March 2018 and 31 March 2017 is tabulated below:

| | 31 March 2018 | 31 March 2017 |
|---|---------------|---------------|
| Opening provisions | 0.39 | 0.49 |
| Add: Provision made during the year | 0.35 | 0.41 |
| Less: Provision utilised / Payment made during the year | 0.07 | 0.28 |
| Less: Excess provision written back | 0.29 | 0.23 |
| Closing provision | 0.38 | 0.39 |

The Company's exposure to credit risk for trade receivable by the type of customers as at year end is as follows:

| | Carrying amount | | |
|-----------|-----------------|---------------|--------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| OEM | 60.40 | 52.51 | 51.51 |
| Non - OEM | 25.87 | 16.37 | 14.79 |
| Total | 86.27 | 68.88 | 66.30 |

Ageing in respect of trade receivables is as follows:

| 31 March 2018 | | | | | |
|------------------|-------|--------------------|--------------|-----------|-----------------|
| Trade receivable | Total | Less than 3 months | 3 -12 months | 1-5 years | Carrying amount |
| OEM | 60.40 | 59.98 | 0.42 | - | 60.40 |
| Non OEM | 25.87 | 25.75 | 0.12 | - | 25.87 |
| | 86.27 | 85.73 | 0.54 | - | 86.27 |
| 31 March 2017 | | | | | |
| Trade receivable | Total | Less than 3 months | 3 -12 months | 1-5 years | Carrying amount |
| OEM | 52.51 | 52.29 | 0.22 | - | 52.51 |
| Non OEM | 16.37 | 16.20 | 0.17 | - | 16.37 |
| | 68.88 | 68.49 | 0.39 | - | 68.88 |
| 1 April 2016 | | | | | |
| Trade receivable | Total | Less than 3 months | 3 -12 months | 1-5 years | Carrying amount |
| OEM | 51.51 | 51.22 | 0.29 | - | 51.51 |
| Non OEM | 14.79 | 14.59 | 0.20 | - | 14.79 |
| | 66.30 | 65.81 | 0.49 | - | 66.30 |



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

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Loans and other financial assets

a) The Company has given security deposits to Government departments and vendors for securing services from them. As these are well established organisations and have strong capacity to meet the obligations, risk of default is negligible or nil.

b) The Company provides loans to employees for their personal needs and repayment by deduction from the salary of the employees. Loans are given only to those employees who have served a minimum period as per the approved policy of the Company. The expected probability of default is negligible or nil.

c) All the export incentives are receivable from Government and therefore expected probability of default is negligible or nil.

The Company's exposure to credit risk for loans and other financial assets is as follows:

| | Carrying amount | | |
|------------------------|-----------------|---------------|--------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Security deposits | 1.82 | 1.56 | 1.33 |
| Loans to employees | 1.05 | 0.29 | 0.35 |
| Other financial assets | 0.37 | 0.14 | 0.48 |
| | 3.24 | 1.99 | 2.16 |

Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high repute.



Mindarika Private Limited

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

(All figures are in ₹ crores, except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692

Financial Instruments - Fair Values And Risk Management (Contd.)

Financial risk management (contd.)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities, when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Long term cash flow requirement is monitored through long term plans. In the line of long term planning, short term plans are reviewed on quarterly basis and compared with actual position on monthly basis to assess the performance of the Company and liquidity position.

The Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. In addition to this, the Company maintains the following line of credit:

- The Company is having credit limit from banks on account of borrowings, working capital, cash credit etc., of ₹ 62 crores and USD 0.70 crores

Exposure to liquidity risk

The following are the remaining undiscounted contractual maturities of financial liabilities including interest at the reporting date:

31 March 2018

| | Contractual cash flow | | | | | | Carrying amount |
|---|-----------------------|-------------|--------------------|-------------|--------------|-------------------|-----------------|
| | Total | On demand | Less than 3 months | 3-12 months | 1-5 years | More than 5 years | |
| Non derivative financial liabilities | | | | | | | |
| Foreign currency loan from banks | 13.20 | - | 1.55 | 4.66 | 6.99 | - | 13.20 |
| Rupee loan from banks | 44.30 | 0.79 | 10.93 | 2.08 | 30.50 | - | 44.30 |
| Rupee loan from others | - | - | - | - | - | - | - |
| Payables for property, plant and equipment | 3.16 | - | 3.16 | - | - | - | 3.16 |
| Interest accrued on borrowings | 0.09 | - | 0.09 | - | - | - | 0.09 |
| Deposit from vendors | 0.33 | - | 0.33 | - | - | - | 0.33 |
| Employee related payables | 4.10 | - | 4.10 | - | - | - | 4.10 |
| Trade payables | 99.52 | - | 99.52 | - | - | - | 99.52 |
| | 164.70 | 0.79 | 119.68 | 6.74 | 37.49 | - | 164.70 |
| Derivative instruments | | | | | | | |
| Forward contracts | 6.31 | - | - | - | - | - | 6.31 |
| | 6.31 | - | - | - | - | - | 6.31 |

31 March 2017

| | Contractual cash flow | | | | | | Carrying amount |
|---|-----------------------|-------------|--------------------|-------------|--------------|-------------------|-----------------|
| | Total | On demand | Less than 3 months | 3-12 months | 1-5 years | More than 5 years | |
| Non derivative financial liabilities | | | | | | | |
| Foreign currency loan from banks | 19.38 | - | 1.55 | 4.66 | 13.17 | - | 19.38 |
| Rupee loan from banks | 11.74 | 4.93 | 6.66 | 0.05 | 0.10 | - | 11.74 |
| Rupee loan from others | 0.01 | - | 0.01 | - | - | - | 0.01 |
| Interest accrued on borrowings | 0.07 | - | 0.07 | - | - | - | 0.07 |
| Deposit from vendors | 0.17 | - | 0.17 | - | - | - | 0.17 |
| Payables for property, plant and equipment | 2.08 | - | 2.08 | - | - | - | 2.08 |
| Employee related payables | 3.30 | - | 3.30 | - | - | - | 3.30 |
| Trade payables | 74.21 | - | 74.21 | - | - | - | 74.21 |
| | 110.96 | 4.93 | 88.05 | 4.71 | 13.27 | - | 110.96 |
| Derivative instruments | | | | | | | |
| Forward contracts | 9.47 | - | - | - | - | - | 9.47 |
| | 9.47 | - | - | - | - | - | 9.47 |

1 April 2016

| | Contractual cash flow | | | | | | Carrying amount |
|---|-----------------------|-------------|--------------------|-------------|--------------|-------------------|-----------------|
| | Total | On demand | Less than 3 months | 3-12 months | 1-5 years | More than 5 years | |
| Non derivative financial liabilities | | | | | | | |
| Foreign currency loan from banks | 44.76 | - | 15.77 | 9.38 | 19.61 | - | 44.76 |
| Rupee loan from banks | 16.33 | 2.95 | 13.05 | 0.07 | 0.25 | - | 16.32 |
| Rupee loan from others | 0.13 | - | 0.03 | 0.09 | 0.02 | - | 0.14 |
| Interest accrued on borrowings | 0.22 | - | 0.22 | - | - | - | 0.22 |
| Deposit from vendors | 0.17 | - | 0.17 | - | - | - | 0.17 |
| Payables for property, plant and equipment | 0.35 | - | 0.35 | - | - | - | 0.35 |
| Employee related payables | 3.04 | - | 3.04 | - | - | - | 3.04 |
| Trade payables | 75.30 | - | 75.30 | - | - | - | 75.30 |
| | 140.30 | 2.95 | 107.93 | 9.54 | 19.88 | - | 140.30 |
| Derivative instruments | | | | | | | |
| Forward contracts | 17.67 | - | - | - | - | - | 17.67 |
| | 17.67 | - | - | - | - | - | 17.67 |



Mindarika Private Limited

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Financial Instruments - Fair Values And Risk Management (Contd.)

Financial risk management (contd.)

(iii) Market risk

Market risk is the risk that changes in market prices - such as pricing, currency risk and interest rate risk- will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Company.

Price risk

Fluctuation in commodity price in market affects directly and indirectly the price of raw material and components used by the Company. The key raw material for the Company's is copper and silver. There is substantial fluctuations in prices of copper and silver. The Company has arrangements with its major customers for passing on the price impact.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and functional currency of the Company, i.e. INR (₹). The currencies in which these transactions are primarily denominated are US dollar, Japanese Yen, GBP and Euro. The currency risk related to the principal amount of the USD loan has been fully hedged using currency swap contract that mature on the same dates as loans.

Details of hedged foreign currency exposures:

| Particulars | As at 31 March 2018 | | | As at 31 March 2017 | | | As at 1 April 2016 | | |
|-----------------------|---------------------|---------------------------------------|---------------------|---------------------|---------------------------------------|---------------------|--------------------|---------------------------------------|---------------------|
| | Currency | Amount In Foreign Currency (in crore) | Amount in ₹ (crore) | Currency | Amount In Foreign Currency (in crore) | Amount in ₹ (crore) | Currency | Amount In Foreign Currency (in crore) | Amount in ₹ (crore) |
| Foreign currency loan | USD | 0.09 | 6.31 | USD | 0.14 | 9.47 | USD | 0.27 | 17.67 |

Hedge ratio:

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|----------------------|---------------------|---------------------|--------------------|
| | USD in crores | USD in crores | USD in crores |
| Borrowings | 0.09 | 0.14 | 0.27 |
| Derivative contracts | 0.09 | 0.14 | 0.27 |
| Net exposure | - | - | - |
| Hedge ratio | 1:1 | 1:1 | 1:1 |

Details of unhedged foreign currency exposures:

| Particulars | As at 31 March 2018 | | | As at 31 March 2017 | | | As at 1 April 2016 | | |
|-------------------------------------|---------------------|---------------------------------------|---------------------|---------------------|---------------------------------------|---------------------|--------------------|---------------------------------------|---------------------|
| | Currency | Amount In Foreign Currency (in crore) | Amount in ₹ (crore) | Currency | Amount In Foreign Currency (in crore) | Amount in ₹ (crore) | Currency | Amount In Foreign Currency (in crore) | Amount in ₹ (crore) |
| Borrowings (foreign currency loans) | USD | 0.11 | 6.89 | USD | 0.15 | 9.92 | USD | 0.41 | 27.11 |
| | USD | 0.07 | 4.45 | USD | 0.15 | 9.78 | USD | 0.05 | 3.46 |
| | JPY | 6.48 | 3.98 | JPY | 14.56 | 8.44 | JPY | 7.20 | 4.25 |
| Trade payables | Euro | 0.01 | 1.18 | Euro | 0.00 | 0.12 | Euro | 0.00 | 0.28 |
| | GBP | - | - | GBP | 0.00 | 0.01 | - | - | - |
| | USD | 0.02 | 1.30 | USD | 0.03 | 1.76 | USD | 0.02 | 1.26 |
| | Euro | 0.00 | 0.04 | Euro | 0.00 | 0.02 | Euro | 0.01 | 0.48 |
| Advance to suppliers | JPY | 1.79 | 1.10 | JPY | 0.01 | 0.00 | JPY | 9.75 | 5.76 |
| | GBP | 0.00 | 0.03 | GBP | 0.00 | 0.04 | GBP | 0.00 | - |
| | USD | 0.01 | 0.37 | USD | 0.01 | 0.65 | USD | 0.01 | 0.70 |
| Capital advances | Euro | 0.00 | 0.05 | Euro | 0.01 | 0.62 | Euro | 0.01 | 0.49 |
| | JPY | 1.14 | 0.70 | JPY | 0.50 | 0.29 | JPY | - | - |
| | GBP | - | - | GBP | 0.00 | 0.34 | GBP | - | - |
| | USD | 0.02 | 1.20 | USD | 0.04 | 2.29 | USD | 0.01 | 0.75 |
| Trade receivable | Euro | 0.01 | 1.11 | Euro | 0.00 | 0.33 | Euro | 0.01 | 0.92 |
| | JPY | 2.01 | 1.24 | JPY | 1.62 | 0.94 | JPY | 0.99 | 0.58 |



Mindarika Private Limited

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The following significant exchange rates were applied at the year end:

| Particulars | Year end rates | | |
|-------------|------------------------|------------------------|-----------------------|
| | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
| INR/ JPY | 0.62 | 0.58 | 0.59 |
| INR/ USD | 65.04 | 64.84 | 66.33 |
| INR/ Euro | 80.62 | 69.25 | 75.10 |
| INR/ GBP | 92.38 | 80.88 | - |

Sensitivity Analysis

A reasonably possible strengthening/ (weakening) of USD, JPY, GBP and EURO against INR (₹) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| Particulars | Change in currency rate | Year end rates | Changes in rates | Net exposure | Effect on profit before tax (INR) | Effect on profit after tax (INR) |
|---------------------|---------------------------|----------------|------------------|--------------|-----------------------------------|----------------------------------|
| As at 31 March 2018 | INR/USD Increases by 5 % | 65.04 | 3.25 | (0.13) | (0.42) | (0.28) |
| | INR/USD decreases by 5 % | 65.04 | (3.25) | (0.13) | 0.42 | 0.28 |
| | INR/GBP Increases by 5 % | 92.38 | 4.62 | 0.00 | 0.00 | 0.00 |
| | INR/GBP decreases by 5 % | 92.38 | (4.62) | 0.00 | (0.00) | (0.00) |
| | INR/JPY Increases by 5 % | 0.62 | 0.03 | (1.54) | (0.05) | (0.03) |
| | INR/JPY decreases by 5 % | 0.62 | (0.03) | (1.54) | 0.05 | 0.03 |
| | INR/Euro Increases by 5 % | 80.62 | 4.03 | 0.00 | 0.00 | 0.00 |
| | INR/Euro decreases by 5 % | 80.62 | (4.03) | 0.00 | (0.00) | (0.00) |
| As at 31 March 2017 | INR/USD Increases by 5 % | 64.84 | 3.24 | (0.23) | (0.75) | (0.49) |
| | INR/USD decreases by 5 % | 64.84 | (3.24) | (0.23) | 0.75 | 0.49 |
| | INR/GBP Increases by 5 % | 80.88 | 4.04 | 0.00 | 0.02 | 0.01 |
| | INR/GBP decreases by 5 % | 80.88 | (4.04) | 0.00 | (0.02) | (0.01) |
| | INR/JPY Increases by 5 % | 0.58 | 0.03 | (12.43) | (0.36) | (0.24) |
| | INR/JPY decreases by 5 % | 0.58 | (0.03) | (12.43) | 0.36 | 0.24 |
| | INR/Euro Increases by 5 % | 69.25 | 3.46 | 0.01 | 0.04 | 0.03 |
| | INR/Euro decreases by 5 % | 69.25 | (3.46) | (0.01) | (0.04) | (0.03) |
| As at 1 April 2016 | INR/USD Increases by 5 % | 66.33 | 3.32 | (0.42) | (1.39) | (0.91) |
| | INR/USD decreases by 5 % | 66.33 | (3.32) | (0.42) | 1.39 | 0.91 |
| | INR/JPY Increases by 5 % | 0.59 | 0.03 | 3.54 | 0.10 | 0.07 |
| | INR/JPY decreases by 5 % | 0.59 | (0.03) | 3.54 | (0.10) | (0.07) |
| | INR/Euro Increases by 5 % | 75.10 | 3.75 | 0.02 | 0.08 | 0.05 |
| | INR/Euro decreases by 5 % | 75.10 | (3.75) | (0.02) | (0.08) | (0.05) |



Mindarika Private Limited

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

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Financial Instruments - Fair Values And Risk Management (Contd.)

Financial risk management (contd.)

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 exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company tries to manage the risk partly by entering into fixed-rate instruments and partly by borrowing at a floating rate.

Exposure to Interest rate risk

The Company has the following exposure in interest bearing borrowings as on reporting date:

| | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
|------------------------------|------------------------|------------------------|-----------------------|
| Fixed interest borrowings | 0.10 | 0.18 | 0.48 |
| Variable interest borrowings | 57.39 | 30.95 | 60.74 |
| Total borrowings | 57.49 | 31.13 | 61.22 |

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

Variable interest borrowings include loan from banks which carry MCLR/ LIBOR based interest rate.

Sensitivity analysis

A reasonably possible change of 1% in interest rate at the reporting date, would have affected profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

| Year ended | Profit / (Loss) | |
|---------------|-----------------|---------------|
| | 0.5% increase | 0.5% decrease |
| 31 March 2018 | 0.02 | (0.02) |
| 31 March 2017 | 0.01 | (0.01) |



Mindarika Private Limited**Notes to the financial statements for the year ended 31 March 2018**

(All figures are in ₹ crores, except share data and unless otherwise stated)

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34 Operating Leases**Leases as lessee**

The Company's significant operating lease arrangements are in respect of premises (factory building, residential, godown etc.). The lease term for these leases ranges from 11 months to 17 years which includes a lock-in period and in certain cases are renewable by mutual consent on mutually agreeable terms. Some of the significant terms and conditions for the arrangements are:

- agreements may generally be terminated by either party by serving notice / mutual consent.
- the lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.
- no subletting of the premises or any part thereof is permissible without the prior written consent of lessor.

| | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--|-----------------------------|-----------------------------|
| (a) Amount recognised in statement of profit and loss: | | |
| Lease expense for the year | 5.76 | 4.23 |
| (b) Future minimum lease payment in case of non- cancellable lease | | |
| - not later than one year | 4.02 | 3.82 |
| - later than one year and not later than five year | 18.19 | 17.33 |
| - later than five years | 33.26 | 38.15 |
| (c) There is no contingent rent in the lease agreement. | | |

35 Research and development expenses *

| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|-------------------------------------|-------------------------------------|
| Salaries and wages | 3.25 | 2.67 |
| Contributions to provident fund and other funds | 0.20 | 0.18 |
| Staff welfare | 0.09 | 0.06 |
| Travelling and conveyance | 0.43 | 0.28 |
| Miscellaneous expenses | 1.29 | 0.34 |
| | 5.26 | 3.53 |

* Excludes capital expenditure of ₹ 7.77 crore (March 31 2017 ₹ 7.38 crores) .



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36. Related Parties

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

| Description of relationship | Names of related parties |
|--|--|
| Holding Company | Minda Industries Ltd. (w.e.f 1 January 2018) |
| Fellow subsidiaries | Minda Distribution & Services Ltd (w.e.f 1 January 2018) Minda Kyoraku Limited (w.e.f 1 January 2018) PT Minda Asean Automotive. (w.e.f 1 January 2018) Minda Storage Batteries Pvt Ltd. (w.e.f 1 January 2018) Minda Katolac Electronics services Pvt Ltd (w.e.f 1 January 2018) |
| Enterprise having substantial interest in the Company | Tokai Rika Co.Ltd, Japan Minda Industries Ltd. (Upto 31 December 2017) |
| Enterprises in which directors/members of the Company can exercise significant influence | Nirmal K.Minda (HUF) Minda Investment Ltd MI Torica India Private Ltd Minda Distribution & Services Ltd (Upto 31 December 2017) Minda Kyoraku Ltd (Upto 31 December 2017) Shankar Moulding Ltd Minda Projects Ltd Minda Nexgen Tech Ltd Tokai Rika (Thailand) Co.Ltd Tokai Rika Minda India Pvt Ltd MITIL Polymer Private Limited Tianjin Tokai Rika Automotive Part Co.Ltd Tokai Rika Create Corporation (Torica) Tokai Rika Co.Ltd, Philippines Toyoda Gosei Minda India Pvt Ltd Tokairika Indonesia Minda Storage Batteries Pvt Ltd.(Upto 31 December 2017) Denso Ten Minda India Pvt Ltd.(Formerly known as Fujitsu Ten Minda India Private Limited) Minda Stoneridge Instruments Ltd. PT Minda Asean Automotive. (Upto 31 December 2017) PT Minda Trading Samaira Engineering. |
| Key Management Personnel (KMP) | Mr. Nirmal K.Minda Mr.Takehiko Niwa Mr. Ravi Mehra (w.e.f 26 July 2016) Mr. J.K.Menon (Upto 26 July 2016) Mr. Anand K.Minda Mr. Isaki Saguria (Upto 26 July 2016) Mr. Yoshihiro Obayashi (w.e.f 26 July 2016) Mr. H.K Lal (w.e.f 5 February 2018) Ms. Deepali Chandhoke (w.e.f 5 February 2018) |

(b) Details of related party transactions during the year

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|-----------------------------|-----------------------------|
| (i) Revenue | | |
| Holding Company | | |
| Sale of products | 0.84 | - |
| Enterprise having substantial interest in the Company | | |
| Sale of products | | |
| - Tokai Rika Co.Ltd, Japan | 0.10 | 0.30 |
| - Minda Industries Ltd | 1.74 | 1.58 |
| Sale of service | | |
| - Minda Industries Ltd | - | 0.02 |
| Miscellaneous income | | |
| - Minda Industries Ltd (absolute ₹ 3,100 for 31 March 2018) | * | 0.08 |
| Fellow Subsidiary | | |
| Sale of products | | |
| -Minda Distribution & Services Ltd | 0.93 | - |
| Enterprises in which directors/members of the Company can exercise significant Influence | | |
| Sale of products | | |
| - Tokai Rika Minda India Pvt Ltd | 77.87 | 81.94 |
| -Tianjin Tokai Rika Automotive Part | - | 1.41 |
| -Tokai Rika Create Corporation (Torica) | 5.06 | 4.23 |
| -Tokai Rika (Thailand) Co. Ltd. | 2.19 | 1.42 |
| - Shankar Moulding Ltd | 0.15 | 0.27 |
| - Toyoda Gosei Minda India Pvt Ltd | 24.92 | 6.33 |
| -Minda Distribution & Services Ltd | 4.97 | 3.74 |
| -Others | 0.88 | - |



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(All figures are in ₹ crores, except share data and unless otherwise stated)

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36. Related Parties(cont..)

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|-----------------------------|-----------------------------|
| (ii) Reimbursement of expenses (received) | | |
| Holding company | | |
| Miscellaneous expenses | 0.02 | - |
| Enterprises having substantial interest in the Company | | |
| Miscellaneous expenses | | 0.01 |
| - Minda Industries Ltd. | - | |
| Insurance | | |
| - Minda Industries Ltd. | - | 0.07 |
| Other reimbursements | | |
| - Minda Industries Ltd. | 0.04 | - |
| - Tokai Rika Co.Ltd, Japan | 1.17 | - |
| Fellow Subsidiary | | |
| Employee benefit expenses | | |
| - Minda Storage Batteries Pvt Ltd. (absolute ₹ 45,824 for 31 March 2018) | * | - |
| Enterprises in which directors/members of the Company can exercise significant influence | | |
| Insurance | | |
| - MI Torica India Private Ltd. | - | 0.01 |
| - Minda Investment Ltd. | - | 0.02 |
| Employee benefit expenses | | |
| - Minda Storage Batteries Pvt Ltd. | 0.01 | - |
| - Minda Investment Ltd. | 0.01 | - |
| Salaries, wages and bonus | | |
| - Minda Investment Ltd.(absolute ₹ 16,607 for 31 March 2018) | * | - |
| Miscellaneous expenses | | |
| - Denso Ten Minda India Pvt Ltd.(Formerly known as Fujitsu Ten Minda India Private Limited) | 0.02 | - |
| Other reimbursement | | |
| - Shankar Moulding Ltd | 0.01 | - |
| - Minda Investment Limited | 0.01 | - |
| Key Management Personnel | | |
| Rent | 0.02 | 0.02 |
| (iii) Sale of property, plant and equipment | | |
| Enterprises in which directors/members of the Company can exercise significant influence | | |
| - Minda Kyoraku Ltd | - | 0.14 |
| (iv) Purchase of property, plant and equipment | | |
| Enterprises in which directors/members of the Company can exercise significant influence | | |
| - Minda Projects Ltd | 20.97 | - |
| - Tokai Rika Co.Ltd, Japan | 0.51 | 0.28 |
| (v) Expenses | | |
| Holding company | | |
| Purchase of raw materials and components | 0.55 | - |
| Legal and professional | 1.68 | - |
| Miscellaneous expenses | 0.94 | - |
| Rent | 0.23 | - |
| Enterprises having substantial interest in the Company | | |
| Purchase of raw materials and components | | |
| - Tokai Rika Co.Ltd, Japan | 0.16 | 0.08 |
| - Minda Industries Ltd | 4.88 | 2.66 |
| Legal and professional | | |
| - Tokai Rika Co.Ltd, Japan | 0.94 | 1.22 |
| - Minda Industries Ltd | 4.78 | 6.02 |
| Royalty | | |
| - Tokai Rika Co.Ltd, Japan | 3.91 | 3.60 |
| Miscellaneous expenses | | |
| - Tokai Rika Co.Ltd, Japan | 0.21 | 0.79 |
| - Minda Industries Ltd | 2.62 | 0.93 |
| Salaries and wages | | |
| - Minda Industries Ltd | 1.39 | 0.55 |
| Employee benefit expenses | | |
| - Minda Industries Ltd | 0.16 | - |
| Rent | | |
| - Minda Industries Ltd | 0.46 | 0.02 |



Mindarika Private Limited

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

(All figures are in ₹ crores, except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692

36. Related Parties (cont..)

Expenses (cont...)

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|-----------------------------|-----------------------------|
| Fellow Subsidiary | | |
| Employee benefit expenses | | |
| -Minda Kyoraku Limited | 0.01 | - |
| Enterprises in which directors/members of the Company can exercise significant influence | | |
| Purchase of raw materials and components | | |
| - MI Torica India Private Ltd | 4.13 | 12.51 |
| - Tokai Rika Co.Ltd, Philippines | 1.16 | 0.75 |
| - Tokai Rika (Thailand) Co.Ltd | 6.97 | 5.16 |
| -Tokai Rika Minda India Pvt. Ltd. | 41.56 | 40.63 |
| - Tokai Rika Create Corporation (Torica) | 14.55 | 13.41 |
| - Shankar Moulding Ltd | 6.91 | 13.54 |
| - Tokairika Indonesia | 0.05 | - |
| -Minda Katolac Electronics services Pvt Ltd. | 0.04 | - |
| -MITIL Polymer Private Limited | 8.96 | - |
| Rent | | |
| - Minda Investment Ltd | 2.21 | 3.65 |
| Miscellaneous expenses | | |
| - MI Torica India Private Ltd (absolute ₹ 19,817 for 31 March 2018) | * | - |
| -MITIL Polymer Private Limited (absolute ₹ 38,199 for 31 March 2018) | * | - |
| - Tokai Rika Minda India Pvt Ltd | - | 0.04 |
| -Minda Stoneridge Instruments Ltd | 0.01 | - |
| Repair and maintainance | | |
| - Minda Project Limited | 0.06 | 0.96 |
| -Denso Ten Minda India Pvt Ltd.(Formerly known as Fujitsu Ten Minda India Private Limited) | 0.04 | - |
| -Minda Nexgen Tech Ltd. | 0.05 | - |
| - Shankar Moulding Ltd (absolute ₹ 11,000 for 31 March 2018) | * | - |
| Employee benefit expenses | | |
| -Minda Kyoraku Limited | 0.02 | - |
| Key Management Personnel# | | |
| Managerial Remuneration## | | |
| - Mr.Nirmal K.Minda | 0.81 | 0.76 |
| - Mr.J.K.Menon | - | 0.92 |
| - Mr.Takehiko Niwa | 0.30 | 0.31 |
| - Mr.Ravi Mehra\$ | 3.55 | 0.77 |
| (vi) Payment of dividend | | |
| Enterprises having substantial interest in the Company | | |
| - Tokai Rika Co.Ltd, Japan | 3.52 | 1.10 |
| - Minda Industries Ltd | 2.57 | 0.81 |
| Enterprises in which directors/members of the Company can exercise significant influence | | |
| - Minda Investment Ltd | 0.29 | 0.09 |
| Key Management Personnel | | |
| - Mr.Nirmal K.Minda | 3.13 | 0.99 |

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

\$ Employees Stock Options expense in Statement of Profit and Loss is Rs. 0.46 crores (previous year Rs.0.13 crores), recharged by Minda Industries Limited.

##Key Management Personnel: Managerial personnel

| | Year ended 31 March 2018 | Year ended 31 March 2017 |
|-------------------------------------|-----------------------------|-----------------------------|
| Short term employee benefits | | |
| - Mr.Nirmal K.Minda | 0.81 | 0.76 |
| - Mr.J.K.Menon | - | 0.92 |
| - Mr.Takehiko Niwa | 0.30 | 0.31 |
| - Mr.Ravi Mehra | 3.55 | 0.77 |



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(All figures are in ₹ crores, except share data and unless otherwise stated)

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36. Related Parties (cont..)

(c) Balance outstanding at the end of the year

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 | Year ended 1 April 2016 |
|---|-----------------------------|-----------------------------|----------------------------|
| (i) Trade receivables | | | |
| Holding Company | | | |
| - Minda Industries Ltd | 0.56 | - | - |
| Enterprises having substantial interest in the Company | | | |
| - Tokai Rika Co.Ltd, Japan (absolute ₹ 7,774 for 1 April 2016) | 0.02 | 0.16 | 0.00 |
| - Minda Industries Ltd | - | 0.28 | 0.49 |
| Fellow subsidiaries | | | |
| - Minda Distribution & Services Ltd | 1.60 | - | - |
| Enterprises in which directors/members of the Company can exercise significant influence | | | |
| - Minda Distribution & Services Ltd | - | 0.59 | 0.88 |
| - Shankar Moulding Ltd (absolute ₹ 30,686 for 31 March 2018) | * | 0.04 | 0.05 |
| - Minda Kyoraku Limited (absolute ₹ 718 for 1 April 2016) | - | - | - |
| - Minda Projects Limited | - | - | 0.01 |
| - Tokai Rika Minda India Pvt Ltd | 14.84 | 9.34 | 2.74 |
| - Tianjin Tokai Rika Automotive Part | - | 1.14 | - |
| - MI Torica India Private Ltd | 0.02 | - | - |
| - Tokai Rika (Thailand) Co. Ltd. | 1.29 | 0.94 | 0.58 |
| - Toyoda Gosei Minda India Pvt Ltd | 0.79 | 0.47 | 0.10 |
| - Denso Ten Minda India Pvt Ltd. (Formerly known as Fujitsu Ten Minda India Private Limited) | 4.01 | 2.15 | 0.89 |
| | 0.02 | 0.01 | - |
| (ii) Loans- security deposits | | | |
| Enterprises in which directors/members of the Company can exercise significant influence | | | |
| - Minda Investment Ltd | 0.75 | 0.68 | 0.62 |
| Key Management Personnel | | | |
| - Mr. Ravi Mehra | - | 0.01 | - |
| (iii) Other current assets | | | |
| Enterprises in which directors/members of the Company can exercise significant influence | | | |
| - Minda Project Ltd | 3.51 | - | - |
| - Shankar Moulding Ltd | 0.12 | - | - |
| (iv) Trade payables | | | |
| Holding Company | | | |
| - Minda Industries Ltd | 3.09 | - | - |
| Enterprises having substantial interest in the Company | | | |
| - Tokai Rika Co.Ltd, Japan | 0.87 | 0.07 | 0.73 |
| - Minda Industries Ltd | - | 1.67 | 1.35 |
| Fellow subsidiaries | | | |
| - Minda Storage Batteries Pvt Ltd. (absolute ₹ 11,300 for 31 March 2018) | * | - | - |
| - Minda Katolac Electronics services Pvt Ltd. | 0.05 | - | - |
| Enterprises in which directors/members of the Company can exercise significant influence | | | |
| - MI Torica India Private Ltd | 0.36 | 1.66 | 2.42 |
| - Shankar Moulding Ltd | 1.96 | 1.95 | 2.26 |
| - Tokai Rika Co.Ltd, Philippines | 0.13 | 0.40 | 0.01 |
| - Tokai Rika (Thailand) Co.Ltd | 0.80 | 1.34 | 0.32 |
| - Tokai Rika Create Corporation (Torica) | 2.29 | 3.96 | 3.00 |
| - Tokai Rika Minda India Pvt Ltd | 10.99 | 6.00 | 6.48 |
| - Tokairika Indonesia | 0.01 | - | - |
| - MITIL Polymer Private Limited | 1.39 | - | - |
| - Minda Investment Ltd | - | - | 0.29 |
| - Toyoda Gosei Minda India Pvt Ltd | - | - | 0.05 |
| Key Management Personnel | | | |
| - Mr. Takehiko Niwa (absolute ₹ 41,438 for 31 March 2017) | - | - | - |
| - Mr. Ravi Mehra (absolute ₹ 45,750 for 31 March 2017) | 0.22 | - | - |



Mindarika Private Limited

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

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CIN:-U74899DL1995PTC073692

36. Related Parties (cont..)

Balance outstanding at the end of the year (cont..)

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 | Year ended 1 April 2016 |
|---|-----------------------------|-----------------------------|----------------------------|
| (v) Advance from customers | | | |
| Enterprises in which directors/members of the Company can exercise significant influence | | | |
| - Tokai Rika Minda India Pvt Ltd | 3.31 | | 8.00 |
| Provision for doubtful trade receivables | | | |
| Enterprises having substantial interest in the Company | | | |
| - Minda Industries Ltd (absolute ₹ 6,766 for 31 March 2017) | - | * | 0.01 |
| -Tokai Rika Co. Ltd. (absolute ₹ 35,444 for 31 March 2017) | - | * | - |
| Enterprises in which directors/members of the Company can exercise significant influence | | | |
| - Tokai Rika Minda India Pvt Ltd | - | 0.04 | 0.04 |
| -Tokai Rika (Thailand) Co. Ltd. (absolute ₹ 39,955 for 1 April 2016) | - | - | * |
| * Absolute amount in ₹ shown as the rounded off amount in ₹ crores is nil. | | | |
| Technical know-how fees | | | |
| - Tokai Rika Co.Ltd, Japan | | - | - |
| Training expenses | | | |
| - Tokai Rika Co.Ltd, Japan | | 0.21 | 0.79 |
| - Minda Industries Ltd | | - | 0.00 |
| Testing expenses | | | |
| - Minda Industries Ltd | | 0.01 | 0.02 |
| Guest house expenses | | | |
| - Minda Industries Ltd | | 0.03 | 0.03 |
| Transport expenses | | | |
| - Tokai Rika Co.Ltd, Japan | | 0.00 | - |
| SAP Licence fee | | | |
| - Minda Industries Ltd | | 1.39 | 0.85 |
| Miscellaneous expenses | | | |
| - Minda Industries Ltd | | 0.01 | 0.02 |
| Provision for doubtful trade receivables | | | |
| - Minda Industries Ltd | | - | 0.00 |
| - Tokai Rika Co.Ltd, Japan | | - | 0.00 |
| Staff-Ex Gratia | | | |
| - Minda Industries Ltd | | 1.09 | - |
| Staff-festival Expenses | | | |
| - Minda Industries Ltd | | 0.06 | - |
| Tools and dies job work charges | | | |
| - Minda Industries Ltd | | 0.03 | - |
| Taxi hire expenses | | | |
| - Minda Industries Ltd | | 0.00 | - |



Mindarika Private Limited**Notes to the financial statements for the year ended 31 March 2018**

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37. Operating Segments**a. Basis for segmentation**

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

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

| | Year ended on 31 March 2018 | Year ended on 31 March 2017 |
|----------------------------|--------------------------------|--------------------------------|
| Details of Turnover | | |
| Sale of finished goods | 761.44 | 705.80 |
| Sale of services | 1.34 | 2.31 |
| | 762.78 | 708.11 |

b. Major customer

Revenue from two customers which individually constitute more than 10% of the Company's total revenue is 55%.

c. Segment Reporting -Geographical segment

The analysis of geographical segment is based on geographical location of the Company:

| | Year ended on 31 March 2018 | Year ended on 31 March 2017 |
|----------------|--------------------------------|--------------------------------|
| Revenue | | |
| India | 750.90 | 699.40 |
| Outside India | 11.88 | 13.05 |
| Total | 762.78 | 712.45 |

| | As at 31 March 2018 | As at 31 March 2017 |
|----------------------------|------------------------|------------------------|
| Non Current Assets* | | |
| India | 149.26 | 111.19 |
| Outside India | - | - |
| Total | 149.26 | 111.19 |

* excluding financial instruments

| | As at 31 March 2018 | As at 31 March 2017 |
|--------------------------|------------------------|------------------------|
| Trade receivables | | |
| India | 83.25 | 65.32 |
| Outside India | 3.02 | 3.56 |
| Total | 86.27 | 68.88 |

38. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under Sections 92-92F of the Income-tax Act, 1961. Since, the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation to determine whether the transactions entered into with the associated enterprises during the financial year on an arm's length basis. The management is of the opinion that such transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.



Mindarika Private Limited**Notes to the financial statements for the year ended 31st March 2018**

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39. Share-based compensation

The Company had participated in the Minda Industries Limited Employee Stock Option Scheme 2016 and during the year ended 31 March 2017. The Nomination & Remuneration Committee of Minda Industries Limited ('the Parent Company') had approved the grant of 1,10,000 equity shares of face value of Rs. 2/- to certain deputed employees of the Company 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 parent company accounts for Equity Stock Options 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. Accordingly, the expense pertaining to the Company is recharged by the parent company.

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 (₹) per share |
|---|---------|---------------|---------------------------|---|---------------------------------|------------------------------|
| Minda Employee Stock Option Scheme 2016 | 2016-17 | 23-Nov-16 | 1,10,000 | Achieving target of market capitalization of parent Company on or before 31 March, 2018 | 1 Year from the date of vesting | 180 |

The number 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/lapse d/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 | 2016-17 | 1,10,000 | - | - | 1,10,000 | - | - |

Fair valuation

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

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

| Particulars | As at 31 March 2018 | As at 31 March 2017 |
|---|------------------------|------------------------|
| Risk- free interest rate (%) | 6.13%- 6.15 % | 6.13%- 6.15 % |
| Expected life of options (years) [(year of vesting) +(contractual option term)/2] | 1.53 year - 1.85 years | 1.53 year - 1.85 years |
| Expected volatility (%) | 27.92% - 43.62 % | 27.92% - 43.62 % |
| Dividend yield | 4.61%- 6.90% | 4.61%- 6.90% |

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

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

| | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--|-----------------------------|-----------------------------|
| Amount recognised in statement of profit and loss: | | |
| Employee stock option expenses | 0.85 | 0.24 |



Mindarika Private Limited

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

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40. Explanation of transition to Ind AS

As stated in Note 2A, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its financial statements in accordance with companies (Accounting Standards) Rules, 2006, notified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act ('previous GAAP'). All applicable Ind AS have been applied consistently and retrospectively, wherever, required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Indian GAAP as of the transition date are recognized directly in equity (retained earnings) at the date of transition to Ind AS.

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

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows. In preparing these financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101.

Optional exemptions availed

Property, plant and equipment and intangible assets

As permitted by Ind AS 101, the Company has elected to continue with carrying value under previous GAAP for all items of property, plant and equipment and intangible assets. The carrying values of property, plant and equipment and intangible assets as aforesaid have been adjusted for making adjustments relating to government grants.

Mandatory exceptions

Estimates

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

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

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are as follows:

- Determination of discounted value for financial instruments carried at amortised cost.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.



Mindarika Private Limited

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

(All figures are in ₹ crores, except share data and unless otherwise stated)

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Explanation of transition to IND AS (continued)

a. Reconciliation of equity

| | Notes to first-time adoption | As at the date of transition 1 April 2016 | | | | As at 31 March 2017 | | |
|--|------------------------------|---|-------------------|---------------|--|---------------------|-------------------|---------------|
| | | Previous GAAP * | Ind AS adjustment | Ind AS | | Previous GAAP * | Ind AS adjustment | Ind AS |
| Non-current assets | | | | | | | | |
| Property, plant and equipment | (a) | 100.85 | 0.58 | 101.43 | | 102.36 | 0.44 | 102.80 |
| Capital work in progress | | 0.01 | - | 0.01 | | 0.08 | 0.01 | 0.09 |
| Intangible assets | | 3.01 | (0.01) | 3.00 | | 2.72 | - | 2.71 |
| Intangible assets under development | | 0.20 | 0.01 | 0.21 | | - | - | - |
| Financial assets | | | | | | | | |
| Loans | (b) | 3.20 | (1.94) | 1.26 | | 3.36 | (1.91) | 1.45 |
| Other non-current assets | (b) | 2.71 | 1.78 | 4.49 | | 3.91 | 1.69 | 5.60 |
| Total non-current assets | | 109.98 | 0.42 | 110.40 | | 112.43 | 0.22 | 112.65 |
| Current assets | | | | | | | | |
| Inventories | | 62.62 | - | 62.62 | | 66.04 | - | 66.04 |
| Financial assets | | | | | | | | |
| Trade receivables | | 66.30 | - | 66.30 | | 68.88 | - | 68.88 |
| Cash and cash equivalents | | 1.81 | - | 1.81 | | 3.40 | - | 3.40 |
| Bank balances other than cash and cash equivalents | | - | - | - | | 0.90 | - | 0.90 |
| Loans | | 0.41 | - | 0.41 | | 0.40 | - | 0.40 |
| Other financial assets | | 0.48 | - | 0.48 | | 0.14 | - | 0.14 |
| Other current assets | | 16.53 | - | 16.53 | | 9.41 | - | 9.41 |
| Total current assets | | 148.15 | - | 148.15 | | 149.17 | - | 149.17 |
| TOTAL ASSETS | | 258.13 | 0.42 | 258.55 | | 261.60 | 0.22 | 261.82 |

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



Mindarika Private Limited

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

(All figures are in ₹ crores, except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692

Explanation of transition to IND AS (continued)

Reconciliation of equity (continued)

| | Notes to first-time adoption | As at the date of transition 1 April 2016 | | | As at 31 March 2017 | | |
|--|------------------------------|---|-------------------|---------------|---------------------|-------------------|---------------|
| | | Previous GAAP * | Ind AS adjustment | Ind AS | Previous GAAP * | Ind AS adjustment | Ind AS |
| | | | | | | | |
| EQUITY AND LIABILITIES | | | | | | | |
| Equity | | | | | | | |
| Equity share capital | | 10.00 | - | 10.00 | 10.00 | - | 10.00 |
| Other equity | (a), (b), ©, (d) | 61.79 | 6.67 | 68.46 | 99.47 | 3.46 | 102.93 |
| Total equity | | 71.79 | 6.67 | 78.46 | 109.47 | 3.46 | 112.93 |
| Non- current liabilities | | | | | | | |
| Financial liabilities | | | | | | | |
| Borrowings | | 19.89 | - | 19.89 | 13.28 | - | 13.28 |
| Provisions | | 10.52 | - | 10.52 | 9.79 | - | 9.79 |
| Deferred tax liabilities (net) | | 1.62 | 1.69 | 3.31 | 1.67 | 1.93 | 3.60 |
| Government grants | (a) | - | 0.59 | 0.59 | - | 0.48 | 0.48 |
| Total non-current liabilities | | 32.03 | 2.28 | 34.31 | 24.74 | 2.41 | 27.15 |
| Current liabilities | | | | | | | |
| Financial liabilities | | | | | | | |
| Borrowings | | 34.27 | - | 34.27 | 11.57 | - | 11.57 |
| Trade payables | | 3.00 | - | 3.00 | 2.46 | - | 2.46 |
| Total outstanding dues of micro enterprises and small enterprises | | 77.35 | (5.05) | 72.30 | 77.51 | (5.76) | 71.75 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | (c) | 10.84 | - | 10.84 | 11.90 | - | 11.90 |
| Other financial liabilities | | 18.47 | - | 18.47 | 11.58 | - | 11.58 |
| Other Current Liabilities | (d) | 7.53 | (3.61) | 3.92 | 3.54 | - | 3.54 |
| Provisions | | - | 0.13 | 0.13 | - | 0.11 | 0.11 |
| Government grant | (a) | 2.85 | - | 2.85 | 8.83 | - | 8.83 |
| Current tax liabilities (net) | | | | | | | |
| Total current liabilities | | 154.31 | (8.53) | 145.78 | 127.39 | (5.65) | 121.74 |
| TOTAL EQUITY AND LIABILITIES | | 258.13 | 0.42 | 258.55 | 261.60 | 0.22 | 261.82 |

GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



Mindarika Private Limited

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

(All figures are in ₹ crores, except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692

b. Reconciliation of total equity as at 31 March 2017 and 1 April 2016

| Particulars | Notes to first-time adoption | As at 1 April 2016 | As at 31 March 2017 |
|---|------------------------------|--------------------|---------------------|
| Total equity (shareholder's funds) as per previous GAAP | | 61.79 | 99.47 |
| Impact on account of proposed dividend and tax thereon | (d) | 3.61 | (3.61) |
| Impact on account of recording of financial asset at amortised cost | (b) | (0.29) | (0.09) |
| Impact of reversal of lease equalisation reserve | (c) | 5.04 | 0.73 |
| Tax impact on above | | (1.69) | (0.24) |
| Net impact brought forward from opening balance sheet | | - | 6.67 |
| | | <u>68.46</u> | <u>102.93</u> |

c. Cash flow statement

Other than effect of certain reclassifications due to difference in presentation, there was no material effect of cash flow from operating, financing, investing activities for all periods presented.



Mindarika Private Limited**Notes to the financial statements for the year ended 31 March 2018**

(All figures are in ₹ crores, except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692

d. Explanation of transition to IND AS (continued)**Reconciliation of total comprehensive income for the year ended 31 March 2017**

| | | Year ended 31 March 2017 | | |
|---|------------------------------|--------------------------|-------------------|---------------|
| | Notes to first-time adoption | Previous GAAP * | Ind AS adjustment | Ind AS |
| Revenue from operations | (e), (f) | 634.92 | 75.89 | 710.81 |
| Other income | (b) | 1.58 | 0.07 | 1.65 |
| Total revenue | | 636.50 | 75.96 | 712.46 |
| Expenses | | | | |
| Cost of materials consumed | | 403.65 | - | 403.65 |
| Purchase of stock-in-trade | | 5.88 | - | 5.88 |
| Changes in inventories of finished goods and work-in-progress | | (0.05) | 0.01 | (0.04) |
| Excise duty | (e) | - | 78.14 | 78.14 |
| Employee benefits expense | (g) | 76.05 | 1.80 | 77.85 |
| Finance costs | | 3.74 | - | 3.74 |
| Depreciation and amortization expense | (a) | 17.80 | 0.13 | 17.93 |
| Other expenses | (b), (c), (f) | 75.98 | (3.00) | 72.98 |
| Total expenses | | 583.05 | 77.08 | 660.13 |
| Profit before tax | | 53.44 | (1.11) | 52.33 |
| Tax expense: | | | | |
| Current tax expense | | 18.73 | - | 18.73 |
| Earlier year adjustments | | (2.99) | - | (2.99) |
| Deferred tax (credit)/ charge | (b), (c) | 0.06 | (0.37) | (0.31) |
| Profit for the year | | 37.64 | (0.74) | 36.90 |
| Other comprehensive income | | | | |
| Items that will not to be reclassified subsequently to profit or loss | | | | |
| Re-measurement gains / (losses) on defined benefit plans | (g) | - | 1.78 | 1.78 |
| Income tax effect | | - | (0.60) | (0.60) |
| Net other comprehensive income not to be reclassified subsequently to profit or loss | | - | 1.18 | 1.18 |
| Total comprehensive income for the year, net of tax | | 37.64 | 0.44 | 38.08 |

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



Mindarika Private Limited

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

(All figures are in ₹ crores, except share data and unless otherwise stated)

CIN:-U74899DL1995PTC073692

Explanation of transition to Ind AS (continued)

Notes to the reconciliation (continued)

(a) Export promotion capital goods scheme (Government grant)

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

(b) Discounting of financial assets

Under previous GAAP, financial assets are recorded at their transaction value. Under Ind AS, such items are required to be recognised initially at their fair value and subsequently at amortised cost.

The fair value of such transaction on initial date is determined by applying effective interest method. The difference between the fair value and transaction value on the transaction date is recognized as deferred income/ charge and included in the underlying respective line item (for which the transaction was entered into) following a systematic manner or straight line method, as considered appropriate. The fair value is then accreted to the maturity value using effective interest rate method with corresponding adjustment to finance income.

(c) Under previous GAAP, lease rentals for an operating lease, were required to be recognized as expense on a straight line basis over the lease term by recognizing corresponding lease equalization reserve. However, Under Ind AS, there is no such requirement unless under specific circumstances specified in the Ind AS. Accordingly, lease equalisation reserve has been reversed in the other equity as on 1 April 2016.

(d) Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the proposed dividend and tax thereon was reversed in the opening reserves.

(e) Excise duty

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

(f) Cash discount

Under previous GAAP, cash discount was presented under other expense. Under Ind AS, cash discount is deducted from revenue from sale of goods. This has resulted in an decrease in the revenue from operations and expenses for the year ended 31 March 2017. The total comprehensive income for the year ended and equity as at 31 March 2017 has remained unchanged.

(g) Re-measurement of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amount included in the net interest expenses on the net defined benefit liability are recognized in other comprehensive income instead of Statement of Profit and Loss. Under the previous GAAP, these re-measurement were forming part of Statement of Profit and Loss for the year.

As per our report of even date attached:

For BSR & Co. LLP

Chartered Accountants

Firm Registration No.:101248W/W-100022



Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram

Date: 14 May 2018

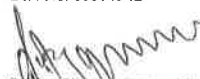
For and on behalf of the Board of Directors of
Mindarika Private Limited



Nirmal Kumar Minda

Managing Director

DIN No: 00014942



Sanjay Kumar Aggarwal

Chief Financial Officer

Place: Gurugram

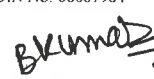
Date: 14 May 2018



Anand Kumar Minda

Director

DIN No: 00007964



Brijesh Kumar

Company Secretary

Membership No. 36070