*Preliminary Placement Document*
*Subject to Completion*
*Not for Circulation and Strictly Confidential*
*Serial Number: _____*

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be issued through the Placement Document.

UNO MINDA
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# MINDA INDUSTRIES LIMITED

**Registered Office**: B-64/1, Wazirpur Industrial Area, Delhi 110 052, India
**Corporate Office**: Village – Nawada Fatehpur, P.O. – Sikanderpur Badda, IMT Manesar, District- Gurugram 122 004, Haryana, India
**Telephone:** 011-49373931**; E-mail:** investor@mindagroup.com; **Website:** www.unominda.com; **Corporate Identification Number**: L74899DL1992PLC050333

*Minda Industries Limited (the "**Company**" or the "**Issuer**") was incorporated as 'Minda Industries Limited' under the laws of the Republic of India with a certificate of incorporation dated September 16, 1992 granted by the Registrar of Companies, National Capital Territory of Delhi & Haryana at New Delhi ("**RoC**"). For details of change in the Registered Office of our Company, please see "General Information" and "Organizational Structure" on pages 188 and 132, respectively.*

Our Company is issuing up to [●] Equity Shares of face value of ₹2 and at a price of ₹ [●] per Equity Share, including a securities premium of ₹ [●] per Equity Share (the "**Issue Price**"), aggregating up to ₹[●] Crore (the "**Issue**"). For further details, see "*Summary of the Issue*" *on page 26*.

**ISSUE IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013 (THE "COMPANIES ACT"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, AS AMENDED AND THE RULES MADE THEREUNDER**

The equity shares of our Company of face value of ₹2 each (the "**Equity Shares**") are listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**", together with NSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on July 30, 2021 was ₹ 744.80 and ₹ 737.75 per Equity Share, respectively. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, for listing of the Equity Shares to be issued pursuant to the Issue have been received from BSE and NSE on August 2, 2021. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

**OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.**

The information on the websites of our Company www.unominda.com or any website directly or indirectly linked to the website of our Company (except for this Preliminary Placement Document) or the respective websites of the Book Running Lead Managers (as defined hereinafter) and their respective affiliates or agents does not form part of this Preliminary Placement Document, and prospective investors should not rely on such information contained in, or available through, such websites for their investment in this Issue. A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereafter)) has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as prescribed under the Companies Act and the Companies (Prospectus and Allotment of Securities) Rules, 2014, each, as amended. This Preliminary Placement Document has not been reviewed by SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

**THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING DONE IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.**

**YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENT OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.**

**INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" ON PAGE 35 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS OF THE EQUITY SHARES OFFERED SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR.**

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document (as defined hereinafter) and the Placement Document (as defined hereinafter) and the Confirmation of Allocation Note (as defined hereinafter). For further details, see "*Issue Procedure*" on page 147. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company's prior consent to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "*offshore transactions*", as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see "*Selling Restrictions*" on page 161. Also see, "*Transfer Restrictions*" on page 167 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

This Preliminary Placement Document is dated August 2, 2021.

| BOOK RUNNING LEAD MANAGERS | |
|---|---|
| Equirus Onward Upward<br>**EQUIRUS CAPITAL PRIVATE LIMITED** | NOMURA Connecting Markets East & West<br>**NOMURA FINANCIAL ADVISORY & SECURITIES (INDIA) PRIVATE LIMITED** |

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## NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, its Subsidiaries, Joint Ventures and Associates (collectively the "**Group**") and the Equity Shares, which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to the Group and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to the Group and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to the Group and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

The BRLMs have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLMs and/or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with the Group and the Equity Shares. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied either on the BRLMs or on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of the Group and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the BRLMs. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

**The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission, any other federal or state authorities in the United States or the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.**

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "*offshore transactions*", as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 161 and 167, respectively.

The reproduction or distribution of this Preliminary Placement Document, in whole or in part, or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs specified by the BRLMs or their respective representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The distribution of this Preliminary Placement Document may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the BRLMs that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 161 and 167, respectively.

In making an investment decision, the prospective investors must rely on their own examination of the Group, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, tax, accounting, or investment advice and should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, our Company and the BRLMs are not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority from buying, selling or dealing in securities including the Equity Shares. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document.

The information on the website of our Company www.unominda.com or any website directly or indirectly linked to the website of our Company or on the respective website of the BRLMs or any their respective affiliates or agents, does not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. The information contained in this Preliminary Placement Document has been provided by the Company and other sources identified herein. Distribution of this Preliminary Placement Document to any person other than the offeree specified by the Book Running Lead Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without prior written consent of the Company, is prohibited. Any reproduction or distribution of this Preliminary Placement Document in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

## PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

**Singapore SFA Product Classification**: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTION

For information to investors in certain other jurisdictions, see "*Selling Restrictions*" beginning on page 161. The Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

**Any information about our Company available on any website of the SEBI, our Company or the BRLMs, other than this Preliminary Placement Document, shall not constitute a part of this Preliminary Placement Document and no investment decision should be made on the basis of such information**

## REPRESENTATIONS BY INVESTORS

References herein to "you" or "your" is to a prospective investor in the Issue. By Bidding for and/or subscribing to any Equity Shares in the Issue, you are deemed to have represented, warranted, acknowledged, and agreed to our Company and the BRLMs, as follows:

- You are a "qualified institutional buyer" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allocated to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act (as defined hereinafter), and all other applicable laws; and (ii) comply with the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations, if any;

- You are eligible to invest in India under applicable law, including the FEMA Non-Debt Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but are an Eligible QIB, you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Preliminary Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, and can participate in the Issue only under Schedule II of FEMA Rules. You confirm that you are not an FVCI. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities.

- You are aware that in terms of the FEMA Non-Debt Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to 100%, being the sectoral cap applicable to the sector in which our Company operates. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. You confirm that you are not an FVCI;

- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the FEMA Non-Debt Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets;

- You will provide the information as required under the provisions of the Companies Act, the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the Stock Exchanges. Further, additional restrictions apply if you are within the United States and certain other jurisdictions. For further details in this regard, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 161 and 167, respectively;

- You are aware that this Preliminary Placement Document and the Placement Document has not been and will not be filed as a prospectus under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed or affirmed by the SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- This Preliminary Placement Document has been filed, and the Placement Document will be filed, with the Stock Exchanges for record purposes only and this Preliminary Placement Document and the Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

- You are aware that, our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLMs. The BRLMs or any of their shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information relating to our Company or our Subsidiaries which is not set forth in this Preliminary Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank pari passu in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared.

- All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our Company, or Subsidiaries', financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company or Subsidiary's perspective present and future business strategies and environment in which our Company or Subsidiary will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. Neither our Company nor the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, and the Allotment of the same shall be at the discretion of our Company, in consultation with the BRLMs;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, "*Risk Factors*" on page 35;

- In making your investment decision, you have (i) relied on your own examination of the Group and the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of our the Group and the Equity Shares and the terms of the Issue based solely on and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of the Group and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither our Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the BRLMs or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matter as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore a speculative investment;

- If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' (as defined under the Companies Act and the SEBI ICDR Regulations) of our Company and are not a person related to our Promoter, either directly or indirectly and your Bid does not directly or indirectly represent our 'Promoter', or 'Promoter Group' (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related to our Promoter;

- You have no rights under a shareholders' agreement or voting agreement with our Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on our Board, other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares;

- You agree in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act;

- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/ Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable regulation;

- The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations (as defined hereinafter) and you shall be solely responsible for compliance, if any with all other applicable provisions of the SEBI Takeover Regulations;

- The number of Equity Shares Allotted to you under the Issue, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

  (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares will be obtained in time or at all. Neither our Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLMs have entered into a Placement Agreement with our Company whereby the BRLMs have, subject to the satisfaction of certain conditions set out therein, undertaken to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- The contents of this Preliminary Placement Document are exclusively the responsibility of our Company, and that neither the BRLMs nor any person acting on its behalf or any of the counsel or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLMs or our Company or any other person, and the BRLMs or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLMs and their affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the BRLMs or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 161 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 161;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 167 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Transfer Restrictions*" on page 167;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the U.S. Securities Act.

- You are outside the United States and are subscribing to the Equity Shares in an "offshore transaction" as defined in Regulation S;

- You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Delhi, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the BRLMs and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules;

- You represent that you are not an affiliate of our Company or the BRLMs or a person acting on behalf of such affiliate;

- Our Company, the BRLMs, their respective affiliates, directors, officers, employees, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLMs; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

## OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including the affiliates of the BRLMs, who are registered as category I FPIs may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), for which they may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by the Board and subject to compliance with such other conditions as may be specified from the SEBI. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis. The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated August 28, 2017. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and does not constitute any obligations of or claims on the BRLMs.

**Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.**

## DISCLAIMER CLAUSES

### Disclaimer clause of the Stock Exchanges

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document; or

(2) warrant that the Equity Shares issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company

and it should not, for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to ‘you’, ‘your’, ‘bidders’, ‘offeree’, ‘purchaser’, ‘subscriber’, ‘recipient’, ‘investor(s)’, ‘prospective investor(s)’ and ‘potential investor(s)’ are to the Eligible QIBs and references to ‘our Company’, ‘Company’, ‘the Company’ and the ‘Issuer’, are to Minda Industries Limited and references to ‘we’, ‘us’ or ‘the Group’ are to Company on a consolidated basis, including its Subsidiaries, Associates and Joint Venture, unless the context otherwise indicates or implies or unless otherwise specified.

In this Preliminary Placement Document, references to ‘₹’, ‘INR’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of Republic of India. All references herein to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions. All references herein to “India” are to the Republic of India and its territories and possessions and all references herein to the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, all references to page numbers in this Preliminary Placement Document are to the page numbers of this Preliminary Placement Document.

All the numbers in this Preliminary Placement Document have been presented in crore, unless stated otherwise. Financial statements in our Audited Consolidated Financial Statements are presented in ₹ Crore.

In this Preliminary Placement Document, references to “Lakh” or “Lacs” represents “100,000”, “million” represents “10 lakh” or “1,000,000”, “Crore” represents “10,000,000” or “10 million” or “100 lakhs”, and “billion” represents “1,000,000,000” or “1,000 million” or “100 Crore”.

Except as otherwise set out in this Preliminary Placement Document, all figures set out in this Preliminary Placement Document have been rounded off to the extent of one or two decimal places. However, all figures, expressed in terms of percentage, have been rounded off to one decimal place. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### Financial Data and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise. The terms “Fiscal” or “Fiscal year”, refer to the 12 month period ending, or as of March 31 of that year (as the case may be).

Our Company publishes its financial statements in Indian Rupees. As required under applicable regulations, and for the convenience of prospective investors, we have included our audited consolidated financial statements as at, and for the Financial Years 2021, 2020 and 2019 prepared in accordance with Ind AS, Companies Act, including the notes thereto (“**Audited Consolidated Financial Statements**”) and reports thereon in this Preliminary Placement Document. For financials of Fiscal 2020 please refer to Financial Statements of Fiscal 2021 and for financials of Fiscal 2019 please refer to Financial Statements of Fiscal 2019. Details of Fiscal 2020 and Fiscal 2019 have been taken from Audited Consolidated financials of Fiscal 2021 and Fiscal 2019, respectively. Further, consolidated financial statements for Fiscal 2020 was restated consequent to the Scheme of Amalgamation hence any reference to financials of Fiscal 2020 means the restated consolidated financial statement for Fiscal 2020.

The audited consolidated financial statements for Fiscal 2019, 2020 and 2021 have been audited by our Statutory Auditors, on which they have issued audit reports dated May 16, 2019, June 29, 2020 and June 13, 2021, respectively. The Audited Consolidated Financial Statements should be read along with the respective audit reports. For further information, see “*Financial Statements*” on page 189.

Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. (“**U.S. GAAP**”) or International Financial Reporting Standards (“**IFRS**”) and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company’s financial data. The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Also see, “*Risk Factors - Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors’ assessment of our financial condition*” on page 55.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off. Accordingly, the figure shown as totals in this Preliminary Placement Document may be not be an arithmetic aggregation of the figures which precede them. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Our Company's website, and the websites of our Subsidiaries, shall not form any part of this Preliminary Placement Document.

## INDUSTRY AND MARKET DATA

Information included in this Preliminary Placement Document regarding market position, growth rates, industry forecasts and other industry data pertaining to our Company's business consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which we operate. Unless stated otherwise statistical information, market positions, economic data and certain other industry data included in this Preliminary Placement Document pertaining to the various industries and sectors in which we operate has been reproduced from trade, industry and government publications and websites. We confirm that such information and data has been accurately reproduced, and that as far as we are aware and are able to ascertain from information published by third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading.

In this context, please note that we have relied on report on 'Macro Economy and Auto Component' released in June 2021, prepared and issued by CRISIL Research, a division of CRISIL Limited ("**CRISIL Research Report**") This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Information included in this Preliminary Placement Document from CRISIL Research Report is subject to the following disclaimer:

*"CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data/Report and is not responsible for any errors or omissions or for the results obtained from the use of Data/Report. This Report is not a recommendation to invest/disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers/users/transmitters/distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Minda Industries Limited will be responsible for ensuring compliances and consequences of non-compliance for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited/CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited/CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."*

Neither our Company nor the BRLMs have independently verified such third party and industry related data, nor do we or the Book Running Lead Managers make any representation regarding the accuracy of such data. Similarly, while our Company believes that its internal estimates are reasonable, such estimates have not been verified by any independent sources, and neither we nor the Book Running Lead Managers can assure potential investors as to their accuracy. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. For further details, please see, *"Risk Factors – Statistical and industry data in this Preliminary Placement Document is derived from the CRISIL Research Report commissioned by us for such purpose. The CRISIL Research Report is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CRISIL Research Report may be inaccurate, incomplete or unreliable"*. Thus, neither our Company nor the BRLMs can assure you of the correctness, accuracy and completeness of such data. Accordingly, investment decisions should not be based solely on such information.

## FORWARD-LOOKING STATEMENTS

All statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward-looking statements’. Investors can generally identify forward-looking statements by terminology such as ‘aim’, ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘would’, ‘will likely result’, ‘is likely’, ‘are likely’, ‘believe’, ‘expect’, ‘expected to’, ‘will continue’, ‘will achieve’, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- The impact of COVID-2019 pandemic including outbreak and steps taken to control the same;
- Reliance on limited number of customers for significant portion of revenue from sales;
- No firm commitment supply agreements with most of our customers;
- Any disruption in trade relations globally may adversely impact our operations;
- Cyclicality and seasonality of demand for our products due to large dependence on the industrial output of the automotive industry;
- Product liability and other civil claims and costs incurred for any reason owing to a product recall due to defect in our products
- Our ability to compete effectively in the highly competitive automotive component industry;
- Reliance on our suppliers to deliver necessary raw materials, systems and parts of appropriate quality in a timely manner;
- Our ability to identify and adapt to evolving industry trends;
- Involvement of significant costs in developing new products for customers;

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections “*Risk Factors”*, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations”*, “*Industry Overview”* and “*Business”* on pages 35, 70, 100 and 120, respectively.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of our Company and management, as well as the assumptions made by, and information currently available to, our Company and management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we nor the Book Running Lead Managers undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition of our Company and Subsidiaries could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent oral or written forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

## ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. All our Directors and Key Managerial Personnel named herein are residents of India and the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;

(b) where the judgment has not been given on the merits of the case;

(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

(d) where the proceedings in which the judgment was obtained were opposed to natural justice;

(e) where the judgment has been obtained by fraud; and

(f) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgement, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. Our Company and the BRLMs cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

## EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and the foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares. The following table sets forth information, for or as of the end of the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US $), for the periods indicated. The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI and Financial Benchmarks India Private Limited (the "**FBIL**"), as applicable. No representation is made that any Rupee amounts, could have been, or could be, converted into U.S. dollars at any particular rate, the rates[5] stated below, or at all:

*(₹ per US$)*

| | Period End[1] | Average[2] | High[3] | Low[4] |
|---|---|---|---|---|
| **Fiscal Ended:** | | | | |
| March 31, 2021 | 73.50 | 74.20 | 76.81 | 72.29 |
| March 31, 2020 | 75.39 | 70.88 | 76.15 | 68.37 |
| March 31, 2019 | 69.17 | 70.94 | 74.39 | 68.30 |
| | | | | |
| **Months Ended** | | | | |
| June 30, 2021 | 74.35 | 73.56 | 74.37 | 72.77 |
| May 31, 20201 | 72.52 | 73.27 | 74.18 | 72.48 |
| April 30, 2021 | 74.02 | 74.47 | 75.17 | 73.31 |
| March 31, 2021 | 73.50 | 72.79 | 73.50 | 72.29 |
| February 28, 2021 | 73.04 | 72.76 | 73.04 | 72.29 |
| January 31, 2021 | 72.95 | 73.12 | 73.45 | 72.82 |

*Source: www.rbi.org,in and www.fbil.org.in, as applicable.*
*Period end, high, low and average rates are based on the FBIL reference rates and rounded off to two decimal places.*
*Source: www.fbil.org.in for a period post July 10, 2018.*

***Notes:***

1. *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;*
2. *Average of the official rate for each Working Day of the relevant period.*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*
5. *The reference rates are rounded off to two decimal places.*

## DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder unless specified otherwise in the context thereof. Further, any references to any statute, rules, guidelines, regulations or policies shall include amendments thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section "*Taxation*", "*Industry Overview*", "*Financial Statements*" and "*Legal Proceedings*", shall have the meaning given to such terms in such sections on pages 176, 100, 189 and 182, respectively.

### General terms

| Term | Description |
|---|---|
| "Issuer", or "our Company" or "Company" | Minda Industries Limited a company incorporated under the Companies Act, 1956 with its registered office at B-64/1, Wazirpur Industrial Area, Delhi 110 052, India and Corporate Office at Village - Nawada, Fatehpur P.O. – Sikanderpur Badda, IMT Manesar, District – Gurugram 122 004, Haryana, India. |
| "we", "Group", "our Group", "us" or "our" | Minda Industries Limited on a consolidated basis, including its Subsidiaries, Associates and Joint Venture, unless the context otherwise indicates or implies or unless otherwise specified |

### Company related terms

| Term | Description |
|---|---|
| Articles or Articles of Association | Articles of Association of our Company, as amended from time to time |
| Associate /Associates | Following entities which meet the definition of an associate as per Ind AS 28:<br>1. Kosei Minda Aluminum Company Private Limited;<br>2. Minda NexGenTech Limited;<br>3. CSE Dakshina Solar Private Limited;<br>4. Strongsun Renewables Private Limited<br>5. Yogendra Engineering (partnership firm); and<br>6. Auto Components (partnership firm) |
| Audited Consolidated Financial Statements | Collectively, the audited consolidated financial statements as at, and for the financial years ended March 31, 2021 and March 31, 2020 and March 31, 2019 read along with all notes thereto, prepared in accordance with Ind AS, Companies Act.<br><br>Details of Fiscal 2020 and Fiscal 2019 have been taken from Audited Consolidated financials of Fiscal 2021 and Fiscal 2019, respectively. Further, consolidated financial statements for Fiscal 2020 was restated consequent to the Scheme of Amalgamation hence any reference to financials of Fiscal 2020 means the restated consolidated financial statement for Fiscal 2020. |
| "Board of Directors" or "Board" | The board of directors of our Company or any duly constituted committee thereof |
| CEO | Chief Executive Officer |
| Chairman & Managing Director | The chairman & managing director of our Company, being Nirmal Kumar Minda |
| Chief Financial Officer | Chief financial officer of our Company, being Sunil Bohra |
| Company Secretary and Compliance Officer | Company secretary and compliance officer of our Company, being Tarun Kumar Srivastava |
| Corporate Office | Village Nawada Fatehpur, P.O. Sikanderpur Badda, IMT Manesar, District Gurgaon 122004, Haryana, India |
| Corporate Social Responsibility Committee | The corporate social responsibility committee our Company |
| CRISIL Research Report | Report on '*Macro Economy and Auto Component*'' released in Mumbai in June 2021 by CRISIL Research, a division of CRISIL Limited |
| Director(s) | Any or all the directors on our Board, as may be appointed from time to time |
| Equity Share(s) | The equity shares of our Company, each having a face value of ₹2 |
| ESOS 2019 | Minda Employee Stock Option Scheme 2019 |
| Executive Director | The Director appointed as Managing Director or Deputy Managing Director or Whole-Time Director of our Company in accordance with the Companies Act |
| Independent Director | Independent directors of our Company, who are eligible and appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations |

| Term | Description |
|---|---|
| Joint Venture | Following entities which meet the definition of a joint venture as per Ind AS 28:<br>1. Minda Westport Technologies Limited (formerly known as Minda Emer Technologies Limited)<br>2. Rinder Riduco, S.A.S. Columbia<br>3. Roki Minda Co. Private Limited<br>4. Minda TTE DAPS Private Limited<br>5. Minda Onkyo India Private Limited<br>6. Minda TG Rubber Private Limited<br>7. Denso Ten Minda India Private Limited<br>8. Minda D-Ten India Private Limited<br>9. Toyoda Gosei Minda India Private Limited<br>10. Kosei Minda Mould Private Limited<br>11. Tokai Rika Minda India Private Limited |
| Key Managerial Personnel | The key managerial personnel of our Company in terms of the SEBI ICDR Regulations and the Companies Act, 2013 and as identified in the section on "*Board of Directors and Senior Management*" on page 135. |
| Material Subsidiary | Mindarika Private Limited and Minda Kosei Aluminium Wheel Private Limited, which have been identified by our Company based on the materiality threshold adopted by our Board under SEBI Listing Regulations. |
| "Memorandum" or "Memorandum of Association" | Memorandum of Association of our Company, as amended from time to time |
| Non-executive Director | A Director, not being an Executive Director |
| Promoter | Shri Nirmal Kumar Minda |
| Promoter Group | Promoter Group of our Company as determined in accordance with the Regulation 2(1)(pp) of the SEBI ICDR Regulations |
| Registered Office | B-64/1, Wazirpur, Industrial Area, Delhi-110052 |
| "RoC" or "Registrar of Companies" | Registrar of Companies, National Capital Territory of Delhi and Haryana |
| Scheme of Amalgamation | Scheme of Amalgamation, amongst Harita Limited (Transferor Company 1), Harita Venu Private Limited (Transferor Company 2), Harita Cheema Private Limited (Transferor Company 3), Harita Financial Services Limited (Transferor Company 4) and Harita Seating Systems Limited (Transferor Company 5) with Minda Industries Limited (Transferee Company) as approved by the Hon'ble National Company Law Tribunal (NCLT) Delhi, vide its order dated February 1, 2021 and the Hon'ble NCLT Chennai vide its order dated February 23, 2021 with appointed date of April 1, 2019. |
| Shareholder(s) | Existing shareholders of the Company |
| Statutory Auditors | Current statutory auditors of our Company, being BSR & Co. LLP, Chartered Accountants |
| Subsidiaries | Subsidiaries of our Company as of the date of this Preliminary Placement Document, in accordance with the Companies Act, 2013, namely:<br><br>1. Minda Storage Batteries Private Limited<br>2. Minda Katolec Electronics Services Private Limited<br>3. Mindarika Private Limited<br>4. Minda Kosei Aluminum Wheels Private Limited<br>5. Minda Kyoraku Limited<br>6. YA Auto Industries (Partnership Firm)<br>7. iSYS RTS GmbH, Germany<br>8. PT Minda Asean Automotive, Indonesia<br>9. PT Minda Trading, Indonesia<br>10. MI Torica India Private Limited<br>11. MITIL Polymers Private Limited<br>12. Harita Fehrer Limited<br>13. SAM Global Pte Ltd, Singapore<br>14. Minda Industries Vietnam Co. Limited, Vietnam<br>15. Minda Delvis GmbH, Germany<br>16. Delvis Solutions GmbH, Germany<br>17. Delvis Products GmbH, Germany<br>18. Minda Korea Co., Ltd, South Korea<br>19. Global Mazinkert S.L., Spain<br>20. Clarton Horn, Spain<br>21. Clarton Horn S. De R.L. De C.V., Mexico<br>22. Clarton Horn Marco SRL, Morocco*<br>23. CH Signalkoustic GmbH, Germany*<br>24. Light & Systems Technical Center S.L., Spain |

**Pursuant to a Board resolution dated June 13, 2021, businesses of two of the overseas wholly owned step-down subsidiaries of the Company namely, Clarton Horn Marco SRL, Morocco and CH Signalkoustic GmbH, Germany is proposed to be shifted to other company in the Group and hence, these will cease to be a separate legal entity upon completion of the restructuring process.*

**Issue related terms**

| Term | Description |
|---|---|
| Allocated/ Allocation | The allocation of Equity Shares by our Company, in consultation with the BRLMs, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them, in consultation with the BRLMs and in compliance with Chapter VI of the SEBI ICDR Regulations |
| Allot/ Allotment/ Allotted | Allotment of Equity Shares pursuant to the Issue |
| Allottees | Eligible QIBs who are allotted Equity Shares pursuant to the Issue |
| Application Form | The form (including any revisions thereof) which will be submitted by an Eligible QIB for registering a Bid in the Issue during the Bid/ Issue Period |
| Bid(s) | Indication of an Eligible QIB's interest, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares, pursuant to the Issue. The term "Bidding" shall be construed accordingly |
| Bid Amount | The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form |
| Bid/Issue Closing Date | [●], the date after which our Company (or BRLMs on behalf of our Company) shall cease acceptance of Application Forms and the Bid Amount |
| Bid/Issue Opening Date | August 2, 2021, the date on which our Company (or the BRLMs on behalf of our Company) shall commence acceptance of the Application Forms and the Bid Amount |
| Bid/Issue Period | Period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Bid Amount |
| Bidder | Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form |
| Book Running Lead Manager(s) or BRLM(s) | Equirus Capital Private Limited and Nomura Financial Advisory & Securities (India) Private Limited |
| CAN or Confirmation of Allocation Note | Note or advice or intimation to Successful Bidders confirming Allocation of Equity Shares to such Successful Bidders after discovery of the Issue Price |
| Closing Date | The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about [●], 2021 |
| Designated Date | The date of credit of Equity Shares to the Allottees' demat accounts pursuant to the Issue, as applicable to the relevant Allottees |
| Eligible QIB(s) | QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under the applicable laws. In addition, QIBs, outside the United States in "offshore transactions" in reliance on Regulation S under the Securities Act. Further, FVCIs are not permitted to participate in the Issue. |
| Escrow Account | Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the Bid Amount shall be deposited by Eligible QIBs and from which refunds, if any, shall be remitted, as set out in the Application Form |
| Escrow Agent/Escrow Bank | Kotak Mahindra Bank Limited |
| Escrow Agreement | Agreement dated August 2, 2021, entered into by and amongst our Company, the Escrow Bank and the BRLMs for collection of the Bid Amounts and remitting refunds, if any, of the amounts collected, to the Bidders. |
| Floor Price | The floor price of ₹ 734.84 per Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the shareholders of our Company accorded through their special resolution on July 22, 2021 and in terms of Regulation 176(1) of the SEBI ICDR Regulations. |
| Issue | The offer, issue and Allotment of [●] Equity Shares to Eligible QIBs pursuant to Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act |
| Issue Price | ₹ [●] per Equity Share |
| Issue Size | The issue of up to [●] Equity Shares aggregating up to ₹ [●] Crores |
| Net Proceeds | The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue |
| Placement Agreement | Agreement dated August 2, 2021, entered into by and amongst our Company and the BRLMs |
| Placement Document | The placement document to be issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and rules made thereunder |
| Preliminary Placement Document | This preliminary placement document cum application form dated August 2, 2021, issued in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act |
| QIBs or Qualified Institutional Buyers | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations |
| QIP | Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and rules made thereunder |
| Refund Amount | The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue |
| Relevant Date | August 2, 2021, which is the date of the meeting of the Board, deciding to open the Issue |
| Successful Bidders | The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount along with the Application Form and who are Allocated Equity Shares pursuant to the Issue |

| Term | Description |
|---|---|
| Wilful Defaulter | An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations |
| Working Day | Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India |

## Industry Terms

| Term | Description |
|---|---|
| BS | Bharat Stage |
| CNG | Compressed Natural Gas |
| CRIS | CRISIL Risk and Infrastructure Solutions Limited. |
| CRISIL | CRISIL Limited |
| CV | Commercial Vehicle |
| EGR | Exhaust gas recirculation |
| EMDE | Emerging market and developing countries |
| EVs | Electric Vehicle |
| LED | Light Emitting Diode |
| LPG | Liquefied Petroleum Gas |
| OEMs | Original Equipment Manufacturers |
| OPEC | Organization of the Petroleum Exporting Countries |
| PV | Passenger Vehicle |
| R&D | Research and Development |
| SUV | Sports Utility Vehicle |
| UV | Utility Vehicle |

## Conventional and General Terms/Abbreviations

| Term | Description |
|---|---|
| ₹ / Rs. / Rupees / INR | Indian Rupee |
| AGM | Annual general meeting |
| AS | Accounting Standards issued by ICAI, as required under the Companies Act |
| BSE | BSE Limited |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identity Number |
| Civil Procedure Code | The Code of Civil Procedure, 1908, as amended |
| Companies Act, 1956 | The erstwhile Companies Act, 1956 along with the rules made thereunder |
| Companies Act / Companies Act, 2013 | Companies Act, 2013, as amended and the rules, regulations, circulars, modifications and clarifications thereunder, to the extent notified |
| Depositories Act | The Depositories Act, 1996, as amended |
| Depository | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018, as amended |
| Depository Participant | A depository participant as defined under the Depositories Act |
| DIN | Director Identification Number |
| EGM | Extraordinary general meeting |
| Eligible FPIs | FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices |
| FDI | Foreign direct investment |
| FDI Policy | Consolidated FDI policy issued by the Department of Industrial Policy and Promotion by circular D/o IPP F. No. 5(2)/2020-FDI Policy, with effect from October 15, 2020 |
| FEMA | The Foreign Exchange Management Act, 1999, as amended and the regulations issued thereunder |
| FEMA Non-Debt Rules | The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended and any notifications, circulars or clarifications issued thereunder |
| "Financial year" or "Fiscal Year" or "FY" or "Fiscal" | Unless otherwise stated, the period of 12 months commencing on April 1 of a year and ending on March 31 of the next year |
| Form PAS-4 | Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended |
| FPI | Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations. |
| FPI Operational Guidelines | SEBI circular dated November 5, 2019 which issued the operational guidelines for FPIs |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended |
| FVCI | Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended |
| GAAP | Generally accepted accounting principles |

| Term | Description |
|---|---|
| GDP | Gross domestic product |
| GDR | Global Depositary Receipt |
| GIR | General index registrar |
| “GoI”/ “Government” | Government of India, unless otherwise specified |
| GST | Goods and services tax |
| ICAI | The Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards of the International Accounting Standards Board |
| Ind AS | Indian accounting standards converged with IFRS with some differences, as specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, as amended |
| “Lac”/ “lakh” | Lakhs |
| MCA | Ministry of Corporate Affairs, GoI |
| Mutual Fund | A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended |
| NCLT | National Company Law Tribunal |
| “NRI” or “Non-Resident Indian” | A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, as amended. |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| p.a. | Per annum |
| PAS Rules | Companies (Prospectus and Allotment of Securities Rules, 2014, as amended |
| Regulation S | Regulation S under the U.S. Securities Act |
| “Rs.” / “Rupees” / “INR” / ₹ | Indian Rupees, the legal currency of the Republic of India |
| S&P CNX NIFTY | Regional stock market index endorsed by Standard & Poor's which is composed of 50 of the largest and most liquid stocks found on the National Stock Exchange of India |
| SCR (SECC) Rules | Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, as amended |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | The Securities and Exchange Board of India Act, 1992, as amended |
| SEBI FPI Regulations | The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended |
| SEBI Insider Trading Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended |
| SEBI Listing Regulations | The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended |
| SEBI ICDR Regulations | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended |
| SEBI Takeover Regulations | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended |
| Secured Synthetic INR Notes | A bond issue denominated in Indian rupees |
| SENSEX | Index of 30 stocks traded on the BSE representing a sample of large and liquid listed companies |
| Stock Exchanges | BSE and NSE, taken together |
| “SA” or “U.S.” or “United States” | United States of America |
| U.S. Securities Act / Securities Act | The United States Securities Act of 1933, as amended |
| VCF | Venture capital fund |

## SUMMARY OF BUSINESS

### Overview

We believe we are one of India's leading manufacturers and suppliers of a variety of automotive systems to original equipment manufacturers (**OEMs**) and one of world's leading manufacturers of automotive horns. We believe that are also one of the leading manufacturers of automotive switching systems; automotive lighting systems; acoustics systems for the automotive industry; automotive seating systems and alloy wheels in India. The Group manufacture and supply over 30 categories of automotive components to leading Indian and international OEMs based in India, Asia (without India), North America and Europe.

We operate as full systems solution providers and cater to a diverse range of customers in the products manufactured by us which include automotive switching systems; automotive lighting systems; acoustics systems for the automotive industry; automotive seating systems; alloy wheels and other products like general aluminum die casting, various components for electric-vehicles, blow moulding, hoses (brakes and fuel), fuel caps, air filters, air bags, CNG and LPG kits, speakers, and infotainment among others.

Our Company was incorporated in 1992 with an object to take over the business of Minda Industries, a partnership firm, which was engaged in the manufacture and trade of auto electric parts since 1958. Subsequently, we have gained expertise in various products in the automotive industry through our in-house expertise, strategic alliances, consolidations and acquisitions. We believe our diverse product portfolio and scale of operations, long-standing relationships with domestic and global OEMs, manufacturing and operational excellence, robust aftermarket presence through dealer and distributor network, strong financial profile and seasoned management team acts as strong and sustainable competitive advantages. Some of our key domestic customers include the largest and the second largest four-wheeler OEMs in India, all of the five leading two-wheeler OEMs in India as well as global automotive OEMs across North America, Europe and South-east Asia.

As of the date of this Preliminary Placement Document, the Group has 65 manufacturing plants located in India and 6 manufacturing plants located in South-east Asia, Europe and North America. We believe our manufacturing facilities in India are located in key auto-clusters in North, South and West India and strive to locate our facilities in close proximity to our OEM customers' plants. For e.g., our manufacturing plants in Manesar, Indonesia and Hosur are located in close proximity to the manufacturing facilities of some of our leading customers. We believe that research and development and access to the latest technology is a key to our success and currently have 16 Research, Development and Design Centres globally which are further complemented through technical arrangements and joint ventures with partners who we believe are industry and technology leaders in their respective markets and technological capabilities.

In addition to our demonstrated ability to expand our product portfolio and markets organically, our various Joint Ventures and technical collaborations, illustrate our ability to identify, partner or acquire and assimilate complementary businesses across products and geographies in order to consolidate our position in the auto component industry. For details on our joint ventures and associate companies please refer to "*Organizational Structure*" on page 132 of this Preliminary Placement Document.

Our operations are overseen by a professional management team with most of our business domains being led by independent chief executive officers. Nirmal K Minda, our Chairman and Managing Director, has been associated with us since the inception of our Company and has been instrumental in the growth of our Company. Under the leadership team, our Company received the Golden Peacock Award for excellence in corporate governance for the year 2020 by Institute of Directors, The 5th Institute of Company Secretaries of India (ICSI) CSR Excellence Award under the category of best Corporate in an Emerging Category, The Iconic Brand of the Year – Economic Times for Year 2019, Most Promising Company of the Year (Manufacturing Category)- CNBC TV18 for the Year 2019 and National IP Award, under the category Top Indian Company for Designs- CII for the Year 2019. Our Summary financial information for the Fiscal 2021, 2020 and 2019 is as under:

*(₹ in Crore)*

| **Particulars** | **Fiscal ended March 31,** | | |
|---|---|---|---|
| | **2021** | **2020** | **2019** |
| Total Income | 6,420.77 | 6,262.52 | 5,935.12 |
| Total profit after share of profit of associates and joint ventures | 248.44 | 187.94 | 339.48 |
| Total Equity | 2,563.02 | 2,143.92 | 1,970.87 |
| Total Borrowings | 1,048.52 | 1,196.82 | 1,081.23 |

*Note: Details of Fiscal 2020 and Fiscal 2019 have been taken from Audited Consolidated financials of Fiscal 2021 and Fiscal 2019, respectively. Further, consolidated financial statements for Fiscal 2020 was restated consequent to the Scheme of Amalgamation hence any reference to financials of Fiscal 2020 means the restated consolidated financial statement for Fiscal 2020.*

### Our competitive strengths

We believe the following competitive strengths differentiate us from other industry participants, have contributed to our success and will continue to enable us to increase our market share and capture future growth opportunities.

### *Diversified product portfolio*

We believe that we offer one of the most diversified portfolio of products in the Indian auto component industry. While we manufacture and supply over 30 categories of automotive systems and components, some of the key product systems manufactured by us include automotive switching systems; automotive lighting systems; acoustics systems for the automotive industry; automotive seating systems; alloy wheels and other products like general aluminum die casting, various components for electric-vehicles, blow moulding, hoses (brakes and fuel), fuel caps, air filters, air bags, CNG and LPG kits, speakers, and infotainment among others which we supply across a wide spectrum of end customers in two-wheeler, four-wheeler, electric vehicle, commercial and off-road vehicle segment. In addition to the OEMs, the diversity of our product portfolio also helps us in servicing our extensive after-market distribution network across major cities as well as in tier II and tier III cities and towns. We believe that our product portfolio helps us in offering comprehensive solutions to our customers, enhances our ability to attract new customers, improve our share of business amongst existing customers and helps de-risk the business through limited dependence on any single product domain or product system.

We believe that our product portfolio has helped us, to become one of India's leading manufacturers and suppliers of automotive switching systems; automotive lighting systems; acoustics systems for the automotive industry; automotive seating systems and alloy wheels and one of the world's leading manufacturers of automotive horns. We believe that our ability to manage a wide product portfolio and gain leadership in certain product systems is based on our ability to understand evolving customer requirements, design, development, manufacturing capabilities, technical collaborations and joint ventures.

### *Strong relationship with OEMs*

We believe we are a trusted partner and strategic Tier I supplier to, and have longstanding, extensive relationships with, leading Indian OEMs as well as leading international OEMs. We believe that our strategically located manufacturing facilities, consistent performance, and adherence to quality standards has helped us maintain customer engagements and attract new customers. We further believe our existing relationships with large global and domestic OEMs enable us to cross-sell additional products, enter new geographies and cultivate new customer relationships.

We continually strive to strengthen our customer relationships through superior service quality and by ensuring that our products keep pace with the requirements of the rapidly changing industry. We have dedicated 16 Research, Development and Design Centres globally, thereby enabling us to develop new products for our OEM customers and keeping track of the latest developments. To take into account the requirements of our OEM customers, our R&D team regularly interacts with our product development team and our customer to focus on developing new products with improvements in quality and design.

### *Technical collaborations and track record of inorganic route for expansion of our business*

Our product portfolio is a combination of the technical know-how of our joint venture partners and of what we have developed internally. We believe that our joint venture partners are industry and technology leaders in their respective markets and their technological capabilities and global reach and presence provides us with significant advantages across our various businesses. We believe we have a well-established track record of successfully collaborating and forming long-standing relationships with our various joint venture partners which has helped us become one of the leading companies in multiple automotive systems.

We believe such collaboration gives us access to the latest know-how, design and technology, and expertise that facilitate the manufacturing process. We believe our technological relationships and our in-house design expertise are complementary to each other and enable us to provide our customers with innovative and customised solutions in line with the evolving technologies across the globe.

We evaluate inorganic growth opportunities and have completed 3 acquisitions (including amalgamation) over the past 3 years including the acquisition of Delvis GmbH, iSYS RTS GmbH, and amalgamation with Harita Seating Systems Limited. We believe these acquisitions are significant to our business as in addition to giving us a presence in these new markets and verticals, it also provides us with fully functional infrastructure facilities in these locations. We believe that our approach of growth with technical collaborations and acquisitions has historically introduced operating efficiencies, faster time to market, ability to revenue growth and/or increased profitability in our acquired businesses, resulting in increased operating margins. Our Company recently completed another phase of consolidation and reorganisation upon receipt of the relevant approvals and accordingly merged 4 wholly-owned subsidiaries i.e., M J Casting Limited, Minda Distribution and Services Limited, Minda Auto Components Limited and Minda Rinder Private Limited with the Company. Further, we have increased our stake in Tokai Rika Minda India Private Limited (a joint venture with Tokai Rika Co. Ltd.) from 13% to 30%. We believe that the creation of a single entity along with providing better financial capacity shall also help us to create an investor-friendly holding structure with a seamless process to maximise profits and ensure optimal revenue mix.

*Presence in the aftermarket sales segment and well-connected distributor network*

We believe that the aftermarket segment in India is gradually shifting from significant participation by the unorganised sector to one dominated by larger auto component manufacturers and OEMs through their dealer and service networks. We rely on our extensive distribution network to facilitate our aftermarket sales operations and sell our products through a pan-India network of distributors. We believe that our well-developed sales and distribution network complements our broad product basket and helps us in servicing the replacement market. Further, we believe, that our pedigree in the auto component space, leadership position in certain product solutions and focus on quality systems makes us a preferred choice for end customers in the replacement market. Our distributors are located across major cities as well as in tier II and tier III cities and towns. We believe our distributors are well entrenched in their respective geographies and provide us access to a large universe of retailers who in turn sell our products to end customers.

*Strategic locations of manufacturing facilities*

As of the date of PPD, the Group has 65 manufacturing plants located in India and 6 manufacturing plants located in South-east Asia, Europe and North America. We believe our facilities in India are located in key auto-clusters in north, south and west India and we strive to locate our facilities in close proximity to our OEM customers' plants. For e.g., our manufacturing plants in Manesar, Indonesia and Hosur are located in close proximity to the manufacturing facilities of some of our leading customers. We believe that the proximity of our manufacturing plants to our customer locations helps us have better control over logistics for timely delivery and leverage the eco-system being set up by the OEMs. We have established a global presence by successfully integrating our acquisitions and our joint ventures which have complemented our global operations and enhanced our ability to cater to the needs of our customers from multiple locations.

We believe our fully integrated manufacturing facilities allow us to benefit from economies of scale and our multiple facilities give us flexibility in case of production disruption at any of our plants. Our quality management procedures focus on (i) improvement in customer satisfaction, (ii) supplier performance improvement, (iii) on-time delivery, and (iv) reduction of wastage. These procedures include specific processes implemented to ensure quality checks at every phase of the production process which enable us to ensure the quality of products delivered to our customers at competitive prices.

We believe that we have been able to provide competitively priced products through cost-efficient production and with stringent quality standards which enables us to receive new business from our existing as well as from new customers. We constantly work towards making our designs easier to manufacture, which improves reliability, quality and cost.

*Experienced senior leadership and technically skilled and motivated employees*

We believe that our qualified and experienced senior management team, technically skilled employee base and established background of our Chairman and Managing Director have contributed to the growth of our operations and the development of in-house processes and competencies.

Nirmal K Minda, our Chairman and Managing Director, has been associated with us since the inception of our Company and has been instrumental in the growth of our Company. He has over thirty years of experience in the automotive components industry. Our senior management team consists of technically qualified and highly experienced professionals in the industry we operate in. Our business domains are managed by independent chief executive officers who have extensive experience in the industry. This enables each domain to focus exclusively on the opportunities and challenges that it faces. Our senior management team is responsible for the overall strategic planning and business development of our Company and has been instrumental in the consistent growth in our revenues and operations.

**Our strategies**

We will continue to seek opportunities to realise the sustainable growth of our business. To achieve this, we plan to focus on the following strategies:

*Achieve leadership across key segments and expand existing relationships with OEM customers into new product areas*

We are expanding our product portfolio aimed at electric-vehicles and intend to become the leading auto-component player for various components in electric-vehicles including smart-plugs, telematics, body control modules, DC-DC convertor, battery management system and onboard chargers. A few of the aforementioned products are already in production wherein we are supplying such components to our existing two-wheeler OEM customers. We are in the process of commercializing our other products and expect that our revenue generating product basket catering to electric vehicles will expand significantly over the next 12 months. We are in discussions with other leading Indian electric-vehicle manufacturers for supply of our products and will continuously evaluate expanding such offerings to our locations across the globe.

We will continue to focus on developing our existing product verticals and improve the market share we enjoy in our product segments. Our focused initiatives towards this include continued efforts to make investments in technology and identifying qualified professionals with experience in our industry.

Further, we will continue to work with our OEM customers, with whom we believe we have long-standing relationships and knowledge of requirements and preferences, in order to develop and supply more sophisticated, higher-margin products. Our experienced R&D teams enable us to bring new designs and innovations that we then translate into opportunities by marketing these to our customers. We believe that our wide product portfolio and leadership in key product segments will help us in increasing our share of business amongst our OEM customers.

***Develop innovative products and designs through in-house R&D, joint ventures, technical collaborations and inorganic acquisitions***

We are focused on retaining and strengthening our technological leadership through the continued development of innovative products, which we believe will enable us to expand our diversified products portfolio. We continue to focus on developing and introducing new value-added products into our markets. Through constant product innovation and research and development, we intend to offer a diverse range of products that are new to the market and are innovative in nature. We intend to continue to innovate on products and designs and therefore continue to try to gain/ retain market leadership and also be the preferred choice of the OEMs. We also continue to explore opportunities to collaborate with global players to augment the positioning of our products, enhance our manufacturing capabilities, upgrade our technological processes and offer new and diversified range of products to our customers.

Our acquisitions of the global business of Spain based Rinder group and Clarton Horn, Germany based Delvis Group and ISYS RTS GmbH as well as the acquisition of Harita Seating System Limited (a manufacturer of seating system in India), illustrate our ability to identify, partner or acquire and assimilate complementary businesses across products and geographies in order to consolidate our position in the auto component industry and we continue to explore relevant opportunities in our focus segments.

***Continue to improve margins and profitability***

We aim to continue to improve profitability by improving our product mix, manufacturing processes, raising margins that we make on each product we manufacture and thereby gaining cost efficiencies. We intend to continue to focus on sourcing materials keeping in mind the economies of scale and thereby ensuring that we get the best available price from the best supplier of raw materials. We also constantly aim to identify opportunities to implement production improvements and dedicate research and development resources to enhance production processes. We continuously strive to improve scale in our smaller and newer product segments which should help improve the profitability of our Company.

We have undertaken a realignment of business domains based on similar technologies under one domain to drive synergies between related businesses. As a part of this initiative, we have focused on strengthening our board, realignment of our business verticals to drive synergy among similar product and technologies. We have recalibrated certain functions like procurement, R&D and marketing to bring in increased control and efficiency.

***Expand our global reach through improved focus on exports***

We intend to improve our share of revenues from overseas markets by focusing on exports of products and solutions across our key verticals. We believe that the various government initiatives including PLI, our scale of operations in India, our existing customer relations and changing geo-political scenario enable us to offer competitive solutions on a global scale. For the Fiscals 2021, 2020 and 2019, our revenues from operations from outside India were ₹ 1,203.71 Crores, ₹ 1,069.06 Crores and ₹ 1,022.55 Crores respectively. Revenues from operations from outside India as a percentage of our revenues from operations was 18.89%, 17.18% and 17.31% in the Fiscals 2021, 2020 and 2019 respectively.

Recently, we have set-up a marketing office across Thailand and strengthened our marketing offices across Japan and Germany and will continue to focus on expanding our presence across key automotive markets.

## SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 35, 64, 159, 147 and 172, respectively.

| | |
|---|---|
| **Issuer** | Minda Industries Limited |
| **Face Value** | ₹2 per Equity Share |
| **Issue Price** | ₹[●] per Equity Share |
| **Floor Price** | ₹734.84 per Equity Share calculated on the basis of Regulation 176 of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price.<br><br>However, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the shareholders of our Company accorded through their special resolution passed on July 22, 2021 and in terms of Regulation 176(1) of the SEBI ICDR Regulations. |
| **Issue Size** | Issue of up to [●] Equity Shares, aggregating up to ₹ [●] Crores.<br><br>A minimum of 10% of the Issue Size, i.e., up to [●] Equity Shares shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation only to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs. |
| **Date of Board Resolution approving the Issue** | June 13, 2021 |
| **Date of Shareholders' Resolution approving the Issue** | July 22, 2021 |
| **Eligible Investors** | Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 147, 161 and 167, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the BRLMs. |
| **Equity Shares issued and outstanding immediately prior to the Issue** | 27,58,98,441 fully paid-up Equity Shares. |
| **Equity Shares issued and outstanding immediately after the Issue** | [●] Equity Shares |
| **Issue Procedure** | The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act other provisions of the Companies Act, read with Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 147. |
| **Listing and trading** | Our Company has obtained in-principle approvals dated August 2, 2021 both from BSE and NSE, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue.<br><br>Our Company will make applications to each of the Stock Exchanges after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares. |
| **Lock-up** | For details of the lock-up, see "*Placement – Lock-up*" on page 159. |
| **Proposed Allottees** | See "*Proposed Allottees*" on page 190 for names of the proposed allottees and the percentage of post Issue capital that may be held by them in the Company. |
| **Transferability Restrictions** | The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. For details in relation to other transfer restrictions, see "*Transfer Restrictions*" on page 167. |

<table>
<tr><td rowspan="1">Use of Proceeds</td><td colspan="2">The gross proceeds from the Issue will be aggregating to approximately ₹[●] Crores. The Net Proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, are expected to be approximately ₹[●] Crores.<br><br>See “Use of Proceeds” on page 64 for information regarding the use of net proceeds from the Issue.</td></tr>
<tr><td>Risk Factors</td><td colspan="2">See “Risk Factors” on page 35 for a discussion of risks you should consider before investing in the Equity Shares.</td></tr>
<tr><td>Closing Date</td><td colspan="2">The Allotment of the Equity Shares, expected to be made on or about [●], 2021.</td></tr>
<tr><td>Ranking</td><td colspan="2">The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank pari passu with the existing Equity Shares, including rights in respect of dividends.<br><br>The Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Issue Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders’ meetings in accordance with the provisions of the Companies Act. Please see "Dividends" and "Description of the Equity Shares" on pages 69 and 172, respectively.</td></tr>
<tr><td rowspan="3">Security Codes for the Equity Shares</td><td>ISIN</td><td>INE405E01023</td></tr>
<tr><td>BSE Code</td><td>532539</td></tr>
<tr><td>NSE Code</td><td>MINDAIND</td></tr>
</table>

## SELECTED FINANCIAL INFORMATION

*The following selected financial information is extracted from and should be read in conjunction with, the Audited Consolidated Financial Statements included elsewhere in this Preliminary Placement Document. You should refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page* 70*, for further discussion and analysis of the Audited Consolidated Financial Statements of our Company.*

*[The remainder of this page has been left intentionally left blank]*

**Consolidated Balance Sheet data as on March 31, 2021, 2020 and 2019**

*(in ₹ Crores)*

| | **As at March 31, 2021** | **As at March 31, 2020** | **As at March 31, 2019** |
|---|---|---|---|
| **Assets** | | | |
| **Non-Current Assets** | | | |
| Property Plant and Equipment | 2,050.65 | 1,910.87 | 1,629.40 |
| Capital work in progress | 111.94 | 340.04 | 131.52 |
| Right-of-use assets | 174.93 | 165.94 | - |
| Intangible assets | 289.47 | 311.44 | 66.84 |
| Intagible Assets under development | 22.36 | 20.00 | 18.61 |
| Goodwill on Consolidation | 281.72 | 285.98 | 164.92 |
| **Financial Assets** | | | |
| (i) Investments | 528.61 | 373.37 | 355.58 |
| (ii) Loans | 27.26 | 16.16 | 21.21 |
| (iii) Other Financial Assets | 3.70 | 10.28 | 9.66 |
| Income Tax asset (net) | 26.17 | 48.07 | 33.05 |
| Other non-current assets | 39.27 | 52.76 | 67.10 |
| **Total non-current assets** | **3,556.08** | **3,534.91** | **2,497.89** |
| **Current Assets** | | | |
| Inventories | 750.56 | 609.52 | 560.97 |
| **Financial Assets** | | | |
| (i) Investments | 1.56 | 24.95 | - |
| (ii) Trade receivables | 1,198.82 | 863.24 | 899.22 |
| (iii) Cash and cash equivalents | 205.61 | 263.67 | 92.77 |
| (iv) Bank balances other than those included in cash and cash equivalents | 32.57 | 77.24 | 17.29 |
| (v) Loans | 2.94 | 6.27 | 2.01 |
| (vi) Other financial assets | 27.28 | 39.88 | 22.00 |
| Other current assets | 202.01 | 153.68 | 138.48 |
| **Total Current Assets** | **2,421.35** | **2,038.45** | **1,732.74** |
| **Assets held for sale** | **-** | **7.49** | **-** |
| **Total Assets** | **5,977.43** | **5,580.85** | **4,230.63** |
| | | | |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Equity Share Capital | 54.39 | 52.44 | 52.44 |
| Other Equity | 2,202.18 | 1,808.64 | 1,651.72 |
| **Equity attributable to owners of the Company** | **2,256.57** | **1,861.08** | **1,704.16** |
| Non-Controlling Interest | 306.45 | 282.84 | 266.71 |
| **Total Equity** | **2,563.02** | **2,143.92** | **1,970.87** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| **Financial liabilities** | | | |
| (i) Borrowings | 539.12 | 780.32 | 606.34 |
| (ii) Lease Liabilities | 90.55 | 98.06 | - |
| (iii) Trade Payables | - | 0.50 | - |
| (iv) Other financial liabilities | 89.57 | 75.13 | 75.58 |
| Provisions | 135.07 | 124.77 | 99.64 |
| Deferred Tax Liabilities (net) | 29.93 | 41.02 | 0.62 |
| **Total non-current liabilities** | **884.24** | **1,119.80** | **782.18** |
| **Current Liabilities** | | | |
| **Financial Liabilities** | | | |
| (i) Borrowings | 313.78 | 237.95 | 349.15 |
| (ii) Lease Liabilities | 20.16 | 18.76 | - |
| (iii) Trade Payables | | | |
| (a) Total Outstanding dues of micro enterprises and small enterprises | 181.68 | 100.32 | 64.61 |
| (b) Total outstanding dues of creditors other than micro and small enterprises | 1,108.11 | 1,018.18 | 733.21 |

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| (iv) Other financial liabilities | 757.37 | 783.25 | 231.15 |
| Other Current Liabilities | 110.03 | 121.17 | 77.90 |
| Provisions | 39.04 | 33.16 | 21.56 |
| **Total Current Liabilities** | **2,530.17** | **2,312.79** | **1,477.58** |
| **Liabilities related to assets held for sale** | **-** | **4.34** | **-** |
| **Total Equity and Liabilities** | **5,977.43** | **5,580.85** | **4,230.63** |

**Details of Fiscal 2020 and Fiscal 2019 have been taken from Audited Consolidated financials of Fiscal 2021 and Fiscal 2019, respectively. Further, consolidated financial statements for Fiscal 2020 was restated consequent to the Scheme of Amalgamation hence any reference to financials of Fiscal 2020 means the restated consolidated financial statement for Fiscal 2020.*

**Consolidated Profit and Loss Account data for the years ended as on March 31, 2021, 2020 and 2019**

*(in ₹ Crores)*

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 6,373.74 | 6,222.03 | 5,908.09 |
| Other income | 47.03 | 40.49 | 27.03 |
| **Total Income** | **6,420.77** | **6,262.52** | **5,935.12** |
| Cost of materials consumed | 3,456.43 | 3,214.72 | 3,100.03 |
| Purchases of stock in trade | 528.76 | 613.28 | 558.72 |
| Changes in inventories of finished goods, stock in trade and work-in progress | (65.90) | (17.72) | (36.27) |
| Employee benefits expense | 981.69 | 943.83 | 791.29 |
| Finance costs | 73.65 | 94.17 | 63.15 |
| Depreciation and amortisation expense | 375.30 | 340.07 | 234.38 |
| Other expenses | 747.77 | 796.12 | 769.14 |
| **Total expenses** | **6,097.70** | **5,984.47** | **5,480.44** |
| **Profit before share of profit /(loss) of associates and joint ventures, exceptional item and tax** | **323.07** | **278.05** | **454.68** |
| Exceptional item | 1.73 | (34.46) | - |
| **Profit before share of profit /(loss) of associates and joint ventures and tax** | **324.80** | **243.59** | **454.68** |
| **Tax expense** | | | |
| Current tax | 98.29 | 93.63 | 115.47 |
| Deferred tax (credit) / charge | 2.24 | (25.01) | 18.60 |
| **Tax expense** | **100.53** | **68.62** | **134.07** |
| **Profit before share of profit /(loss) of associates and joint ventures and after tax** | **224.27** | **174.97** | **320.61** |
| Add:- Share of profit of associates and joint ventures | 24.17 | 12.97 | 18.87 |
| **Total profit after share of profit of associates and joint ventures** | **248.44** | **187.94** | **339.48** |
| **Other comprehensive income/(loss)** | | | |
| **(a) Items that will not be reclassified subsequently to profit or loss** | | | |
| (i) Remeasurements of defined benefit (liability)/ asset | 3.77 | (7.77) | 0.60 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | (1.26) | 2.84 | (0.22) |
| **(b) Items that will be reclassified subsequently to profit or los** | | | |
| (i) Foreign currency translation reserve | 8.26 | 2.80 | (1.06) |
| (ii) Others | 3.98 | - | - |
| **Other comprehensive income/(loss), net of tax (a+b)** | **14.75** | **(2.13)** | **(0.68)** |
| **Total comprehensive income** | **263.19** | **185.81** | **338.80** |

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Profit attributable to:** | | | |
| Owners of Minda Industries Limited | 206.63 | 155.18 | 285.62 |
| Non-controlling interest | 41.81 | 32.76 | 53.86 |
| **Other comprehensive income attributable to:** | | | |
| Owners of Minda Industries Limited | 14.31 | (1.93) | (0.71) |
| Non-controlling interest | 0.44 | (0.20) | 0.03 |
| **Total comprehensive income attributable to:** | | | |
| Owners of Minda Industries Limited | 220.94 | 153.25 | 284.91 |
| Non-controlling interest | 42.25 | 32.56 | 53.89 |
| **Earnings per equity share [nominal value of share ₹ 2]** | | | |
| Basic (₹) | 7.73 | 5.92 | 10.90 |
| Diluted (₹) | 7.41 | 5.65 | 10.90 |

**Details of Fiscal 2020 and Fiscal 2019 have been taken from Audited Consolidated financials of Fiscal 2021 and Fiscal 2019, respectively. Further, consolidated financial statements for Fiscal 2020 was restated consequent to the Scheme of Amalgamation hence any reference to financials of Fiscal 2020 means the restated consolidated financial statement for Fiscal 2020.*

**Consolidated Cash Flow Statement data for the years ended March 31, 2021, 2020 and 2019**

*(in ₹ Crores)*

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **A. Cash flow from operating activities** | | | |
| Profit before tax | **324.80** | **243.59** | **454.68** |
| **Adjustments for:** | | | |
| Depreciation and amortisation | 375.30 | 340.07 | 234.38 |
| Finance costs | 73.65 | 94.17 | 63.15 |
| Interest income on fixed deposits | (5.85) | (9.60) | (5.35) |
| Liabilities / provisions no longer required written back | (3.21) | (1.40) | (1.45) |
| Expenses incurred for share allotment under equity settled share based payments | 1.05 | 1.20 | - |
| Unrealised (gain)/ loss on foreign currency fluctuations (net) | (2.73) | 27.94 | (6.35) |
| Mark to market gain on forward contract | (0.56) | (7.08) | (1.19) |
| Doubtful trade and other receivables provided for | 4.73 | 4.76 | 1.71 |
| Doubtful trade and other receivables, loans and advances written off | - | - | 0.06 |
| Gain/FV on investment | (4.30) | 3.55 | 0.00 |
| Provision for warranty | 15.10 | 13.92 | 14.23 |
| Net profit on sale of property, plant and equipments | 2.50 | 7.87 | (1.08) |
| Operating profit before working capital changes | **780.48** | **718.99** | **752.79** |
| Adjustments for working capital changes: | | | |
| Decrease/ (increase) in inventories | (141.04) | 11.29 | (113.98) |
| Decrease/ (increase) in trade receivable | (340.37) | 265.41 | (47.22) |
| Decrease/ (increase) in loan current | (11.09) | (3.42) | - |
| Decrease/ (increase) in loan non current | 3.33 | 7.56 | - |
| Decrease/ (increase) in other current financial assets | 11.75 | 2.46 | (6.67) |
| Decrease/ (increase) in other non-current financial assets | 1.91 | (0.31) | 5.03 |
| Decrease/ (increase) in other non-current assets | 7.21 | 15.67 | (1.17) |
| Decrease/ (increase) in other current assets | (48.33) | 4.86 | 3.85 |
| Increase/ (decrease) in trade payables | 174.02 | 93.92 | (69.96) |
| Increase/ (decrease) in other Current financial liabilities | (24.56) | 16.33 | 9.83 |
| Increase/(decrease) in other current liabilities | (11.13) | 33.27 | (14.95) |

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Increase/(decrease) in short-term provisions | 5.86 | 7.77 | (8.24) |
| Increase/(decrease) in other non-current financial liabilities | 14.44 | (10.02) | 24.12 |
| Increase in long-term provisions | 7.23 | 1.59 | (4.05) |
| Cash generated from operations | **429.71** | **1,165.37** | **529.38** |
| Income tax paid | (87.00) | (116.82) | (115.41) |
| **Net Cash flows from operating activities (A)** | **342.71** | **1,048.55** | **413.97** |
| **B. Cash flows from investing activities** | | | |
| Payment for acquisition of subsidiaries and jointly controlled entities | (155.60) | (176.80) | (191.68) |
| Sale/(Purchase) of Investment | 27.68 | (17.50) | 0.00 |
| Purchase of Property, Plant and Equipment | (299.05) | (606.81) | (670.06) |
| Proceeds from sale of property, plant and equipments | 10.97 | 15.47 | 8.30 |
| Interest received on fixed deposits | 5.93 | 10.21 | 7.57 |
| Decrease in deposits (with original maturity more than three months) | 49.10 | (59.79) | 20.40 |
| **Net cash used in investing activities (B)** | **(360.97)** | **(835.22)** | **(825.47)** |
| **C. Cash flows from financing activities** | | | |
| Proceeds from issue of equity share capital | 12.29 | - | 0.17 |
| Security Premium | 238.40 | - | - |
| Share Premium on exercise of ESOP | - | - | 7.97 |
| Purchase of Non-Controlling Interest | (52.00) | - | - |
| Proceeds from/ (repayment of) short term borrowings | 75.83 | (142.79) | 20.16 |
| Proceeds from/ (repayment of) Long term borrowings | (221.84) | 181.71 | 437.29 |
| Interest paid on borrowings | (74.31) | (90.85) | (61.75) |
| Dividend paid (including corporate dividend tax) | (18.61) | (43.97) | (35.36) |
| **Net cash used in financing activities (C)** | **(40.24)** | **(95.90)** | **368.48** |
| **Net increase/ (decrease) in cash and cash equivalents(A+B+C)** | **(58.50)** | **117.43** | **(43.02)** |
| Foreign currency translation adjustment | 0.44 | 2.78 | 0.80 |
| Cash and cash equivalents pursuant to acquisition | 0.00 | 22.58 | 9.43 |
| Cash and cash equivalents as at beginning | 263.67 | 120.88 | 125.56 |
| **Cash and cash equivalents as at closing** | **205.61** | **263.67** | **92.77** |
| Cash on hand | 0.74 | 1.14 | 1.69 |
| Balances with banks: | | | |
| - on current accounts | 159.47 | 230.43 | 81.83 |
| - on deposit accounts | 45.40 | 32.10 | 9.25 |
| **Cash and cash equivalents at the end of the year** | **205.61** | **263.67** | **92.77** |

**Details of Fiscal 2020 and Fiscal 2019 have been taken from Audited Consolidated financials of Fiscal 2021 and Fiscal 2019, respectively. Further, consolidated financial statements for Fiscal 2020 was restated consequent to the Scheme of Amalgamation hence any reference to financials of Fiscal 2020 means the restated consolidated financial statement for Fiscal 2020.*

## RELATED PARTY TRANSACTIONS

For details of the related party transactions during the Financial Years 2021, 2020 and 2019 as per the requirements under Ind AS 24, as notified under section 133 of the Companies Act, 2013 read with Ind AS rules as amended see *"Financial Statements"* on page 189.

## RISK FACTORS

*This offering and an investment in Equity Shares involve a high degree of risk. Investors should carefully consider each of the following risk factors described below as well as other information contained in this Preliminary Placement Document before making an investment decision in the Issue. If any particular risk or some combination of the risks described below actually occurs, our business, prospects, financial condition, results of operation and cash flows could be seriously harmed, the trading price of our Equity Shares could decline and investors may lose all or part of their investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. We have described the risks and uncertainties that our management currently believes are material but the risks set out in this Preliminary Placement Document may not be exhaustive or complete and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Financial Statements", on page 189, as well as the other financial information included in this Preliminary Placement Document.*

*Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the terms of the Issue, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Issue.*

*This Preliminary Placement Document also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this* Preliminary Placement Document. *Additional risks not described below or not currently known to us or that we currently deem immaterial may also adversely affect the market price of our Equity Shares.*

*In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Minda Industries Limited on a standalone basis, while any reference to "we", "us", "our" or "Group" is a reference to Minda Industries Limited on a consolidated basis.*

### Risk relating to our business

1. ***The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain*.**

   The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses including automobile and auto-component sector and could continue to have an impact that may worsen for an unknown period of time. This pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of the adverse effects of COVID-19 remain uncertain and could be severe.

   The impact of COVID-19 on the auto-component sector is at four levels. Firstly, in order to contain the spread of the infection, the various lockdowns imposed, have impacted the sales of auto OEMs as these products do not constitute "essential products" and dealerships, the principal channels of sale for auto OEMs were not allowed to function as part of the lockdown imposed by the Government of India and relevant state governments thus inflicting adverse impact on revenue and profitability of companies in the sector. Auto OEMs are the largest customers for companies in the auto-component sector including our Company and the impact on sales of auto OEMs have adversely impacted the revenues and profitability of companies across the sector including our Company. While the lockdown restrictions are being lifted in a staggered manner, we are not certain and cannot assure you on time it may take to normalise operations.

   Secondly, auto sales being discretionary and large-ticket in nature to an extent, may not achieve pre-COVID-19 sales post lifting of the lockdown. The consumers may not choose to shop discretionary products as compared to essentials, immediately after lifting of lockdown owing to inter alia, economic slowdown and job cuts leading to less disposable income for discretionary spends. Auto sales are also highly dependent on availability of financing and willingness of buyers to avail such financing for buying the vehicles. While RBI has taken steps to improve the liquidity in credit markets, we are not certain on when availability of financing and willingness of buyers to avail such financing for buying the vehicles will reach pre-COVID-19 levels. While progressive relaxations have since been granted for movement of goods and people and cautious re-opening of businesses and offices, lockdowns may be re-introduced in the future. Certain states had reinstated lockdown conditions due to a "second wave" of the COVID- 19 outbreak and the discovery of new strains of the coronavirus, may cause Central Government and State Governments to reinstate complete lockdown conditions or impose additional restrictions. Therefore, even if the restriction on movement and functioning of dealerships are removed from some part of the geographies, the pace of recovery and growth in sale of automobiles and in result our Company might be significantly slow.

Thirdly, auto-component sector relies on suppliers which may be present in different parts of the country and across the globe. While our manufacturing units may be operational, local regulations in jurisdictions such suppliers operate in may restrict the ability of such suppliers to operate. If our suppliers fail to provide essential raw material in a timely manner or at the level of quality necessary to manufacture our products or if we were to experience a significant or prolonged shortage of supplies from any of our suppliers, and are unable to procure the supplies from other sources, we would be unable to meet our production schedules and to supply such products to our customers in timely fashion. Any such delay may expose us to consequential damages being sought by our customers which would adversely affect our sales, margins and customer relations, operating results and/or our financial condition.

Fourthly, our Company has various manufacturing facilities across countries which are subject to differing regulations to contain the spread of COVID-19. Such measures may vary in scope, duration and frequency and may adversely impact our ability to operate our manufacturing facilities seamlessly. The production was suspended in March, 2020 post announcement of lockdown and the certain plants saw partial resumption in last week of April, 2020 and certain plants in May 2020. In case any of our manufacturing facilities are required to stop operations, we may be required to service customers from other manufacturing facilities, forego business or hold higher inventory to mitigate such risks. The impact of any such shutdown of one of more our manufacturing facilities remain uncertain and could be severe. We are also required to maintain enhanced sanitization protocols across our manufacturing facilities which may increase our expenses and adversely impact efficiencies our team.

The economic disruption could slow down credit as lenders may be hesitant to lend in COVID-19 environment. This could impact our ability to raise funds for managing our operations. Accordingly, new credit may be availed by us in accordance with terms which may be stringent as compared to the past.

Accordingly, COVID-19 has resulted in fall in sales, and we continue to incur fixed cost (including the salary/ wage cost for our employees) and interest cost on debt, which has had an adverse impact on our cash flows and is expected to adversely impact our results of operations in the short-term. In order to mitigate some of the impact, our Company has taken various initiatives to manage its costs across the organization and also took actions to conserve cash which is critical in times of crisis. Our Company may have had to delay payments to be made to certain third parties including our vendors and temporarily impose restrictions on certain expenses. While we believe that aforesaid measures are largely consistent with steps being undertaken by the industry, we cannot assure you that such measures will not lead to adverse impact on our reputation, loss of opportunities and higher employee attrition. We are not able to predict the duration and severity of the current economic conditions and continuing impact of COVID 19 pandemic and as a consequence, our financial results for a particular period are difficult to predict, and, therefore, prior results are not necessarily indicative of results to be expected in future periods.

2. ***A significant portion of our revenue from sale of products is concentrated amongst a limited number of customers.***

Globally, the automotive industry is dominated by a limited number of OEMs and despite our diversified product portfolio, we derive a significant percentage of our revenue from a limited number of customers. While we have long-standing relations with some of our major customers, the loss of any one of our key customers or a significant reduction in demand from such customers, if not replaced, could have an adverse effect on our business, results of operations and financial condition. We may continue to remain dependent upon our key customers for a substantial portion of our revenues. Decline in the vehicle demand or shortage of any component unrelated to us could prompt OEMs to reduce their production volumes. For example, currently automotive manufacturers in most geographies have been required to re-evaluate their production schedules because of shortage of semi-conductor chips. Such supply or demand related issues faced by our OEM customers could directly affect the demand for our products from such OEM customers. In addition to decline in demand for existing products, insufficient demand for new products launched by our OEMs, financial difficulties experienced by any of our large volume OEM customers or their inability to obtain financing for their business may also have a material adverse impact on our result of operations. Further, our dependence on such major OEMs could potentially impact our ability to negotiate favourable contract terms which may impact our margins, working capital requirements and consequentially our result of operations.

3. ***Our contractual arrangements with our OEM customers are generally requirement contracts, and any termination of such contract or decline in the production requirements of any of our customers, in particular for any of our large customers, could materially and adversely affect our business, results of operations and financial condition.***

Pursuant to the prevalent automotive industry practice, we do not have firm commitment supply agreements with most of our customers and instead we rely on purchase orders to govern the volume and other terms of our product sales. We enter into agreements with our OEM customers for specific products, which include general terms of sale, specification requirements and pricing policy, but such agreements do not obligate our customers to place an order with us. Actual orders are based on purchase orders issued by our customers from time to time. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our production schedules. We supply substantially all of our products to our customers pursuant to purchase orders for specific products for particular vehicles, which are governed by terms and conditions established by each OEM customer.

In most instances, our OEM customers agree to purchase their requirements for specific products but are not mandatorily required to purchase any minimum quantity of products from us. Further, such conditions provide flexibility to our customers to place order for a lesser quantity of products in the purchase orders in spite of a higher number being specified in the contract. Accordingly, we face the risk that our OEM customers might place lesser-than-expected orders or may even cancel existing orders (including where deliveries were to be made in the future) or make changes to their policies which may result in reduced quantities being manufactured by us for our customers. Some OEM customers may also contract with an alternative supplier for the same vehicle platform. The purchase orders we receive from some customers specify a per-unit price, the delivery schedule and the requisite quantities.

Our supply contracts with our OEM customers typically provide for the supply of our products for a specified time period, typically ranging from one and up to three years. Since our customers typically have no obligation to purchase a specific quantity of products, the discontinuation of, or a decrease in demand for, certain models or group of related models sold by any of our major customers or resourcing or discontinuation or purchasing from us, for a particular model or group of models, could have a material impact on us. The COVID-19 outbreak and the measures taken by various governments/ authorities to contain the spread of COVID-19 has led to our OEM customers significantly reducing the quantities purchased under such supply contracts and we are not certain regarding the duration taken for order quantities to revert to pre-COVID-19 levels.

We typically commit to order raw materials and sub-assembly components from our suppliers based on our customer recommendations, forecasts and orders. Cancellation by customers or any delay or reduction in their orders can result in a mismatch between the inventory of pre-constructed components, raw materials and the manufactured product that we hold. This could also result in excess inventory and increased working capital, till such time as such products are sold. This could materially affect the orderly management of our inventory and could potentially impact our production.

In addition, we make significant decisions, including setting up of facilities, determining the levels of business that we will seek and accept, production schedules, component procurement commitments, personnel requirements and other resource requirements, based on our estimates of customer orders. This may require us to increase staffing, increase capacity, engage sub-contractors and incur other expenses to meet the anticipated demand of our customers, in relation to changes (such as order getting delayed or cancelled) which could cause reductions in our margins. We cannot assure you that we will be able to realise the value of investments made by us on the basis of such contractual arrangements and any such loss may have an adverse impact on our results of operations.

4. ***We have manufacturing facilities across various countries which depend on a network of vendors across the globe for our operations. Any disruption in trade relations globally may adversely impact our operations.***

Our Company has manufacturing facilities across various countries which services our OEM customers as well as supply components for after-sales market. As a part of our sourcing strategy and global supply chains, our Company engages with suppliers from across the globe. Additionally, our OEM customers are involved in manufacturing of automobiles which may be exported to different countries. Any imposition of trade restrictions, such as tariffs, due to trade friction or protectionist policies to safeguard domestic industries can have a significant adverse impact on our business and results of operations. Our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations in general, including the following:

- Social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action would affect our business and operations. For example, such a disruption may prevent us from production or delivery of our products to our customers.
- Compliance with local laws, including legal constraints on ownership and corporate structure, environmental, health, safety, labour and accounting laws, may impose onerous and expensive obligations on our foreign subsidiaries. If we are unable to comply with such laws, our business, results of operations and financial condition could be adversely affected.
- Changes in foreign laws, regulations and policies, including restrictions on trade, import and export licence requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies, may affect our ability to both operate and the way in which we manage our business in the countries in which we operate.
- Fluctuations in foreign currency exchange rates against the Indian Rupee, may affect our results of operations, the value of our foreign assets, the relative prices at which we and foreign competitors sell products in the same markets and the cost of certain inventory and non-inventory items required for our operations.

Further, any deterioration of trade relations amongst major trading countries across the globe may impact our ability to source raw materials, components and sub-assemblies from suppliers who may be best suited or are the most economic suppliers for such raw materials, components and sub-assemblies and we may be required to develop alternate source for such raw materials, components and sub-assemblies which may require us to incur additional expenses, require us to enter into agreements at terms inferior to our existing supply contracts and expose us to quality related issues.

We cannot assure you that we will be able to find such alternative suppliers on terms acceptable to us in a timely manner and or at all and any such delay may expose us to consequential damages being sought by our customers which would adversely affect our sales, margins and customer relations, operating results and/or our financial condition.

5. ***Automobile sales had slowed down significantly even prior to COVID-19 and we are not certain that even after the impact of COVID-19 is over such sales will recover***

Substantially all of our business is directly related to vehicle sales and production by our customers, who consist primarily of large automotive OEMs, and demand for our products is largely dependent on the industrial output of the automotive industry. The sales, volumes and prices for vehicles are influenced by the cyclicality and seasonality of demand for these products. The automotive industry has been cyclical in the past and we expect this cyclicality to continue. Our operations and performance are directly related to levels of global vehicle production and are therefore affected by factors that generally affect the automotive industry. The automotive industry is sensitive to factors such as consumer demand, consumer confidence, disposable income levels, employment levels, fuel prices and general economic conditions.

Even before COVID-19 related slowdown and disruptions, automobile sales in India had been de-growing and we are not certain that even after the impact of COVID-19 is over automobile sales will recover. Weak automobile sales will impact demand for auto-components manufactured and supplied by our Company to our OEM customers and will materially impact our business outlook, result of operations and financial condition.

6. ***Product liability and other civil claims and costs incurred for any reason owing to a product recall due to defect in our products; could generate adverse publicity, harm our business, results of operations and financial condition.***

Our customers use our products for critical applications, and in the event, that our products fail to perform as expected or such failure results, or is alleged to result, in bodily injury or property damage or both we may be subject to product liability. We procure certain materials and purchased components from our suppliers, and while we believe that such suppliers follow quality standards in-line with industry standards, any failure of such components may enhance our product liability risk. There can be no assurances that we will not become subject to product liability claims or that we will be able to successfully defend ourselves against any such claims. The outcome of litigation and other legal proceedings that we may be involved in the future is difficult to assess or quantify. Plaintiffs may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. Defence and settlement costs can be substantial, even with respect to claims that have no merit.

Vehicle manufacturers have their own policies regarding product recalls and other product liability actions relating to their suppliers. However, as suppliers become more integrally involved in the vehicle design process and assume more vehicle assembly functions, vehicle manufacturers may seek compensation from their suppliers for contributions when faced with product recalls, product liability or warranty claims. Vehicle manufacturers are also increasingly requiring their suppliers to provide warranties for their products and bear the costs of repair and replacement of such products under new vehicle warranties. We cannot assure you that we or our component suppliers comply or can continue to comply with all regulatory requirements or the quality requirement standards of our customers.

In the past, there have been significant product recalls by some of the world's largest OEMs, including our existing customers. Recalls may result in decreased production levels due to: (i) an OEM focusing its efforts on addressing the problems underlying the recall, as opposed to generating new sales volume; and (ii) consumers electing not to purchase vehicles manufactured by the OEM initiating the recall, or by OEMs in general, while such recalls persist. Any reductions in OEM production volumes, especially those OEMs which are our existing customers, could have a material adverse effect on our business, results of operations and financial condition.

Depending on the terms under which we supply products, our customers may hold us responsible for some or all of the repair or replacement costs of defective products under new vehicle warranties provided by us or by our customers, when the products supplied do not perform as expected. A successful warranty or product liability claim or costs incurred for a product recall in excess of our available insurance coverage and provisions made by us, if any, would have an adverse effect on our business, results of operations and/or our financial condition. Further, as a result of product liability legislation, civil claims may be brought against OEMs, and we may be made parties to such claims where damages may have been caused by any faulty products that we produced. We cannot assure you that such claims will not be brought against us in the future, and any adverse determination may have an adverse effect on our business, results of operations and financial condition. Our insurance coverage taken for this purpose could not be sufficient to cover losses or other costs which we may incur. Any negative publicity arising from our role in these, could adversely affect our reputation and brand and coupled with the costs associated with the remedial action, could have a material adverse effect on our business, results of operations and financial condition.

7. ***The automotive component industry is characterised by intense competition, which could reduce our sales or put continued pressure on our sales prices.***

The Indian automotive component industry is highly competitive. The principal competitive factors in this industry include:

- product quality and features;
- innovation and product development time;
- a company's reputation as a manufacturer and distributor of quality products;
- ability to control costs;
- pricing and financial terms;
- reliability and safety; and
- a company's level of service (including maintaining sufficient inventory levels for timely deliveries).

Many of our competitors may have longer operating histories and strong financials, greater market penetration, operations in diversified geographies and product portfolios, research and development, marketing and more resources than we do. Consequently, many of our competitors may be able to develop products and/or processes competitive with, or superior to, our own. Furthermore, we may not be able to differentiate our products from those of our competitors; to successfully develop or introduce new products on a timely basis or at all, that are less costly than those of our competitors; or to offer customers payment and other commercial terms as favourable as those offered by our competitors. Our competitors include automotive component manufacturing companies, both domestic and foreign. If our competitors outperform our business and develop superior products at a lesser cost in a timely manner, our growth and financial results could be adversely affected. Additionally, as we further expand our presence in other geographies we also face competitive price pressures from low-cost producers in these markets.

Increased consolidation among our competitors or between our competitors and any of our OEM customers could allow competitors to further benefit from economies of scale, offer more comprehensive product portfolios and increase the size of their serviceable markets. This could require us to accept considerable reductions in our profit margins and the loss of market share due to price pressure. Furthermore, competitors may gain control over or influence our suppliers or customers by shareholdings in such companies, which could adversely affect our supplier relationships. Our inability to form such alliances or adequately adjust our customer pricing in response to customer demand or market trend in a timely manner, or at all, could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

8. ***We significantly rely on our suppliers and if these suppliers fail to deliver necessary raw materials, systems and parts of appropriate quality in a timely manner our operations may be disrupted.***

Our business depends on suppliers, who provide the raw materials and essential parts that we require to manufacture our products and to operate our business. We use a variety of raw materials in our business including metals (such as aluminium, copper and lead), plastics and other electronic components. We source materials from a limited number of suppliers and cannot guarantee that we will be able to maintain uninterrupted access to these sources, or the price of such products, which in some cases may be affected by factors outside of our control and/or the control of our suppliers. This essentially exposes us to the risk of price fluctuations and if required to change the suppliers on account of price escalation, we may be subject to a variety of supply risks. In addition, prices for these raw materials fluctuate and while we seek to manage this exposure, we may not be successful in mitigating these risks. Furthermore, we have limited ability to monitor the financial stability of our suppliers.

In order to retain flexibility in our operations, our contracts with most of our suppliers do not include firm delivery and take-off requirements. In the absence of firm delivery contracts, we cannot assure you that a particular supplier will continue to supply our products in the future.

We undertake procedures internally to ensure that we procure raw materials of the highest quality and from reputed and well known suppliers. Further, there can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in shortages or delays in their supplies to us. If our suppliers fail to provide essential raw material in a timely manner or at the level of quality necessary to manufacture our products or if we were to experience a significant or prolonged shortage of supplies from any of our suppliers, and are unable to procure the supplies from other sources, we would be unable to meet our production schedules and to supply such products to our customers in timely fashion. Any such delay may expose us to consequential damages being sought by our customers which would adversely affect our sales, margins and customer relations, operating results and/or our financial condition.

9. ***Our inability to identify and adapt to evolving industry trends and preferences to develop new products to meet our customers' demands or our limitation including on account of knowledge of new segments, may adversely affect our business.***

Changes in competitive technologies may render certain of our products obsolete, cost inefficient or less attractive, and to compete effectively we must be able to develop and produce new products or enhanced versions of existing products to meet our customers' demands in a timely manner. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary technological knowledge or capabilities which will allow us to expand our product portfolio in a timely manner or at all, in which circumstances, we may be unable to effectively implement our strategy, and our business and results of operations may be adversely affected. Additionally, we may not be able to secure adequate financing for the capital expenditures required for the research and development of new technologies and products. If we are unable to secure adequate financing, or financing in time on commercially acceptable terms, or at all, we may be forced to curtail our product development programs, and our business, financial conditions and results of operations may be materially and adversely affected. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly.

10. ***We incur significant costs in developing new products for our customers and we may not achieve the targeted return on investment on such products.***

While we incur significant costs in developing new products in accordance with requirements of our customers, there can be no assurance that such products will be successful or that we will achieve the targeted return on investment on such activities. In the past, we have developed and registered product patents and have also filed registrations for various designs required for the business. There can be no assurance that such R&D activities will result in new significant marketable products or enhancements to our products, design improvements, cost savings, revenues or other expected benefits. If we spend significant time and effort on R&D and are unable to generate an adequate return on our investment, our business and results of operations may be materially and adversely affected.

11. ***We have invested substantial resources in markets and product lines where we expect growth. Should such expectations not be realised, we may be unable to alter our strategies.***

Our growth is dependent on making timely investments to support our product development initiatives and manufacturing capacity in markets and product lines. Accordingly, we have made and expect to continue to make substantial investments in manufacturing operations, engineering centres and other infrastructure to support anticipated growth across markets and product lines. While such investment decisions are based on inherent market potential and internal analysis of the business opportunity, if these markets or product lines do not grow at the pace that we expect or at all, or if we are unable to deepen existing and develop additional customer relationships in these markets and product lines, we may fail to realise expected rates of return on our existing investments, incur losses on such investments and be unable to effectively redeploy the invested capital to take advantage of other markets and opportunities, potentially resulting in loss of market share to our competitors. Our business, results of operations and financial condition may be materially affected if these markets and product lines do not grow as quickly as we anticipate or at all.

12. ***We have undertaken and may continue to undertake strategic investments, joint ventures and alliances, acquisitions and mergers in the future, which may be difficult to integrate and manage. These may expose us to uncertainties and risks, any of which could materially adversely affect our business, financial condition and results of operations.***

We have pursued and continue to pursue acquisitions, mergers and strategic investments and alliances as a mode of expanding our operations.

We may continue to pursue further acquisitions, mergers, joint ventures, investments, amalgamations and expansions to enhance our operations and technological capabilities. However, there can be no assurance that we will be able to identify suitable acquisition targets or investment opportunities on commercially reasonable terms or be able to raise sufficient funds to finance such strategies for growth. Further expansion and acquisitions may require us to incur or assume new debt, expose us to future funding obligations or integration risks and we cannot assure you that such expansion or acquisitions will contribute to our profitability. In addition, acquisitions and investments involve a number of risks, including possible adverse effects on our operating results, diversion of management's attention, failure to retain key personnel, currency risks, risks associated with unanticipated events or liabilities, possible contravention of applicable laws in relation to investment and transfer of shareholding, including any pre-emptive rights of existing shareholders of such entities and difficulties in the assimilation of the operations, technologies, systems, services and products of the acquired businesses or investments, as well as other economic, political and regulatory risks. Additionally, there can be no assurance that we will be able to consummate our expansions, acquisitions, mergers or strategic alliances in the future on terms acceptable to us, or at all. Further there is no assurance that our products manufactured through technical collaborations and alliances will generate the expected levels of interest amongst our customers or that our new ventures will generate return on investment at expected levels or at all.

13. ***We are required to obtain and maintain quality and product certifications and any inability to do so may have an adverse on our business and results of operations.***

In some countries, for certain products we may be required to procure certifications in addition to other quality standards which could be necessary for these products to be accepted by customers and the markets. Such certifications could also be specified by our customers. As such, we need to be able to obtain and maintain the relevant certifications so that our customers are able to sell their products, which include components that are manufactured by us, in these countries. In addition, some OEM customers also require us to maintain certain standards and conduct inspections at regular intervals to ensure that we maintain these standards.

Further, we are required to and wherever applicable are, in the process of obtaining, renewing or rectifying certain registrations, permits, licenses, certificates, authorisations and consents for certain of our operations, which either have not been obtained, have expired or are expiring. Our inability to secure such license, or any other licenses, certification, registrations and permits in other jurisdictions in a timely manner or at all, could result in operational delays or suspensions and/or administrative fines and penalties, which could have a material adverse effect on the manufacturing operations of our relevant facilities in those jurisdictions, as well as our overall business, results of operations and financial condition.

14. ***Our operations are subject to various hazards, environmental and health and safety laws and regulations, and other government regulations, which could expose us to the risk of liabilities, loss of revenues and increased expenses or material liabilities in the future, that may in turn result in an adverse effect on our financial condition or result in material liabilities in the future.***

Our operations are subject to various hazards associated with the manufacturing industry such as the use, handling, processing, storage and transportation of hazardous materials, as well as accidents such as leakage or spillage of hazardous materials. The storage of these hazardous materials near our manufacturing facilities and the handling of these materials in the manufacturing process pose inherent risks. Any mishandling of hazardous substances could expose our work force to injuries or death. In addition, our workmen operate heavy machinery at our manufacturing facilities and accidents may occur during operations.

While our Company adopts high safety standards, these hazards can cause personal injury and loss of life, severe damage to and destruction of property and equipment, environmental damage and may result in the suspension of operations and the imposition of civil and criminal liabilities. While we maintain general insurance against these liabilities, insurance proceeds may not be adequate to fully cover the substantial liabilities, lost revenues or increased expenses that we might incur.

Any failure to effectively cover ourselves against any of the foregoing risks could expose us to substantial costs and potentially lead to losses. Additionally, the occurrence of any of these risks may also divert management's attention and resources and adversely affect public perception about our operations and the perception of our suppliers, customers and employees, leading to an adverse effect on our business, results of operations and financial condition in the short term.

We are subject to numerous central, state, local and foreign laws and regulations, of the countries in which we operate relating to the protection of the environment and occupational health and safety, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our manufacturing processes. Under certain environmental laws, we could be held solely or jointly and severally responsible, regardless of fault, for the remediation of any hazardous substance contamination at our past and present facilities or any consequences arising out of human exposure to such hazardous substances, and could also be held liable for damages to natural resources or other environmental damage. For instance, we require approvals under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981, in order to establish and operate our manufacturing facilities in India. Further, environmental laws of various countries where we have operations, require us to obtain environment impact approval in relation to our manufacturing facilities and obtain environment license in accordance their respective environmental norms.

If we fail to comply with such laws and regulations, we could be subject to significant fines, penalties, costs, liabilities or restrictions on operations, which could negatively affect our financial condition. Regulatory permits required for our operations may also be subject to periodic renewal and, in certain circumstances, modification or revocation. Environmental and occupational health and safety laws and regulations, and the interpretation and enforcement thereof, are subject to change and have tended to become stricter over time, in India and internationally. We may incur substantial costs, including clean up or remediation costs, fines and civil or criminal sanctions, and third-party property damage or personal injury claims, as a result of violations of or liabilities under environmental or health and safety laws or noncompliance with permits required at our facilities, which, as a result, may have an adverse effect on our business and financial condition.

15. ***We are exposed to foreign currency exchange rate fluctuations, which may impact our results of operations and cause our quarterly results to fluctuate.***

Our Financial Statements are presented in Indian Rupees. However, revenues and operating expenses of our overseas

Subsidiaries are influenced by the currencies of those countries where we manufacture and/or sell our products (for example ASEAN, North America and Europe).

The exchange rate between the Indian Rupee and foreign currencies, has fluctuated in the past and this has impacted our results of operations in the past and may also impact our business in the future. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period, due to other variables impacting our business and results of operations during the same period. Further, our Company imports raw materials and components from other countries where payments are made in foreign currencies and we may not be able to pass on any unfavourable increase in raw materials and components to our customers. There can be no guarantee that such fluctuations will not affect our financial performance in the future as we continue to expand our operations globally, particularly in emerging markets where the risk of currency volatility is higher.

While we seek to hedge our foreign currency exchange risk by entering into forward exchange contracts, any amounts that we spend or invest in order to hedge the risks to our business due to fluctuations in currencies may not adequately hedge against any losses that we may incur due to such fluctuations.

The realisation of any of these risks could have a material adverse impact on our financial condition and results of operations.

16. ***Volatility in the prices of raw materials on which we rely could adversely affect our results of operations and cash flows.***

Prices of certain raw materials that we use to manufacture our finished products, including metals (such as aluminium, copper and lead) and plastics are linked to commodity markets and thus subject to fluctuation. We cannot assure you that the markets for these products will not develop volatility in the future. In addition, supply shortages or delays in deliveries of raw materials or component parts can also result in increased costs. Although we seek to enter into negotiations with our customers to increase the sale prices of our products to account for increases in such costs, there can be no assurance that we will be successful in such negotiations or that any agreed price increase will fully cover the increase in such costs. Our inability to adequately adjust our customer pricing in response to increases in prices of raw materials in a timely manner, or at all, could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

17. ***Increases in the price or inadequate supply of energy and other input materials may adversely affect our results of operations and cash flows.***

Power and fuel accounts for a significant portion of the cost for a number of activities connected with our business including transportation of raw materials and finished products and operation of our production facilities. In Fiscal 2021, 2020 and 2019, costs of power and fuel were ₹ 149.95 Crore, ₹ 148.49 Crore and ₹ 149.09 Crore respectively. Costs of power and fuel represented 2.35%, 2.39% and 2.52%, of our revenue from operations in Fiscal 2021, 2020 and 2019 respectively. Energy prices, particularly for petroleum-based sources, are volatile and an increase in energy prices could lead to an increase in transportation costs for us and our suppliers and customers as well as increasing the cost of operating our production facilities. Any such increase in costs could decrease our margins if we are unable to negotiate an increase in our product prices, sufficient enough to offset these increased costs. Such energy cost increases and margin erosion could have an adverse effect on our results of operations and cash flows.

If adequate supply of electricity is not available for any reason, we will need to rely on alternative sources, which may not be able to consistently meet our requirements. The cost of electricity purchased from alternative sources could be significantly higher, thereby adversely affecting our cost of production and profitability. Further, if for any reason sufficient electricity is not available at reasonable cost, we may need to shut down our plants until an adequate supply of electricity is restored.

18. ***Deterioration in the performance of any of our Subsidiaries, Joint Ventures and Associates may adversely affect our results of operations and our ability to pay dividends on the Equity Shares depends on our ability to obtain cash dividends or other cash payments.***

We currently conduct a substantial part of our operations through our Subsidiaries, Joint Ventures and Associates, who contribute to our revenue. We have made and may continue to make capital commitments to our Subsidiaries, Joint Ventures and Associates, and if the business or operations of any of these Subsidiaries, Joint Ventures and Associates deteriorates, the value of our investments may decline substantially. In some entities, we enjoy only partial or joint control and any inability or unwillingness of our partners to fulfil their obligations may significantly reduce the value of our investments, and, which may in turn have a material adverse effect on our reputation, business, financial position or results of operations.

The ability of our Subsidiaries, Joint Ventures or Associates to make payments to us depends largely on their financial condition and ability to generate profits as well as regulatory conditions. In addition, because our Subsidiaries, Joint Ventures and Associates are separate and distinct legal entities, they will have no obligation to pay any dividends and may be restricted from doing so by contract, including other financing arrangements, charter provisions, other shareholders or partners or the applicable laws and regulations of the various countries in which they operate. We cannot assure you that our Subsidiaries, Joint Ventures or Associates will generate sufficient profits and cash flows, or otherwise prove willing or able, to pay dividends to enable us to meet our obligations and pay interest, expenses and wherever approved by our Board to pay dividend on the equity shares. The inability of one or more of these entities to pay dividends could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

In addition, our financial condition and results of operations could be adversely affected, should our equity stake in our Subsidiaries or our equity interest in our Joint Ventures or Associates be diluted or in the event they cease to be our Subsidiaries, Joint Ventures or Associates. Further, in the event that the value of our investment in any of our Subsidiaries, Joint Ventures or Associates diminishes significantly, this could have a material adverse effect on our financial condition and results of operations.

Further, these companies may not be able to make their audited financial statements available to us in a timely manner for the purposes of preparation and audit of our consolidated financial statements, and we may be required to rely on unaudited financial statements of these companies. Such financial statements may be subject to revisions, and the actual results of operations of these companies may be materially different. We provide, in certain cases, a keep-well undertaking or a parent support letter to the auditors for certain companies where the auditors have expressed doubts regarding such investee companies being going concerns.

19. ***The geographical concentration of our manufacturing facilities may restrict our operations and adversely affect our business and financial conditions.***

We conduct most of our manufacturing operations in various facilities in India, ASEAN and North America and Europe. Due to the geographic concentration of our manufacturing operations and the operations of certain of our suppliers, our operations are susceptible to local and regional factors, agitations, accidents, system failures, economic and weather conditions, natural disasters, and demographic and population changes, and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing facilities, significant delays in shipments of our products and/or otherwise materially adversely affect our business, financial condition and results of operations.

20. ***We do not own all the premises from which we operate and continuous and uninterrupted use and possession of such premises are subject to certain conditions as per the lease agreements.***

We do not own all the premises from which we operate and such premises also include leased properties. While such lease agreements are renewable as per the terms of the lease agreements. If the owner of such premises does not renew the relevant agreements under which we occupy the premises or renews such agreements on terms and conditions that are unfavourable to the Company or terminates the lease agreements, we may suffer a disruption in our business operations or an impact on our financial condition, which could in turn have a material adverse effect on the business and financial performance of the Company.

21. ***We may be unable to obtain, renew or maintain statutory and regulatory permits, licenses and approvals required to operate our business and operate our manufacturing facilities, which could result in an adverse effect on our results of operations.***

We require certain statutory and regulatory permits, licenses and approvals to operate our business such as consents to establish and operate from the state pollution control boards where our manufacturing facilities are located, registration and licenses issued under the Factories Act for our various manufacturing facilities, fire safety licenses from municipal fire safety authorities, registration certificates issued under various labour laws, including contract labour registration certificates and licenses as well as various taxation related registrations, such as importer exporter code, registrations for payment of excise duties, goods and services taxes, professional taxes and service taxes.. We cannot assure you that we will be able to timely apply for, whether fresh or renewal, all approvals, consents, permits, registrations and clearances required for undertaking our business from time to time. For instance, as on the date of this Preliminary Placement Document, there are certain pending fire no objection certification required under the relevant state's fire services acts, and few consent of discharge from state pollution boards. While we have applied for their respective renewal, there can be no assurance that the relevant authorities will issue such approvals in the time-frame anticipated by us or at all. Additionally, our licenses, permits and approvals impose certain terms and conditions that require us to incur significant costs and inter alia, restrict certain activities. There can be no assurances that all approvals, licenses, permits and registrations are in place or may not be revoked in the event of any non-compliance with any terms or conditions imposed thereof.

In the future, we will be required to regularly renew permits, licenses and approvals for our business, and to obtain new permits, licenses and approvals for any proposed expansion. While we will endeavour to renew, or obtain such approvals as required, there can be no assurance that the relevant authorities will issue any such approvals within our anticipated timeframe or at all.

Further, there can be no assurances that the legal framework, licensing and other regulatory requirements or enforcement trends in our industry will not further change in a manner that does not result in increased costs of compliance, or that we will be successful in responding to such changes. Moreover, as we grow our business, the requirements for obtaining new licenses, approvals and authorisations will also increase. If we lose or otherwise are unable to maintain any of our required licenses, registrations, permits and approvals under applicable laws and regulations, our business operations may be materially and adversely affected and we may be required to incur additional expenditure in this regard.

22. ***Our contingent liabilities could adversely affect our financial condition if they materialize.***

As per our Audited Consolidated Financial Statements, as at March 31, 2021, we had the following contingent liabilities not provided for as per Ind AS 37

Claims made against the Group not acknowledged as debts (including interest, wherever applicable)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Income tax matters * | 13.72 | 17.23 |
| Excise / Sales tax / Service tax / GST matter ** | 22.06 | 15.85 |
| Others | 1.25 | 1.95 |
| Bank guarantee given to custom authorities and others | 0.51 | 0.51 |
| Total | 37.54 | 35.54 |

*Note: Details of Fiscal 2020 have been taken from Audited Consolidated financials of Fiscal 2021.*

* The Group has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, the tax treatment of certain expenses claimed by the Group as deductions and the computation of, or eligibility of, the Group's use of certain tax incentives or allowances. The Group has a right of appeal to the Commissioner of Income Tax (Appeals), or CIT (A), the Dispute Resolution Panel, or DRP, and to the Income Tax Appellate Tribunal, or ITAT, against adverse decisions by the assessing officer, DRP or CIT (A), as applicable. The income tax authorities have similar rights of appeal to the ITAT against adverse decisions by the CIT (A) or DRP. The Group has a further right of appeal to the High Court or the Hon'ble Supreme Court against adverse decisions by the appellate authorities for matters involving substantial question of law. The income tax authorities have similar rights of appeal.

** Includes show cause demand on applicability of excise duty on designs provided by the customer ₹ 15.16 Crores (Previous year ₹ 15.30 Crores) Future cash outflow

(b) Group Companies have made sales to various customers against C-form issued under Central Sales Tax Act on account of which the Group Companies have paid 2% sales tax in place of respective higher rates. Total outstanding forms amounting to ₹ 0.13 Crore (₹ 0.53 Crore as on March 31, 2020). If the Group Companies do not collect the forms in prescribed time, then the Group Companies may have to pay differential tax, including interest and penalty thereon which is not quantifiable.

(c) The liability of custom duty towards export obligation undertaken by the Group under export promotion capital goods scheme (EPCG) amounting ₹ 6.60 Crores (₹ 14.08 Crores as at March 31, 2020). The Group had imported Capital goods under EPCG and saved duty to the tune of ₹ 6.60 Crores (₹ 14.08 Crores as on March 31, 2020). As per the EPCG terms and conditions, Company needs to export ₹ 39.60 Crores (₹ 84.47 Crores as on March 31, 2020) i.e., 6 times of duty saved on import of Capital goods on FOB basis within a period of 6 years. If the Group does not export goods in prescribed time, then the Group may have to pay interest and penalty thereon.

(d) The group has availed MSIP incentive from the Ministry of Electronics amounting to ₹ 6.01 Crore (March 31, 2020 ₹ 5.21 Crores). In accordance with the MSIP guidelines, the amount may be refundable to the government if the specified conditions are not fulfilled within prescribed time. Further, an entity in the group has also accounted revenue subsidy of ₹ 3.73 Crores (March 31, 2020 Nil.) (e) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively. Pending the outcome of the review petition and directions from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the consolidated financial statements.

For further details in relation to our contingent liabilities not provided for as per Ind AS 37, please see "*Financial Statements*" on page 189. If, for any reason, these contingent liabilities materialize, it could adversely affect our cash flows, financial condition and results of operations. In the event that any of these contingent liabilities materialise, our financial condition may be adversely affected. Further, in the event there is a change in any statutory/ regulatory requirement with respect to contingent liabilities, our Company may be required to make additional provisions to meet the revised criteria which may have an adverse effect on our financial condition and profitability.

23. ***We are a manufacturing company, and any shutdown of operations at any of our manufacturing facilities could result in significant costs and may have an adverse effect on our operations and financial condition.***

Our manufacturing facilities and R&D and design centres are subject to operating risks, such as (i) the risk of substantial disruption or shutdown due to breakdowns or failure of equipment, natural disasters, storms, fires, explosions, earthquakes, floods and other catastrophic events, actual, potential or suspected epidemic outbreaks, terrorist attacks and wars, labour disputes, strikes, lock-outs, loss of services of our external contractors, and industrial accidents, (ii) performance below expected levels of output or efficiency, and (iii) obsolescence. Moreover, catastrophic events could also destroy any inventory located at our facilities. For instance, during COVID-19, we were required to shutdown certain of our manufacturing facilities, offices and design centres across geographies for varying periods of time. Additionally, we were required to follow protocols as suggested by regulatory authorities which impacted our ability to operate our manufacturing facilities, offices and design centres at optimum utilizations. The occurrence of any such event could result in a temporary or long-term closure of any of our manufacturing facilities. If we are required to close any of our facilities, the costs relating to such closure may be significant. In certain locations where our facilities are subject to leases, we may continue to incur significant costs in accordance with the existing lease terms.

Additionally, the assembly lines of some of our OEM customers rely significantly on the timely delivery of our components and our ability to provide an uninterrupted supply of our products is critical to our business and sustained relationships with our OEM customers. Also, under our supply obligations certain of our customers impose significant penalties on component manufacturers, like us, for any stoppage in any assembly line, caused either by delayed delivery of a component or a defect in the components delivered. Our business and financial results may be adversely affected by any disruption of operations of our product lines, and we cannot assure you that we will not be required to close any of our manufacturing facilities in the future, including as a result of any of the factors mentioned above.

24. ***We depend on our senior management, executive officers, key employees and skilled personnel, and if we are unable to recruit and retain skilled management personnel, our business and our ability to operate or grow our business could be adversely affected.***

Our success depends to a large extent upon the continued services of senior management, executive officers, key employees, our R&D team and other skilled personnel. We could be adversely affected by the loss of any of the members of senior management, executive officers and other key employees. The market for such qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. In some of our markets, the specialized skills we require are difficult and time-consuming to acquire and, as a result, are in short supply. We require a long period of time to hire and train replacement personnel when we lose skilled employees. Our inability to hire, train and retain a sufficient number of qualified employees could delay our ability to bring new products or services to the market and impair the success of our operations. This could have a material adverse effect on our business, financial condition and results of operations.

Our success also depends, in part, on key customer relationships forged by our senior management. If we were to lose these members of senior management we cannot assure you that we will be able to continue to maintain key customer relationships or renew them. If we are unable to retain and/or suitably replace the members of our senior management, our business, financial condition and results of operations may be adversely affected.

25. ***The workforce in the automotive industry is highly unionised and our business could be adversely affected by labour disruptions.***

The automotive industry is labour intensive. As of June 30, 2021, we had 7,000 permanent employees across 65 manufacturing plants in India. Some of the Group's employees are covered under collective bargaining agreements and/or tariff agreements, or are members of industrial trade union organisations. If major work disruptions involving our employees were to occur, our business could be adversely affected by a variety of factors, including sales loss, increased costs and reduced profitability. We cannot ensure that we will not experience a material labour disruption at one or more of our facilities in the future in the course of renegotiation of our labour arrangements or otherwise. In addition, employees of OEM customers and many of their suppliers may also be covered by collective bargaining/labour agreements. A work stoppage or strike at our production facilities, at those of a significant customer or at a significant supplier of ours, could have a material adverse impact on us by disrupting demand for our products or our ability to manufacture our products.

Additionally, we enter into contracts with independent contractors to complete specified assignments in our facilities and these contractors are required to source the labour necessary to complete such assignments Any shortage of such contract labour or any work stoppages caused by disagreements with independent contractors could have a material adverse effect on our business, financial condition and results of operations. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition.

26. ***We rely upon the success of our dealers and retailers network or our replacement market sales.***

Certain portion of our net sales comprise of replacement or aftermarket sales for which we rely on our dealers and retailer network. Not all our dealers and retailers are contractually required to sell our products on an exclusive basis. In addition, no assurance can be given that our current dealers and retailers will continue to do business with us or that we can continue to attract new dealers and retailers to our network. The Group rely on its extensive distribution network to facilitate its aftermarket sales operations and as of June 30, 2021, the Group had a network of more than 2,100 dealers.

Our business to an extent is dependent on our ability to attract and retain third-party dealers and retailers and such parties' ability to promote sell and market our products effectively. Maintaining good relations with the dealers and retailers is vital to our business. During COVID-19 a large part of our dealer and retailer network was required to be under shutdown or operate under strict regulatory conditions which may have had a significantly deleterious impact on the financial health of our dealers and retailers. Our inability to maintain stability of our dealers and retailer network, expand our dealers and retailers network in the future could adversely affect our business, results of operations and financial condition. Further, we may be required to offer certain relaxations in payment terms to our dealer and retail network to help them overcome COVID-19 related disruptions. In case, our dealers and retailers choose to delay payments we may be exposed to higher working capital requirements and higher risk of doubtful debts which will have an adverse impact on our results of operations and financial condition.

27. ***Any inability to manage our growing international business any materially and adversely affect our financial condition and results of operations.***

Our growth strategy relies on the expansion of our operations by introducing certain automotive products in markets outside India, including the North America, Europe and ASEAN. The costs associated with entering and establishing ourselves in new markets, and expanding such operations, may be higher than expected, and we may face significant competition in those regions. In addition, our international business is subject to many actual and potential risks and challenges, including language barriers, cultural differences and other difficulties in staffing and managing overseas operations, inherent difficulties and delays in contract enforcement and the collection of receivables under the legal systems of some foreign countries, the risk of non-tariff barriers, other restrictions on foreign trade or investment sanctions, and the burdens of complying with a wide variety of foreign laws, rules and regulations. As part of our global activities, we may engage with third-party dealers and distributors whom we do not control but which nevertheless take actions that could have a material adverse impact on our reputation and business. In addition, we cannot assure you that we will not be held responsible for any activities undertaken by such dealers and distributors. If we are unable to manage risks related to our expansion and growth in other parts of the world, our business, financial condition and results of operations could be materially affected. Due to the Covid 19 pandemic, our business operations in the international markets is adversely impacted. Production has been significantly reduced across facilities in Spain, Mexico, Vietnam and Indonesia; due to government-imposed lockdown and restrictions. Our design and engineering centers in other geographies have resumed operations as per their respective direction and guidelines. However, there is no clarity on how long and how severely the business operations will continue to be impacted.

28. ***Restrictive covenants in our financing agreements may limit our operations and financial flexibility and materially and adversely impact our financial condition, results of operations and prospects.***

We have substantial debt obligations. As of March 31, 2021, we had total consolidated borrowings of ₹ 1048.52 Crore (including current maturities), of which ₹ 674.78 Crore was secured long term loans, and ₹ 99.76 Crore was secured short term loans. Our debt obligations have changed since March 31, 2021 in line with the business requirements of our Company and our Company will continue to disclose our debt obligations in line with the requirements under various SEBI regulations. Further, due to the COVID-2019 pandemic, we cannot assure you that we will continue to be in compliance with all covenants in our loan agreements.

We are bound by restrictive and other covenants in our facility agreements with various lenders, including but not limited to, restrictions on the utilisation of the loan for certain specified purposes, timely provision of information and documents, timely creation of security, obtaining prior consent from existing lenders and maintenance of financial ratios. Some of our financing agreements and debt arrangements set limits on or require us to obtain lender consent before, among other things, pledging assets as security, raising additional sources of capital, altering our capital structure and from effecting changes in control of our Company. There can be no assurance that we will be able to obtain such consents in the future. If our liquidity needs, or growth plans, require such consents and such consents are not obtained, we may be forced to forego or alter our plans, which could materially and adversely affect our financial condition and results of operations. In addition, certain financial covenants may limit our ability to borrow additional funds or to incur additional liens. In the event, we breach financing agreements, the outstanding amounts due thereunder could become due and payable immediately or result in increased costs. A default under one of these agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such other financing agreements becoming due and payable immediately. This could have a material adverse effect on our financial condition and results of operations. We may also be required to provide corporate guarantees in relation to loans obtained by our Subsidiaries from time to time any default by such Subsidiaries may result in invocation of the corporate guarantee. For instance, we have provided a corporate guarantee in relation to a borrowing availed by one of our Subsidiaries, MINDA Germany GmbH. Any default by such Subsidiaries in meeting their obligations under their respecting borrowings may result in the invocation of the corporate guarantee against us. Such an event may adversely affect our financial condition and cash flows.

Further, some of our borrowing agreements also require us to obtain prior written consent for certain acts such as amendments to constitutional documents or to create any additional security. Violation of any of these covenants may amount to events of default, which may result in breach of contract causing claims to be brought against us or termination of the agreements as well as prepayment obligations. Where instances of breaches arise, our lenders may invoke rights under the borrowing arrangements. In addition, future non-compliance with the financial covenants of our financing agreements may lead to increased costs for any future financings.

29. ***Some borrowings availed by our Company can be recalled by the lenders at any time*.**

Our Company has, in the ordinary course of business and for operational needs, borrowed from time to time, the outstanding balance of which as on March 31, 2021 was ₹ 1,048.52 Crore (including current maturities), of which ₹ 273.98 Crore was unsecured borrowings. Some of these borrowings are repayable on demand. In case such borrowings are recalled by the lenders, we may be required to repay in entirety such borrowings together with accrued interest and other outstanding amounts. We may not be able to generate sufficient funds at short notice to be able to repay such borrowings and may need to resort to refinance such borrowing at a higher rate of interest and on terms not favourable to us. Any failure to repay unsecured borrowings in a timely manner or refinancing of the same at a higher interest rate may adversely affect our business, cash flows and financial condition.

30. ***Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations, cash flows and financial condition.***

The cost and availability of capital depends in part on our credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows. In addition, certain of our financing arrangements provide that if any downgrade in our credit ratings below certain thresholds at any time during the currency of borrowings availed by us, the lenders have a right call upon our Company to mandatorily prepay the loan. Further, any downgrade in our credit ratings may increase the effective yield and consequently the redemption amount may be reset and stepped up under certain of our financing arrangements. It could also increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future and adversely affect our business, results of operations, cash flows and financial condition.

31. ***Discontinuance or non-availability of fiscal benefits enjoyed by us or our inability to comply with related requirements may have an adverse effect on our business and results of operations.***

Our Company avails various benefits under the applicable laws with respect to its business. For instance, our Company has taken Advance Authorisation ('**AA**') and Export Promotion Capital Goods Scheme ('**EPCG**') licenses under Foreign Trade Policy and is availing exemption from basic customs duty, social welfare surcharge and integrated goods and services tax on import of goods meant for export production subject to compliance with the stipulated requirements. In case our Company is unable to fulfil the requirement of terms and conditions vis –a –vis such schemes then our Company may not be able to take advantage of such scheme as well as we will be liable to refund the advantage already taken. The Government of India or respective state governments may stop providing such benefits and any discontinuation of the schemes under which we avail benefits by the government may affect our financial condition.

32. ***We are subject to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations.***

There is no guarantee that we will accurately assess the creditworthiness of our customers. If there is deterioration in our customers' financial condition, including insufficient liquidity, they may be unable to pay their dues to us on time, or at all. Macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. COVID-19 outbreak has had an adverse impact on the financial condition of most of our customers and while we believe that they have sufficient liquidity to discharge their obligations, we cannot assure you that we will be able to recover our payments in time or at all. Any failure or delay in payment could also lead us to further extend our payment terms, restructure our accounts receivable or create allowances for doubtful debts. Sometimes we commit resources prior to receiving advances and any delays in customer payments may require us to make a working capital investment and may also delay honouring of our payment obligations to our suppliers and vendors. Our operations involve extending credit, ranging typically from 60 to 90 days, to our customers in respect of our products and services. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. There is no guarantee that we will accurately assess the creditworthiness of our customers. Macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our customer balances, and if this occurs, our results of operations and cash flows could be adversely affected. In addition, if we experience delays in billing and collection for our services, our cash flows could be adversely affected.

33. ***Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows and working capital requirements.***

Our ability to pay dividends to our shareholders will depend upon our future earnings, financial condition, cash flows, planned capital expenditures and working capital requirements. We may be unable to pay dividends in the near or medium-term particularly as we conserve cash to cope with the disruption in our business operations due to the COVID-2019 pandemic, and our ability to distribute dividends in the future will depend on our capital requirements and financing arrangements in respect of our business, financial condition and results of operations.

34. ***We do not own the logo and trademark 'UNO Minda', and the trademark over "Minda" that we use for our business and are permitted to use them pursuant to a trademark user agreementlicense agreement. Any discontinuation of the usage of this logo and trademark could adversely affect our business, financial condition and the results of our operations.***

Our Company does not own any intellectual property in relation to the '*UNO MINDA'* logo and the trademark. The logo, and the name "UNO Minda" that we use for our business is not owned by us. The copyright and trademark of "UNO Minda" (the "**IPR**") is registered in the name of Minda Mindpro Limited who has allowed us to use such logo and IPR on non-exclusive basis for a specified term. There can be no assurance that Minda Mindpro Limited will continue to allow us to use the copyrighted logo and trademark which we are currently using. We are also exposed to the risk that other entities may pass off their products with this logo and trademark, by imitating our brand name, packaging material and attempting to create counterfeit products. Our inability to be able to use the copyrighted logo and trademark in the future, may materially and adversely affect our business, financial condition and the results of our operations.

Further, we do not own the trademark in relation to "Minda". The trademark over "Minda" is owned by Minda Spectrum Advisory Limited ("**MSAL**"). MSAL has entered into a licensing agreement with our Company, whereby MSAL has allowed our Company to use trademark over "Minda" on a non-exclusive basis and for a specified term. We are also exposed to the risk that other entities may pass off their products with "Minda" and its trademark, by imitating our brand name, packaging material and attempting to create counterfeit products. Our inability to be able to use the trademark in the future, may materially and adversely affect our business, financial condition and the results of our operations.

35. ***If we fail to keep our technical knowledge and process know-how confidential, we may suffer a loss of our competitive advantage.***

We possess extensive technical knowledge about our products and such technical knowledge has been developed through our own experiences and through licensing agreements and technical assistance agreements, which grant us access to new technologies. Our technical knowledge is an independent asset, which may not be adequately protected by intellectual property rights such as patent registration but are of material importance to the business. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the manufacturing process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our competitors. Although, our employees in the research and development department are bound by non-disclosure undertaking, we cannot guarantee that we will be able to successfully enforce such agreements. We also enter into non-disclosure agreements with some of our customers and suppliers but we cannot assure you that such agreements will be successful in protecting our technical knowledge. The potential damage from such disclosure is increased as many of our designs and products are not patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakages. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the electronics manufacturing sector could be harmed. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

36. ***We face risks relating to the availability of tax deductions.***

We are subject to income, withholding, value-added and other sales-based, real property and local taxes and other taxes and duties in various jurisdictions. Our provision for taxes is based on our judgment (acting reasonably and after considering the relevant information available to us) of tax risk in such jurisdictions which may be challenged by relevant tax authorities. The tax position taken with respect to certain transactions and calculations may be challenged by tax authorities for reasons, including transfer pricing, the availability of deductions for interest expense and other deductible items, the treatment of acquisition, refinancing and reorganization transactions, intercompany funding arrangements, the application and effect of tax 'holidays' and the calculation of deferred tax assets and liabilities. Although we believe our tax estimates and provisions are reasonable, there can be no assurance that the final determination of any tax audits or litigation will not be materially different from that which is reflected in historical income tax provisions and accruals. We are subject to tax audits and tax reviews, which, by their nature, are often complex, and can require several years to conclude. The total accrual for income tax in any year is based on the judgment of our management, interpretation of country-specific tax law and the likelihood of crystallization and settlement of any particular tax liability. Amounts provided for in any year could be less than actual tax liabilities, and adjustments may be required in subsequent years that may materially and adversely affect our income statement and/or cash tax payments, and may result in the payment of interest and/or penalties.

37. ***Changes in legislation or policies related to tax applicable to us could adversely affect our results of operations.***

We are subject to complex tax laws in each of the jurisdictions in which we operate. Changes in tax laws could adversely affect our tax position, including our effective tax rate or tax payments. In addition, tax laws in certain jurisdictions can be complex and are subject to varying interpretations. We often rely on generally available interpretations of tax laws and regulations in the jurisdictions in which we operate. We cannot be certain that the relevant tax authorities are in agreement with our interpretation of these laws. If our tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require us to pay taxes that we currently do not collect or pay or increase the costs of our products or services to track and collect such taxes, which could increase our costs of operations and have a material adverse effect on our business, financial condition and results of operations.

In addition, particularly in emerging markets, tax laws may be interpreted inconsistently. The application and interpretation of laws by governmental authorities may therefore be uncertain and difficult to predict. The position we take on taxation-related matters is subject to possible review and investigation by tax authorities. If governmental authorities were to successfully challenge the tax positions we take, substantial fines, penalties and interest charges may be imposed on us. This could have a material adverse impact on our business, financial condition and results of operations.

Certain territories in which we operate also have transfer pricing regulations that require transactions involving associated companies to be effected on arm's length terms. It is our policy, therefore, that any pricing of arrangements between members of our Company, such as the intra-group provision of services, is carried out on an arm's length basis and in accordance with all applicable regulations. However, if the tax authorities in the relevant jurisdictions do not regard these arrangements as being made at arm's length and successfully challenge those arrangements, the amount of tax payable, in both current and previous years, by the relevant member of our Company may increase materially, and penalties or interest may also be payable. There may also be changes in transfer pricing regulations or policies, and our failure to promptly comply with such changes could have a material adverse impact on our business, financial condition and results of operations.

38. ***Our Statutory Auditors report on the audited consolidated financial statements for Fiscals 2021 & 2020 contains matter of emphasis. We cannot assure you that such matter of emphasis will not arise in the future.***

There are certain remarks and matters of emphasis, from the Statutory Auditors in the audit report for the audited consolidated financial statements for Fiscal Year 2020 and 2021 on the consolidated financial statements. The audit report for the audited consolidated financial statements for Fiscal Year 2021 on our audited consolidated financial statements contains a matter of emphasis which describes uncertainties, our Group is facing as a result of COVID-19 which is impacting business operations and regarding the approval of scheme of amalgamation of the Company and its wholly owned subsidiaries namely M J Casting Limited, Minda Distribution and Services Limited, Minda Auto Components Limited and Minda Rinder Private Limited (collectively referred to as transferor companies). Pursuant to the Scheme being approved by the Hon'ble National Company Law Tribunal vide its order dated 01 June 2020, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to the Company from the appointed date of 1 April 2019 at carrying values as from that date and therefore have been so recognised in the standalone financial statements for the year ended 31 March 2020. The audit report for the audited consolidated financial statements for Fiscal 2021 on our audited consolidated financial statements contains a matter of emphasis which describes the overall accounting for and in particular basis for restatement of the previous year by our Company's management consequent to the Scheme of Amalgamation.

There is no assurance that our Statutory Auditor's report for any future fiscal periods will not contain such comments or any other matters of emphasis or otherwise affect our results of operations and cash flows in such future fiscal periods. Investors should consider these remarks in evaluating our financial position, cash flows and results of operations. Any such qualifications or matters of emphasis in the audit report on our financial statements and financial results in the future may also adversely affect the trading price of the Equity Shares.

39. ***Employee misconduct could harm us and is difficult to detect and deter.***

Although we have put measures in place dedicated to monitoring fraud, data theft or other misconduct of employees, we run the risk that such employee misconduct could occur. Misconduct by employees or executives could include binding us to transactions that exceed authorised limits or present unacceptable risks or hiding unauthorised or unlawful activities from us, which may result in substantial financial losses and damage to our reputation and loss of business from our customers. Employee or executive misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. It is not always possible to deter employee or executive misconduct and the precautions taken and systems put in place to prevent and detect such activities may not be effective in all cases. Any instances of such misconduct could adversely affect our reputation.

40. ***Our Company is involved in certain legal and other proceedings. Any adverse outcome in such proceedings may have an adverse effect on our business, results of operations and financial condition.***

We are involved, from time to time, in legal proceedings that are incidental to our operations and involve suits filed by and against our Company by various parties. These include, inter alia, criminal proceedings, recovery proceedings, civil proceedings, and tax proceedings. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals. A degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any.

We may be required to devote management and financial resources in the defence or prosecution of such legal proceedings. If a number of these disputes are determined against us and if we are required to pay all or a portion of the disputed amounts or if we are unable to recover amounts for which we have filed recovery proceedings, there could be a material and adverse impact on our reputation, business, cash flows, financial condition and results of operations. There can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings. For details, see "*Legal Proceedings*" on page 182.

41. ***Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject, and this may have a material adverse effect on our business, financial condition and results of operations.***

While we believe that the insurance coverage that we maintain is reasonably adequate to cover all normal risks associated with the operation of our business, there can be no assurance that our insurance coverage will be sufficient, that any claim under our insurance policies will be honoured fully or timely, that insurance companies will not object to our actions or omissions in complying with the terms of insurance policies or that our insurance premiums will not increase substantially,. Accordingly, to the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, or are required to pay higher insurance premiums, our business, financial condition and results of operations may be materially and adversely affected.

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

42. ***We have in the past entered into related party transactions and may continue to do so in the future.***

We have entered into certain transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details on related party transactions, see "*Financial Information*" on page 189.

43. ***Terms contained in various agreements entered into by our Company may restrict our operations.***

Some of the agreements that we are party to, contain covenants that may be onerous and commercially restrictive in nature. For example, some of our JV agreements include covenants that prevent us from accessing certain geographies or entering certain product categories. Violation of any of these covenants may amount to events of default, which may result in breach of contract causing claims to be brought against us or termination of the agreements as well as prepayment obligations.

44. ***If our estimates or assumptions used in developing our strategic plan are inaccurate or we are unable to execute our strategic plan effectively, our profitability and financial position could be negatively impacted.***

If the estimates or assumptions used in developing our strategic plan vary significantly from actual conditions, our sales, margins and profitability could be impacted. For instance, sales of our products may not grow as quickly as we currently expect, and we may be incorrect in our assumptions and expectations of consumer preferences during our R&D of new products. Also, the fund requirement and deployment for our strategies are based purely on management estimates and assumptions considering the current market scenario and are subject to revision in the light of changes in external circumstances or costs. If we are unsuccessful in executing our strategic plan, or if the underlying estimates or assumptions used to develop our strategic plan are materially inaccurate, our business and financial condition would have an adverse impact.

45. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control***.

Our Company proposes to utilize the Net Proceeds for financing funding requirements for existing as well as new growth / expansion opportunities, including to meet the capital expenditure and working capital requirements; repayment of debt, and general corporate purpose and for such other purposes as may be permitted by applicable laws. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates. Our management will have broad discretion to use the Net Proceeds. Various risks and uncertainties, including those set forth in this section including inability to obtain necessary approvals for undertaking proposed activities, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

46. ***We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations or financial conditions including cash flows***

Our business is capital intensive as we have expanded and upgraded our existing production facilities. For Financial Year 2019, 2020 and 2021, we incurred ₹ 670.06 Crore, ₹ 606.81 Crores and ₹ 299.05 Crore, respectively on purchase of property, plant and equipment. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments and new opportunities in the automotive components industry. Our sources of additional financing, where required to meet our capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

In many cases, a significant amount of our working capital is required to finance the purchase of materials and the performance of designing, manufacturing and other work before payment is received from customers. Our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment schedules. These factors may result, in increases in the amount of our receivables and short-term borrowings. Continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

47. ***We may be subject to claims of infringement of third-party intellectual property rights, which could adversely affect our business.***

While we take abundant precautions to ensure that we do not infringe the intellectual property rights of third parties, we cannot determine with certainty whether we are infringing upon any existing third-party intellectual property rights. Any claims of infringement, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. As a result of such infringement claims, we could be required to pay third party infringement claims, alter our technologies, change the brands under which we distribute our products, obtain licenses or cease some portions of our operations. The occurrence of any of the foregoing could result in unexpected expenses. In addition, if we alter our technologies, change the brands under which we distribute our products or cease manufacturing of affected items, our revenue could be adversely affected.

48. ***Our Company is currently part of schemes of amalgamation which if approved may lead to dilution of existing shareholders and/ or significant increase in debt obligations of our Company.***

Our Board at its meeting held on February 6, 2020, approved a scheme of amalgamation of Minda I Connect Private Limited with our Company (the "**Scheme**"), under Section 232 read with other applicable provisions of the Companies Act, 2013, and Section 2(1B) of the Income-tax Act, 1961. Upon this Scheme becoming effective the authorised share capital of our Company will automatically stand increased by an additional share capital. The Scheme has been filed before the NCLT for approval and the same is currently pending.

As part of the Scheme, as consideration for their shareholding in the transferor companies, the shareholders of such companies, at their sole discretion, will be entitled to shares of our Company as per the swap ratios agreed as part of the Scheme as per the terms agreed upon in the Scheme. If approved by NCLT, any issuance of shares by our Company under this Scheme will lead to dilution in shareholding of existing shareholders of our Company. Further, if shareholders of transferor companies choose to subscribe to non-convertible redeemable preference shares issued by our Company, it will lead to increase in indebtedness of our Company. We cannot assure you that the proposed schemes will be successful or that the expected strategic benefits of any such action will be realized. Further, negotiation and consummation of such scheme of arrangements require significant time from our senior management and if for any reason the Scheme is not approved, the resources spent on the Scheme may have a significant impact on business and results from operations.

49. ***Any delay in the implementation or failure in the operation of our information systems could disrupt our operations and cause an unanticipated increase in costs.***

We have implemented various information technology ("**IT**") solutions to cover key areas of our operations and these IT solutions are an integral part of our manufacturing processes. Any delay in the implementation or failure in the operation of these information systems could result in material adverse consequences, including disruption of operations, loss of information and an unanticipated increase in costs.

Further, these systems are potentially vulnerable to damage or interruption from a variety of sources, which could result in a material adverse effect on our operations. A large-scale IT malfunction could disrupt our business or lead to disclosure of sensitive company information. Our ability to keep our business operating depends on the proper and efficient operation and functioning of various IT systems, which are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses, malware and a range of other hardware, software and network problems). A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable. A failure of our information technology systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

50. ***Security breaches of clients' confidential information that we store may harm our reputation and expose us to liability.***

We store clients' information and other sensitive data. While we have measures and systems in place to protect clients' confidential data, any accidental or wilful security breach or other unauthorised access could cause the theft and criminal use of this data. Security breach or unauthorised access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third party action, employee error, malfeasance or otherwise, or if design flaws in our software are exposed and exploited, and, as a result, a third party obtains unauthorised access to client data, our relationships with clients will be severely damaged, and we could incur significant liability and reputational damage.

Further, we engage with certain third party service providers, and although our contracts with them restrict the usage of client data and impose protective precautions, there can be no assurance that they will abide by such contractual terms or that the contracts will be found to be in compliance with data protection laws, in India and other jurisdictions where we carry out our operations.

Because techniques used to obtain unauthorised access or to sabotage systems change frequently and generally are not recognised until they are launched against a target, we and our third party hosting facilities may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, we may be required under applicable regulations to notify individuals of data security breaches involving their personal data. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause clients to lose confidence in the effectiveness of our data security measures.

The Information Technology Act, 2000, as amended, read with rules and regulations thereunder requires us to maintain confidentiality of sensitive personal data or information. Our inability to comply with the aforesaid statute can lead to monetary penalties as well as regulatory actions. Further, the Personal Data Protection Bill, 2019 which is proposed draft of data protection law in India, if enacted, will subject us to a higher threshold for storage, processing and protection of personal data as well as greater liabilities for breach of our obligations. For further details, please see "*– Compliance with data privacy norms may require us to incur expenditure, which may adversely impact its financial condition and cash flows*" below.

Any security breach, whether actual or perceived, would harm our reputation, and result in loss of clients, which could in turn have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows.

***51. Statistical and industry data in this Preliminary Placement Document is derived from the CRISIL Research Report. The CRISIL Research Report is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CRISIL Research Report may be inaccurate, incomplete or unreliable.***

This Preliminary Placement Document includes information that is derived from the CRISIL Research Report issued by CRISIL Research, a division of CRISIL Limited. CRISIL Research is not in any manner related to us, our Directors or our Promoter. The CRISIL Research Report is subject to various limitations and is based on certain subjective assumptions. While we have taken reasonable care in the reproduction of the information from the CRISIL Research Report, neither our Company nor the BRLMs nor any of our or their respective affiliates or advisors or any other person connected with the Issue has independently verified data and statistics obtained from the CRISIL Research Report. While we have no reason to believe the data and statistics in the CRISIL Research Report are incorrect, we cannot assure you that they are accurate, complete or reliable and, therefore, we make no representation or warranty, express or implied, as to the accuracy, completeness or reliability of such data or statistics. Therefore, discussions of matters relating to India, its economy and the industry in which we currently operate are subject to the caveat that the data and statistics upon which such discussions are based may be inaccurate, incomplete or unreliable. Further, there can be no assurance that such data and statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case in other reports. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Preliminary Placement Document.

***52. Compliance with data privacy norms may require us to incur expenditure, which may adversely impact its financial condition and cash flows.***

We are subject to data privacy laws, rules and regulations of India and other foreign jurisdictions where we operate, that regulate the use of customer data, in any manner whatsoever. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur expense and devote considerable time to compliance efforts. The existing data privacy regulations limit the extent to which we can use personal identifiable information and limit our ability to use third-party firms in connection with customer data. Certain of these laws, rules and regulations are relatively new and their interpretation and application remain uncertain Data privacy laws, rules and regulations are also subject to change and may become more restrictive in the future. For instance, the Personal Data Protection Bill, 2019 ("**PDP Bill**"), applies to processing of personal data, which has been collected, disclosed, shared or processed within India. It imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the PDP Bill. Changes or further restrictions in data privacy laws, rules and regulations could have a material adverse effect on our business, cash flows, financial condition and results of operations. The cost and operational consequences of implementing further data protection measures, in the jurisdictions where we operate, could be significant and this may have a material adverse effect on our business, cash flows, financial condition and results of operations.

***53. Our Company has been subject to show cause notice issued by SEBI relating to PIT Regulations and negatively affect our business, financial condition, results of operations and cash flows.***

SEBI issued a show-cause notice to our Company and our Compliance Officer in September 11, 2018 in relation to the disclosure violation by our Company in terms Regulations 7 (2) of the PIT Regulation. SEBI has alleged that our

Company and our Compliance Officer have failed to file certain disclosure on time and therefore there is lapses on part of the Compliance Officer in regulatory Compliance of PIT Regulations and code of conduct framed thereunder for its employees as envisaged under Regulation 9 (3) of the PIT Regulations. Further, our Company has filed a settlement application for an amount of ₹ 5,47,188 plus the legal costs of SEBI through an application dated March 31, 2021 and our Compliance Officer has filed a settlement application for an amount of ₹ 10,62,500 dated March 31,2021, for the settlement of the abovementioned violation and the same is pending before the SEBI. For details, see "*Legal Proceedings*" on page 182.

In the event that the Company is found by the SEBI enquiry or any other investigation by any other agency to have violated applicable laws or regulations, the Company could become subject to legal and regulatory sanctions that may materially and adversely affect our reputation and may impact results of operations or financial condition.

54. ***The audited financial statements included in this Preliminary Placement Document may not be comparable with the audited financial statements for the corresponding periods.***

Pursuant to the Scheme of Amalgamation, the Company has given effect to the scheme as per Ind AS 103- Business Combinations (Acquisition method) in the standalone financial statements w.e.f. appointed date i.e. 1 April 2019 in accordance with General Circular No. 09/2019 issued by Ministry of Corporate Affairs dated August 21, 2019. The Company received the certified copy of the said order and filed the same with the respective Registrar of Companies on 1 April 2021. Accordingly figures of previous year i.e. Fiscal Year 2020 have been restated in Annual report for Fiscal Year 2021 to give effect to the Scheme.

Further, Audited Consolidated Financials of Fiscal Years 2020 are not comparable to the financials of Fiscal Year 2019 on account above mentioned amalgamation.

**External Risk Factors**

55. ***There could be political, economic or other factors that are beyond our control but may have a material adverse impact on our business and results of operations should they materialise.***

The following external risks may have a material adverse impact on our business and results of operations should any of them materialise:

- Political instability, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions in India in general and our business in particular;
- A slowdown in economic growth in India could adversely affect our business and results of operations. The growth of our business and our performance is linked to the performance of the overall Indian economy. We are also impacted by consumer spending levels and businesses such as ours would be particularly affected should Indian consumers in our target segment have reduced access to disposable income;
- Civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war involving India or other countries could materially and adversely affect the financial markets which could impact our business. Such incidents could impact economic growth or create a perception that investment in Indian companies involves a higher degree in risk which could reduce the value of our Equity Shares;
- Any downgrading of India's sovereign rating by international credit rating agencies may negatively impact our business and access to capital. In such event, our ability to grow our business and operate profitably would be severely constrained;
- Instances of corruption in India have the potential to discourage investors and derail the growth prospects of the Indian economy. Corruption creates economic and regulatory uncertainty and could have an adverse effect on our business, profitability and results of operations; and
- The Indian economy has had sustained periods of high inflation. Should inflation continue to increase sharply, our profitability and results of operations may be adversely impacted. High rates of inflation in India could increase our employee costs, decrease the disposable income available to our customers and decrease our operating margins, which could have an adverse effect on our profitability and results of operations.
- A significant change in India's economic liberalization and deregulation policies, in particular, those relating to the businesses in which we operate, could disrupt business and economic conditions in India generally.
- Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of

natural or man-made disasters; infectious disease outbreaks or other serious public health concerns, like the current pandemic of COVID-19; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India

56. ***Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.***

We are incorporated in, and majority of our operations are located in, India**.** As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. In particular, due to the COVID-2019 pandemic, the global economy including the Indian economy may experience an extreme slowdown in economic activity and recessionary conditions may be prevalent globally in the near to medium term. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of the Equity Shares.

Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of the Equity Shares.

57. ***A prolonged slowdown in economic growth in India or financial instability in other countries could cause our business to suffer***.

The current slowdown in the Indian economy could adversely affect our business and our lenders and contractual counterparties, especially if such a slowdown were to be prolonged. Notwithstanding the RBI's policy initiatives, the course of market interest rates continues to be uncertain due to the high inflation, the increase in the fiscal deficit and the Government's borrowing program. Any increase in inflation in the future, because of increases in prices of commodities such as crude oil or otherwise, may result in a tightening of monetary policy. The uncertainty regarding liquidity and interest rates and any increase in interest rates or reduction in liquidity could adversely impact our business.

In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia.

Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

These and other related events have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States, Europe and global credit and financial markets. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any announcement by the United State Federal Reserve to increase interest rates may lead to an increase in the borrowing costs in the United States and may impact borrowing globally as well. Further, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressures for protectionism are building up and such developments could have the potential to affect exports from India.

Investors' reactions to developments in one country may have adverse effects on the economies of other countries including the Indian economy. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could influence the Indian economy and could have a material adverse effect on our business, cash flows, financial condition and results of operations.

***58. Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.***

Ind AS differs from other accounting principles with which prospective investors may be familiar, such as IFRS and U.S. GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

***59. A third party could be prevented from acquiring control of us because of the anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the takeover regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of the takeover regulations.

***60. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our payers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

***61. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease with the most recent example being the global outbreak of COVID-19, and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

***62. Rights of shareholders under Indian laws may differ from the laws of other jurisdictions.***

Our articles of association and Indian law govern our corporate affairs. Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions.

***63. Investors may have difficulty enforcing judgments against us or our management*.**

Our Company is incorporated under the laws of India. All of our Directors are residents of India and a substantial portion of our assets and the assets of the Directors are located in India. As a result, investors may find it difficult to (i) effect service of process upon us or these directors and executive officers in jurisdictions outside of India, (ii) enforce court judgments obtained outside of India, (iii) enforce, in an Indian court, court judgments obtained outside of India, and (iv) obtain expeditious adjudication of an original action in an Indian court to enforce liabilities.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code, on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the USA has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

64. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India. Such changes may also adversely affect our business, financial condition, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has implemented two major reforms in Indian tax laws, namely the goods and services tax ("**GST**") and provisions relating to General Anti-Avoidance Rules ("**GAAR**"). Given the recent implementation of these laws, there can be no assurances as to the manner in which this tax regime will be implemented, which could create uncertainty. Any of the above events may result in an adverse effect on our business, financial condition, results of operations and/or prospects. Tax authorities in India may also introduce additional or new regulations applicable to our business, which could adversely affect our business and profitability.

We have not determined the impact of these legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

65. ***Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business and the price of our Equity Shares*.**

Any adverse revisions to India's credit ratings or of the countries where Subsidiaries, Associate/ Joint Ventures are present or ratings of financing partners/lenders or geographies of their operations, by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares

**Risks in relation to Equity Shares**

66. ***We cannot guarantee that the Equity Shares issued under this Issue will be listed on the Stock Exchanges in a timely manner, if at all.***

In accordance with Indian law and practice, after our Board or committee passes the resolution to allot the Equity Shares but prior to crediting such Equity Shares into the Depository Participant accounts of the investors, we are required to apply to the Stock Exchanges for final approval for listing and trading of the Equity Shares. There could be a failure or delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining these approvals would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, may not be indicative of the prices at which the Equity Shares will trade in the future.

***67. Our Promoter and Promoter Group will retain majority control of our Company after the Issue, which will enable them to control the outcome of matters submitted to shareholders for approval.***

As on June 30, 2021 our Promoter and Promoter Group beneficially own 69.85 of our total paid-up share capital and post the Issue shall continue to hold majority shareholding of our Company. As a result, our Promoter and Promoter Group will continue to have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election, termination or appointment of our officers and directors. Further, pursuant to the approval of the Scheme the Promoter Group will be issued Equity Shares which may further dilute shareholding of the existing shareholders of the Company. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company. Furthermore, the interest of the Promoter and Promoter Group may conflict with the interests of other shareholders.

***68. Any future issuance of the Equity Shares or sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares.***

A future issuance of Equity Shares by us, including employee stock option plans, may dilute your shareholding in our Company. Moreover, any significant disposal of Equity Shares by any of our significant shareholders, or the perception that such sales will occur, may affect the trading price of our Equity Shares. As a publicly traded company, there is no restriction on our shareholders to dispose of a part or the entirety of their shareholding in our Company, which could lead to a negative sentiment in the market regarding us that could in turn impact the value of the Equity Shares, and could impact our ability to raise capital through an offering of our securities. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge, or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. Further, we cannot assure you that the Company will not issue Equity Shares at a price lower than the Issue Price at a later date.

***69. We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002, as amended ("**Competition Act**), regulates practices that have or are likely to have an appreciable adverse effect on competition in the relevant market in India and has established the Competition Commission of India (the "**CCI**"). Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which has or is likely to have an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement among competitors which, directly or indirectly, determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls the production, supply or distribution of goods and services, or shares the market or source of production or providing of services by way of allocation of geographical area or type of goods or services or number of customers in the relevant market or in any other similar way, is presumed to have an appreciable adverse effect on competition and shall be void. Further, the Competition Act prohibits the abuse of a dominant position by any enterprise. If it is proven that a breach of the Competition Act committed by a company took place with the consent or connivance or is attributable to any neglect on the part of any director, manager, secretary or other officer of such company, that person shall be guilty of the breach themselves and may be punished as an individual. If we, or any of our employees, are penalized under the Competition Act, our business may be adversely affected.

Further, the Competition Act also regulates combinations and requires approval of the CCI for effecting any acquisition of shares, voting rights, assets or control or mergers or amalgamations above the prescribed asset and turnover based thresholds. It is difficult to predict the impact of the Competition Act on our growth and expansion strategies in the future. If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act or any enforcement proceedings initiated by the CCI or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, it may adversely affect our business, cash flows, financial condition and results of operations.

***70. Our ability to raise foreign capital may be constrained by Indian law. The limitations on foreign debt may have an adverse impact on our business growth, financial condition and results of operations.***

As an Indian company, we are subject to exchange control laws that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financings on competitive terms and refinance future indebtedness. In addition, it cannot be assured to the prospective investor that the required approvals will be granted to us without onerous conditions, or at all. The limitations on foreign debt may have an adverse impact on our business growth, financial condition and results of operations.

71. ***Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares of our Company between non-residents and residents and issuances of shares to non-residents by our Company are freely permitted (subject to certain exceptions), subject to compliance with certain applicable pricing and reporting requirements. If such issuances or transfers of shares are not in compliance with such requirements or fall under any of the specified exceptions, then prior approval of the RBI will be required.

Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilising the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government of India's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms, or at all.

72. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as STT is paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of Equity Shares.

Additionally, the Finance Act, 2020 provides, amongst others things that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

73. ***Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.***

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

74. ***Bidders to the Issue are not allowed to withdraw or revise their Bids downwards after the Bid/Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Bidders in the Issue are not allowed to withdraw or revise their Bids downwards after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the Bidder's demat account with the depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Bidder's decision to invest in the Equity Shares, would not arise between the Bid/ Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The Bidders shall not have the right to withdraw or revise their Bids downwards in the event of any such occurrence. The Company may complete the Allotment of the Equity Shares even if such events may limit the

Bidders' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

75. ***Your ability to acquire and sell Equity Shares is restricted by the distribution and transfer restrictions set forth in this Preliminary Placement Document and the Preliminary Placement Document.***

No actions have been taken to permit a public offering of the Equity Shares in any jurisdiction, including India. As such, the Equity Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Furthermore, the Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions, which are set forth in this Preliminary Placement Document and the Placement Document under the heading "*Selling Restrictions*" on page 161. We, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth herein.

76. ***The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Equity Shares will be determined by our Company in consultation with the Lead Managers and the Designated Stock Exchange. This price may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

77. ***Investors will not have the option of getting the Allotment of Equity Shares in physical form.***

In accordance with SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. This further means that they will have no voting rights in respect of the Equity Shares. Further, the Equity Shares will not be transferred by our Company in case the Eligible Shareholder does not have a demat account.

78. ***Investors will be subject to market risks until our Equity Shares credited to the investor's demat account are listed and permitted to trade***.

Investors can start trading our Equity Shares Allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since our Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for our Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that our Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in such Equity Shares will commence in a timely manner.

79. ***An investor will not be able to sell any of the Equity Shares other than on a recognized Indian stock exchange for a period of 12 months from the date of this Issue.***

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the issue of the Equity Shares in this Issue, Eligible QIBs subscribing to the Equity Shares may only sell their Equity Shares on the floor of the NSE or the BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Further, Allotments made to certain categories of Eligible QIBs in the Issue are subject to the rules and regulations that are applicable to them. This may affect the liquidity of the Equity Shares purchased by such investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

80. ***The price of the Equity Shares may be volatile.***

The trading price of the Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the automobile industry changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of the Equity Shares.

81. ***We have in the past and may, at any time in the future, make further issuances or sales of the Equity Shares or convertible securities or other equity linked securities, and this could significantly affect the trading price of the Equity Shares.***

The further issuance of Equity Shares by us, including by way of preferential allotment or rights issue which may be done at any time in the future, the grant of employee stock options, the disposal of Equity Shares by any of our major Shareholders, or the perception that such issuance or sales of Equity Shares may occur, may significantly affect the trading price of the Equity Shares. There can be no assurance that such future issuance by us will be at a price equal to or more than the Equity Issue Price, as applicable.

## MARKET PRICE INFORMATION

The Equity Shares have been listed on BSE and NSE since August 24, 2004 and February 2, 2007, respectively. As on the date of this Preliminary Placement Document, 27,58,98,441 Equity Shares have been issued, subscribed and paid up.

As of July 30, 2021, the closing price of the Equity Shares on BSE and NSE was ₹737.75 and ₹744.80 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

1. The following tables set out the reported high and low market prices and average of the closing prices of our Equity Shares on the NSE and the BSE and number of Equity Shares traded on the dates on which such high and low prices were recorded and the total trading turnover for the Fiscals 2021, 2020 and 2019:

| **BSE** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Fiscal** | **High (₹)** | **Date of high** | **Number of Equity Shares traded on the date of high** | **Total volume of Equity Shares traded on date of high (₹ million)** | **Low (₹)** | **Date of low** | **Number of Equity Shares traded on the date of low** | **Total volume of Equity Shares traded on date of low (₹ million)** | **Average price for the year (₹)** |
| 2021 | 602.60 | February 11, 2021 | 49,808 | 29.78 | 226.85 | April 08, 2020 | 6,767 | 1.56 | 363.75 |
| 2020 | 419.95 | January 24, 2020 | 17,784 | 7.47 | 215.95 | March 23, 2020 | 7,404 | 1.67 | 340.94 |
| 2019* | 1301.70 | May 28, 2018 | 13,018 | 17.07 | 262.75 | February 11, 2019 | 13,378 | 3.67 | 585.10 |

**The company has issued bonus shares during the Fiscal Year 2019 and the average price hasn't been adjusted for bonus.*

*(Source: www.bseindia.com)*

| **NSE** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Fiscal** | **High (₹)** | **Date of high** | **Number of Equity Shares traded on the date of high** | **Total volume of Equity Shares traded on date of high (₹ million)** | **Low (₹)** | **Date of low** | **Number of Equity Shares traded on the date of low** | **Total volume of Equity Shares traded on date of low (₹ million)** | **Average price for the year (₹)** |
| 2021 | 600.70 | February 11, 2021 | 3,70,362 | 222.33 | 225.85 | April 3, 2020 | 1,69,345 | 38.35 | 363.86 |
| 2020 | 420.10 | January 24, 2020 | 3,55,196 | 148.86 | 214.10 | March 23, 2020 | 2,74,879 | 60.59 | 340.99 |
| 2019 | 1,300.35 | May 28, 2018 | 94,157 | 123.35 | 264.40 | February 11, 2019 | 1,52,462 | 40.96 | 585.48 |

**The company has issued bonus shares during the fiscal 2019 and the average price hasn't been adjusted for bonus.*

*(Source: www.nseindia.com)*

***Note:***

1. *High, low and average prices are based on the daily closing prices.*
2. *In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year.*

2. The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading turnover for the following periods during each of the last six months, as applicable:

| **BSE** | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Month, year** | **High (₹)** | **Date of high** | **Number of Equity Shares traded on date of high** | **Total volume of Equity Shares traded on date of high (₹ million)** | **Low (₹)** | **Date of low** | **Number of Equity Shares traded on date of low** | **Total volume of Equity Shares traded on date of low (₹ million)** | **Average price for the month (₹)** | **Equity Shares traded in the month** | |
| | | | | | | | | | | **Volume** | **Turnover (₹ in million)** |
| July 31, | 754.55 | July 26, | 45,540 | 33.82 | 632.00 | July 08, | 15,894 | 10.11 | 695.0 | 6,12,469 | 429.13 |

| BSE | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Month, year | High (₹) | Date of high | Number of Equity Shares traded on date of high | Total volume of Equity Shares traded on date of high (₹ million) | Low (₹) | Date of low | Number of Equity Shares traded on date of low | Total volume of Equity Shares traded on date of low (₹ million) | Average price for the month (₹) | Equity Shares traded in the month | |
| | | | | | | | | | | Volume | Turnover (₹ in million) |
| 2021 | | 2021 | | | | 2021 | | | 6 | | |
| June 2021 | 665.85 | June 25, 2021 | 28,193 | 18.88 | 574.90 | June 09, 2021 | 31,188 | 18.14 | 623.18 | 9,08,353 | 568.07 |
| May 2021 | 604.75 | May 31, 2021 | 85,746 | 51.92 | 509.65 | May 04, 2021 | 9,041 | 4.69 | 546.71 | 4,17,594 | 237.27 |
| April 2021 | 551.65 | April 09, 2021 | 22,565 | 12.4 | 506.45 | April 15, 2021 | 14,708 | 7.47 | 529.41 | 5,47,342 | 285.46 |
| March 2021 | 571.35 | March 01, 2021 | 7,301 | 4.16 | 529.55 | March 05, 2021 | 20,634 | 11.01 | 552.49 | 11,49,427 | 632.99 |
| February 2021 | 602.60 | February 11, 2021 | 49,808 | 29.78 | 466.60 | February 01, 2021 | 13,796 | 6.35 | 553.20 | 6,97,711 | 383.75 |

*(Source: www.bseindia.com)*

| NSE | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Month, year | High (₹) | Date of high | Number of Equity Shares traded on date of high | Total volume of Equity Shares traded on date of high (₹ million) | Low (₹) | Date of low | Number of Equity Shares traded on date of low | Total volume of Equity Shares traded on date of low (₹ million) | Average price for the month (₹) | Equity Shares traded in the month | |
| | | | | | | | | | | volume | Turnover (₹ in million) |
| July 31, 2021 | 756.10 | July 26, 2021 | 4,81,975 | 358.92 | 630.75 | July 8, 2021 | 5,10,981 | 324.89 | 695.34 | 86,11,586 | 6,009,15 |
| June 2021 | 667.05 | June 25, 2021 | 5,04,661 | 337.94 | 574.90 | June 09, 2021 | 4,15,051 | 241.55 | 622.91 | 1,22,96,959 | 7,707.63 |
| May 2021 | 605.05 | May 31, 2021 | 11,24,747 | 682.73 | 508.40 | May 04, 2021 | 2,18,879 | 113.28 | 546.63 | 79,53,237 | 4,478.13 |
| April 2021 | 551.25 | April 09, 2021 | 2,45,133 | 134.70 | 506.80 | April1 15, 2021 | 1,12,218 | 57.06 | 529.79 | 49,83,537 | 2,617.69 |
| March 2021 | 572.80 | March 19, 2021 | 4,41,941 | 250.13 | 530.50 | March 05, 2021 | 2,30,419 | 122.43 | 552.55 | 44,36,313 | 2,469.41 |
| February 2021 | 600.70 | February 11, 2021 | 3,70,362 | 222.33 | 466.65 | February 01, 2021 | 2,33,027 | 107.76 | 553.69 | 77,79,878 | 4,278.51 |

*(Source: www.nseindia.com)*

***Note:***

1. *High, low and average prices are based on the daily closing prices.*
2. *In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *In the case of a year, average price for the month represents the average of the closing prices on each day of each month.*

3. The following table set forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2021, 2020 and 2019:

| Fiscal | Number of Equity Shares Traded | | Turnover (In ₹ million) | |
|---|---|---|---|---|
| | BSE | NSE | BSE | NSE |
| 2021 | 54,91,069 | 7,37,56,710 | 2,237.63 | 26,950.63 |
| 2020 | 23,33,103 | 3,64,81,877 | 799.22 | 12,289.18 |
| 2019 | 47,32,187 | 4,54,42,224 | 2,254.41 | 22,015.46 |

*(Source: www.bseindia.com and www.nseindia.com)*

4. The following tables set forth the market price on the Stock Exchanges on June 14, 2021 the first working day following the approval of the Board for the Issue:

| BSE | | | | | |
|---|---|---|---|---|---|
| Open | High | Low | Close | Number of Equity Shares traded | Volume (₹ million) |

| BSE | | | | | |
|---|---|---|---|---|---|
| **Open** | **High** | **Low** | **Close** | **Number of Equity Shares traded** | **Volume (₹ million)** |
| 622.70 | 626.00 | 602.00 | 609.20 | 1,09,926 | 67.59 |

*(Source: www.bseindia.com)*

| NSE | | | | | |
|---|---|---|---|---|---|
| **Open** | **High** | **Low** | **Close** | **Number of Equity Shares traded** | **Volume (₹ million)** |
| 620.00 | 627.00 | 601.40 | 610.25 | 12,13,805 | 746.88 |

*(Source: www.nseindia.com)*

## USE OF PROCEEDS

The gross proceeds of the Issue are expected to be approximately ₹[●] Crores. After deducting the Issue expenses (including fees and commissions) of approximately ₹[●] Crores, the net proceeds of the Issue will approximately be ₹[●] Crore ("**Net Proceeds**").

Our Company proposes to utilize the Net Proceeds (i) to meet capital expenditure requirements for ongoing and future projects; (ii) to sustain growth in the business; (iii) redemption of preference shares, if any (iv) for business expansion and to improve the financial leveraging strength of the Company; (v) towards working capital requirements; (vi) towards debt pre-payment and/or repayments including any existing or future debt incurred for any purpose including for paying off any liability; (vi) for investments including amongst others, in subsidiary companies and/or Joint Ventures and/or Associates; (vii) to meet the current operational expenses; and (viii) for general corporate purposes including but not limited to pursuing new business opportunities, acquisitions, alliances etc., as may be permissible under the applicable law and approved by our Board or a duly constituted committee thereof from time to time to meet corporate exigencies.

The Net Proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, is not applicable.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with RoC, and final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us. Pending utilization of the Net Proceeds, our Company intends to invest the funds in creditworthy instruments, including but not limited to money market, mutual funds and deposits with banks and corporates and other securities.

Such investments will be in accordance with the investment policies approved by the Board and/ or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws. Our Company shall disclose the utilization of funds raised through the Issue in its annual report every year until such funds are fully utilized.

Neither our Promoter nor our Directors are making any contribution either as a part of this Issue or separately in furtherance of the use of the Net Proceeds.

## CAPITALISATION STATEMENT

The table below sets forth our Company's capitalisation which has been derived from our Audited Consolidated Financial Statements as of March 31, 2021 and as adjusted to give effect to the receipt of the gross proceeds of the Issue and the application thereof.

You should read this table together with the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* on page 70, Audited Consolidated Financial Statements of our Company and the related notes thereto included in the section "*Financial Statements"* on page 189.

(in ₹ crores)

| Sr. No. | Particulars | As of March 31, 2021 (On a Consolidated Basis) | |
|---|---|---|---|
| | | **Pre-Issue** | **As adjusted for the Issue#** |
| **I** | **Indebtedness** | | |
| | **Short-term borrowings** | | |
| | - Secured | 99.76 | [●] |
| | - Unsecured | 214.02 | [●] |
| | **Current maturities of long term borrowings** | | |
| | - Secured | 164.12 | [●] |
| | - Unsecured | 31.50 | [●] |
| | **Long-term borrowings** | | |
| | - Secured | 510.66 | [●] |
| | - Unsecured | 28.46 | [●] |
| | **Total borrowings (A1)** | **1,048.52** | [●] |
| | | | |
| **II** | **Shareholders' fund** | | |
| | Equity Share capital | 54.39* | [●] |
| | Fresh shares pursuant to the Issue | - | [●] |
| | Other equity (excluding securities premium) | 1,882.99 | [●] |
| | Securities premium | 625.64 | [●] |
| | **Total Equity (B1)** | **2,563.02** | **[●]** |
| | | | |
| | **Total Capitalization (A1+B1)** | **3,611.54** | **[●]** |
| | | | |
| **III** | **Total borrowings / Total Equity (A1/ B1)** | 0.41 | [●] |

***Note:***

**Our Company had allotted 3,969,737 Equity Shares and 5,927,084 Preference Share on June 21, 2021, and 12,957,578 Preference Share on May 12, 2021. Pursuant to the same, the Equity Share capital of our Company aggregating to ₹ 54.39 Crores as on March 31, 2021 increased to ₹ 55.18 Crores.*

#Will be finalized upon determination of the Issue Price.

## CAPITAL STRUCTURE

The share capital of our Company as at the date of this Preliminary Placement Document is set forth below:

| | | Aggregate value at face value# |
|---|---|---|
| A | **AUTHORISED SHARE CAPITAL** | |
| | *Equity Share Capital* | |
| | *73,62,13,000 Equity Shares of ₹2 each* | ₹ 1,47,24,26,000 |
| | *Preference Share Capital* | |
| | 2,75,00,000 8% Non-Cumulative Redeemable Preference Shares of ₹10 each. | ₹ 27,50,00,000 |
| | 33,694,945-0.01% Non Convertible Redeemable Preference Shares of ₹ 100 each | ₹ 3,36,94,94,500 |
| | **Total** | **₹ 5,11,69,20,500** |
| | | |
| B | **ISSUED, SUBSCRIBED AND PAID UP CAPITAL BEFORE THE ISSUE** | |
| | *27,58,98,441 Equity Shares* | ₹ 55,17,96,882 |
| | 18,884,662 0.01% Non Convertible Redeemable Preference Shares of ₹100 each | ₹ 1,88,84,66,200 |
| | **Total Issued Share Capital** | **₹ 2,44,02,63,082** |
| | | |
| C | **PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT** | |
| | Up to [●] Equity Shares aggregating to up to ₹[●] Crore(1)(2) | [●] |
| | | |
| D | **ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE** | |
| | [●] Equity Shares(2) | [●] |
| | 1,88,84,662 preference shares of ₹100 each | ₹ 1,88,84,66,200 |
| | **Total** | [●] |
| | | |
| E | **SECURITIES PREMIUM ACCOUNT (*in Crore*)** | |
| | Before the Issue | ₹ 792.01* |
| | After the Issue(2) and (3) | [●] |

*(1) The Issue has been authorised by the Board of Directors pursuant to its resolution passed on June 13, 2021. The Shareholders have authorised and approved the Issue by way of a special resolution passed on July 22, 2021.*
*(2) To be determined upon finalization of the Issue Price.*
*(3) The securities premium account after the Issue is calculated on the basis of gross proceeds from the Issue.*
** Securities Premium Account before the issue is on consolidated basis.*

### Equity share capital history of our Company

The following table sets forth details of allotments of Equity Shares by our Company since incorporation:

| Date of allotment | No. of Equity Shares allotted | Face value (In ₹) | Issue price per Equity Share (In ₹) | Nature of allotment | Nature of consideration |
|---|---|---|---|---|---|
| September 16, 1992 | 70 | 10 | 10 | Subscribers to the Memorandum of Association | Cash |
| April 25, 1994 | 20,40,200 | 10 | 10 | Preferential allotment of equity shares | Cash |
| January 5, 1995 | 12,33,330 | 10 | 10 | Allotment of equity shares pursuant to scheme of amalgamation | Other than cash |
| December 15, 1995 | 3,92,832 | 10 | - | Bonus issue of equity shares in the ratio of 12:100 to the existing shareholders of our Company | n / a |
| June 25, 1996 | 1,00,000 | 10 | 30 | Preferential allotment of equity shares | Cash |
| August 2, 1996 | 14,86,100 | 10 | 30 | Public issue of equity shares | Cash |
| March 31, 2004 | 52,52,532 | 10 | - | Bonus issue of equity shares in the ratio of 1:1 to the existing shareholders of our Company | n / a |
| February 26, 2011 | 24,05,128 | 10 | - | Allotment of equity shares pursuant to scheme of amalgamation | Other than cash |
| April 1, 2011 | 18,35,000 | 10 | 218.70 | Allotment pursuant to conversion of compulsorily convertible cumulative preference shares | Other than cash |
| September 30, 2011 | 11,20,164 | 10 | - | Allotment of equity shares pursuant to scheme of amalgamation | Other than cash |
| September 14, 2016 | Sub-division of equity shares from ₹ 10 to ₹ 2 | | | | - |

| Date of allotment | No. of Equity Shares allotted | Face value (In ₹) | Issue price per Equity Share (In ₹) | Nature of allotment | Nature of consideration |
|---|---|---|---|---|---|
| April 3, 2017 | 70,92,125 | 2 | 423 | Qualified institutions placement | Cash |
| February 13, 2018 | 2,91,250 | 2 | 180 | ESOP 2016 | Cash |
| March 31, 2018 | 3,31,000 | 2 | 196.81 | ESOP 2016 | Cash |
| April 9, 2018 | 20,000 | 2 | 180 | ESOP 2016 | Cash |
| May 22, 2018 | 70,000 | 2 | 180 | ESOP 2016 | Cash |
| | 40,000 | 2 | 392 | ESOP 2016 | Cash |
| July 13, 2018 | 17,43,42,310 | 2 | - | Bonus issue of equity shares in the ratio of 2:1 to the existing shareholders of our Company | n / a |
| July 27, 2018 | 6,06,000 | 2 | 180 | ESOP 2016 | Cash |
| | 97,500 | 2 | 392 | ESOP 2016 | Cash |
| September 15, 2020 | 97,11,739 | 2 | 250 | Rights issue | Cash |
| June 21, 2021 | 3,969,737 | 2 | - | Allotment of equity shares pursuant to Scheme of Amalgamation | Other than cash |

The following table sets forth details of allotments of Preference Shares by our Company:

| Date of allotment | No. of Preference Shares allotted | Face value (In ₹) | Issue price per Preference Shares (In ₹) | Nature of allotment | Nature of consideration |
|---|---|---|---|---|---|
| May 12, 2021 | 12,957,578 | 100 | 121.25 | Allotment of preference shares pursuant to Scheme of Amalgamations | Other than cash |
| June 21, 2021 | 5,927,084 | 100 | 121.25 | | |

**Warrants**

Our Company has not issued any warrants as on the date of this Preliminary Placement Document. Hence, it does not have any unlisted or listed warrants.

**Employee stock option scheme**

Our Company has one employee stock option plans, namely, UnoMinda Employee Stock Option Scheme, 2019 ("**ESOP Scheme 2019**").

The ESOS Scheme 2019 has been formulated by the Board of Directors by a resolution passed at its meeting held on February 6, 2019 and approved by the Shareholders at their extra-ordinary general meeting held on March 25, 2019. As on the of this Preliminary Placement Document, the details of options pursuant to ESOS Scheme 2019 are as follows:

| Particulars | Number of stock options |
|---|---|
| Total number of stock options | 78,66,500 |
| Stock options granted | 12,62,917 |
| Total number of stock options valid | 12,37,645 |
| Stock options vested and remain unexercised | Not Applicable |
| Stock options exercised | Not Applicable |
| Stock options lapsed / forfeited/ cancelled | 25,272 |
| Total Stock options outstanding | 66,28,855 |

**Proposed Allottees in the Issue**

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the BRLMs, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "*Details of Proposed Allottees*" on page 190.

**Pre-Issue and post-Issue shareholding pattern**

| Sr. No. | Category | Pre-Issue as of June 30, 2021 | | Post-Issue* as of [●], 2021* | |
|---|---|---|---|---|---|
| | | Number of Equity Shares held | % of share holding on | Number of Equity Shares held | % of share holding |
| **A.** | **Promoter's holding#** | | | | |
| 1. | Indian | | | | |
| | Individual | 11,26,61,713 | 40.83 | [●] | [●] |
| | Corporate | 8,00,43,984 | 29.01 | [●] | [●] |
| | **Sub-total (A)** | 19,27,05,697 | 69.85 | [●] | [●] |
| **B.** | **Non - Promoter's holding** | | | | |
| 2. | Institutional investors | 5,48,50,158 | 19.88 | [●] | [●] |
| 3. | Non-institutional investors | | | | |
| a. | Individual share capital upto ₹ 2 Lacs | 1,15,97,816 | 4.20 | [●] | [●] |
| b. | Individual share capital in excess of ₹ 2 Lacs | 44,10,754 | 1.60 | [●] | [●] |
| c. | NBFCs registered with RBI | 18,53,313 | 0.67 | [●] | [●] |
| d. | **Any Other** [including Non-resident Indians (NRIs) and clearing members] | 1,04,79,271 | 3.80 | [●] | [●] |
| e. | Employee Trust | 1,432 | 0.00 | [●] | [●] |
| | **Sub-total (B)** | **8,31,92,744** | **30.15** | **[●]** | **[●]** |
| **C.** | Non Promoter- Non Public shareholder | 0 | 0 | [●] | [●] |
| 4. | Custodian/DR Holder | 0 | 0 | [●] | [●] |
| 5. | Employee Benefit Trust | 0 | 0 | [●] | [●] |
| | **Sub-total (C)** | 0 | 0 | [●] | [●] |
| | **Total (A+B+C)** | 27,58,98,441 | 100.00 | [●] | [●] |

* *Note: The details of the post-Issue shareholding pattern have been intentionally left blank and will be filled in before filing of the Placement Document with the Stock Exchange*
*#Includes shareholding of the members forming part of the Promoter Group*

No change in control in our Company will occur consequent to the Issue.

Except as disclosed in *'Capital Structure - Equity share capital history of our Company'* on page 66, with respect to the allotment of Equity Shares, on June 21, 2021 for allotment of Equity Shares pursuant to Scheme of Amalgamation and on September 15, 2020 for allotment of Equity Shares pursuant to Rights Issue our Company has not made any allotment of Equity Shares in the year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or made any allotment of Equity Shares or pursuant to a preferential issue, private placement or a rights issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue.

## DIVIDENDS

Our Board adopted the Dividend Distribution Policy pursuant to its resolution dated February 7, 2017. In line with this policy, the Board may declare one or more interim dividends during the year. Additionally, the Board may recommend final dividend for the approval of the shareholders at the annual general meeting. The dividend pay-out decision of the Board will be depend on Company's financial requirements including present and future organic and inorganic growth opportunities and other relevant factors for declaring dividend in any financial year. The declaration and payment of equity dividend would be governed by the applicable provisions of the Companies Act, 2013 and Articles of Association of our Company and Dividend Distribution Policy. The details of the dividends declared by our Company in respect of the Fiscal Years 2021, 2020 and 2019 are set out below:

| Fiscal Year | Rate of dividend (%) | Dividend per Equity Shares (in ₹) |
|---|---|---|
| **2021** | | |
| Final dividend* | 25 | 0.50 |
| Interim dividend | 17.5 | 0.35 |
| **2020** | | |
| Final dividend | -- | -- |
| Interim dividend | 20 | 0.40 |
| **2019** | | |
| Final dividend | 32.50 | 0.65 |
| Interim dividend | 22.5 | 0.45 |

**Final Dividend of ₹ 0.50 for Fiscal 21 is recommended by the Board and is yet to be approved by shareholders in AGM scheduled on August 12, 2021.*

*Note: Details of Fiscal 2020 and Fiscal 2019 have been taken from Audited Consolidated financials of Fiscal 2021 and Fiscal 2019, respectively. Further, consolidated financial statements for Fiscal 2020 was restated consequent to the Scheme of Amalgamation hence any reference to financials of Fiscal 2020 means the restated consolidated financial statement for Fiscal 2020.*

The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the Fiscal in which they have been allotted.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

The amounts paid as dividend in the past are not necessarily indicative of dividend which may be declared by our Company, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future. For a summary of some of the restrictions that may materially affect our ability to declare or pay dividends, see "*Risk Factors –Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows and working capital requirements*" on page 48.

# MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations is based on, and should be read in conjunction with, our Financial Statements included elsewhere in this Preliminary Placement Document. The Financial Statements reflect applicable statutory requirements and regulatory guidelines and accounting practices in India.*

*Our audited consolidated financial statements are prepared in accordance with Ind-AS, which differs in certain material respects with IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12-month period ended March 31 of that year. This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" on page 35.*

## OVERVIEW

We believe we are one of India's leading manufacturers and suppliers of a variety of automotive systems to original equipment manufacturers (**OEMs**) and one of world's leading manufacturers of automotive horns. We believe that are also one of the leading manufacturers of automotive switching systems; automotive lighting systems; acoustics systems for the automotive industry; automotive seating systems and alloy wheels in India. The Group manufacture and supply over 30 categories of automotive components to leading Indian and international OEMs based in India, Asia (without India), North America and Europe.

We operate as full systems solution providers and cater to a diverse range of customers in the products manufactured by us which include automotive switching systems; automotive lighting systems; acoustics systems for the automotive industry; automotive seating systems; alloy wheels and other products like general aluminum die casting, various components for electric-vehicles, blow moulding, hoses (brakes and fuel), fuel caps, air filters, air bags, CNG and LPG kits, speakers, and infotainment among others.

Our Company was incorporated in 1992 with an object to take over the business of Minda Industries, a partnership firm, which was engaged in the manufacture and trade of auto electric parts since 1958. Subsequently, we have gained expertise in various products in the automotive industry through our in-house expertise, strategic alliances, consolidations and acquisitions. We believe our diverse product portfolio and scale of operations, long-standing relationships with domestic and global OEMs, manufacturing and operational excellence, robust aftermarket presence through dealer and distributor network, strong financial profile and seasoned management team acts as strong and sustainable competitive advantages. Some of our key domestic customers include the largest and the second largest four-wheeler OEMs in India, all of the five leading two-wheeler OEMs in India as well as global automotive OEMs across North America, Europe and South-east Asia.

As of the date of this Preliminary Placement Document the Group has 65 manufacturing plants located in India and 6 manufacturing plants located in South-east Asia, Europe and North America. We believe our manufacturing facilities in India are located in key auto-clusters in North, South and West India and strive to locate our facilities in close proximity to our OEM customers' plants. For e.g., our manufacturing plants in Manesar, Indonesia and Hosur are located in close proximity to the manufacturing facilities of some of our leading customers. We believe that research and development and access to the latest technology is a key to our success and currently have 16 Research, Development and Design Centres globally, which are further complemented through technical arrangements and joint ventures with partners who we believe are industry and technology leaders in their respective markets and technological capabilities.

In addition to our demonstrated ability to expand our product portfolio and markets organically, our various Joint Ventures and technical collaborations, illustrate our ability to identify, partner or acquire and assimilate complementary businesses across products and geographies in order to consolidate our position in the auto component industry. For details on our joint ventures and associate companies please refer to "*Organizational Structure*" on page 132 of this Preliminary Placement Document.
Our operations are overseen by a professional management team with most of our business domains being led by independent chief executive officers. Nirmal K Minda, our Chairman and Managing Director, has been associated with us since the inception of our Company and has been instrumental in the growth of our Company. Under the leadership team, our Company received the Golden Peacock Award for excellence in corporate governance for the year 2020 by Institute of Directors and the 5th Institute of Company Secretaries of India (ICSI) CSR Excellence Award under the category of best Corporate in an Emerging Category.

## MATERIAL DEVELOPMENTS

**A. Allotment of shares of the Company to the eligible shareholders and payment of balance consideration towards 49% equity stake in Harita Fehrer Limited**

i. Pursuant to the Scheme of Amalgamation, the "Harita Merger Executive Committee" of the Board of the Company approved and allotted 1,29,57,578 (One Crore Twenty-Nine Lacs Fifty-Seven Thousand Five Hundred Seventy Eight), number of fully paid up 0.01% Non-Convertible Redeemable Preference Shares ("**NCRPS**") of face value of ₹ ₹ 100/- (Rupees Hundred Only) each to the eligible shareholders of the Transferor Company 1 to 3 at a price of ₹ ₹ 121.25/- (Rupees One Hundred Twenty-one and Twenty-five Paise Only) each, in the ratio as mentioned in the Clause 10 of the Scheme. The NCPRS were allotted as per option selected by the eligible shareholders.

ii. Harita Fehrer Limited (hereinafter called as "**HFR**") a joint venture between Harita Seating Systems Limited (Transferor Company 5 or HSSL) and F.S. Fehrer Automotive GmbH ("Fehrer") holding 51% and 49% equity stake in HFR respectively. Pursuant to the Scheme, the Company effective April 1, 2019 (i.e. the appointed date as per the Scheme) became the shareholder of Transferor Company 5, holding 51% stake in HFR. Consequently, the Company gave effect to the scheme as per Ind AS 103- Business Combinations (Acquisition method) in the standalone and consolidated financial statements for the year ended March 31, 2021 w.e.f. appointed date i.e. April 1, 2019.

   Fehrer being minority shareholder in HFR (subsidiary of Transferror Company 5) exercised its right to sell its stake at an agreed valuation of ₹ 115 Crores as per the agreement. Accordingly, an amount of ₹ 115 Crores was considered as current financial liability in the standalone and consolidated financial statements for the year ended March 31, 2021 by a corresponding debit to Investment thereby making it as 100% subsidiary of the Company. On June 13, 2021, the Company's Board of Director approved the purchase of 49% stake of HFR, comprising of 98,48,040 (Ninety Eight Lakhs, Forty Eight Thousand and Forty) equity shares of face value of ₹ 10 each, from Fehrer for a total consideration of ₹ 115 Crores. (Rupees Hundred Fifteen Crores). The expected date of disbursement of consideration is on or before November 30, 2021.

iii. On June 21, 2021, the "Harita Merger Executive Committee" of the Board of the Company further approved and allotted:

   a. 39,69,737 (Thirty-Nine Lacs Sixty-Nine Thousand Seven Hundred Thirty-Seven) equity shares of ₹ 2 (Two) each to the eligible shareholders of M/s. Harita Seating Systems Limited (Transferor Company 5), as per the option selected by them; and

   b. 59,27,084 (Fifty-Nine Lacs Twenty-Seven Thousand Eighty-Four) NCRPS of face value of ₹ 100 each at a premium of ₹ 21.25 per shares to the eligible shareholders of M/s. Harita Seating Systems Limited, as per the option selected by them.

   Further, as per the Scheme, the fractional entitlement were allotted to "Minda Harita Merger-Fractional Securities Trust ("the **Trust**")". The trustees of the Trust shall sell/redeem the fractional shares and remit the amount to respective shareholders towards their fractional entitlement.

   The said NCRPS have not be listed on any of the stock exchanges.

**B. Acquisition of UzChasys LLC (UzChasys)**

On June 22, 2021, the Company won the bid for acquisition of 51% stake from existing shareholder UzautoComponents LLC in its Joint Venture UzChasys LLC ("**UzChasys**") for a purchase consideration amounting to Uzbekistani Som (UZS) 83.1 billion equivalent to ₹ 58 Crores. UzChasys is company, established and operating in the Republic of Uzbekistan. It is a joint venture of AMS Co. Ltd and UzautoComponents LL, holding 30% and 70% stake respectively. The transaction is subject to closing conditions.

UzChasys is engaged in the manufacture of automobile headlights and lamps and is a leading Original Equipment Manufacturer (OEM) in Uzbekistan.

The proposed investment in UzChasys, will enable the Company to have significant presence in Uzbekistan, as a leading OEMs Supplier. This will enable the Company to expand its geographical footprints.

## SIGNIFICANT FACTORS AFFECTING RESULTS OF OUR OPERATIONS

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future.

***Impact of Covid-19***

The rapid and diffused spread of Covid-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses including automobile and auto-component sector and could continue to have an impact that may worsen for an unknown period of time. This pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of the adverse effects of Covid-19 remain uncertain and could be severe. Impact of Covid-19 are numerous, such as, impact on sales of auto OEMs as these products do not constitute "essential products", the pre Covid-19 auto sales may not be achieved owing to the discretionary and large-ticket in nature, limitations in the supply of raw materials which may result in our inability to supply products to our customers in time, our operations across countries are subject to differing regulations to contain the pandemic which may adversely impact our ability to operate our manufacturing facilities seamlessly, see "*Risk Factors –The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain"* on page 35.

***Macroeconomic and market conditions affecting the automotive industry***

Our revenues are primarily derived from our sales of automotive components to our OEM customers and, as a result, our operations are affected by general trends in the automotive industry. For instance, factors such as macroeconomic conditions, particularly widespread or prolonged changes in consumer confidence and spending on vehicles affect our business and results of operations. In addition, fluctuations in interest rates, exchange rates and inflation rates may have a material effect on key aspects of our operations as well as cost of financing for the ultimate consumers of vehicles that contain our products, including the cost of our raw materials and the costs of borrowing required to fund our operations.

Our business depends on the demand for vehicles and production by our OEM customers, which, in turn, depend, to a large extent, on general economic conditions in the countries, regions and localities in which our customers operate, as well as the economic conditions that affect their customers. Some of the general macro-economic factors that can affect demand for our OEM customers and, therefore, for the components that we manufacture, include the following:

- Fuel oil prices which impacts the automotive industry and subsequently the components industry, both globally and in India;
- Global and local economic growth, fiscal stability, political and regulatory measures including tax incentives or other subsidies, environmental policies, the phasing out of older vehicles or other developing trends, such as the move towards electrification and emissions reduction;
- Global and local fiscal and monetary dynamics, such as rises or falls in interest rates (resulting in greater or lesser ability by customers to borrow money, including for auto purchases), foreign exchange rates and inflation rates;
- General levels of GDP growth in a country or region, and growth in personal disposable income in that country or region; Demographic conditions and population dynamics, such as the absolute size of a market and the growth rates of the population in that market.

A deterioration in economic conditions in any of our key markets that is widespread, pronounced and/or long-lasting, such as the impact of Covid-19, could have a significant impact on our results of operations and financial condition. While we believe that our diversification across products, markets, geographies and customers reduces, in part, our sensitivity to economic cycles in certain geographies and markets, we are particularly affected by factors affecting the vehicle industry in India, Europe, the Asia-Pacific region and the Americas. For a more detailed discussion of the global automotive component industries, see "*Industry Overview*" on page 100.

***Purchasing patterns of our significant customers and contract terms***

The demand for our products from OEMs has a significant impact on our results of operations and new orders have been a significant driver of our growth. The metrics employed by OEMs when selecting suppliers include product quality and features, innovation and product development time, company's reputation as a manufacturer and distributor of quality products, ability to control costs, pricing and financial terms, reliability and safety and a company's level of service (including maintaining sufficient inventory levels for timely deliveries). For further details, please see "*Business*" on page 120. Once we are awarded a contract, we typically enter into master agreements with the OEM for the supply of our products and other terms including which include general terms of sale, specification requirements and pricing policy, but such agreements do not obligate our customers to place an order with us. However, pursuant to the prevalent automotive industry practice, we do not have firm commitment supply agreements with most of our customers and instead we rely on purchase orders to govern the volume and other terms of our product sales. Actual orders are based on purchase orders issued by our customers from time to time and the delivery schedule mentioned therein may be significantly different from the one indicated by such customer which may adversely impact our production schedules. See "*Risk Factors – Risks relating to our business –Our contractual arrangements with our OEM customers are generally requirement contracts, and any termination of such contract or decline in the production requirements of any of our customers, in particular for any of our large customers, could materially and adversely affect our business, results of operations and financial condition*" on page 36.

*Product pricing*

Our OEM customers are active in competitive industries and face constant pressure to cut their selling prices and production costs. Accordingly, component pricing is one of the key metrics by which OEMs choose suppliers for their vehicle programs. As a result, we have in the past and will likely continue to experience pressure to reduce our prices. Many automotive OEMs, for example, have annual price reduction policies and objectives with their suppliers. Price reductions are typically agreed on an annual basis as part of our long-term customer contracts and can vary by market or region, taking into account the OEM's specific economic objectives. When negotiated price, reductions are expected to be retroactive, we account for such amounts as a reduction of revenues as products are shipped. During the life cycle of a contract we are typically able to achieve certain production efficiencies, which enables us to offset a portion of the effect of price reductions on our margins during the term of the contract. Certain of such pricing reductions are conditional upon achieving certain joint cost-saving targets with our OEM customers. To the extent, we are not able to achieve the efficiencies necessary to offset the price reductions, such price reductions negatively impact our revenues and margins.

***Operating Costs, Efficiencies and Raw Material Costs***

Given the nature of our business, our ability to manage our operating costs and efficiencies is critical to maintain our competitiveness and profitability. Our profitability is partially dependent on our ability to spread fixed production costs over higher production volumes. We endeavor to continue to innovate and introduce new products and applications as well as to continue to carefully manage and reduce our operating costs in order to maintain our current margins and competitive position. For example, our purchasing teams work in close coordination with suppliers to extract discounts to reduce our purchasing cost. In addition, our engineering and manufacturing teams work on various product cost-optimization projects to reduce manufacturing costs, improve supply chain logistics and optimize the packaging of our products in order to reduce the cost per unit. Taken together these actions help to enable us to offer price reductions to our customers without affecting our margins, however there can be no assurances that we will continue to achieve sufficient cost savings in the future, which could affect our ability to offer reduced prices to our customers. Our ability to reduce our operating costs in line with customer demand is subject to risks and uncertainties, as our costs depend, in part, on external factors beyond our control.

Operational efficiency also takes time to develop. In India, our expanding production facilities have added capacity to capture new business, which has helped to grow our revenue, although it will still take time for all our capacities to be fully utilised.

We also incur certain costs in order to ensure that the products that we supply to our customers are of high quality and free of defects. Such costs relate to matters such as capital expenditure, manpower, systems deployment and rejection and re-working of products. Quality control is critical to our operations and a failure to prevent the passing down of defects to our customers may adversely impact our reputation, client relations and results of operations.

Purchases of raw materials and purchased components, plus the associated manufacturing costs, account for a significant portion of our overall expenditure. For the Fiscal Years 2021, 2020 and 2019, our total cost of materials consumed (including cost of materials consumed, purchases of stock in trade and changes in inventory of finished goods, stock in trade and work-in-progress) on a consolidated basis accounted for 61.49%, 61.24% and 61.31% of our revenues from operations. During the years under review, our largest purchases of raw materials and purchased components by value included metals (such as aluminum, copper, lead), plastics, resins and other electronic components. Our contracts sometimes include a mechanism whereby we can pass through increases in the costs of raw materials to our OEM customers, helping to reduce the effect on our margins relating to volatility in the prices of our raw materials. Alternatively, we may periodically renegotiate price adjustments with our customers. Such price adjustments based on cost changes occur at periodic intervals, either annually as part of our assessment of the overall economics of a particular contract, or semi-annually in the event that a specific contractual mechanism is applied to address changes in our cost structure. Accordingly, there is generally a time lag between changes in our costs and any adjustments to our prices, and we are typically compensated retroactively by our customers in the event of any such gap. Such cost pass-throughs and agreed price adjustments in our contracts with our customers, largely mitigate the effect of commodity price fluctuations.

We have a broad and diversified supplier base for each of the major raw materials and purchased components that we purchase and believe that we will be able to procure sufficient substitute supply in the event of a loss of one or more of our major suppliers. Our contracts with most of our suppliers are typically of a specified duration and subject to renegotiation usually on an annual basis. We attempt to align our supplier requirements with the projected demand from our OEM customers, and provisions relating to volume estimates may impact our ability to effectively increase or decrease our raw material or procurement of purchased components in accordance with our actual production requirements under our program contracts. Consistent with the practices of the automotive component industry, the terms and conditions of our customer contracts do not typically include a commitment by the OEMs to make minimum purchase volumes, and in our supplier contracts we have significant flexibility to increase or decrease purchases from our third-party suppliers in response to customer demand.

Our aggregate personnel costs comprise our second largest cost and have a significant effect on our results of operations. For the Fiscal Years 2021, 2020 and 2019, our employee benefits expense on a consolidated basis accounted for 15.40%, 15.17%

and 13.39% of our revenues from operations. Our total personnel costs generally comprise personnel costs in respect of manufacturing operations, sales and distribution, research and development and general and administrative expenses. Personnel costs also include the cost of contract workers used in various manufacturing processes. Since our workforce requirements are ultimately dependent upon our production volumes, the use of temporary workers allows us the flexibility to expand or reduce our workforce depending upon business volume.

Other expenses also have a significant effect on our results of operations. Such expenses are comprised primarily of power and fuel, consumption of stores and spares, job work charges, repair and maintenance costs, lease rent costs, freight and forwarding costs, legal and professional fees and other general administrative costs. Expenses associated with energy costs and freight and forwarding costs are generally variable in nature based on volumes sold, while the remainder of other operating costs are not tied to production. Increases in sales typically result in a corresponding increase in such variable costs while semi-variable/fixed costs do not increase in the same proportion, which leads to improvement in overall margin. For the Fiscal Years 2021, 2020 and 2019, our other expenses on a consolidated basis accounted for 11.73%, 12.80% and 13.02% of our revenues from operations.

***Acquisitions and capital expenditure into setting up new facilities***

Our Company actively evaluates organic as well as inorganic growth avenues. During the past three years, our Company has completed 3 acquisitions (including amalgamation) including the acquisition of Delvis GmbH, iSYS RTS GmbH, and amalgamation with Harita Seating Systems Limited. As a part of group re-alignment, over the past 5 years we have consolidated large part of auto-component business of Uno Minda group into our Company. We believe that the creation of a single entity along with providing better financial capacity shall also help us to create an investor-friendly holding structure with a seamless process to maximise profits and ensure optimal revenue mix. Such investments in capacity building, new product categories, and entry into new geographies, customers along with the group restructuring we had been part of, has helped us improve our scale and breadth of product offerings.

***Foreign currency risk***

A significant portion of our operations are outside of India. For Fiscal Years 2021, 2020 and 2019, 18.89%, 17.18% and 17.31% of our revenues from operations were from geographies outside India. For instance, certain of our subsidiaries including Global Mazinkert S.L, Clarton Horn Spain and Minda Delvis GmbH report their results of operations in Euros, while certain others including PT Minda Trading reports their results of operations in Indonesian Rupiah which is then translated to the Indian Rupees for purposes of consolidation. Hence, the carrying value of our offshore assets on our balance sheet, as well as the value of our revenue and expenses from our offshore operations on our profit and loss statement, depend significantly on the Euro-to-Rupee and Indonesian Rupiah -to-Rupee exchange rates. An appreciation or depreciation of the Euro and Indonesian Rupiah against the Rupee would have a positive or negative impact on our results of operations, as the profit or loss that we make from our international operations would be worth more or less in Rupee terms.

Exchange rate fluctuations also affect our ability to service our debt obligations denominated in foreign currencies. While we hedge a portion of the resulting net foreign exchange position, we are still affected by fluctuations in exchange rates among the U.S. Dollar, Euro, Indonesian Rupiah, Indian Rupee and other currencies. There can be no assurance that any hedging measures we take will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1. (a) Basis of preparation

### A. Statement of compliance

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

The consolidated financial statements were authorised for issue by the Parent Company's Board of Directors on 13 June 2021.

Details of the Group's accounting policies are included in Note 2 (b).

### B. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee, which is Minda Industries Limited's functional and presentation currency. All amounts have been rounded-off to the nearest Crores, unless otherwise indicated.

**C. Basis of measurement**

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

| | |
|---|---|
| (a) Certain financial assets and liabilities (including derivative financial instruments) | Fair value |
| (b) Net defined benefit (asset)/ liability | Fair value of plan assets less present value of defined benefit obligations |

**D. Use of estimates and judgements**

In preparing the consolidated 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.

*Critical estimates and judgements*

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

*Areas involving critical estimates or judgements are:*

- Estimation of current tax expense and payable – Note 44
- Estimation of fair value of unlisted securities – Note 54
- Estimation of defined benefit obligation – Note 43
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 39
- Lease - Note 47
- Consolidation: whether the Group has de facto control over an investee
- Business combinations: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis – Note 55
- Recognition of deferred tax– Note 21
- Impairment of financial assets

**E. Measurement of fair values**

A number of the Group’s 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).

When measuring the fair value of an asset or a liability, the Group 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 Group 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 is included in the following notes:

- Note 48 - share-based payment
- Note 54 - fair value measurements
- Note 55 - acquisition of subsidiaries, associates and jointly controlled entities

**F. Principles of consolidation**

The consolidated financial statements (CFS) are prepared on the following basis in accordance with Ind AS on "Consolidated Financial Statements" (Ind AS – 110), "Investments in Associates and Joint Ventures" (Ind AS – 28) and "Disclosure of interest in other entities" (Ind AS – 112), specified under Section 133 of the Companies Act, 2013.

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

iv. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity- accounted investees until the date on which significant influence or joint control ceases. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Consolidated Statement of Profit and Loss.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

v. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra- group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

vi. Business Combination, Goodwill and intangible assets

Business combinations, other than through common control transactions, are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations through common control transactions are accounted on a pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in other equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in other equity as capital reserve, without routing the same through OCI. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Company.

Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Standalone Statement of Profit and Loss. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets.

Transaction costs that the Group incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Parent Company, finder’s fees, legal fees, due diligence fees, other professional and consulting fees, etc are expensed as incurred.

The consolidated financial statements are comprised of the financial statements of the members of the Group as under:

| **Name of Company** | **Country of Incorporation** | **% of Interest** | |
|---|---|---|---|
| | | **As at 31 March 2021** | **As at 31 March 2020** |
| **Subsidiaries** | | | |
| Minda Kyoraku Limited | India | 67.60% | 67.60% |
| Minda Kosei Aluminum Wheels Private Limited | India | 69.99% | 69.99% |
| Minda TG Rubber Private Ltd (Refer note 57) | India | - | 51.00% |
| Minda Storage Batteries Private Limited | India | 100.00% | 100.00% |
| YA Auto Industries (partnership firm) | India | 51.00% | 51.00% |
| Minda Katolec Electronic Services Private Limited | India | 51.00% | 51.00% |
| Mindarika Private Limited | India | 51.00% | 51.00% |
| iSYS RTS GmbH | Germany | 80.00% | 80.00% |
| Harita Fehrer Limited | India | 100.00% | 100.00% |
| MI Torica India Private Limited | India | 60.00% | 60.00% |
| **Downstream subsidiary of MI Torica India Private Limited** | | | |
| MITIL Polymer Private Limited | India | 57.00% | 57.00% |
| Global Mazinkert S.L. | Spain | 100.00% | 100.00% |
| **Downstream subsidiaries of Global Mazinkert, S.L.** | | | |
| Clarton Horn, Spain | Spain | 100.00% | 100.00% |

| Name of Company | Country of Incorporation | % of Interest | |
|---|---|---|---|
| | | As at 31 March 2021 | As at 31 March 2020 |
| Clarton Horn, Asia | Switzerland | 100.00% | 100.00% |
| Clarton Horn, Morocco* | Morocco | 100.00% | 100.00% |
| Clarton Horn, Signalkoustic* | Germany | 100.00% | 100.00% |
| Clarton Horn, Mexico | Mexico | 100.00% | 100.00% |
| Light & Systems Technical Centre, S.L. Spain | Spain | 100.00% | 100.00% |
| PT Minda Asean Automotive | Indonesia | 100.00% | 100.00% |
| **Downstream subsidiary of PT Minda Asean Automotive** | | | |
| PT Minda Trading | Indonesia | 100.00% | 100.00% |
| Sam Global Pte Ltd. | Singapore | 100.00% | 100.00% |
| **Downstream subsidiaries of Sam Global Pte Ltd.** | | | |
| Minda Industries Vietnam Company Limited | Vietnam | 100.00% | 100.00% |
| Minda Korea Co Ltd | Korea | 100.00% | - |
| Minda Delvis GmbH | Germany | 100.00% | 100.00% |
| **Downstream subsidiaries of Minda Delvis GmbH** | | | |
| Delvis Products GmbH | Germany | 100.00% | 100.00% |
| Delvis Solutions GmbH | Germany | 100.00% | 100.00% |
| **Joint Ventures** | | | |
| Minda Westport Technologies Limited (formerly known as Minda Emer Technologies Limited) | India | 49.10% | 49.10% |
| Rinder Riduco, S.A.S. Columbia | Columbia (USA) | 50.00% | 50.00% |
| ROKI Minda Co. Pvt. Ltd. | India | 49.00% | 49.00% |
| Minda TTE DAPS Private Limited | India | 50.00% | 50.00% |
| Minda Onkyo India Private Limited | India | 50.00% | 50.00% |
| Minda TG Rubber Private Ltd (Refer note 57) | India | 49.90% | - |
| Densoten Minda India Private Limited | India | 49.00% | 49.00% |
| Minda D-Ten India Private Limited | India | 51.00% | 51.00% |
| Toyoda Gosei Minda India Pvt. Ltd. | India | 47.80% | 47.80% |
| Kosei Minda Mould Private Limited | India | 49.90% | 49.90% |
| Tokai Rika Minda India Private Limited | India | 30.00% | - |
| **Associates** | | | |
| Minda NexGenTech Limited | India | 26.00% | 26.00% |
| Yogendra Engineering (partnership firm) | India | 48.90% | 48.90% |
| Auto Components (partnership firm) | India | 48.90% | 48.90% |
| Kosei Minda Aluminum Company Private Limited | India | 30.00% | 30.00% |

**Pursuant to a Board resolution dated June 13, 2021, businesses of two of the overseas wholly owned step-down subsidiaries of the Company namely, Clarton Horn Marco SRL, Morocco and CH Signalkoustic GmbH, Germany is proposed to be shifted to other company in the Group and hence, these will cease to be a separate legal entity upon completion of the restructuring process.*

## 1. (b) Significant accounting policies

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

### a. Foreign currency transactions

Transactions in foreign currencies are initially recorded into the respective functional currencies of the Group's entities at 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.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI);

Foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint ventures) including goodwill

and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at 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 currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

**b. Financial instruments**

i. Initial Recognition and Measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group 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

| | |
|---|---|
| Financial Assets at FVPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. |
| Financial Assets at amortised cost | These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gains or loss or derecognition is are recognized in profit or loss. |
| Debt investments at FVOCI | These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other income and net gains and losses accumulated in OCI are reclassified to profit or loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Dividend income are recognized in profit or loss unless dividend clearly represents a recovery of part of cost of investment. Other income and net gains and losses are recognized in OCI and are not reclassified to profit or loss. |

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group 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.

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 profit or loss.

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 profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or 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 profit or 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 profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group 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 profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group 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 and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

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

vi. Financial guarantee contracts

The Group on a case-to-case basis elects to account for financial guarantee contracts as a financial instrument or as an insurance contract, as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance Contracts. The Group has regarded all its financial guarantee contracts as insurance contracts. At the end of each reporting period the Group performs a liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognized in profit or loss.

vii. Compound Financial instruments

Compound financial instruments issued by the Group comprise cumulative redeemable preference shares denominated in INR that are mandatorily redeemable at a fixed or determinable amount at a fixed or future date and the payment of dividends is discretionary.

The liability component of a compound financial instrument is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

Interest related to the financial liability is recognized in profit or loss (unless it qualifies for inclusion in the cost of an asset).

**c. Current versus non-current classification**

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

(a) expected to be realised in, or is intended to be sold or consumed in Group's normal operating cycle;
(b) held primarily for the purpose of being traded;
(c) expected to be realised within twelve months after the reporting date; 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 date.

All other assets are classified as non-current.

*A Liability is current when:*

(a) it is expected to be settled in Group's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is due to be settled within twelve months after the reporting date; or
(d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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 Group has identified twelve months as its operating cycle.

**d. Property, plant and equipment**

i. Initial 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 and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation on plant and machinery, tools and dies and on other tangible property, plant and equipment is provided on SLM/WDV basis, based on the rates as per useful life prescribed in Schedule II to the Companies Act, 2013 except in the case of tools and dies, the useful life based on technical advice is 3 to 6 years.

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

Depreciation 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. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life.
Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Consolidated Statement of Profit and Loss.

**e. Goodwill**

For measurement of goodwill that arises on a business combination see note 2(a)(F)(vi). Subsequent measurement is at cost less any accumulated impairment losses. Goodwill is not amortised and is tested for impairment annually.

**f. Other intangible assets**

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

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

Intangible assets are amortised in the Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis. Intangible assets are amortised over the best estimate of their respective useful lives as under:

i) Technical know-how: Amortized over the period of 6 years or over the period of agreement, as applicable
ii) Computer software: Amortized over the period of 6 years
iii) Trade Mark: Amortized over the period of 10 years
iv) Customer relationship: Amortized over the period of 10 years or over the period of agreement, as applicable

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

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

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

**Internally generated: Research and development**

a) Expenditure on research activities is recognised in profit or loss as incurred.

b) Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

**g. Impairment**

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost

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

The Group measures loss allowances 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. In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group 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 Group 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 Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when the financial asset is 90 days or more past due.

*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 Group in accordance with the contract and the cash flows that the Group expects to receive).

*Presentation of allowance for expected credit losses in the balance sheet*

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 Group 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 Group's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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. Impairment losses are recognised in the Consolidated Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. 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.

**h. Borrowing cost**

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

**i. Leases**

i. Determining whether an arrangement contains a lease

At inception of a contract, the Group determines whether the contract is, or contains, a lease. The contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset or assets for a period of time in exchange for consideration, even if that right is not explicitly specified in a contract.

At inception or on reassessment of a contract that contains lease component and one or more additional lease or non-lease components, the Group separates payments and other consideration required by the contract into those for each lease component on the basis of their relative stand-alone price and those for non-lease components on the basis of their relative aggregate stand-alone price. If the Group concludes that it is impracticable to separate the payments reliably, then right-of-use asset and Lease liability are recognised at an amount equal to the present value of future lease payments; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

The previous determination pursuant to Ind AS 17 and its 'Appendix C' of whether a contract is a lease has been maintained for existing contracts.

ii. Group as a lessee

At inception, the Group assesses whether a contract is or contains a lease. This assessment involves the exercise of judgement about whether it depends on an identified asset, whether the Group obtains substantially all the economic benefits from the use of that asset, and whether the Group has the right to direct the use of that asset.

The Group has elected to separate lease and non-lease components of contracts, wherever possible.

The Group recognizes a right-of-use (ROU) asset and a lease liability at the transition date/ lease commencement date. The right-of-use asset is initially measured based on the present value of future lease payments, plus initial direct costs, and cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, and lease payments made at or before the commencement date, less any incentives received. The right-of-use asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The right-of-use asset is subject to testing for impairment if there is an indicator for impairment.

At the commencement date, Group measures the lease liability at the present value of the future lease payments that are not yet paid at that date discounted using interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group's uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Contingent rents payments are recognised as an expense in the period in which they are incurred. Lease payments generally include fixed payments and variable payments that depend on an index (such as an inflation index). When the lease contains an extension or purchase option that the Group considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities in separately from other assets/liabilities in the balance sheet.

The Group has elected not to recognize right-of-use assets and liabilities for leases where the total lease term is less than or equal to 12 months, or for leases of low value assets. The payments for such leases are recognized in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term

iii. Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an underlying assets are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments are structured to increase in line with the general inflation to compensate for the lessor's expected inflationary cost increase. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards incidental to ownership of underlying asset is transferred from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**j. Inventories**

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

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

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

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

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

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

Inventories in transit are valued at cost.

**k. Revenue recognition**

(i) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of goods (including moulds and scrap)

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment. The normal credit term is upto 90 days.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any). Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.
Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customers. Where customers are provided with discounts, rebates, etc., such discounts and rebates will give rise to variable consideration. The Group follows the most likely amount method in estimating the amount of variable consideration.

(ii) Management fees, development cost recovery and service revenue is recognized on an accrual basis as and when the services are rendered in accordance with the terms of the underlying contract.

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

(iv) Dividend income is recognized when the right to receive dividend is established.

(v) Royalty income is recognized based on the terms of the underlying agreement.

(vi) Claims lodged with insurance companies are accounted for on an accrual basis, to the extent these are measurable and the ultimate collection is reasonably certain.

(vii) Export entitlement under Duty Entitlement Pass Book Scheme ('DEPB') etc. is recognized on accrual basis and when the right to entitlement has been established.

**Contract balances**

**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (b) Financial instruments – initial recognition and subsequent measurement.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

**l. Government grants**

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

When the Group receives grants of non-monetary assets, the assets and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as Government grant. The loan or assistance is initially recognized and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

**m. Provisions (other than employee benefits)**

i. General

A provision is recognized if, as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of time value of money is material provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

ii. Warranties

Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods and is included in the Consolidated Statement of Profit and Loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made, as and when required.

**n. Retirement and other 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 Group 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 (Equity settled)

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in employee stock option (ESO) reserves in other equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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 Group makes specified monthly contributions towards employee provident fund, employee state insurance corporation and superannuation funds which is a defined contribution plan. The Group's contribution is recognized as an expense in the Consolidated Statement of Profit and Loss during the period in which the employee renders the related service.

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

iv. Defined benefit plans

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest), are recognised immediately in the balance sheet with a corresponding debit or credit to other equity through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent period.

The Group 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 profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group 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 to such extent is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

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

vi. Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

**o. Income taxes**

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

(i) 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.

Tax benefits of deductions earned on exercise of employee stock options in excess of compensation charged to income are credited to securities premium.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of 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 is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss at the time of the transaction;

- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable 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 a history of recent losses, the Group 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 realised. 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 benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised 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 Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset 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 authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

Minimum alternate tax (MAT) paid in a year is charged to the Consolidated Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the Consolidated Statement of Profit and Loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**p. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue and share split that have changed the numbers of equity share outstanding, without a corresponding change in resources.

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

**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, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**r. Cash dividend to equity holders**

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the Consolidated Statement of Profit and Loss.

**s. Recently issued accounting pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of schedule III and are applicable from April 1, 2021. The Group is evaluating the effect of the amendments on its financial statements.

**EXPLANATION OF INCOME STATEMENT ITEMS**

Our total revenues from our operations consist of revenues from the sale of product, sale of services, other operating income and other income.

*Revenue*

Sale of product comprises of sales of finished goods manufactured by us at our manufacturing facilities and includes automotive switching systems; automotive lighting systems; acoustics systems for the automotive industry; automotive seating systems; alloy wheels and other products like general aluminum die casting, various components for electric-vehicles, blow moulding, hoses (brakes and fuel), fuel caps, air filters, air bags, CNG and LPG kits, speakers, and infotainment among others, and traded goods in the after-market.

*Sale of Services*

Sale of services comprises of income from management services, and engineering and technology services provided to group entities.

*Other Operating Income*

Other operating income primarily includes income from scrap sale, royalty, job work and recovery of development costs.

*Other income*

Other income primarily consists of interest income, dividend income from non-current investments, profit on sale of fixed assets, income from foreign currency fluctuations and miscellaneous income.

*Cost of materials consumed*

Our total cost of materials consumed comprises of raw materials (purchased components and packing materials consumed) after considering changes in the inventories, foreign currency translation adjustments and inventories acquired as part of acquisition of subsidiaries.

*Purchase of stock-in-trade*

Purchase of stock-in-trade comprises of items for trading activities.

*Changes in inventories of finished goods, work-in-progress and stock-in-trade*

Changes in inventories of finished goods (other than those acquired for trading), work-in-progress and stock-in-trade (including those acquired for trading) are incurred in the ordinary course of our business.

*Employee benefits*

Our employee benefit expenses comprise of salaries and wages, expense on employee stock option schemes, contribution to provident and other funds and staff welfare expenses. Employee benefit expenses are primarily driven by the size of our operations, our geographical reach and customer requirements.

*Finance costs*

Finance costs include interest expense on borrowings, interest expense on lease liabilities and other finance costs.

*Depreciation and amortization*

Depreciation and amortization include the expense incurred by way of depreciation on property, plant and equipment, amortisation of intangible fixed assets and depreciation on right-of-use assets.

*Other expenses*

Other expenses primarily consist of cost of consumption of stores and spare parts, job work charges, power and fuel costs, repair and maintenance costs, rental costs, insurance costs, expenses incurred towards travelling and conveyance, expenses incurred towards advertisement and sales promotion, legal and professional charges, freight and other distribution overheads, royalty expenses, expenses related to warranty and other miscellaneous expenses.

*Income tax expenses from continuing operations*

Tax expenses represent the sum of taxes currently payable and deferred taxes under the laws of each jurisdiction where we carry on our business.

**RESULTS OF OPERATIONS**

The following tables set forth certain of our historical revenue and expense items for the periods indicated below.

*(in ₹ Crores, unless otherwise specified)*

| **Particulars** | **Fiscal ended March 31,** | | |
|---|---|---|---|
| | **2021** | **2020** | **2019** |
| Sale of Product | 6,065.74 | 6,007.23 | 5,774.83 |
| Sale of Services | 217.61 | 145.81 | 78.46 |
| Other Operating Income | 90.39 | 68.99 | 54.80 |
| Revenue from operations | 6,373.74 | 6,222.03 | 5,908.09 |
| Other Income | 47.03 | 40.49 | 27.03 |
| **Total Income** | **6,420.77** | **6,262.52** | **5,935.12** |
| **Expenses** | | | |
| Cost of materials consumed | 3,456.43 | 3,214.72 | 3,100.03 |
| Purchases of stock-in-trade | 528.76 | 613.28 | 558.72 |
| Changes in inventories of finished goods work-in-progress and stock-in-trade | (65.90) | (17.72) | (36.27) |
| Employee benefits | 981.69 | 943.83 | 791.29 |
| Finance costs | 73.65 | 94.17 | 63.15 |
| Depreciation and amortisation | 375.30 | 340.07 | 234.38 |
| Other expenses | 747.77 | 796.12 | 769.14 |
| **Total expenses** | **6,097.70** | **5,984.47** | **5,480.44** |
| **Profit before share of profit /(loss) of associates and joint ventures, exceptional item and tax** | **323.07** | **278.05** | **454.68** |
| Exceptional item | 1.73 | (34.46) | - |
| **Profit before share of profit /(loss) of associates and joint ventures and tax** | **324.80** | **243.59** | **454.68** |
| Current tax | 98.29 | 93.63 | 115.47 |
| Deferred tax charge / (credit) | 2.24 | (25.01) | 18.60 |
| **Tax Expenses** | **100.53** | **68.62** | **134.07** |
| **Profit before share of profit /(loss) of associates and joint ventures and after tax** | **224.27** | **174.97** | **320.61** |
| Add:- Share of profit of associates and joint ventures | 24.17 | 12.97 | 18.87 |
| **Total profit after share of profit of associates and joint ventures** | **248.44** | **187.94** | **339.48** |
| **Profit attributable to:** | | | |
| Owners of Minda Industries Limited | 206.63 | 155.18 | 285.62 |
| Non-controlling interest | 41.81 | 32.76 | 53.86 |
| **Earnings per equity share [nominal value of share ₹ 2 (Previous year ₹ 2)]** | | | |
| Basic (in ₹) | 7.73 | 5.92 | 10.90 |
| Diluted (in ₹) | 7.41 | 5.65 | 10.90 |

*Note: Details of Fiscal 2020 and Fiscal 2019 have been taken from Audited Consolidated financials of Fiscal 2021 and Fiscal 2019, respectively. Further, consolidated financial statements for Fiscal 2020 was restated consequent to the Scheme of Amalgamation hence any reference to financials of Fiscal 2020 means the restated consolidated financial statement for Fiscal 2020.*

***Comparison of results of operations for the Fiscal Years 2021 and 2020***

*Revenue from Operations*

Our revenue from operations increased by ₹ 151.71 Crores, or 2.44%, to ₹ 6,373.74 Crores for the Fiscal Year 2021, from ₹ 6,222.03 Crores for the fiscal year ended March 31, 2020 despite Covid-19 impact in first half of the financial year. The rise can be attributed to an increase in sale of products by 0.97%, sale of services by 49.24% and other operating income by 31.02%.

*Sale of Product*

The Group's sale of product increased by ₹ 58.51 Crores, or 0.97%, to ₹ 6,065.74 Crores for the Fiscal Year 2021, from ₹ 6,007.23 Crores for the Fiscal Year 2020.

*Sale of Services*

The sale of services increased by ₹ 71.80 Crores, or 49.24%, to ₹ 217.61 Crores for the Fiscal Year 2021, from ₹ 145.81 Crores for the Fiscal Year 2020, primarily due to management consultancy fees and engineering service fees charged to group entities.

*Other Operating Income*

The Group's other operating revenues increased by ₹ 21.40 Crores, or 31.02%, to ₹ 90.39 Crores for the Fiscal Year 2021, from ₹ 68.99 Crores for the Fiscal Year 2020, primarily due to increase in job work income and income generated from scrap sale.

*Other income*

Other income increased by ₹ 6.54 Crores, or 16.15%, to ₹ 47.03 Crores for the Fiscal Year 2021 from ₹ 40.49 Crores for the Fiscal Year 2020, primarily due to increase in net gain on foreign currency fluctuations and profit on redemption/sale of shares & mutual funds which was partially offset by reduction in interest income on deposits and net profit on sale of property, plant and equipment.

*Total cost of materials consumed*

Total cost of materials consumed (which includes cost of materials consumed, purchase of stock in trade and changes in inventories of finished goods, work-in-progress and stock-in-trade) increased by ₹ 109.01 Crores, or 2.86%, to ₹ 3,919.29 Crores for the Fiscal Year 2021 from ₹ 3,810.28 Crores for the Fiscal Year 2020. This increase was largely in-line with the change in revenues from operations and was mainly attributable to the increase in the cost of raw materials consumed due to increased production across business verticals. As a percentage of our revenue from operations, the total cost of materials consumed increased from 61.24% for the Fiscal Year 2020 to 61.49% for the Fiscal Year 2021, primarily due to world commodity prices increase and change in product mix.

*Employee benefits*

Expenses towards employee benefits increased by ₹ 37.86 Crores, or 4.01%, to ₹ 981.69 Crores for the Fiscal Year 2021 from ₹ 943.83 Crores for the Fiscal Year 2020. This increase was primarily due to an increase in salaries and wages which increased from ₹ 818.08 Crores in the Fiscal Year 2020 to ₹ 849.97 Crores in the Fiscal Year 2021. As a percentage of our revenues from operations, employee benefit expenses saw a minor increase from at 15.17% in the Fiscal Year 2020 to 15.40% in the Fiscal Year 2021.

*Finance costs*

Finance costs decreased by ₹ 20.52 Crores, or 21.79%, to ₹ 73.65 crores for the Fiscal Year 2021 from ₹ 94.17 Crores for the Fiscal Year 2020. This decrease is primarily due to reduction of interest rate and reduction of borrowing from ₹ 1,196.82 Crores as at March 31, 2020 to 1,048.52 Crores as at March 31, 2021 on account of normal repayment as well as prepayment from proceeds of rights issue funds.

*Depreciation and amortization*

Depreciation and amortization increased by ₹ 35.23 Crores, or 10.36%, to ₹ 375.30 Crores for the Fiscal Year 2021 from ₹ 340.07 Crores for the Fiscal Year 2020 primarily due to increase in amortisation of intangible assets, higher depreciation on right-of-use assets as well as on property, plant and equipment. The increase in depreciation was also partially supported by increase in property, plant and equipment, right of use assets as well as intangible assets.

*Other expenses*

Other expenses decreased by ₹ 48.35 Crores, or 6.07%, to ₹ 747.77 Crores for the Fiscal Year 2021 from ₹ 796.12 Crores for the Fiscal Year 2020. As a percentage of revenue from operations, other expenses decreased to 11.73% for the Fiscal Year 2021 from 12.80% for the Fiscal Year 2020. This decrease is primarily due to reduction in travelling & conveyance expense, rental expenses, Legal and professional expenses and net loss on foreign currency fluctuations (other than considered as finance cost) which was partially offset by the increase in freight and other distribution overheads, royalty expenses and miscellaneous expenses.

*Tax expenses*

Our tax expenses increased by ₹ 31.91 Crores, or 46.50% to ₹ 100.53 Crores for the Fiscal Year 2021 from ₹ 68.62 Crores for the Fiscal Year 2020. Current tax increased by ₹ 4.66 Crores, or 4.98% to ₹ 98.29 Crores for the Fiscal Year 2021 from ₹ 93.63 Crores for the Fiscal Year 2020, while deferred tax charge / (credit) changed from ₹ (25.01) Crores for the fiscal year ended March 31, 2020 to ₹ 2.24 Crores for the fiscal year ended March 31, 2021.

**Comparison of results of operations for the Fiscal Years 2020 and 2019**

*Revenue from Operations*

Revenues from operations increased by ₹ 313.94 Crores, or 5.31%, to ₹ 6,222.03 Crores for the Fiscal Year 2020, from ₹ 5,908.09 Crores for the Fiscal Year 2019, primarily due to growth in sale of products by 4.02%, sale of services by 85.84% and other operating income by 25.89%.

*Sale of Product*

Sale of product, increased by ₹ 232.40 Crores, or 4.02%, to ₹ 6,007.23 Crores for the Fiscal Year 2020, from ₹ 5,774.83 Crores for the Fiscal Year 2019. This was primarily due to addition of seating business revenues pursuant to merger of Harita Seating Systems Limited which was partially offset by the impact of slowdown in Indian automotive sector and impact of COVID-19.

*Sale of Services*

The sale of services increased by ₹ 67.35 Crores, or 85.84%, to ₹ 145.81 Crores for the Fiscal Year 2020, from ₹ 78.46 Crores for the Fiscal Year 2019, primarily due to management consultancy fees and engineering service fees charged to group entities.

*Other Operating Income*

Other operating income increased by ₹ 14.19 Crores, or 25.89%, to ₹ 68.99 Crores for the Fiscal Year 2020, from ₹ 54.80 Crores for the Fiscal Year 2019, primarily due to increase in job work income and income generated from scrap sale.

*Other income*

Other income increased by ₹ 13.46 Crores, or 49.80%, to ₹ 40.49 Crores for the Fiscal Year 2020 from ₹ 27.03 Crores for the Fiscal Year 2019, primarily due to increase in dividend income from subsidiaries and joint ventures.

*Cost of materials consumed*

Total cost of materials consumed (which includes cost of materials consumed, purchase of stock in trade and changes in inventories of finished goods, work-in-progress and stock-in-trade) increased by ₹ 187.80 Crores, or 5.18%, to ₹ 3,810.28 Crores for the Fiscal Year 2020 from ₹ 3,622.48 Crores for the Fiscal Year 2019, primarily due to a rise in cost of materials consumed due to increased production, and an increase in inventories. As a percentage of our revenues from operations, the total cost of materials consumed decreased from 61.31% for the Fiscal Year 2019 to 61.24% for the Fiscal Year 2020, primarily due to change in product mix and moderation in raw material prices.

*Employee benefits*

Expenses towards employee benefits increased by ₹ 152.54 Crores, or 19.28%, to ₹ 943.83 Crores for the Fiscal Year 2020 from ₹ 791.29 Crores for the Fiscal Year 2019. This increase was primarily due to annual increments and addition of employee benefit cost from Harita Seating Systems Limited business pursuant to merger. As a percentage of our revenues from operations, employee benefit expenses increased from 13.39% for the Fiscal Year 2019 to 15.17% for the Fiscal Year 2020 as revenues from operations didn't increase in the same proportion as employee benefit cost.

*Finance costs*

Finance costs increased by ₹ 31.02 Crores, or 49.12%, to ₹ 94.17 Crores for the Fiscal Year 2020 from ₹ 63.15 Crores for the Fiscal Year 2019. This increase was primarily due to increase in borrowing availed for various capital expenditure during the year.

*Depreciation and amortization*

Depreciation and amortization increased by ₹ 105.69 Crores, or 45.09%, to ₹ 340.07 Crores for the Fiscal Year 2020 from ₹ 234.38 Crores for the Fiscal Year 2019 primarily due to increase in asset base in line with addition of businesses and expansion of operations.

*Other expenses*

Other expenses increased by ₹ 26.98 Crores, or 3.51%, to ₹ 796.12 Crores for the Fiscal Year 2020 from ₹ 769.14 Crores for the Fiscal Year 2019, primarily due to net losses on foreign currency fluctuations. As a percentage of revenues from operations, other expenses decreased to 12.80% for the Fiscal Year 2020 from 13.02% for the Fiscal Year 2019.

*Tax expenses*

Our tax expenses decreased by ₹ 65.45 Crores, or 48.82% to ₹ 68.62 Crores for the Fiscal Year 2020 from ₹ 134.07 Crores for the Fiscal Year 2019, which was primarily due to decline in profits and the recognition of deferred tax credit of ₹ 25.01 Crores for the Fiscal Year 2020 as compared to recognition of deferred tax charge of ₹ 18.60 Crores for the Fiscal Year 2019 further decreased the overall tax for our Company.

**Cash Flow**

The following table sets forth cash flow information for the Fiscal Years 2021, 2020 and 2019:

(*in ₹ Crores*)

| Particulars | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
|---|---|---|---|
| Net cash flow from operating activities | 342.71 | 1,048.55 | 413.97 |
| Net cash flow (used) in investing activities | (360.97) | (835.22) | (825.47) |
| Net cash flow from/ (used) in financing activities | (40.24) | (95.90) | 368.48 |
| Net increase / (decrease) in cash and cash equivalents | (58.50) | 117.43 | (43.02) |
| Foreign currency translation adjustment | 0.44 | 2.78 | 0.80 |
| Cash and cash equivalents pursuant to acquisition - refer note 55 of the Financial Statement for the Fiscal Year 2020 | - | 22.58 | 9.43 |
| Cash and cash equivalents as at beginning | 263.67 | 120.88 | 125.56 |
| Cash and cash equivalents as at closing | 205.61 | 263.67 | 92.77 |
| Cash in hand | 0.74 | 1.14 | 1.69 |
| With banks: | | | |
| - Current accounts | 159.47 | 230.43 | 81.83 |
| - Deposit accounts | 45.40 | 32.10 | 9.25 |
| Cash and cash equivalents at the end of the year | 205.61 | 263.67 | 92.77 |

*Note: Details of Fiscal 2020 and Fiscal 2019 have been taken from Audited Consolidated financials of Fiscal 2021 and Fiscal 2019, respectively. Further, consolidated financial statements for Fiscal 2020 was restated consequent to the Scheme of Amalgamation hence any reference to financials of Fiscal 2020 means the restated consolidated financial statement for Fiscal 2020.*

***Net cash generated from operating activities***

Net cash generated from operating activities was ₹ 342.71 Crores for the Fiscal Year 2021, compared to ₹ 1,048.55 Crores for the Fiscal Year 2020. While operating profit before working capital changes has increased for the Fiscal Year 2021 in comparison to the Fiscal Year 2020, decrease in net cash generated from operating activities is primarily due to working capital changes. We had witnessed unprecedented scenario at the end Fiscal Year 2020 due to Covid-19 pandemic where substantial working capital was released and which came back to normal levels once lockdown eased during Fiscal Year 2021.

Net cash generated from operating activities was ₹ 1,048.55 Crores for the Fiscal Year 2020 compared to ₹ 413.97 Crores for the Fiscal Year 2019. This increase was primarily due to working capital changes.

***Net cash (used in) investing activities***

Net cash used in investing activities was ₹ 360.97 Crores for the Fiscal Year 2021, compared to ₹ 835.22 Crores for the Fiscal Year 2020. The net cash outflow from investing activities for the Fiscal Year 2021 was primarily due to investment in fixed assets and payment made for acquisition of subsidiaries.

Net cash used in investing activities was ₹ 835.22 Crores for the Fiscal Year 2020 compared to ₹ 825.47 Crores for the Fiscal Year 2019. The net cash outflow from investing activities for the Fiscal Year 2020 was primarily due to investment in fixed assets and payment made for acquisition of subsidiaries.

***Net cash from / (used in) financing activities***

Net cash from financing activities was an outflow of ₹ 40.24 Crores for the Fiscal Year 2021, compared to an outflow of ₹ 95.90 Crores for the Fiscal Year 2020. The increase in net cash from financing activities for was primarily due to receipt of proceeds from further issue of shares under rights issue.

Net cash used in financing activities was an outflow of ₹ 95.90 Crores for the Fiscal Year 2020, compared to an inflow of ₹ 368.48 Crores for the Fiscal Year 2019. The decrease in net cash from financing activities for was primarily due to higher disbursement of long term borrowing in Fiscal Year 2019.

**Liquidity and Capital Resources**

Our liquidity requirements arise principally from our operating activities, capital expenditures including inorganic acquisitions for maintenance and expansion activities, the repayment of borrowings and debt service obligations. Our expansion plans include the ongoing expansion of existing facilities, the development of new manufacturing facilities and the acquisitions that we have made in the past and continue to evaluate.

Historically, our principal sources of funding have included cash from operations, short- and long- term committed and uncommitted loan facilities, overdraft facilities that are repayable on demand, cash and cash equivalents and equity and financing provided by our shareholders. We have also entered into various revolving credit and other working capital facilities, which provides sufficient liquidity for the requirements of our Company.

We held cash and cash equivalents of ₹ 205.61 Crores, ₹ 263.67 Crores and ₹ 92.77 Crores as of Fiscal Years 2021, 2020 and 2019, respectively.

**Indebtedness**

Our consolidated indebtedness as of March 31, 2021, as derived from our financial statements, is set out below:

(*in ₹ Crores*)

| **Particulars** | **As of March 31, 2021** |
|---|---|
| Non-Current borrowings | 539.12 |
| Current borrowings | 313.78 |
| Current maturities of long term borrowings | 195.62 |
| **Total** | **1,048.52** |

For further details, see "*Financial Statements*" on page 189.

**Capital and Other Commitments**

As at March 31, 2021, the Estimated amount of contracts remaining to be executed on account of capital and other commitments (net of advance) and not provided for as at March 31, 2021 aggregates to ₹ 74.76 Crores.

**Capital Expenditure**

In Fiscal 2021, 2020, and 2019, our consolidated capital spent towards additions to fixed assets (purchase of property, plant and equipment and payment for acquisition of subsidiaries and jointly controlled entities) were ₹ 454.65 Crores, ₹ 783.61 Crores and ₹ 861.74 Crores, respectively.

**Interest coverage ratio**

Our interested coverage ratio on a consolidated basis for Fiscals 2021, 2020 and 2019 were as follows:

(*in ₹ Crores*)

| **Particulars** | **Fiscal 2021** | **Fiscal 2020** | **Fiscal 2019** |
|---|---|---|---|
| Profit before share of profit /(loss) of associates and joint ventures and after tax | 224.27 | 174.97 | 320.61 |
| **Add** | | | |
| Depreciation and amortisation expense | 375.30 | 340.07 | 234.38 |
| Finance costs | 73.65 | 94.17 | 63.15 |
| Cash Profit after tax plus Finance costs (A) | 673.22 | 609.21 | 618.14 |
| Finance costs (B) | 73.65 | 94.17 | 63.15 |
| **Interest Coverage Ratio (A/B)** | **9.14** | **6.47** | **9.79** |

*Note: Numbers for Fiscal 2020 have been taken from the comparative numbers in Fiscal 2021 and numbers for Fiscal 2019 have been taken from the comparative numbers in Fiscal 2019. The numbers for Fiscal 2021 and Fiscal 2020 may not be comparable with numbers for Fiscal 2019.*

**Contingent Liabilities**

Contingent liabilities and claims against us, to the extent not provided for, as at March 31, 2021, 2020 and 2019, as determined in accordance with Ind AS 37, are described below:

(*in ₹ Crores*)

| **Particulars** | **As at** | | |
|---|---|---|---|
| | **March 31, 2021** | **March 31, 2020** | **March 31, 2019** |
| Income tax matters | 13.72 | 17.23 | 4.57 |

| | | | |
|---|---|---|---|
| Excise / Sales tax / Service tax / GST matters | 22.06 | 15.85 | 0.71 |
| Others | 1.25 | 1.95 | 2.86 |
| Bank guarantee given to custom authorities and others | 0.51 | 0.51 | 0.87 |
| **Total** | **37.54** | **35.54** | **9.01** |

*Note: Numbers for Fiscal 2020 have been taken from the comparative numbers in Fiscal 2021 and numbers for Fiscal 2019 have been taken from the comparative numbers in Fiscal 2020. The numbers for Fiscal 2021 and Fiscal 2020 may not be comparable with numbers for Fiscal 2019*

For details in relation to our contingent liabilities as on March 31, 2021, see relevant section in "*Financial Statements*" on page 189.

**Changes in Working Capital**

(*in ₹ Crores*)

| Particulars | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
|---|---|---|---|
| (Increase)/decrease in inventories | (141.04) | 11.29 | (113.98) |
| (Increase)/decrease in trade receivables and others | (340.37) | 265.41 | (47.22) |
| Decrease/ (increase) in loan current | (11.09) | (3.42) | - |
| Decrease/ (increase) in loan non current | 3.33 | 7.56 | - |
| (Increase)/decrease in other current financial assets | 11.75 | 2.46 | (6.67) |
| (Increase)/decrease in other non-current financial assets | 1.91 | (0.31) | 5.03 |
| (Increase)/decrease in other non-current assets | 7.21 | 15.67 | (1.17) |
| (Increase)/decrease in other current assets | (48.33) | 4.86 | 3.85 |
| Increase/(decrease) in trade payables | 174.02 | 93.92 | (69.96) |
| Increase/(decrease) in other current financial liabilities | (24.56) | 16.33 | 9.83 |
| Increase/(decrease) in other current liabilities | (11.13) | 33.27 | (14.95) |
| Increase/(decrease) in short-term provisions | 5.86 | 7.77 | (8.24) |
| Increase/(decrease) in other non- current financial liabilities | 14.44 | (10.02) | 24.12 |
| Increase/(decrease) in long-term provisions | 7.23 | 1.59 | (4.05) |
| **Change in Working Capital** | **(350.77)** | **446.38** | **(223.41)** |

**Off Balance Sheet Arrangements**

For details in relation to our off-balance sheet arrangements as on March 31, 2021, see relevant section in "*Financial Statements*" on page 189.

**Qualitative Disclosures about Market Risk**

The Company as an active supplier for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The Company's decentralised management structure with the main activities in the plants 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:

- **Market Risk**
  Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and price risks, such as equity price risk and commodity price risk. The sensitivity analyses in the following sections relate to the position as at 31st March 2021. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

  - **Foreign currency risk**

    The Group's risk management policy is to hedge a part of its estimated foreign currency exposure in respect of forecast sales and purchases. The Group uses forward exchange contracts and currency options to hedge its currency risk.

  - **Interest rate risk**

    Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During March 31, 2021 and March 31, 2020, the Company's borrowings at variable rate were mainly denominated in INR, EURO and USD. The Company's fixed rate borrowings are carried at amortised cost.

- **Commodity price risks**

  Fluctuation in commodity price in market affects directly or indirectly the price of raw material and components used by the Company. The Company sells its products mainly to auto makers (Original Equipment Manufacturer) whereby there is a regular negotiation / adjustment of prices on the basis of changes in commodity prices.

- **Liquidity Risk**

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

- **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 towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

  The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major automobile manufacturers (OEMs) with good credit ratings. All 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 has deposited liquid funds at various banking institutions. No impairment loss is considered necessary in respect of fixed deposits that are with recognised commercial banks and are not past due over past years.

**Summary of reservations or qualifications or adverse remarks or emphasis of matter in the Auditors' report in the last five Financial Years immediately preceding the year of filing this Preliminary Placement Document.**

Our Auditors have not made any reservations or qualifications or adverse remarks. However, they have provided the following emphasis of matter in their reports in the last five Financial Years immediately preceding the year of filing this Preliminary Placement Document:

| Fiscal Year | Reservation, Qualifications and / or Emphasis of Matter |
|---|---|
| 2021 | **Standalone**<br>• We draw attention to note 58 to the standalone financial statements for the year ended March 31, 2021 which describes the overall accounting for and in particular basis for restatement of the previous year by the Company's management consequent to the Scheme of Amalgamation ('Scheme') for amalgamation of the Company and Harita Limited, Harita Venu Private Limited, Harita Cheema Private Limited, Harita Financial Services Limited and Harita Seating Systems Limited ("collectively referred to as transferor Companies"). The Scheme has been approved by the concerned National Company Law Tribunal ('NCLT') vide its order dated February 1, 2021 & February 23, 2021 with appointed date of April 1, 2019<br><br>**Consolidated**<br><br>Emphasis of matter: "We draw attention to note 55 to the consolidated financial statements for the year ended March 31, 2021 which describes the overall accounting for and in particular basis for restatement of the previous year by the Company's management consequent to the Scheme of Amalgamation ('Scheme') for amalgamation of the Holding Company and Harita Limited, Harita Venu Private Limited, Harita Cheema Private Limited, Harita Financial Services Limited and Harita Seating Systems Limited ("collectively referred to as transferor Companies"). The Scheme has been approved by the concerned National Company Law Tribunal ('NCLT') vide its orders dated February 1, 2021 and February 23, 2021 with appointed date of April 1, 2019.<br><br>Our opinion is not modified in respect of this matter." |
| 2020 | **Standalone**<br><br>• We draw attention to Note 55 in the standalone financial statements regarding the approval of Scheme of Amalgamation of the Company and its wholly owned subsidiaries namely M J Casting Limited, Minda Distribution and Services Limited, Minda Auto Components Limited and Minda Rinder Private Limited (collectively referred to as transferor companies). Pursuant to the Scheme being approved by the Hon'ble National Company Law Tribunal vide its order dated 01 June 2020, all the assets, |

| Fiscal Year | Reservation, Qualifications and / or Emphasis of Matter |
|---|---|
| | liabilities, reserves and surplus of the transferor companies have been transferred to the Company from the appointed date of 1 April 2019 at carrying values as from that date and therefore have been so recognised in the standalone financial statements for the year ended 31 March 2020. Further, as per the requirements of Appendix C to Ind AS 103 "Business Combination", the comparatives for the year ended 31 March 2019 have been restated by the Company, as if the common control business combination had occurred from the beginning of the earliest period presented.<br><br>• We draw attention to Note 58 in the standalone financial statements, which describes uncertainties, the Company is facing as a result of COVID-19 which is impacting business operations.<br><br>**Consolidated**<br><br>We draw attention to Note 60 in the consolidated financial statements, which describes uncertainties, the Group is facing as a result of COVID-19 which is impacting business operations. |
| 2019 | NA |
| 2018 | NA |
| 2017 | NA |

# INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various publications and industry sources such as CRISIL, World Bank and International Monetary Fund. Neither the Company, nor the Lead Managers nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.*

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## GLOBAL ECONOMIC OVERVIEW

Following last year's collapse, the global economy is experiencing an exceptionally strong but uneven recovery. Global growth is set to reach 5.6 percent in 2021–its strongest post-recession pace in 80 years–in part underpinned by steady but highly unequal vaccine access. Growth is concentrated in a few major economies, with most emerging market and developing economies ("**EMDEs**") lagging behind: while about 90 percent of advanced economies are expected to regain their pre-pandemic per capita income levels by 2022, only about one-third of EMDEs are expected to do so. *(Source: World Bank's June 2021 Global Economic Prospects Report)*

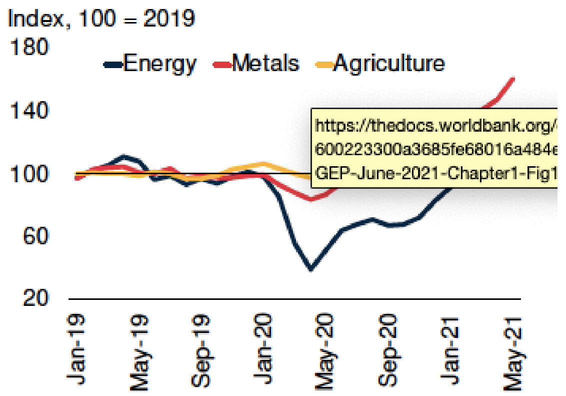
Despite continued waves of infection, the impact of the virus and associated lockdown measures on economic activity appears to be diminishing in most countries. Over time, firms and households have adjusted their behaviour to mitigate disruptions and shift activity to less-affected sectors. Vaccination campaigns are gathering pace in many advanced economies and a number of EMDEs, with about 9 percent of the global population having received at least one vaccine dose. Global trade has continued to rebound; however, the strength of global trade growth is set to be dampened by shifting activity from manufacturing to the low-trade-intensity domestic services sector in countries where COVID-19 caseloads have been declining.

According to the World Bank, the global recovery could prove more robust and broad-based than expected. For instance, the policy-supported surge in global growth in 2021, coupled with faster and more equitable global vaccination, could catalyze a self-sustaining period of rapid growth in which the private sector becomes a powerful engine of growth starting in 2022. In effect, strong pro-cyclical policy support would trigger a process of "reverse hysteresis" in which a robust cyclical upturn lifts long-run growth prospects. In particular, this scenario envisages that technological adoption would accelerate, along with rising investment and labor force participation, causing potential output to strengthen. Starting in the first quarter of 2022, total factor productivity growth in advanced economies would accelerate to levels similar to those seen during previous episodes of productivity surges, as corporations deepen their use of digital technologies and work from home policies adopted during the pandemic.

Knowledge spill-overs and faster installation of new productive capital would also raise productivity in other countries. Consumer confidence would surge, anchoring strong private consumption growth as consumers rapidly draw down their savings. At the same time, rising potential output and well-anchored inflation expectations would help keep inflationary pressures in check, allowing advanced economy central banks to keep monetary policy accommodative for a prolonged period. In turn, continued monetary accommodation would support investment and consumption by alleviating debt service burdens and supporting asset prices. Looking beyond 2021, EMDE policy makers can help realize a Sustained Expansion scenario of the global economy by decisively implementing growth-enhancing reforms. The benefits of the ongoing global trade rebound can be leveraged by reforms that lower trade costs, including streamlining trade processes and customs clearance procedures, lowering tariffs, and implementing policies that support trade infrastructure and services. Ambitious reforms to facilitate the transition of labour and capital to high-growth sectors, strengthen social safety nets, and fund environmentally sustainable investments can help entrench a domestically driven green, resilient, and inclusive recovery.

Financial conditions have tightened but remain generally supportive. Global borrowing costs have increased as expectations of stronger future growth and higher inflation have pushed up long-term yields on government bonds. Thus far, these developments have been substantially less disruptive to global and EMDE financial conditions than the 2013 taper tantrum, when expectations of tighter U.S. monetary policy triggered volatility in global financial markets.

Commodity prices have seen a sharp rise in 2021, with many now well above their pre-pandemic levels–




*(Source: World Bank's June 2021 Global Economic Prospects Report)*

Oil prices have rallied markedly, averaging $60/bbl in 2021 so far. Prices have been supported by a gradual firming in demand and continued production restraint among OPEC+, even if the group is gradually reducing the extent of its production cuts as the market recovers. Oil prices are projected to average $62/bbl in 2021 and 2022. Oil demand is expected to continue to firm in the second half of 2021 but will not regain its pre-pandemic level until next year, with the shortfall mainly due to subdued jet fuel consumption.

Base metal prices have increased sharply this year, supported by continued strong demand from China as well as recovery in the rest of the world. The forecast for metals prices in 2021 has been revised sharply upwards, and prices are now expected to be 36 percent higher in 2021 on average relative to last year, before falling back in 2022 as some supply constraints ease. Agricultural prices have also seen a substantial rise, particularly those of food commodities, and concerns about food insecurity persist in some countries, especially those afflicted by conflict or experiencing adverse weather events.

Activity among advanced economies has been propelled so far this year by a solid recovery in the United States, partly due to the effects of massive fiscal support. Vaccination campaigns are generally proceeding at a faster pace than envisioned in the January baseline forecast, albeit at varying degrees across countries. The recovery in aggregate EMDE activity is anticipated to gather further pace in the second half of 2021 as vaccine deployment, while still uneven, gradually proceeds, particularly in large countries. Aggregate EMDE growth is forecast to reach 6 percent in 2021, supported by improving external demand and elevated commodity prices.

*(Source: World Bank's June 2021 Global Economic Prospects Report)*

As per the International Monetary Fund, a stronger recovery is projected in 2021 and 2022 for the global economy compared to their previous forecast, with growth projected to be 6 percent in 2021 and 4.4 percent in 2022. Among advanced economies, the United States is expected to surpass its pre-COVID GDP level this year, while many others in the group will return to their pre-COVID levels only in 2022. Similarly, among emerging market and developing economies, China had already returned to pre-COVID GDP in 2020, whereas many others are not expected to do so until well into 2023. *(Source: International Monetary Fund, World Economic Outlook – Managing Divergent Recoveries, April 2021)*

Policymakers should also continue to ensure adequate access to international liquidity. Major central banks should provide clear guidance on future actions with ample time to prepare to avoid taper-tantrum kinds of episodes as occurred in 2013. Low-income countries will benefit from further extending the temporary pause on debt repayments under the Debt Service Suspension Initiative and operationalizing the G20 Common Framework for orderly debt restructuring.

Future developments will depend on the path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic; the effectiveness of policy actions to limit persistent economic damage (scarring); the evolution of financial conditions and commodity prices; and the adjustment capacity of the economy.

*(Source: International Monetary Fund, World Economic Outlook – Managing Divergent Recoveries, April 2021)*

Certain key economic projections for the Asian and Pacific economies for 2021 and 2022 by IMF–

| | Real GDP | | | Consumer Prices[1] | | | Current Account Balance[2] | | | Unemployment[3] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Projections | | | Projections | | | Projections | | | Projections | |
| | 2020 | 2021 | 2022 | 2020 | 2021 | 2022 | 2020 | 2021 | 2022 | 2020 | 2021 | 2022 |
| **Asia** | **–1.5** | **7.6** | **5.4** | **2.5** | **2.0** | **2.3** | **2.6** | **2.2** | **1.8** | . . . | . . . | . . . |
| **Advanced Asia** | **–3.1** | **4.1** | **3.0** | **0.2** | **0.7** | **1.0** | **4.6** | **4.6** | **4.3** | **3.6** | **3.7** | **3.3** |
| Japan | –4.8 | 3.3 | 2.5 | 0.0 | 0.1 | 0.7 | 3.3 | 3.6 | 3.2 | 2.8 | 2.8 | 2.4 |
| Korea | –1.0 | 3.6 | 2.8 | 0.5 | 1.4 | 0.9 | 4.6 | 4.2 | 4.0 | 3.9 | 4.6 | 4.1 |
| Australia | –2.4 | 4.5 | 2.8 | 0.9 | 1.7 | 1.6 | 2.5 | 2.4 | 1.0 | 6.5 | 6.0 | 5.5 |
| Taiwan Province of China | 3.1 | 4.7 | 3.0 | –0.2 | 0.9 | 1.2 | 14.1 | 14.5 | 14.4 | 3.9 | 3.8 | 3.8 |
| Singapore | –5.4 | 5.2 | 3.2 | –0.2 | 0.2 | 0.8 | 17.6 | 14.6 | 14.4 | 3.1 | 2.8 | 2.5 |
| Hong Kong SAR | –6.1 | 4.3 | 3.8 | 0.3 | 1.4 | 1.9 | 6.5 | 5.5 | 5.0 | 5.9 | 5.3 | 4.3 |
| New Zealand | –3.0 | 4.0 | 3.2 | 1.7 | 1.8 | 1.6 | –0.8 | –2.1 | –2.1 | 4.6 | 5.1 | 4.9 |
| Macao SAR | –56.3 | 61.2 | 43.0 | 0.8 | 1.4 | 1.9 | –34.2 | 7.3 | 29.5 | 2.9 | 2.5 | 2.1 |
| **Emerging and Developing Asia** | **–1.0** | **8.6** | **6.0** | **3.1** | **2.3** | **2.7** | **1.7** | **1.0** | **0.7** | . . . | . . . | . . . |
| China | 2.3 | 8.4 | 5.6 | 2.4 | 1.2 | 1.9 | 2.0 | 1.6 | 1.3 | 3.8 | 3.6 | 3.6 |
| India[4] | –8.0 | 12.5 | 6.9 | 6.2 | 4.9 | 4.1 | 1.0 | –1.2 | –1.6 | . . . | . . . | . . . |
| **ASEAN-5** | **–3.4** | **4.9** | **6.1** | **1.4** | **2.3** | **2.7** | **1.8** | **0.3** | **0.4** | . . . | . . . | . . . |
| Indonesia | –2.1 | 4.3 | 5.8 | 2.0 | 2.0 | 3.1 | –0.4 | –1.3 | –1.4 | 7.1 | 6.5 | 5.8 |
| Thailand | –6.1 | 2.6 | 5.6 | –0.8 | 1.3 | 1.0 | 3.3 | 0.5 | 2.6 | 2.0 | 1.5 | 1.0 |
| Vietnam | 2.9 | 6.5 | 7.2 | 3.2 | 3.9 | 3.9 | 2.2 | 2.4 | 1.9 | 3.3 | 2.7 | 2.4 |
| Philippines | –9.5 | 6.9 | 6.5 | 2.6 | 3.4 | 3.0 | 3.2 | –0.4 | –2.2 | 10.4 | 7.4 | 6.3 |
| Malaysia | –5.6 | 6.5 | 6.0 | –1.1 | 2.0 | 2.0 | 4.4 | 3.8 | 3.7 | 4.5 | 3.8 | 3.6 |
| **Other Emerging and Developing Asia[5]** | **–1.1** | **4.5** | **5.7** | **5.2** | **5.0** | **5.3** | **–2.0** | **–1.5** | **–2.4** | . . . | . . . | . . . |
| *Memorandum* | | | | | | | | | | | | |
| Emerging Asia[6] | –1.0 | 8.7 | 6.0 | 3.0 | 2.2 | 2.5 | 1.9 | 1.1 | 0.8 | . . . | . . . | . . . |

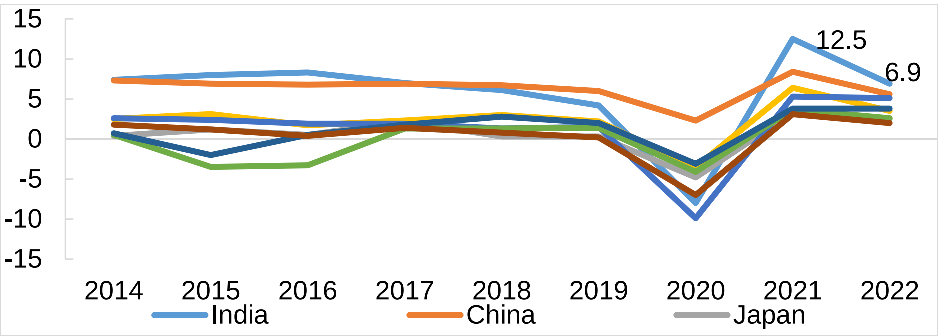
Source: IMF staff estimates.
Note: Data for some countries are based on fiscal years. Please refer to Table F in the Statistical Appendix for a list of economies with exceptional reporting periods.
[1]Movements in consumer prices are shown as annual averages. Year-end to year-end changes can be found in Tables A5 and A6 in the Statistical Appendix.
[2]Percent of GDP.
[3]Percent. National definitions of unemployment may differ.
[4]See country-specific note for India in the "Country Notes" section of the Statistical Appendix.
[5]Other Emerging and Developing Asia comprises Bangladesh, Bhutan, Brunei Darussalam, Cambodia, Fiji, Kiribati, Lao P.D.R., Maldives, Marshall Islands, Micronesia, Mongolia, Myanmar, Nauru, Nepal, Palau, Papua New Guinea, Samoa, Solomon Islands, Sri Lanka, Timor-Leste, Tonga, Tuvalu, and Vanuatu.
[6]Emerging Asia comprises the ASEAN-5 economies, China, and India.

*(Source: : International Monetary Fund, World Economic Outlook – Managing Divergent Recoveries, April 2021)*

## OVERVIEW OF THE INDIAN ECONOMY

### India is one of the fastest-growing major economies (GDP growth, % year-on-year)

As of April, 2021 the International Monetary Fund (IMF) estimated India's GDP to decline 8% in calendar year 2020. However, IMF forecast sharp recovery in calendar year 2021 at 12.5% due to lower base of 2020 and approved vaccines and policy measures.




*Note: GDP growth is based on constant prices, Data represented is for calendar years*
*Source: CRISIL Research Report*

### A review of India's GDP growth

In 2015, the Ministry of Statistics and Programme Implementation ("MoSPI") changed the base year for calculating the gross domestic product ("GDP") to fiscal year 2012 from fiscal year 2005. Based on this, India's GDP increased to ₹ 135 trillion from ₹ 87 trillion from fiscal years 2012 to 2021 at 5% compound annual growth rate ("**CAGR**").

CRISIL Research Report forecasts that India's GDP growth will rebound to 9.5% in fiscal year 2022, as five drivers converge:

1. ***Weak base*:** A 7.3% contraction in GDP in fiscal year 2021 will provide a statistical push to growth next fiscal.

2. ***Global upturns*:** In calendar year 2021, global economy is limping into a brighter outlook as world GDP is set to rise by 5.9%. The effective end of the pandemic is approaching as vaccinations become widely available, severe COVID-19 cases fall, and economies reopen. This is happening earlier and faster than previously assumed, driving both

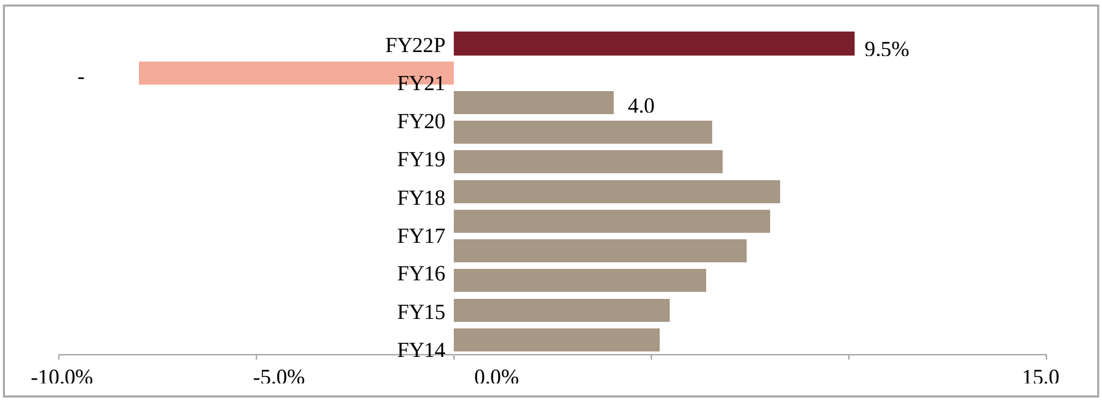
growth and inflation higher. The macro outlook continues to improve. Hence, global growth forecasts have been raised to 5.9% in 2021, reflecting stronger performance nearly across the board in the first quarter and the faster reopening.

3. ***COVID-19 curve*****:** India witnessed the fierce second wave of COVID-19 infections in April-May'21 which took the healthcare ecosystem to the brink and beyond, but it does not seem to have hit economic activity as hard as the first wave did. Many states also permitted construction and manufacturing activities to continue during the lockdown. The main reason for this would be decentralised and less-stringent lockdowns, which reflect the 'learning to live with the virus attitude' that authorities adopted. These should broaden growth next fiscal year, especially in the services and unorganized sectors.

4. ***Targeted Fiscal policy response*****:** A stretch in the fiscal year glide path and focus of Union Budget 2021/2022 on capital expenditure are expected to have a multiplier effect on growth. Funds will have to be well targeted towards two key objectives: Speed up vaccination and extend support to smaller firms, rural incomes, services sector and the urban poor which will augur well for speedier economic recovery.

5. ***Vaccination pace***: Ramping up vaccinations to cover a larger proportion of the population to usher in speedier and broad-based recovery. The Indian government's target is to fully vaccinate the adult population by end-2021. That translates to covering 68% of the total population. This will lead to speedy economic recovery and mitigate any possible severe impact of third pandemic wave.

**Real GDP Growth (% on year)–**




*Note: E: Estimated; P: Projected by CRISIL Research Report*
*Source: CRISIL Research Report*

**GDP to bounce back over the medium term**

After After clawing back in fiscal 2022, CRISIL Research Report forecasts India's GDP to grow at 6.0-7.0% per annum between fiscals 2023 and 2025. This growth will be supported by the following factors:

- Focus on investments rather than consumption push enhancing the productive capacity of the economy.

- Reforms undertaken over the past few years such as:
    - The production linked incentive (PLI) scheme which aims to incentivise local manufacturing by giving volume-linked incentives to manufacturers in specified sectors
    - Key structural reforms such as implementation of Goods and Services Tax (GST) and Insolvency and Bankruptcy Code (IBC) will begin to show its impact over the longer term
    - Reform measures aimed at enhancing financial inclusion like Pradhan Mantri Jan Dhan Yojana will broaden the base of the banking ecosystem, leading to higher lending and investment
    - Government initiatives like Digital India Initiative will aid digitalisation in the country. This will improve the efficiency in the economy leading to faster growth.

- Raft of reform measures by the government along with a more expansionary stance of monetary policy leading to a steady pick-up in consumption demand

- Policies aimed towards greater formalisation of the economy are bound to lead to an acceleration in per capita income growth

*(Source: CRISIL Research Report)*

**Risks to growth**

**Below par monsoons:** Domestically, one major risk could be sub-normal monsoon this calendar year. The past two years have seen good rains and chances that they are normal this year too are uncertain because only once in the past 20 years has India seen more than two consecutive normal monsoon years. A monsoon failure can directly shave up to 50 basis points (bps) off from the fiscal 2022 GDP growth forecast.

**Covid-19 cases increasing, a third wave this fiscal:** The second Covid-19 wave has thrown cold water over the Indian economy that was beginning to warm up after the most severe contraction since Independence. The rash of afflictions that followed forced states to lock down, hurting consumer and business confidence yet again. Mercifully, daily cases seem to have peaked for now, though they remain above the peak of the first wave. But the risks of another wave and tardy vaccinations mean states would be chary of fully unlocking anytime soon. It can have a debilitating impact on economic activity and thereby growth.

**Elevated inflation:** Significant cost-push pressures on account of surging international commodity prices and supply disruptions has raised cost of production for manufacturing firms. Pass-through to consumer prices could further pose as a headwind to recovery in demand.

**Premature tightening of global monetary policies:** Resurgence of inflation globally could lead major central banks to unwind their extraordinary easy monetary policies sooner than expected. This could hit sentiment, possibly leading to capital outflows from the Indian economy and some tightening in domestic financial conditions.

**Geopolitical developments**: External developments, most importantly the US-China trade war, have proved to significantly impact global GDP growth as well as export earnings and capital flows to emerging markets such as India. While there is some respite with the signing of Phase 1 of the US-China trade deal, several issues remain unresolved. Any re-escalation of tensions could again work adversely. Geopolitical developments in the Middle East could also disrupt crude oil supply and prices, likely hurting a wide range of domestic macroeconomic parameters, including current account deficit, inflation and GDP growth.

**Persistent stress in financial sector**: This has been one of the major drags on GDP growth. Liquidity issues faced by NBFCs and risk aversion amongst lenders has hampered credit growth as well as transmission of monetary policy easing. While credit growth is expected to improve in the current fiscal with stronger GDP growth, the system is expected to continue to face uncertainty over asset quality with the Covid-19 pandemic continuing to cast its shadow on the economy. Easing of constraints and risk aversion in the financial system is critical for pick-up in growth.

*(Source: CRISIL Research Report)*

**India's GDP will still grow faster than the world's**

India was one of the fastest growing economies in the world pre-Covid, with annual growth of around 6.7% in between 2014 to 2019. Over the past few years prior to the onset of the pandemic, India's macroeconomic situation had gradually improved with the twin deficits (current account and fiscal) narrowing and the growth-inflation mix improving and durably so. The government adopted an inflation-targeting framework that provides an institutional mechanism for inflation control, while modernizing central banking.

While economic growth in 2020 has been dented due to Covid-19, we expect the economy to rebound and India to regain its tag of one of the fastest growing economies globally in the medium-term.

Going forward, rapid urbanization, rising consumer aspiration and increasing digitization coupled with government support in the form of reforms and policies is expected to support growth. For example, the government has recently announced production-linked incentives across identified sectors with an aim to propel the growth of India as a manufacturing destination. At a macro level, digitalization has led to various benefits like linkage to Aadhaar identity cards, direct benefit transfer and various other government benefits.

*(Source: CRISIL Research Report)*

## OVERVIEW OF INDIAN AUTOMOTIVE INDUSTRY

### Second wave dampens auto-component demand

CRISIL Research Report projects domestic auto-component production revenue to rebound in Fiscal 2022 owing to a low base of previous two Fiscals. Auto component revenue is expected to increase by 18-20% on year after declining by 13% and 6% in fiscals 2020 and 2021, respectively. This can be attributed to a 22-24% increase in OEM demand, which would be driven by recovery in commercial vehicles (CV) and passenger vehicle (PV) production. In fiscal 2022, demand from all automobile asset classes in the domestic market is likely to recover as the economy recovers (FY22 GDP expected to increase by 9-11%). However, production growth across OEM segments is estimated to be lower than anticipated earlier due to imposition of state-wide lockdowns/curfews in the wake of second wave of COVID-19. While production volumes of tractors is expected to decline by 0-2% on year in fiscal 2022, CV and PV production is projected to grow by 19-23% on year. Two wheeler production recovery is estimated to be modest at 10-12% on year in FY22.

On the export front, the industry witnessed the lowest decline (-2%) among all segments in fiscal 2021 due to better sentiments in the key export markets of North America and Europe. Going ahead, demand is expected to grow by 11-13% backed by global recovery. As per S&P Global Ratings, light vehicle sales are expected to increase by over 10% and 15% in Europe and the US, respectively, in calendar year 2021. An uptick in freight demand amidst economic recovery in the USA and expected revival in passenger vehicle markets across Europe is expected to bolster demand for auto component exports. Moreover, in value terms, demand is expected to be slightly better owing to increase in realisations as auto component players have undertaken price hikes to offset the rising input cost burden.

On the replacement front, although the demand is expected to be dampened in the first quarter of fiscal 2022 owing to spread of second wave, it is projected to recover in the following quarters. The segment is expected to benefit on account of pent-up demand from preceding year wherein the segment posted a decline for the first time in a decade. Healthy OEM demand witnessed between fiscals 2017 and 2019 is also expected to translate into replacement opportunity in fiscal 2022 considering a two to three year life span of auto component products.

In fiscal 2023, auto component revenue is expected to increase by 11-13% on-year with demand from all segments likely to improve. In the long run, CRISIL Research expects auto component market size to grow at 11-13% compound annual growth rate (CAGR) between fiscals 2021 and 2026 to ~Rs 5,325 billion owing to a low base. The industry observed only 3% CAGR during fiscal 2016 to fiscal 2021, pulled down by decline in demand in fiscal 2020 and 2021.

The global shortage of semiconductors impacted the domestic automobile industry in the fourth quarter of fiscal 2021. Production of select high end models of utility vehicles, premium motorcycles and light commercial vehicle was hit due to shortage of availability of semi-conductors. CRISIL expects shortage of semi-conductors to weigh on demand in fiscal 2022.

*(Source: CRISIL Research Report)*

**Auto components demand expected to recover in fiscal 2022 as demand from OEM, exports and replacement increase**

| | FY21 | | FY16-21 CAGR | FY22E Growth | FY21-26P CAGR |
|---|---|---|---|---|---|
| | Size (Rs Bn) | Growth | | | |
| **Domestic Production** | | | | | |
| - (A) OEM | 1,821 | -7% | 2% | 22-24% | 13-15% |
| - (B) Replacement | 559 | -6% | 5% | 11-13% | 7-9% |
| - (C) Exports | 633 | -2% | 7% | 11-13% | 9-11% |
| **Domestic Production (A+B+C)** | 3,013 | -6% | 3% | 18-20% | 11-13% |
| - (D) Imports | 760 | -11% | 1% | 14-16% | 6-8% |
| **Domestic Consumption (A+B+D)** | 3,139 | -8% | 2% | 18-20% | 10-12% |

*Note: E: Estimate, P: Projected*
*(Source: CRISIL Research Report)*

**EBITDA margin to rebound in fiscal 2022 supported by higher demand**

In fiscal 2021, CRISIL estimates margins to have contract by 110-120 bps after shrinking by ~150 bps in fiscal 2020. Increasing input costs coupled with lower capacity utilization for automotive component players in fiscal 2021 is expected to have hampered margins. In fiscal 2022, margins are expected to rise by 100-150 bps from low levels of FY21 despite a sharp rise in input costs. This can be attributed to improvement in capacity utilization amid higher demand and implementation of various cost control measures. In fiscal 2023, margins are expected to expand further by 90-140 bps due to softening of raw material prices and increased demand. *(Source: CRISIL Research Report)*

**Incentive schemes by the government**

In November 2020, the Union Cabinet announced a production linked incentive scheme for 10 additional sectors including auto and auto components. The scheme was previously announced for sectors such as electronics, medical device and pharmaceutical ingredients manufacturers. The government earmarked Rs 75,000 Crore towards the automotive and auto-components sectors including advance chemistry cell battery manufacturing. Through this, the main objective is to reduce dependency of auto component imports and also increase exports from India. As of calendar year 2019, India's share in global auto component exports stood at only 2-4% of what?. On the other hand, imports comprise 20-25% of the overall auto component demand, with high dependency on China, Korea and Japan. However, the eligibility criteria has not been finalized yet. The scheme is expected to be eligible for a period of five years ending fiscal 2027. *(Source: CRISIL Research Report)*

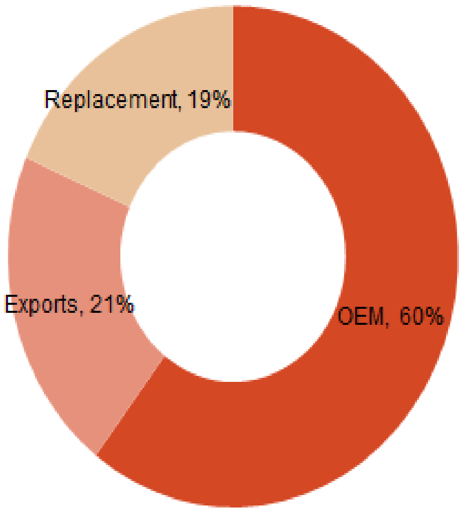
**DEMAND**

**Demand: Short-Term**

While the outbreak of second wave of COVID in the domestic market since March 2021, and the resultant state-wide lockdown, is estimated to take a toll on the industry's revenues in Q1 of fiscal 2022, the domestic auto component production revenue is expected to increase by 18-20% in fiscal 2022.

The growth in FY22 would be aided by recovery in economy (FY22 GDP expected to increase by ~11%), buoyant demand from key export destinations and increased demand from replacement market led by pent-up demand. Moreover, realisations are estimated to grow as auto component players undertook price hikes in recent months in order to offset the uptick in commodity prices. *(Source: CRISIL Research Report)*

OEMs have the highest contribution to auto-component revenues–




*(Source: CRISIL Research Report)*

Segment-wise sales trend–

| | FY20 | | FY21 | | FY22E | | FY23P | |
|---|---|---|---|---|---|---|---|---|
| | Size (Rs Bn) | Growth (%) | Size (Rs Bn) | Growth (%) | Size (Rs Bn) | Growth (%) | Size (Rs Bn) | Growth (%) |
| Domestic production | | | | | | | | |
| - (A) OEM | 1,957 | -19% | 1,821 | -7% | 2,237 | 22-24% | 2,553 | 13-15% |
| - (B) Replacement | 595 | 7% | 559 | -6% | 626 | 11-13% | 670 | 6-8% |
| - (C) Exports | 646 | -6% | 633 | -2% | 709 | 11-13% | 773 | 8-10% |
| Domestic production (A+B+C) | 3,198 | -13% | 3,013 | -6% | 3,572 | 18-20% | 3,996 | 10-12% |
| - (D) Imports | 854 | -13% | 760 | -11% | 874 | 14-16% | 917 | 4-6% |
| Domestic consumption (A+B+D) | 3,406 | -14% | 3,139 | -8% | 3,737 | 18-20% | 4,140 | 10-12% |

*(Source: CRISIL Research Report)*

In fiscal 2022, demand from OEM segment is expected to grow by 22-24% as:

- Passenger vehicle production is expected to recover by 18-20% in fiscal 2022. Capacity utilisation levels of PV manufacturers is likely to recover to 56-61% in fiscal 2022 from 52% the preceding year. Domestic wholesale volumes are projected to increase on account of revival in consumer sentiments and lower dealer inventory at the start of the fiscal despite the second wave of COVID-19.

- Commercial vehicles (CV) production is expected to outperform in the OEM segment over a low base. Production volumes are projected to grow by 22-24% on-year in FY22. Improved fleet utilisation for transporters, modest increase in cost of acquisition and government thrust on road infrastructure will bolster demand for CV. Demand for buses and light commercial vehicles will be supported by gradual reopening of schools and offices, and pick-up in the retail sector.

- Tractor production is expected to stabilize in fiscal 2022 over a high base. Tractor volumes in fiscal 2021 were at all-time highs owing to improved farm sentiments, favourable monsoons, high reservoir levels and higher government procurement. In fiscal 2022, lower replacement demand along with lower purchasing power of farmers amidst other expenditures such as marriages is expected to take a toll on tractor demand.

*(Source: CRISIL Research Report)*

Domestic CV demand growth to outperform in fiscal 2022 over a low base, modest growth for the two-wheeler industry.

| | Production (in million units FY21) | %share to OEM revenue | FY16-21 CAGR | FY21 | FY22 E | FY23 P |
|---|---|---|---|---|---|---|
| Passenger Vehicles | 3.06 | 51% | -2% | -11% | 18-20% | 15-17% |
| Two wheelers | 18.35 | 28% | -1% | -13% | 10-12% | 5-7% |
| Commercial Vehicles | 0.62 | 12% | -4% | -17% | 22-24% | 16-18% |
| Tractors | 0.96 | 7% | 11% | 28% | 0-(2)% | 5-7% |

*(Source: CRISIL Research Report)*

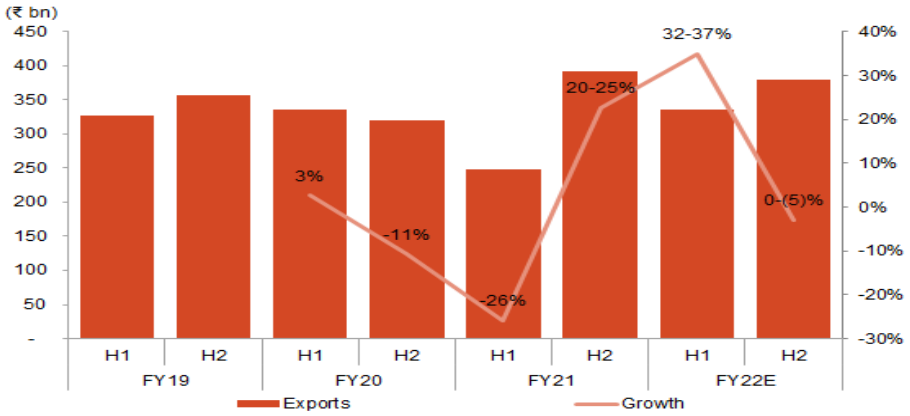
**Increase in production revenues from the replacement segment**

In Fiscal 2022, the replacement demand is expected to grow on the back of healthy OEM demand witnessed between fiscals 2017 and 2019. Assuming a two to three years of lifespan of automotive components, pent-up demand from fiscal 2020 and 2021 is likely to translate into replacement opportunity in fiscal 2022. Moreover, auto component manufacturers undertook price hikes on various products in recent months. This was in order to pass on the increase in raw material prices. Input costs have been on an upward trajectory since Q2 of fiscal 2021. Additionally, demand in the replacement market is expected to grow due to an increase in penetration of cab aggregator services in the overall stock of passenger vehicles in the medium term. In fiscal 2023, demand is projected to increase by 6-8% on year. *(Source: CRISIL Research Report)*

**Increase in Exports**

Auto component exports (accounting for 21% of the overall demand in FY21) are projected to increase by a double-digit growth in FY22. The growth would be on the back of healthy demand from North America and Europe which together contributed 62% to the export demand during April-February 2021. As per S&P Global Ratings, global light vehicle sales are expected to increase by 8-10% in calendar year 2021. Moreover, export revenues are also expected to be supported by increasing realisations. Besides, with subdued demand sentiments in the domestic markets, auto component players are likely to bank on export demand.

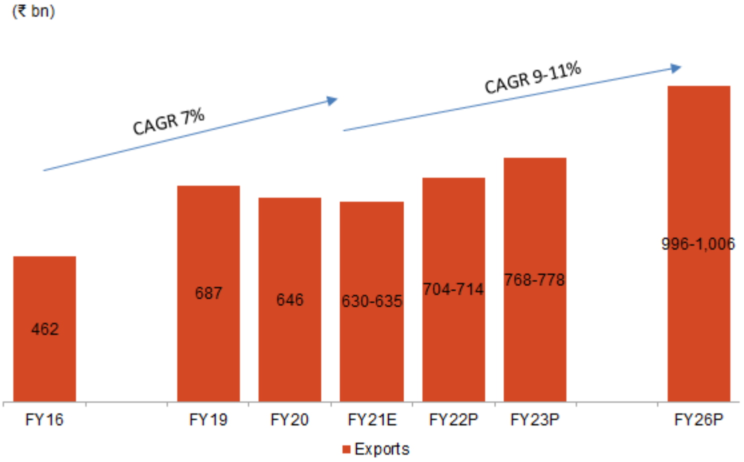
Exports showcasing signs of revival since H2 FY21–




*(Source: CRISIL Research Report)*

Exports witnessed the lowest decline amongst all segments in fiscal 2021. This can be attributed to a healthy pick-up in demand from global markets in the second half of FY21. Demand from North America surged by 38% on-year during October-February 2021 over a low base of 24%. Class 8 truck orders have been witnessing robust demand since October 2020. This is evident from increase in freight rates and freight volumes on the back of recouping economy. Demand for class 8 truck orders has been outpacing supply with manufacturers facing difficulties in supplying due to shortage of semiconductors and other auto components. As for Europe, India's major export destinations in Europe are Germany (24% of total exports to Europe), the UK (14%), Italy (14%) and France (10%).

Going ahead, in FY23, export revenue is projected to increase by 8-10% on-year driven by diversification strategies being adopted by auto component players to cater to larger geographies. Implementation of PLI scheme remains a key monitorable and will in turn have an upward bias to our call. Exports to improve in fiscal 2022 after declining in fiscal 2021.




*(Source: CRISIL Research Report)*

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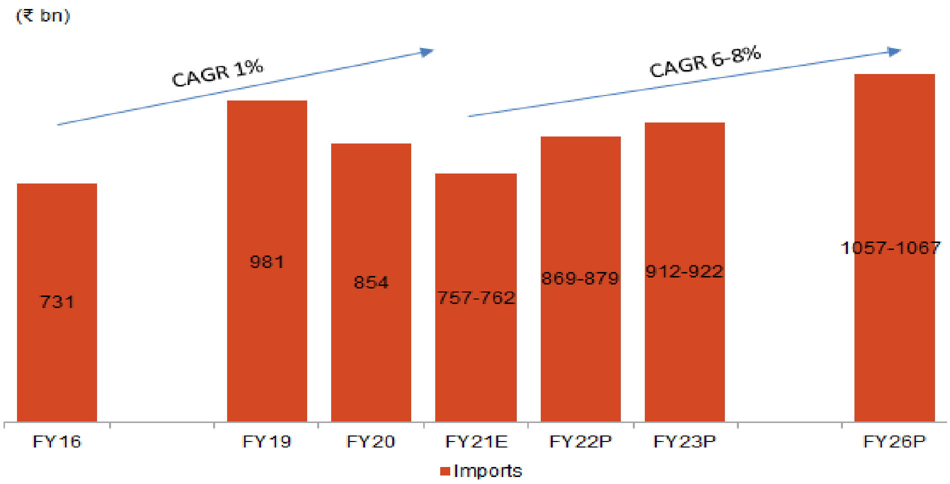
**Increase in auto component imports**

In fiscal 2021, imports are estimated to have declined by 10-12% owing to subdued demand from OEMs and aftermarket. However, import demand is likely to grow from Q2 FY22 onwards led by a recovery in domestic market. In fiscal 2022 and 2023, imports are expected to increase by 15% and 5%, respectively. This would be because more and more number of OEMs are expected to shift to localisation.

Imports to increase in FY22 on a low base of preceding two fiscals




*(Source: CRISIL Research Report)*

India imports mainly from China, Korea, Germany, Japan and USA. In fiscal 2021, share of China in auto component imports increased substantially owing to higher demand for replacement and low value products such as gear box and other accessories used for motor vehicles. *(Source: CRISIL Research Report)*

**Demand: Long-Term**

Post significant slowdown in fiscal 2021, auto component industry expected to post healthy growth in the next five years over a low base. Auto component market size is expected to grow at 11-13% CAGR between fiscals 2021 and 2026 to Rs 5,325 billion. This is much higher than the 3% CAGR observed during fiscal 2016 to fiscal 2021. Demand for all segments is expected to grow post Fiscal 2021. *(Source: CRISIL Research Report)*

Automotive components: Demand outlook by segment–

| | FY21 size (in Rs Billion) | FY16-21 CAGR | FY21-26P CAGR |
|---|---|---|---|
| OEM | 1,821 | 2% | 13-15% |
| Replacement | 559 | 5% | 7-9% |
| Exports | 633 | 7% | 9-11% |
| Total Production | 3,013 | 3% | 11-13% |
| Imports | 760 | 1% | 6-8% |
| Total Consumption | 3,139 | 2% | 10-12% |

*P:Projected*
*(Source: CRISIL Research Report)*

OEM demand is expected to clock 13-15% CAGR between fiscals 2021 and 2026 to Rs 3,500 billion on the back of robust production growth across asset classes in the medium term (on a low base) and also aided by realisation growth via OEM price increases.

- Commercial vehicle production is expected to grow by 12-14% in the next 5 years (over a low base of fiscal 2021) on account of improvement in infrastructure expenditure and lower penetration in light commercial vehicles. Demand is expected to increase during the period with medium & heavy commercial vehicle leading the growth in the upcoming five years. The growth can be attributed to an improvement in industrial activity, rising replacement volume and government's thrust on rural transportation.

- The passenger vehicle production is expected to witness 8-10% growth between fiscal 2021 and 2026. Demand is expected to pick up bolstered by moderate macroeconomic growth, increasing disposable income and marginal increase in cost of vehicle ownership. Other factors that would aid demand are increasing urbanization, government support to farm income and improved availability of finance.

- Two wheeler production is expected to grow by a modest (9-11% CAGR between fiscal 2021 and 2026). In medium term, demand is likely to be supported by rising farm income and improving rural infrastructure.

- Tractor production is expected to increase by a muted 1-3% CAGR in the next five years owing to high base. The government's aim to double farm income via initiatives such as e-NAM (National Agriculture Market), direct price support, farm loan waivers, expansion of crop insurance coverage, MSP price support and improvement in land productivity via soil health cards is expected to boost tractor demand.

*(Source: CRISIL Research Report)*

**Vehicle- segment wise OEM production growth (in volume terms)**

| Segment -wise production | % share of OEM revenue | FY16-21 CAGR | FY20-25P CAGR |
|---|---|---|---|
| Passenger Vehicles | 51% | -2% | 8-10% |
| Two wheelers | 28% | -1% | 9-11% |
| Commercial Vehicles | 12% | -4% | 12-14% |
| Tractors | 7% | 11% | 1-3% |

*P: Projected*
*(Source: CRISIL Research Report)*

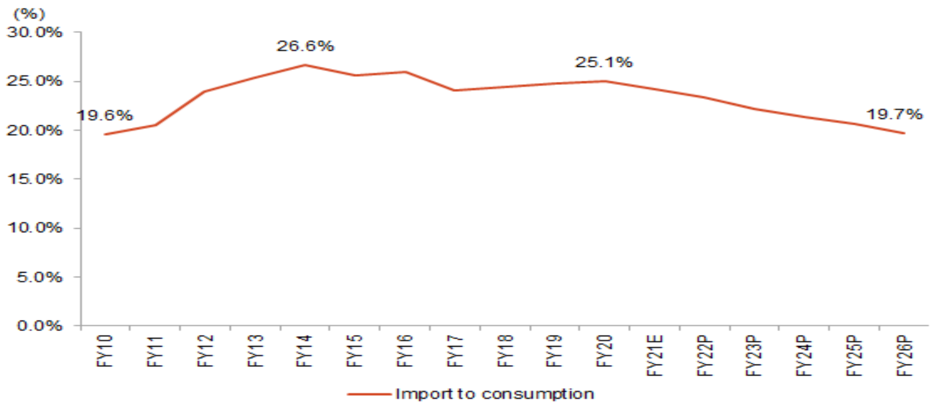
**Healthy replacement demand in the near term along with increase in realisations to support replacement demand**

The auto component replacement market is projected to grow at 7-9% CAGR between fiscal 2021 and 2026. Replacement demand is expected to be higher than the 5% growth seen over five years ending fiscal 2021. This is due to i) increased OEM demand between fiscals 2017 and 2019 along with two to three years of replacement cycle, ii) price hikes by auto component players in recent months to offset the uptick in commodity prices, and iii) increase in penetration of cab aggregator services in the overall stock of passenger vehicles . Nonetheless, increased durability of components (better quality), better road infrastructure and increase in service intervals would restrict the robust growth. *(Source: CRISIL Research Report)*

**Import growth**

Import growth is expected to grow by 6-8% in the medium term. With increasing level of localisation being practiced by the players, imports have been growing at a slower pace over the years. The governments high focus on electric vehicles (EVs) and imports of batteries and cells, battery management systems (BMS) is expected to drive growth in the near term, although limited by low EV penetration in the medium term. However, government initiatives of production linked incentive scheme to provide Rs 18,100 Crore for advanced chemistry cell batteries is expected to increase localization of battery manufacturing beginning from FY23 onwards. This will, in turn, reduce such imports going ahead.

Share of import as percentage of consumption to gradually come down in the long term with increased focus on localisation–



*(Source: CRISIL Research Report)*

As per the production linked incentive scheme, the government has earmarked Rs 57,000 Crore towards the auto and auto components industry. The move is initiated to reduce imports of auto components and promote exports from India. Although the eligibility criteria of the scheme has not been released yet, industry interaction suggest that the auto component players would be eligible to gain 2-12% incentives on incremental sales revenues and 4-7% on incremental export revenues.

As per industry interactions, the eligibility criteria for companies may be stringent with minimum turnover as high as Rs 1,000 Crore. Besides, incremental exports to destination farther than 5,000 km would likely attract a 7% incentive. Moreover, the list of criteria also includes investment in fixed assets to be Rs 350 Crore for a period of three years. However, the scheme is expected to reap benefits to the industry in the medium-to-long term. Moreover, large auto component players are projected to benefit with the scheme owing to the aforementioned criterias. Also, new entrants may benefit through this scheme more than the incumbents. Fortunately, over 50% of our exports are to destinations such as Europe, and North and South America, which is over 5,000 Km. The PLI scheme is at a draft stage where the eligibility criteria still under deliberation. The eligibility criteria and other contours of the scheme is a key monitorable.

Growth in imports will be restricted by the growing research and development (R&D) efforts by local players, as well as antidumping and customs duties levied by the government. Further, the government lowering the tax rate for new manufacturing units in the country that start production before 2023, to 15% from 25% (effective tax rate of 17% including cess) is likely to boost production in India.

*(Source: CRISIL Research Report)*

**Exports growth**

Auto component exports are projected to grow at 9-11% CAGR between fiscal 2021 and 2026. As India is moving towards higher global standards in terms of quality and safety measures, players are likely to gain an edge to expand into newer geographies similar to other low-cost manufacturing countries. India's penetration of automotive components in global exports stands at a miniscule 3.6% – indicating considerable scope for domestic manufacturers to expand their exports share in the coming years as they expand to new geographies and widen their product offerings.

Over the past decade, India emerged as an automotive component hub (particularly for small/compact cars) for global automakers, given its scale, and, hence, lower manufacturing cost. Superior product quality and shift to high-tech products have helped Indian component makers compete better with other low-cost destinations, thus giving a boost to exports. In the auto component industry, cost optimization remains a critical factor. The share of exports to total production almost doubled from 11% in fiscal 2010 to 21% in fiscal 2021 and this increase in share is aided by increasing export contribution to foreign OEMs.

India's credibility has also driven global automakers to increasingly source components from the country. North America and Europe are the two primary markets with around 55% share. Further, India has become a global hub for compact cars launched by global players, such as Ford, Volkswagen, Renault, and Nissan, and for export of related components. The spread of COVID-19 will impel OEMs across the world to diversify their supply chain and Indian auto component manufacturers may stand a chance to be a major automotive component supplier as global OEMs plan to diversify their dependence on single geographies.

In the next five years as well, exports will be majorly driven by the US heavy truck segment, German car industry, and demand from other key destinations such as Italy, Turkey, and Brazil. A certain proportion of growth will also be supported by the electric parts segment, as European countries gradually shift to electric / hybrid cars, which could offer a huge opportunity for low cost producing countries (LCC) such as India.

*(Source: CRISIL Research Report)*

**Critical component mix is increasing in the auto component exports basket**

Critical components, such as engine parts, drive transmission and steering, and electricals, are technologically more complex compared with lower-margin commoditised components, which were earlier the preserve of Indian players. They offer higher margins to manufacturers, but require greater investment in research and development, as well as high-precision engineering to adhere to the stringent quality standards of global OEMs.

India stepped up its share of exports of critical components from 44% in FY15 to 56% during April-February 2021 due to better technology prowess. Critical components are mainly exported to the US, Germany, Turkey, Italy and Brazil. Also, off-late Indian safety and emission norms have been nearing global standards, and domestic companies have been gaining technology capabilities through joint ventures. Hence, critical component exports are projected to grow in the medium term.

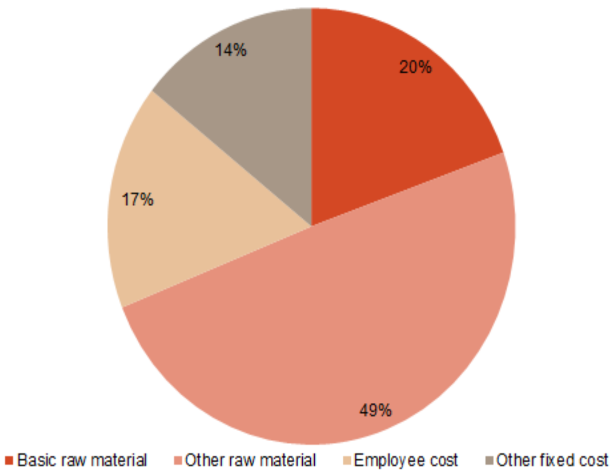
*(Source: CRISIL Research Report)*

**PROFITABILITY**

Higher capacity utilisation levels amidst improved demand sentiments are expected to partially offset the rise in input costs in fiscal 2022. Further, in fiscal 2022, margins of auto component manufacturers are expected to improve by 100-150 bps after contracting by 110-120 bps in fiscal 2020 due to improved demand from all segments and recovery in utilisation levels of automotive component players in fiscal 2022. Utilisation levels of players had dropped to an all-time low in the preceding fiscal. This coupled with higher input costs took a toll on profitability during the year. In fiscal 2022, raw material prices are expected to increase significantly, in turn putting pressure on margins and restricting the growth. In terms of cost, we believe around one-third of the workforce is contractual offering flexibility in managing employee cost in periods of low production. Lower share of fixed cost (less than 20%), too, is expected to have helped large auto-component manufacturers weather the impact of COVID-19.

*(Source: CRISIL Research Report)*

Split of variable and fixed cost for auto component industry–




*(Source: CRISIL Research Report)*

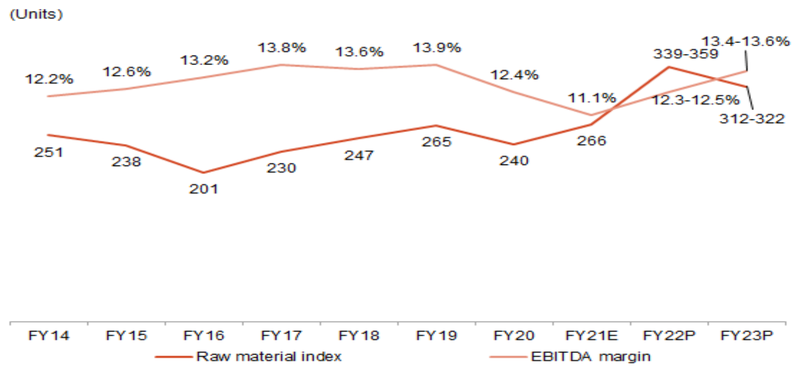
Automobile production across asset classes (barring tractors) is expected to increase in fiscal 2022. While production volume of tractors is estimated to marginally decline by 0-2% on-year, that of passenger vehicle and commercial vehicles is expected to increase by 19-23%. Two wheeler production volumes are likely to grow by 10-12%. The growth will be lower than earlier estimated due to outbreak of second wave since March 2021. Nonetheless, the industry is expected to recover after posting a decline for two consecutive years. Moreover, realisation for auto components is expected to improve to some extent as players have undertaken price hikes to offset the rise in input costs.

During January-March 2021, operating margins of 46 leading auto component players (accounting for ~23% of the industry revenues) improved by 218 bps and revenues increased by 39% on year. Margins expanded in spite of a significant increase in raw material expenses. Increased realisations coupled with lower employee costs boded well for the industry. Going ahead, although margins in Q1 FY22 are expected to expand as compared to the preceding year-ago period, it is likely to be hampered sequentially due to drop in utilisation levels. For the remaining quarters, margins would continue to improve sequentially.

In fiscal 2023, margins are expected to further expand by 90-140 bps as raw material prices soften during the year. Additionally, higher capacity utilisation levels on the back of robust demand sentiments would aid the expansion in margins.

*(Source: CRISIL Research Report)*

Revival in capacity utilisation levels to support expansion in margins in fiscals 2022 and 2023–




*Note: Data is aggregated for a set of 92 leading automotive component manufacturers accounting for 27% of the overall industry*
*(Source: CRISIL Research Report)*

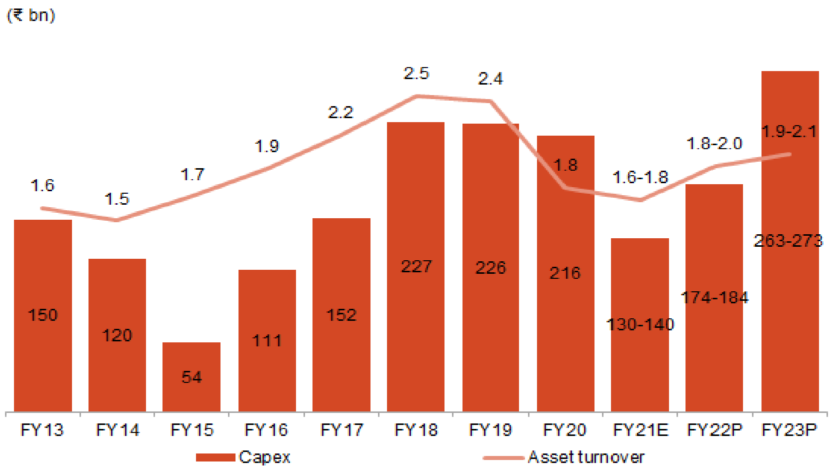
**Basic raw material index to peak in fiscal 2022**

The basic raw material index (BRMI), which reflects 27% of raw material costs of the industry is expected to surge by 28-30% in fiscal 2022 and thereafter decline by 7-9% in fiscal 2023. BRMI increased by 11% in fiscal 2021 on account of rise in prices of commodities from Q2 onwards. In fiscal 2022, while prices of major raw materials such as steel is projected to increase by 43%, that of pig iron and rubber is likely to increase by 23-25% on year. Prices of key commodities have been on an upward trajectory led by healthy demand sentiments and supply constraints. *(Source: CRISIL Report)*

**Capex to increase over the medium term bolstered by implementation of PLI scheme**

In FY21, auto component players decided to push back expected product launches, delay commencement of new plants, deferred development of new technologies in order to cut down on costs. Large-sized auto component players also cut down capex in view of the pandemic and conserving precious cash. Post the lows of fiscal 2021, government's announcement of production-linked incentive scheme is expected to augur well for the industry. Capex will continue to grow in the medium-term. In fiscal 2022, capex is likely to be more towards plant maintenance and debottlenecking activities.

Going ahead, from fiscal 2023 onwards, auto component manufacturers stand to benefit from government regulations. Within component segments, the growing prominence of electrical and electronic components such as sensors, connectors, etc., in the newer models will prompt some investments in the medium term. Additionally, Indian auto component players are highly dependent on imports of semiconductors, which are mainly used in passenger vehicle. Capex expected to peak in fiscal 2023 aided by government regulations.




*E: Estimated, P: Projected*

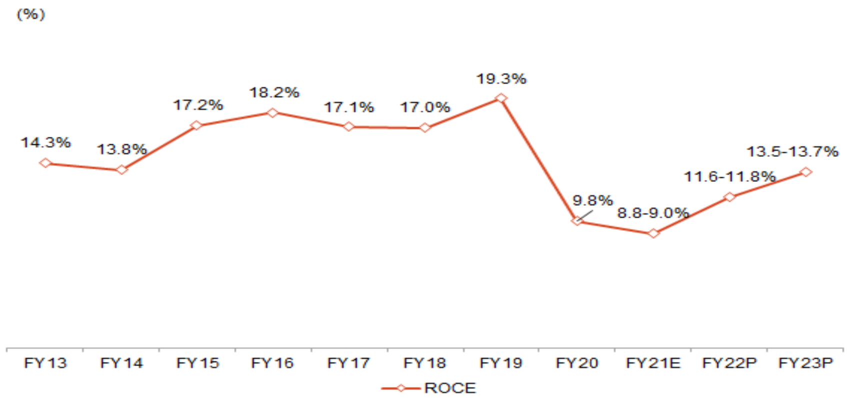
*Note: Data is aggregated for a set of 92 leading automotive component manufacturers accounting for 27% of the overall industry*
*(Source: CRISIL Research Report)*

The asset turnover of the auto component players has improved over the years. Asset turnover is expected to see some improvement in fiscals 2022 and 2023 backed by improvement in revenues of players. *(Source: CRISIL Report)*

**RoCE to increase in fiscal 2022 due to improved operating performance**

It is expected that the return on capital employed (RoCE) will improve in fiscal 2022 and 2023 after contracting in the preceding two fiscals. RoCE declined sharply in fiscal 2020 as most players incurred sizeable capex over fiscals 2018 and 2019. A pullback in capex spends in fiscal 2021 and improving sales and profitability in FY22 is expected to pull up RoCE during the year from the lows of fiscal 2021. *(Source: CRISIL Research Report)*

RoCE on a downward trend in the near term–




*E: Estimated, P: Projected*

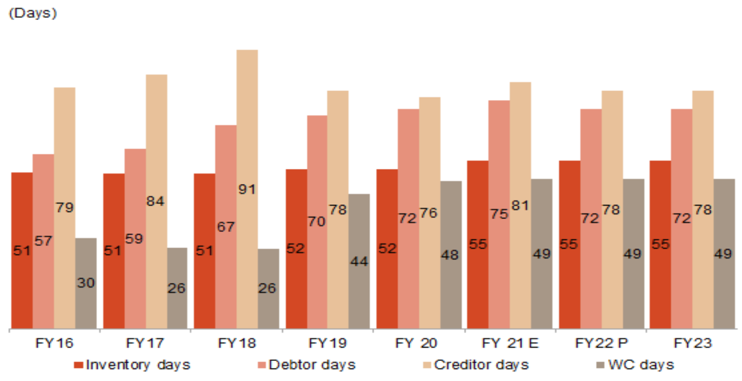
*Note: Data is aggregated for a set of 92 leading automotive component manufacturers accounting for 27% of the overall industry*
*(Source: CRISIL Research Report)*

**Gross working capital cycle to remain on similar levels in fiscal 2022 and 2023**

In fiscal 2021, debtor days are estimated to have increased as OEMs delayed payments to suppliers owing to low demand. Creditor days is estimated to have increased higher than debtor days as tier 2 auto-component players are expected to have lower bargaining power as compared to large auto component players. Inventory days also increased in fiscal 2021 owing to uncertainty of demand in the market. The gross working capital is estimated to have slightly increased (in terms of days) during the year. In FY22 and FY23, we expect working capital cycle to remain on similar levels.

(Source: CRISIL Research Report)

Gross working capital cycle to have slightly stretched in fiscal 2021–

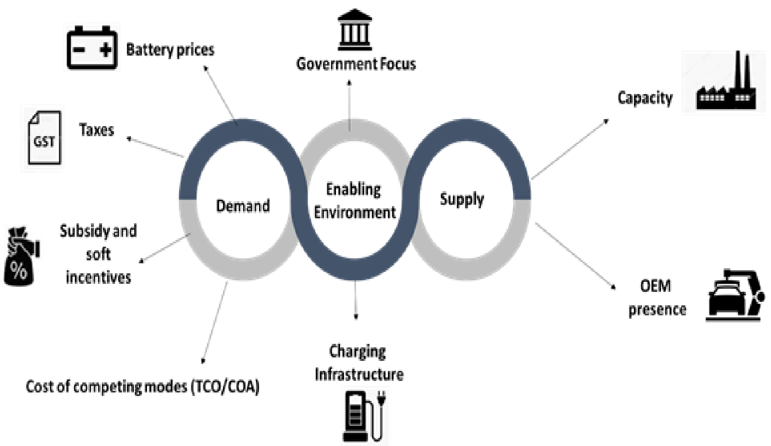



*E: Estimated, P: Projected*
*Note: Data is aggregated for a set of 92 leading automotive component manufacturers accounting for 27% of the overall industry. The sample set represents large auto-component players*
*(Source: CRISIL Research Report)*

**ELECTRIC VEHICLES**

Pick-up in EV adoption is expected to be gradual and may not impact the automotive component sector substantially over the upcoming five years.

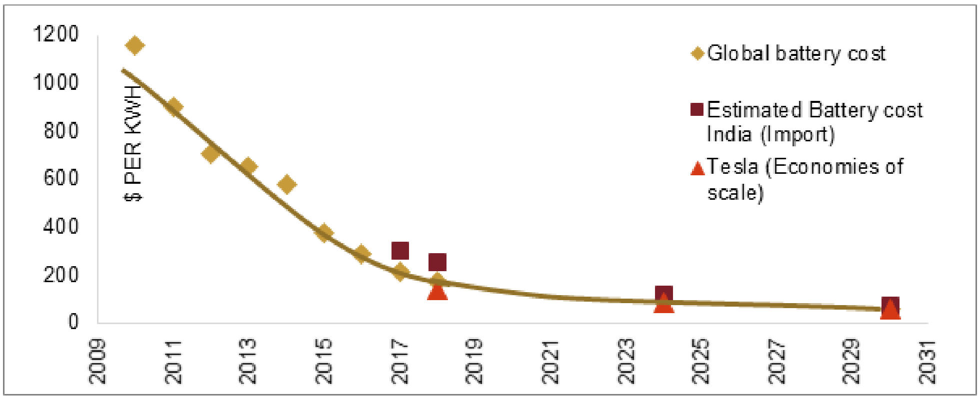
EV assessment framework–




*(Source: CRISIL Research Report)*

Batteries account for 40-50% of the total EV cost. Prices of batteries have been falling sharply over the last decade at a rate of 20% annually. The fall will continue at a rate of around 10% annually over the next five years. For instance, battery was priced at around $190 per kWh in fiscal 2021. It is expected to fall to around $130 per kWh by fiscal 2025. India is highly dependent on imports of batteries due to lack of manufacturing facilities. However, the government announced initiatives for reducing battery prices further by localisation of electric vehicle battery manufacturing. As part of the production-linked incentive scheme, the Union Cabinet earmarked Rs 18,100 Crore for setting up 50 giga watt hour (GWh) of advanced chemistry cell (ACC) manufacturing facility and 5 GWh of Niche ACC capacity. The government has announced that the manufacturers would be selected through a transparent competitive bidding process. Besides, manufacturers would have to enable commissioning of the plant over a span of two years.

Lower battery prices key for EV adoption–




*(Source: CRISIL Research Report)*

The lower battery cost, reduced GST rate of 5% and FAME-II demand incentive are expected to improve the cost of ownership and hence viability of EVs. Moreover, the government recently announced providing 50% excess subsidy at Rs 15,000 per kWh on electric bikes and scooters in India. In spite of this, the subsidy provided by the Indian government is lower compared with other countries such as Norway and China. In these countries, demand subsidy is nearly twice as that of the cumulative incentive given in India (FAME-II subsidy and lower GST).

Nonetheless, there have been measures taken by various state-owned governments. For instance, the government announced waiver on registration certificates (RC) and renewal of RC for EVs. Maharashtra government unveiled its EV policy wherein it has set a target of achieving 10% of all new registrations by EVs by 2025, besides converting 25% of existing public transport infrastructure to fully electric by 2025. State government of Andhra Pradesh has decided to set up ~400 EV charging stations along the National and State Highways. Delhi government aims to convert its entire transport fleet to an electric vehicle system over the next 25 years. Delhi government has announced to set up charging stations within every 3 kms distance in the city. Besides, large corporates such as MG Motor and Tata Motors installed 60 kW Superfast EV charging station in Mangalore. Additionally, Tata Motors entered into a partnership with Haryana Renewable Agency to deploy electric cars in the state of Haryana. *(Source: CRISIL Research Report)*

Availability of charging infrastructure remains a key determinant in EV adoption. In countries where EVs have seen better adoption, most personal PVs and two-wheelers are charged at home. In fact, about 90% of the electric cars in Europe are charged at home. In India, this may not be possible and may prove to be a constraint. For two-wheelers and three-wheelers, the lack of public charging infrastructure can be overcome with detachable batteries and battery swapping mechanism, as batteries employed are smaller in size. However, demand for EVs from cab aggregators, small CV segment and buses will hinge on availability of public charging infrastructure. The Ministry of Road Transport and Highways announced plans to set up EV charging kiosk at each of India's 69,000 petrol pumps across the country. However, availability of necessary infrastructure especially provision for DC fast charging in remote petrol pumps (away from cities) may be a concern. As a result, the charging kiosks are likely to serve as outlets to avail top-up charging.

The industry would need to set up sufficient capacity and come up with products to cater to the demand expected over the next five years. Presence of large OEMs also aids in adoption. Product availability, large OEM presence and production capacity remains a concern for EV adoption in segment such as two-wheelers and three wheelers.

To address this issue, various states are witnessing increased investment towards setting up charging stations. For instance, a startup in Kerala has announced to launch 250 EV charging stations by 2021-end in order to cater to the increasing demand. Recently in May 2021, Statiq inaugurated a new EV charging station in Rajasthan. The charging station is equipped with 1 DC Fast Charger powered by 50 KW. TVS has entered into a partnership with Convergence Energy Services Ltd wherein it would set up the public charging infrastructure for the TVS iQube Electric scooter across India.

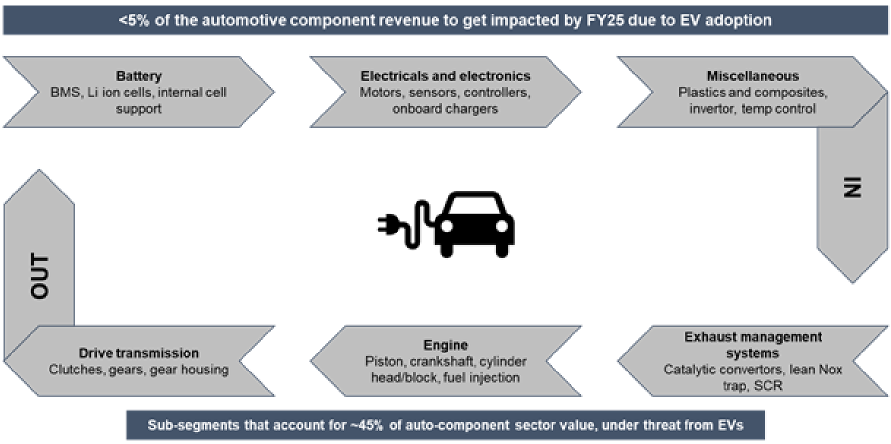
EV adoption in India over the next five years is expected to be largely driven by two-wheelers and three-wheelers. Electric two wheelers are seen to have lower cost of ownership and acquisition compared with scooters which account for over 30% of the two-wheeler industry. This segment is expected to be the first one to migrate to the electric platform. Electric three-wheelers also have a lower cost of ownership and acquisition compared to their CNG and diesel counterparts. The lower cost for electric three-wheelers along with government push for this segment is expected to aid in a healthy ~43-48% adoption of EVs in this segment by fiscal 2026. The EV adoption in the car segment will be led by cab aggregators. The reason for this is that taxis are better placed to reap the benefits of lower cost of operations as they run about 50,000-70,000 km/year, much higher than personal cars that run only 10,000 km/year.

*(Source: CRISIL Research Report)*

| Vehicle segment | EV penetration | | |
|---|---|---|---|
| | FY20E | FY21E | FY26 P |
| | 0.1% (~3,000) | 0.1% (~4,600) | 3-5% (~1,72,500) |
| | 0.9% (~1,52,000) | 0.9% (~1,43,900) | 8-12% (~24,87,000) |
| | 0.6% (~600) | 0.6% (~500) | 2-4% (~3,100) |
| LCV | 0% (~50) | 0% (~30) | 3-5% (~26,800) |
| | 0% (~1,500) | 1% (~1,900) | 44-46% (~3,33,800) |

*P: Projected*
*(Source: CRISIL Research Report)*

Overall, it is believed that only about less than 5% of revenue from traditional automotive components stand to get impacted, especially in the engine components, drive transmission and exhaust management segments. But that will be offset by new components such as battery, motor and controller.



*(Source: CRISIL Research Report)*

**Realigning products strategy key in medium to long term**

The automotive components makers will have to realign their product strategy in order to adjust with the regulatory changes in the short term. In case of EVs, the realignment will have to happen in the medium to long term. The players in the subsegments with higher OEM share, higher export share and higher components intensity on account of the new norms stand to outperform the industry. For instance, the makers of the exhaust management system and electrical, electronics and engine components will do better in the short term as demand for products such as selective catalytic reducers, diesel particulate filters, sensors and others is likely to increase due to the BS-VI norms. In the medium to long term, the demand for these very components may be threatened as EVs gain prominence. In such a situation, the opportunities would be in lithium ion cell, battery manufacturing and battery management solutions. However, as explained earlier, EV adoption is likely to be gradual and hence component makers have the opportunity to realign their product strategy well ahead of time. *(Source: CRISIL Research Report)*

**POLICY/BUDGET ANALYSIS**

**Union Budget 2021-22**

Key proposals:

- Scrappage policy: Vehicles to undergo fitness tests after 20 years for passenger vehicles (PVs) and 15 years for commercial vehicles (CVs)
- Import duty on specific auto components increased from 7.5%/10% to 15%

- Infrastructure push with an increase in outlay of ~10% vs fiscal 2021 RE under the Ministry of Road Transport & Highways
- Agriculture infrastructure cess of Rs 2.5/litre on petrol and Rs 4/litre on diesel. However, rise in cess to be offset by reduction in special additional and additional excise duties
- Removal of anti-dumping duty/ countervailing duty (ADD/CVD) and reduction in customs duty on steel
- Rs 18,000 Crore scheme to support augmentation of public bus transport services through public-private partnership model to enable private players to finance, acquire, operate and maintain over 20,000 buses
- Customs duty on carbon black (tyre raw material) increased from 5% to 7.5%, but reduced on caprolactum (used to manufacture nylon tyre cord fabric, a tyre raw material) from 7.5% to 5%

Budget impact:

- PVs over 20 years are quite limited in the population, while more incentives would be needed to promote scrapping of CVs over 15 years. For example, incentives of over Rs 1 lakh would be needed for a medium commercial vehicle (MCV, 18.5 Tonne truck) in addition to the scrap value, for transporters to scrap their 15-year and older MCV (MCVs have a high share in 15 year and older population). Without an incentive, we do not see the scheme providing impetus to CV sales.
- The higher import duty for select auto-components is in line with the keener focus on localisation and the recently introduced Production-Linked Incentive scheme. Given that average localization for automobile OEMs is ~90%, only automobile OEMs with lower localization, especially large car and high-end SUV makers (representing <15% of PV sales), are expected to see cost escalation
- CV demand, especially for tippers, to receive some support from construction-led infrastructure push in sectors, such as roads and urban infrastructure
- Lower ADD/CVD on steel to reduce metal prices, leading to lower input costs for automobile OEMs
- Considering average State Transport Undertaking purchases (including hire purchases) over the past five years at ~10,500 units, a Rs 18,000 Crore outlay to acquire and operate over 20,000 buses should support bus demand. It is important to understand the modalities of the scheme and the duration over which the procurement will be spread.
- Change in custom duty on tyre raw materials to lead to a net increase in tyre input cost. This is expected to be passed through

*(Source: CRISIL Research Report)*

**Union Budget 2020-21**

Key budget proposals:
Basic Custom Duty (BCD) on Completely Built Units (CBUs) of trucks and buses raised to 40%; on Semi Knocked Down (SKD) units of electric PVs to 30%, and for electric trucks and buses and two-wheelers to 25%; For Completely Knocked Down (CKD) units of EVs, BCD hiked to 15%. Rs 1,000 Crore allotted for tech upgrade and R&D to push exports.

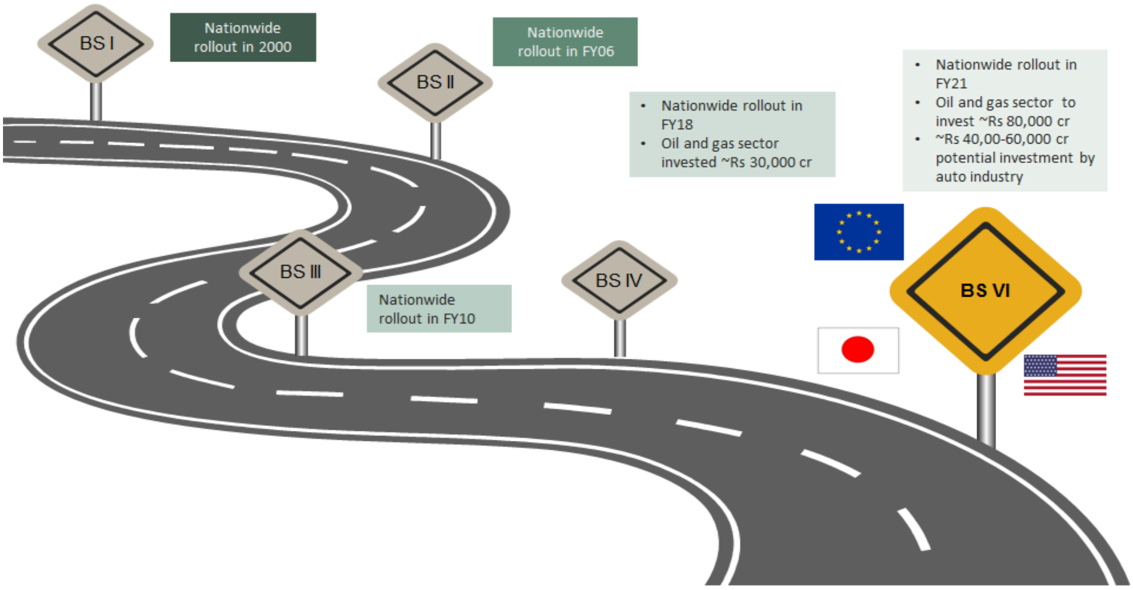
Budget impact:
The budget does not provide any major incentive to stimulate subdued demand. On EVs, customs duties have been raised to prod local production. EVs comprise less than 1% of total sales, and are not eligible for FAME II subsidy because of localisation norms.

- But in the long run, this would promote local manufacturing of electric cars priced above Rs 15 lakh, which are not eligible for FAME II subsidy
- Allocation of Rs 1,000 Crore to promote exports is not significant, but could improve competitiveness in the long term

*(Source: CRISIL Research Report)*

**BHARAT STAGE VI: Impact analysis**

A review of Bharat Stage emission transitions in the past–




*(Source: CRISIL Research Report)*

Bharat stage emission standards {BSES} are emission standards mandated by the Government to regulate the output of air pollutants from internal combustion engines and spark-ignition engines equipment, including motor vehicles.

Key points:

- Effective from April 1, 2020
- Key pollutants like carbon monoxide, particulate matter and nitrous oxide to reduce significantly post-implementation
- On board diagnostics (OBD II norms also to be complied to)
- NVH (Noise, Vibration, Heat) levels to be monitored and controlled
- Addition/modification of components to lead to price increase in FY 21

During combustion inside the engine, fuel and air mix together in an optimal ratio (stoichiometric ratio) to produce carbon dioxide and water, non-harmful emissions. If this ratio is skewed (more air less fuel, less air more fuel), it leads to either wastage of fuel or increase of pollutants like carbon monoxide, hydro carbons, nitrous oxide and particulate matter which are harmful. To treat these various pollutants, there are components to be added/modified in the current vehicle portfolio across asset classes in order to comply with the BS VI emission norms, thereby reducing the pollutants. *(Source: CRISIL Research Report)*

| Pollutant | Devices / Systems to reduce the Pollutant |
|---|---|
| CO (Carbon Monoxide) | SAI (secondary air recirculation), 3 way catalyst |
| HC (Hydrocarbons) | SAI, 3 way catalyst, DOC, PCV, Canister |
| PM (Particulate Matter) | Diesel Particulate Filter, Gasoline Particulate Filter |
| Nox (Nitrous Oxide) | Exhaust gas recirculation, LNT, SCR, 3 way catalyst |

*(Source: CRISIL Research Report)*

To understand the full impact of the components to be added under BS VI, we have categorized them under the following 3 buckets :-

- Reduction of emissions: These components treat emissions after the exhaust gases leave the combustion chamber in the engine.
- Monitoring: These electronic components continuously monitor many functions (eg- air : fuel ratio , oxygen levels, temperature in engine) via sensors and then give feedback via actuators.
- Efficiency: These components ensure that optimal air : fuel mixture is combusted in order to reduce formation of pollutants.

For two wheelers & three wheelers–

| Segment | Key Components groups to be mandatory post BS VI | | | Price impact | Price increase |
|---|---|---|---|---|---|
| Sub segment | Reduction of emissions | Monitoring | Efficiency | (in INR) | (%) |
|  | 3 way catalyst, EGR | ECU, ABS<br>Oxygen sensor , knock sensor | Fuel pump & injector<br>Throttle body (mechanical/electric)<br>PCV, canister | Rs 3500-5000 | 6-8% |
|  | 3 way catalyst, EGR | ECU<br>Oxygen sensor, knock sensor | PCV, canister<br>Throttle body (electric) | Rs 4000-6000 | 7-9% |
|  | LNT (SCR alternative for Small UVs) , DOC,DPF, EGR | ECU<br>Oxygen sensor, knock sensor | PCV, canister<br>Throttle body (electric) | | 10-15% |

*Note:*

| | | | | | |
|---|---|---|---|---|---|
| ECU | Electronic Control Unit | EGR | Exhaust Gas Recirculation | PGV | Purge Control Value |
| LNT | Lean NOx Trap | DOC | Diesel Oxidation Catalyst | DPF | Diesel Particulate Filter |
| VGT | Variable Geometry Thermocharger | SCR | Selective Catalytic Reduction | EPC | Electric Power Steering |
| TCU | Transmission Control Unit | GPF | Gasoline Particulate Filter | VVT | Variable Valve Timing |

For cars & UVs–

| Segment | Key Components groups to be mandatory post BS VI | | | Price impact | Price increase |
|---|---|---|---|---|---|
| Sub segment | Reduction of emissions | Monitoring | Efficiency | (in INR) | (%) |
|  Petrol | SCR, GPF, 3 way catalyst, EGR | ECU, EPS, SCR<br>Oxygen sensor, knock sensor | PCV, canister, turbocharger<br>Electric throttle body, VVT, fuel injection | Rs 15,000-30,000 | 3-5% |
|  Diesel | SCR , LNT (SCR alternative for Small UVs) , DOC,DPF, EGR, 3 way catalyst | ECU, EPS, SCR<br>Oxygen sensor, knock sensor | PCV (for petrol)<br>Turbocharger/ VGT, VVT, fuel injection | Rs 50,000-70,000 | 5-7% |

*Note:*

| | | | | | |
|---|---|---|---|---|---|
| ECU | Electronic Control Unit | EGR | Exhaust Gas Recirculation | PGV | Purge Control Value |
| LNT | Lean NOx Trap | DOC | Diesel Oxidation Catalyst | DPF | Diesel Particulate Filter |
| VGT | Variable Geometry Thermocharger | SCR | Selective Catalytic Reduction | EPC | Electric Power Steering |
| TCU | Transmission Control Unit | GPF | Gasoline Particulate Filter | VVT | Variable Valve Timing |

*(Source: CRISIL Research Report)*

**Overall Impact of BS VI**

Across vehicle segments, CRISIL expects the BS VI regulations to result in a price escalation of 5-7% in FY21. Two wheelers and Commercial vehicles are expected to witness a significant increase in prices which may result in advancement of sales in FY20. The price hike for passenger vehicles is not significant (as petrol vehicles make up bulk of the sales) and as a result, we do not expect major advancement of sales in FY21. *(Source: CRISIL Research Report)*.

## BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward-Looking Statements" on page 14 for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" on page 35, "Financial Statements" on page 189 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 70 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Fiscal Year ends on March 31 of each year, so all references to a particular Fiscal Year are to the twelve-month period ended March 31 of that year. In this section, a reference to the "**Company**" means Minda Industries Limited. Unless the context otherwise requires, references to "**we**", "**us**" or "**our**" refers to Minda Industries Limited, its Subsidiaries and Joint Ventures on a consolidated basis.*

*Unless otherwise indicated, financial information included herein are based on our Financial Statements included elsewhere in this Preliminary Placement Document.*

We believe we are one of India's leading manufacturers and suppliers of a variety of automotive systems to original equipment manufacturers (**OEMs**) and one of world's leading manufacturers of automotive horns. We believe that are also one of the leading manufacturers of automotive switching systems; automotive lighting systems; acoustics systems for the automotive industry; automotive seating systems and alloy wheels in India. The Group manufacture and supply over 30 categories of automotive components to leading Indian and international OEMs based in India, Asia (without India), North America and Europe.

We operate as full systems solution providers and cater to a diverse range of customers in the products manufactured by us which include automotive switching systems; automotive lighting systems; acoustics systems for the automotive industry; automotive seating systems; alloy wheels and other products like general aluminum die casting, various components for electric-vehicles, blow moulding, hoses (brakes and fuel), fuel caps, air filters, air bags, CNG and LPG kits, speakers, and infotainment among others.

Our Company was incorporated in 1992 with an object to take over the business of Minda Industries, a partnership firm, which was engaged in the manufacture and trade of auto electric parts since 1958. Subsequently, we have gained expertise in various products in the automotive industry through our in-house expertise, strategic alliances, consolidations and acquisitions. We believe our diverse product portfolio and scale of operations, long-standing relationships with domestic and global OEMs, manufacturing and operational excellence, robust aftermarket presence through dealer and distributor network, strong financial profile and seasoned management team acts as strong and sustainable competitive advantages. Some of our key domestic customers include the largest and the second largest four-wheeler OEMs in India, all of the five leading two-wheeler OEMs in India as well as global automotive OEMs across North America, Europe and South-east Asia.

As of the date of this Preliminary Placement Document, the Group has 65 manufacturing plants located in India and 6 manufacturing plants located in South-east Asia, Europe and North America.

We believe our manufacturing facilities in India are located in key auto-clusters in North, South and West India and strive to locate our facilities in close proximity to our OEM customers' plants. For e.g., our manufacturing plants in Manesar, Indonesia and Hosur are located in close proximity to the manufacturing facilities of some of our leading customers.. We believe that research and development and access to the latest technology is a key to our success and currently have 16 Research, Development and Design Centres globally, which are further complemented through technical arrangements and joint ventures with partners who we believe are industry and technology leaders in their respective markets and technological capabilities.

In addition to our demonstrated ability to expand our product portfolio and markets organically, our various Joint Ventures and technical collaborations, illustrate our ability to identify, partner or acquire and assimilate complementary businesses across products and geographies in order to consolidate our position in the auto component industry. For details on our joint ventures and associate companies please refer to "*Organizational Structure*" on page 132 of this Preliminary Placement Document.
Our operations are overseen by a professional management team with most of our business domains being led by independent chief executive officers. Nirmal K Minda, our Chairman and Managing Director, has been associated with us since the inception of our Company and has been instrumental in the growth of our Company. Under the leadership team, our Company received the Golden Peacock Award for excellence in corporate governance for the year 2020 by Institute of Directors, The 5th Institute of Company Secretaries of India (ICSI) CSR Excellence Award under the category of best Corporate in an Emerging Category, The Iconic Brand of the Year – Economic Times for Year 2019, Most Promising Company of the Year (Manufacturing Category)- CNBC TV18 for the Year 2019 and National IP Award, under the category Top Indian Company for Designs- CII for the Year 2019.

Our Summary financial information for the Fiscal 2021, 2020 and 2019 is as under:

*(₹ in Crore)*

| Particulars | Fiscal ended March 31, | | |
|---|---|---|---|
| | 2021 | 2020 | 2019 |
| Total Income | 6,420.77 | 6,262.52 | 5,935.12 |
| Total profit after share of profit of associates and joint ventures | 248.44 | 187.94 | 339.48 |
| Total Equity | 2,563.02 | 2,143.92 | 1,970.87 |
| Total Borrowings | 1,048.52 | 1,196.82 | 1,081.23 |

*Note: Details of Fiscal 2020 and Fiscal 2019 have been taken from Audited Consolidated financials of Fiscal 2021 and Fiscal 2019, respectively. Further, consolidated financial statements for Fiscal 2020 was restated consequent to the Scheme of Amalgamation hence any reference to financials of Fiscal 2020 means the restated consolidated financial statement for Fiscal 2020.*

**Our competitive strengths**

We believe the following competitive strengths differentiate us from other industry participants, have contributed to our success and will continue to enable us to increase our market share and capture future growth opportunities.

***Diversified product portfolio***

We believe that we offer one of the most diversified portfolio of products in the Indian auto component industry. While we manufacture and supply over 30 categories of automotive systems and components, some of the key product systems manufactured by us include automotive switching systems; automotive lighting systems; acoustics systems for the automotive industry; automotive seating systems; alloy wheels and other products like general aluminum die casting, various components for electric-vehicles, blow moulding, hoses (brakes and fuel), fuel caps, air filters, air bags, CNG and LPG kits, speakers, and infotainment among others which we supply across a wide spectrum of end customers in two-wheeler, four-wheeler, electric vehicle, commercial and off-road vehicle segment. In addition to the OEMs, the diversity of our product portfolio also helps us in servicing our extensive after-market distribution network across major cities as well as in tier II and tier III cities and towns. We believe that our product portfolio helps us in offering comprehensive solutions to our customers, enhances our ability to attract new customers, improve our share of business amongst existing customers and helps de-risk the business through limited dependence on any single product domain or product system.

We believe that our product portfolio has helped us, to become one of India's leading manufacturers and suppliers of automotive switching systems; automotive lighting systems; acoustics systems for the automotive industry; automotive seating systems and alloy wheels and one of the world's leading manufacturers of automotive horns. We believe that our ability to manage a wide product portfolio and gain leadership in certain product systems is based on our ability to understand evolving customer requirements, design, development, manufacturing capabilities, technical collaborations and joint ventures.

***Strong relationship with OEMs***

We believe we are a trusted partner and strategic Tier I supplier to, and have longstanding, extensive relationships with, leading Indian OEMs as well as leading international OEMs. We believe that our strategically located manufacturing facilities, consistent performance, and adherence to quality standards has helped us maintain customer engagements and attract new customers. We further believe our existing relationships with large global and domestic OEMs enable us to cross-sell additional products, enter new geographies and cultivate new customer relationships.

We continually strive to strengthen our customer relationships through superior service quality and by ensuring that our products keep pace with the requirements of the rapidly changing industry. We have dedicated 16 Research, Development and Design Centres globally, thereby enabling us to develop new products for our OEM customers and keeping track of the latest developments. To take into account the requirements of our OEM customers, our R&D team regularly interacts with our product development team and our customer to focus on developing new products with improvements in quality and design.

***Technical collaborations and track record of inorganic route for expansion of our business***

Our product portfolio is a combination of the technical know-how of our joint venture partners and of what we have developed internally. We believe that our joint venture partners are industry and technology leaders in their respective markets and their technological capabilities and global reach and presence provides us with significant advantages across our various businesses. We believe we have a well-established track record of successfully collaborating and forming long-standing relationships with our various joint venture partners which has helped us become one of the leading companies in multiple automotive systems.

We believe such collaboration gives us access to the latest know-how, design and technology, and expertise that facilitate the manufacturing process. We believe our technological relationships and our in-house design expertise are complementary to each other and enable us to provide our customers with innovative and customised solutions in line with the evolving technologies across the globe.

We evaluate inorganic growth opportunities and have completed 3 acquisitions (including amalgamation) over the past 3 years including the acquisition of Delvis GmbH, iSYS RTS GmbH, and amalgamation with Harita Seating Systems Limited. We believe these acquisitions are significant to our business as in addition to giving us a presence in these new markets and verticals, it also provides us with fully functional infrastructure facilities in these locations. We believe that our approach of growth with technical collaborations and acquisitions has historically introduced operating efficiencies, faster time to market, ability to revenue growth and/or increased profitability in our acquired businesses, resulting in increased operating margins. Our Company recently completed another phase of consolidation and reorganisation upon receipt of the relevant approvals and accordingly merged 4 wholly-owned subsidiaries i.e. M J Casting Limited, Minda Distribution and Services Limited, Minda Auto Components Limited and Minda Rinder Private Limited with the Company. Further, we have increased our stake in Tokai Rika Minda India Private Limited (a joint venture with Tokai Rika Co. Ltd.) from 13% to 30%. We believe that the creation of a single entity along with providing better financial capacity shall also help us to create an investor-friendly holding structure with a seamless process to maximise profits and ensure optimal revenue mix.

***Presence in the aftermarket sales segment and well-connected distributor network***

We believe that the aftermarket segment in India is gradually shifting from significant participation by the unorganised sector to one dominated by larger auto component manufacturers and OEMs through their dealer and service networks. We rely on our extensive distribution network to facilitate our aftermarket sales operations and sell our products through a pan-India network of distributors. We believe that our well-developed sales and distribution network complements our broad product basket and helps us in servicing the replacement market. Further, we believe, that our pedigree in the auto component space, leadership position in certain product solutions and focus on quality systems makes us a preferred choice for end customers in the replacement market. Our distributors are located across major cities as well as in tier II and tier III cities and towns. We believe our distributors are well entrenched in their respective geographies and provide us access to a large universe of retailers who in turn sell our products to end customers.

***Strategic locations of manufacturing facilities***

As of the date of PPD, the Group has 65 manufacturing plants located in India and 6 manufacturing plants located in South-east Asia, Europe and North America. We believe our facilities in India are located in key auto-clusters in north, south and west India and we strive to locate our facilities in close proximity to our OEM customers' plants. For e.g., our manufacturing plants in Manesar, Indonesia and Hosur are located in close proximity to the manufacturing facilities of some of our leading customers. We believe that the proximity of our manufacturing plants to our customer locations helps us have better control over logistics for timely delivery and leverage the eco-system being set up by the OEMs. We have established a global presence by successfully integrating our acquisitions and our joint ventures which have complemented our global operations and enhanced our ability to cater to the needs of our customers from multiple locations.

We believe our fully integrated manufacturing facilities allow us to benefit from economies of scale and our multiple facilities give us flexibility in case of production disruption at any of our plants. Our quality management procedures focus on (i) improvement in customer satisfaction, (ii) supplier performance improvement, (iii) on-time delivery, and (iv) reduction of wastage. These procedures include specific processes implemented to ensure quality checks at every phase of the production process which enable us to ensure the quality of products delivered to our customers at competitive prices.

We believe that we have been able to provide competitively priced products through cost-efficient production and with stringent quality standards which enables us to receive new business from our existing as well as from new customers. We constantly work towards making our designs easier to manufacture, which improves reliability, quality and cost.

***Experienced senior leadership and technically skilled and motivated employees***

We believe that our qualified and experienced senior management team, technically skilled employee base and established background of our Chairman and Managing Director have contributed to the growth of our operations and the development of in-house processes and competencies.

Nirmal K Minda, our Chairman and Managing Director, has been associated with us since the inception of our Company and has been instrumental in the growth of our Company. He has over thirty years of experience in the automotive components industry. Our senior management team consists of technically qualified and highly experienced professionals in the industry we operate in. Our business domains are managed by independent chief executive officers who have extensive experience in the industry. This enables each domain to focus exclusively on the opportunities and challenges that it faces. Our senior management team is responsible for the overall strategic planning and business development of our Company and has been instrumental in the consistent growth in our revenues and operations.

**Our strategies**

We will continue to seek opportunities to realise the sustainable growth of our business. To achieve this, we plan to focus on the following strategies:

*Achieve leadership across key segments and expand existing relationships with OEM customers into new product areas*

We are expanding our product portfolio aimed at electric-vehicles and intend to become the leading auto-component player for various components in electric-vehicles including smart-plugs, telematics, body control modules, DC-DC convertor, battery management system and onboard chargers. A few of the aforementioned products are already in production wherein we are supplying such components to our existing two-wheeler OEM customers. We are in the process of commercializing our other products and expect that our revenue generating product basket catering to electric vehicles will expand significantly over the next 12 months. We are in discussions with other leading Indian electric-vehicle manufacturers for supply of our products and will continuously evaluate expanding such offerings to our locations across the globe.

We will continue to focus on developing our existing product verticals and improve the market share we enjoy in our product segments. Our focused initiatives towards this include continued efforts to make investments in technology and identifying qualified professionals with experience in our industry.

Further, we will continue to work with our OEM customers, with whom we believe we have long-standing relationships and knowledge of requirements and preferences, in order to develop and supply more sophisticated, higher-margin products. Our experienced R&D teams enable us to bring new designs and innovations that we then translate into opportunities by marketing these to our customers. We believe that our wide product portfolio and leadership in key product segments will help us in increasing our share of business amongst our OEM customers.

*Develop innovative products and designs through in-house R&D, joint ventures, technical collaborations and inorganic acquisitions*

We are focused on retaining and strengthening our technological leadership through the continued development of innovative products, which we believe will enable us to expand our diversified products portfolio. We continue to focus on developing and introducing new value-added products into our markets. Through constant product innovation and research and development, we intend to offer a diverse range of products that are new to the market and are innovative in nature. We intend to continue to innovate on products and designs and therefore continue to try to gain/ retain market leadership and also be the preferred choice of the OEMs. We also continue to explore opportunities to collaborate with global players to augment the positioning of our products, enhance our manufacturing capabilities, upgrade our technological processes and offer new and diversified range of products to our customers.

Our acquisitions of the global business of Spain based Rinder group and Clarton Horn, Germany based Delvis Group and ISYS RTS GmbH as well as the acquisition of Harita Seating System Limited (a manufacturer of seating system in India), illustrate our ability to identify, partner or acquire and assimilate complementary businesses across products and geographies in order to consolidate our position in the auto component industry and we continue to explore relevant opportunities in our focus segments.

*Continue to improve margins and profitability*

We aim to continue to improve profitability by improving our product mix, manufacturing processes, raising margins that we make on each product we manufacture and thereby gaining cost efficiencies. We intend to continue to focus on sourcing materials keeping in mind the economies of scale and thereby ensuring that we get the best available price from the best supplier of raw materials. We also constantly aim to identify opportunities to implement production improvements and dedicate research and development resources to enhance production processes. We continuously strive to improve scale in our smaller and newer product segments which should help improve the profitability of our Company.

We have undertaken a realignment of business domains based on similar technologies under one domain to drive synergies between related businesses. As a part of this initiative, we have focused on strengthening our board, realignment of our business verticals to drive synergy among similar product and technologies. We have recalibrated certain functions like procurement, R&D and marketing to bring in increased control and efficiency.

*Expand our global reach through improved focus on exports*

We intend to improve our share of revenues from overseas markets by focusing on exports of products and solutions across our key verticals. We believe that the various government initiatives including PLI, our scale of operations in India, our existing customer relations and changing geo-political scenario enable us to offer competitive solutions on a global scale. For the Fiscals 2021, 2020 and 2019, our revenues from outside India as a percentage of our revenues from operations was 18.89%, 17.18% and 17.31% respectively.

Recently, we have set-up a marketing office across Thailand and strengthened our marketing offices across Japan and Germany and will continue to focus on expanding our presence across key automotive markets.

**Our Organisational Structure**

The following table depicts our organizational structure

**Domestic Subsidiaries**

- Mindarika Pvt Ltd – 51%
- Minda Kyoraku Limited- 67.60%
- Minda Kosei Aluminum Wheels Pvt Ltd – 69.99%
- Minda Storage Batteries Pvt Ltd - 100%
- MI Torica India Pvt Ltd - 60%
  - MITIL Polymer Pvt Ltd - 95%
- Minda Katolec Electronics Services Pvt Ltd - 51%
- Harita Fehrer Limited- 100%
- YA Auto Industries (YA) - 51%

**Overseas Subsidiaries**

- Global Mazinkert S L (100%)
  - Lights & Systems Technical Centre S L - 100%
  - Clarton Horn, Spain (100%)
  - Clarton Horn, Morroco (100%)
  - Clarton Horn, Mexico (100%)
  - CH Signalkoustic (100%)
- PT Minda Asean Automotive -100%
  - PT Minda Trading (PTMT) - 100%
- Sam Global Pte Ltd(100%)
  - Minda Industries Vietnam Company Ltd - 100%
  - Minda Delvis GmbH (100%)
    - Delvis Products (100%)
    - Delvis Solutions (100%)
- Minda Korea Co Ltd (100%)
- iSYS RTS GmBH (80%)

**JVs & Associates**

- Minda Westport Technologies Limited – 49.10%
- Rinder Riduco S A S - 50%
- Roki Minda Co Pvt Ltd (RMPL) - 49%
- Minda TTE DAPS Pvt Ltd- 50%
- Minda NexGenTech Ltd - 26%
- Denso Ten Minda India Pvt Ltd (DMIPL) - 49%
- Minda D-Ten India Pvt Ltd -51%
- Minda TG Rubber Pvt Ltd – 49.90%
- Kosei Minda Aluminum Company Pvt Ltd - 18%
- Auto Components – 48.90%
- Yogendra Engineering – 48.90%
- Toyoda Gosei Minda India Pvt Ltd – 47.80%
- Minda Onkyo India Pvt Ltd - 50%
- Kosei Minda Mould Pvt Ltd – 49.90%
- Tokai Rika Minda India Pvt Ltd - 30%
- CSE Dakshina Solar Private Limited- 27.55%
- Strongsun Renewables Private Limited– 27.55%

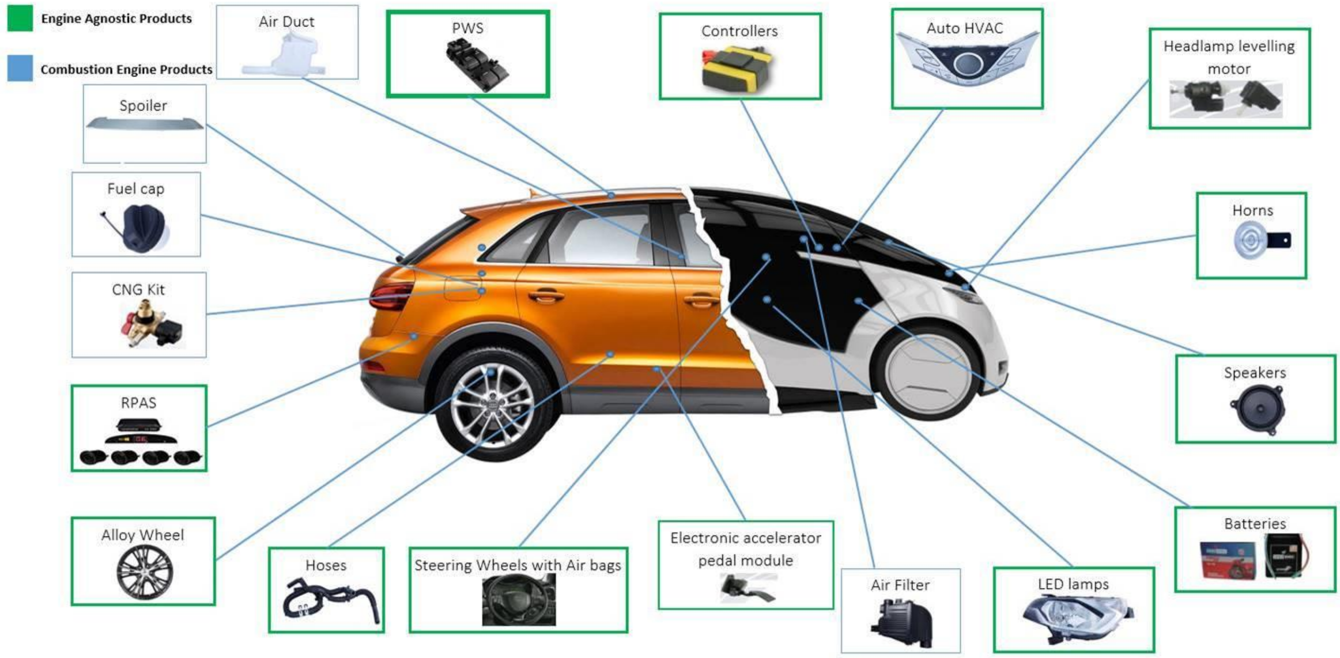
**Description of our Business**

We are a full systems solution provider for a wide range of automotive components and are engaged from concept development, design, development of tools and moulds, process engineering, manufacturing and testing of automotive components to leading OEMs in India and abroad. We offer a wide range of products across over 30 categories of automotive components which include automotive switching systems; automotive lighting systems; acoustics systems for the automotive industry; automotive seating systems; alloy wheels and other products like general aluminum die casting, various components for electric-vehicles, blow moulding, hoses (brakes and fuel), fuel caps, air filters, air bags, CNG and LPG kits, speakers, and infotainment among others.

The following diagrams highlight the application of our products in the two-wheeler segment and the four-wheeler segment:

***Range of products for the two-wheeler segment***

*Range of products for four-wheeler segment*




The following are the primary business verticals of our Company:

***Automotive switching systems***

We believe that we are one of the leading Indian manufacturers for four-wheeler automotive switching systems, and along with our Associates, are one of the leading Indian manufacturers for two-wheeler automotive switching systems. The Group produces a wide range of automotive switches for some of the leading OEMs of two-wheelers, three-wheelers and off-road vehicles, in India and abroad through its eight manufacturing facilities located in India at Aurangabad, Hosur, Nalagarh, Manesar, Mysore, Pantnagar, Pune and Surajpur and its two overseas manufacturing facilities in Indonesia and Vietnam operated by its subsidiaries P.T. Minda Asean Automotive, Indonesia and Minda Industries Vietnam Limited, respectively. We have also set up a design centre in Japan.

Some of our key automotive switch products include:

- ***For Four-wheeler vehicles***
  - Panel Switches & Power Window Switches; and
  - HVAC Switch: and
  - Lever Combination Switch;

- ***For two-wheeler and three-wheeler vehicles***
  - handlebar switches; and
  - Side stand Switch: and
  - modular switches;

- ***For off-highway vehicles***
  - push button switches; and
  - ignition switches;

***Automotive lighting systems***

We believe that we are among the leading manufacturers of automotive lighting products including automobile lamps in India. We provide end to end solutions to OEM customers with respect to their lighting requirements across for vehicles across the two-wheeler, four-wheeler segments as well as for the off-road vehicle segments while also maintaining a comprehensive presence in the aftermarket business.

Some of our key automotive lighting products include:

- ***For two-wheeler vehicles***
  - indicator; and
  - head lamps;

- ***For off-road vehicles***
  - plough lamps; and
  - tail lamps;

- ***For four-wheeler vehicles***
  - front turn signal lamp;
  - Daytime Running Lamp (DRL);
  - Tail Lamp (Bulb & LED)
  - fog lamp (Bulb and LED; and
  - head lamps (Bulb and LED).

To keep up with the technological advancement and to effectively service the requirements of our OEM customers, we have set up a design centre and customer support offices in Taiwan.

In 2016, we acquired entities forming part of the Rinder group, which is a leading automotive lighting manufacturer for two-wheelers and commercial vehicles, with manufacturing facilities in Pune and at Bahadurgarh in Haryana. Additionally, in June 2016, Global Mazinkert, S.L. Spain, our wholly-owned subsidiary, also acquired the entire shareholding of Light & Systems Technical Center, S.L., Spain and 50% shareholding of Rinder Riduco, S.A.S. Columbia from Corporacion Rinder, Spain. Further, we have acquired Germany based Delvis Group comprises of Delvis GmbH and its two wholly-owned subsidiaries viz Delvis Products, GmbH and Delvis Solutions, GmbH. The Delvis Group is engaged in the areas of design, electronics and lighting engineering. These acquisitions have aided in establishing our Company as a technology-driven player and increased our market share in the automotive lighting solutions segment.

In 2018, We acquired iSYS RTS GmbH, a leading developer of embedded systems and Electronic Control Units based in Germany. The acquisition helped us acquire our ultra high-end, niche and exotic automotive controllers. Our Lighting division also greatly benefited from the iSYS knowledge on high end headlamps.

***Automotive acoustic business***

We believe we are one of the world's leading manufacturers of automotive horns which forms part of our acoustic business. We design and produce a wide range of automobile horns including hypertone horns, K 95 horns, trumpet horns, disc horns, jericho air horns, electrical horns for some of the leading OEMs of two-wheelers, four-wheelers, commercial vehicles and off-road vehicles through our manufacturing facilities in Manesar and Pantnagar in India and two manufacturing facilities spread across in Spain and Mexico. Our acoustics business is supported by a design centre in Spain.

***Alloy Wheels***

We believe that we are amongst the largest manufacturers of aluminum alloy wheels for four-wheelers in India. Our Company carries out its business of manufacturing of aluminum alloy wheels through its subsidiary, Minda Kosei Aluminum Wheels Private Limited ("**MKAWPL**") which was incorporated in February 2015 and has a manufacturing unit in Bawal, Haryana and Dekavada Gujarat. We are in process of enhancing our capacity at Bawal from 120,000 wheel per month to 180,000 wheels per month which is expected to get complete by September 2022.

We are also in process of setting up two-wheeler alloy wheel plant at Supa, Maharashtra with annual capacity of approx. 3.6 Million wheels. Out of four lines, three lines have already commenced operations and last line is expected to commence operations by September 2021.

***Seating Systems***

Pursuant to the merger of the Harita Seating Systems Limited on April 1, 2021, we believe that we are amongst the largest manufacturers of automotive seating systems in India. Our company manufactures seating systems for various segments such as original equipment manufacturers, bus passenger, tractors, off road vehicles, two/three wheeler etc. As at July 26, 2021 seating division has 12 (twelve) plants across India.

*Electric Vehicles*

In line with global macro trends of connectivity, autonomous, and shared mobility and electrification, our Company has also been tracking the macro trends for India and electrification is now one of the focus areas from a technology perspective. We believe that our product portfolio is engine agnostic, i.e., almost all our products can be supplied to Electric Vehicles as well, barring a few like fuel caps, CNG kits, canisters etc. which enables to retain our market standing irrespective of transition and pace of transition in electric mobility. We are expanding our product portfolio aimed at electric-vehicles and intend to become the leading auto-component player for various components in electric-vehicles including smart-plugs, telematics, body control modules, DC-DC convertor, battery management system and onboard chargers. We have launched few new products specifically for electric vehicles range from our existing divisions like sensors, accelerator position sensor, brake pedal sensor and battery temperature sensor.

A few of the aforementioned products are already in production wherein we are supplying such components to our existing two-wheeler OEM customers. We are in the process of commercializing our other products and expect that our revenue generating product basket catering to electric vehicles will expand significantly over the next 12 months. We are in discussions with other leading Indian electric-vehicle manufacturers for supply of our products and will continuously evaluate expanding such offerings to our locations across the globe.

*Other businesses*

With a view to effectively leverage our existing relationships with a wider range of our OEM customers, and as part of our business initiatives we undertake a gamut of product offerings wherein we engage in the production of ancillary automotive components like general aluminum die casting, blow moulding, hoses (breaks and fuel), fuel caps, air filters, air bags, CNG and LPG kits, speakers, and infotainment among others either through our own plants or through our Subsidiaries and Associates.

**Raw Material**

The principal raw materials that we use in the manufacturing of our products include metals (such as aluminum, copper and lead), plastics and other electronic components.

**Utilities**

*Power and Fuel*

To power our operations, we need a substantial amount of power and fuel. For Fiscal Year 2021, our total power and fuel costs comprised 2.46% of our total expenses on a consolidated basis which is largely sourced from relevant electric distribution companies. In order to optimize our power and fuel expenses and reduce our carbon footprint, we have installed cumulative roof-top solar capacity of 8.4MW at various units. We are in the process of setting up an incremental 13.84MW in solar capacity across our existing units.

Our Company has also acquired a minority stake in CSE Daksina Solar Power Limited and Strongsun Renewables Private Limited both of which are in the process of setting-up solar power plant in Tamil Nadu and Maharashtra, respectively. The Company will avail solar power from the aforesaid SPVs under the power purchase agreements.

*Logistics*

We typically, ship the finished goods to our OEM clients wherein the transporter is either nominated by the OEM customer or we are required to deliver the goods at their factories. Most of our distributors are responsible for receiving and dispatch of goods to all our dealers and retailers. We also have agreements with several logistics providers in India who provide transportation of our products to our distribution network and customers. In order to insure our products from unforeseen circumstances while in transit, we obtain transit insurances against damage of goods while in transit.

**Research and Development**

We place significant importance on continued R&D activities as we consider them to be critical in maintaining our leadership position in the segments of the automotive component manufacturing industry where we operate. We also consider it imperative to evolve to the needs of the industry with a view to create a sustainable future and a robust business model. Over the years, the responsibilities and functions of our R&D team have evolved from providing design support and verification to our OEM customers to developing in-house capabilities for designing our own products and expediting new offerings to our clients in the switching, lighting and acoustic segments. We believe that our R&D efforts provide us with a competitive advantage with respect to quality and cost and by virtue of our strong in-house R&D department.

As on the date of this Preliminary Placement Document, the Group has 16 Research & Development and Design Centers globally. Out of these, 3 Centres are approved by the Department of Scientific and Industrial Research ("**DSIR**") , which are as follows:

i. Nawada Fatehpur Manesar;
ii. Sonepat, Haryana; and
iii. Pune, Maharashtra.

We launched our flagship centre for advance technologies called CREAT – Center for Research Engineering and Advanced Technologies ("CREAT") in Pune India in 2019. CREAT aims to innovate, develop and test embedded electronics products related to Connected vehicles, Telematics, ADAS, infotainment, EV technologies, Controllers & sensors, advanced lighting and technologies related to next generation of automotive needs. We also have engineering centre under iSYS RTS GmbH in Germany and R&D centre under Light & Systems Technical Centre, S.L. Spain ("LSTC"). iSYS is a niche player engaged in systems engineering, development of hardware and software with product and services offering in embedded systems, Electronic Control Unit ('ECUs' or 'controllers'). These automotive ECUs/controllers are used in lighting, infotainment systems, automation and building technologies, among others.

Most members of our research and development team have undergraduate and graduate degrees in engineering or the sciences and have prior experience in the automotive industry. Our R&D centres are equipped with the latest technology and machinery required to assist our R&D team in the effective designing and testing of our products across divisions.

**Quality Control and Testing**

The quality of our products and customer satisfaction are of vital importance to our business. We ensure that our products undergo a rigorous qualification process throughout the entire value chain to ensure that high-quality products are being provided to our customers. Over a period of time, we have developed robust testing and quality assurance procedures which are imbibed in our employees from the unit level to senior management through a quality system manual, which is updated from time to time to keep pace with changes in standards, regulations, technological advancements and any particular requirements of the customer. Our quality system manual sets out detailed processes for product audit and quality rating, which are carried out on a periodical basis. The quality check parameters are laid down to ensure adherence to the defined process and product specifications.

Our customers expect us to undertake extensive product approvals and/or certification processes. Many of our customers also perform their own quality checks to ensure that our products meet their demands and comply with the requirements. Our quality control programs at most of our production sites involve subjecting the manufacturing processes and quality management systems to periodic reviews and observation for various periods of time.

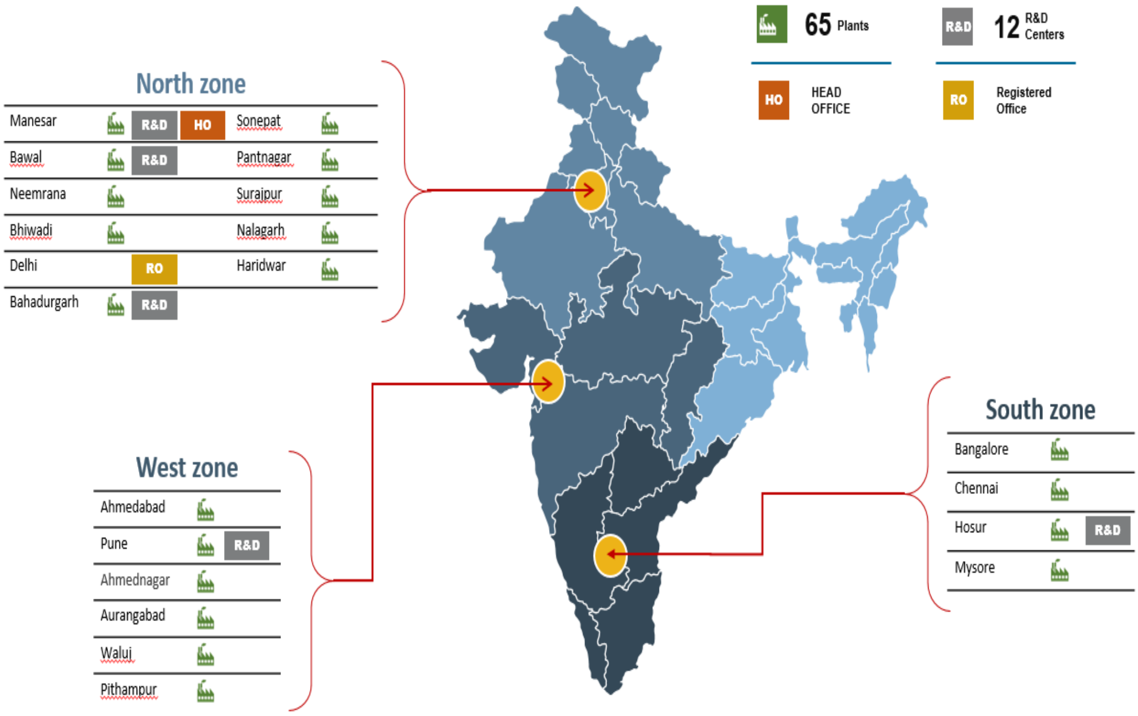
**Sales, Marketing and Distribution**

Our marketing begins with our development and engineering teams which work closely with customers or prospective customers, using our design and engineering facilities to design products tailored to meet their specific needs. Based on our credentials and recognitions awarded to us by our existing customers, we approach new customers for the business. Our strong relationships with our customers as well as our strategy to cross-sell our products to existing customers enable us to market our products with limited expenditure on marketing and brand building. Our seasoned logistics and sales team manages the supply, warehousing, packaging and inventory management and ensures timely delivery to our customers. In addition, our aftermarket division, is responsible for the distribution of our aftermarket products.

**Manufacturing Facilities**

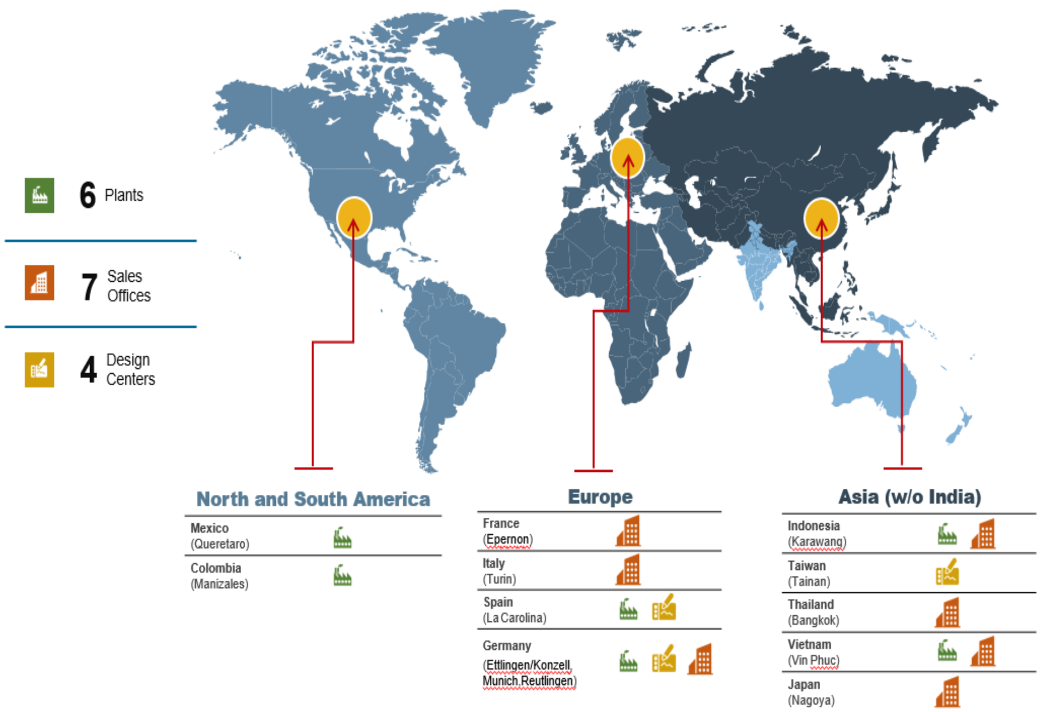
Our manufacturing facilities are strategically located in close proximity to the major automotive hubs in India. As on the date of this Preliminary Placement Document, the Group operational facilities include 65 manufacturing plants in India, including among others, 7 plants in Manesar and 8 plants in Bawal in Haryana, 4 plants in Pantnagar, Uttarakhand, 10 plants in Pune, Maharashtra and 6 plants in Hosur, Tamil Nadu. Our international facilities include a manufacturing plant each in Germany, Spain, Indonesia, Vietnam and Mexico. We consider all of our principal manufacturing facilities and other significant properties to be in good condition and adequate to meet the needs of our operations.

The following figure depicts the locations of our domestic manufacturing plants:




*Note: The above chart is just for indication purpose. Further, the above map is not to scale and not intended to mean political map of India.*

The following figure depicts the locations of our manufacturing plants, globally:




*Note: The above map is not to scale and not intended to mean political map of World.*

**Insurance**

Our operations are subject to various risks inherent in the automobile industry. We maintain insurance policies for our manufacturing facilities, buildings, machinery and inventories, business, interruption and damage due to fire, earthquakes, floods and other natural disasters, as well as primary and excess combined liability, personal accident coverage and product liability coverage. In addition, we also maintain a comprehensive insurance policy covering directors' and officers' liability. Typically, we are not insured against consequential damages, terrorist acts and war-related events. Further, where we negotiate contracts, we generally do not accept liability for product recalls in the context of our customer contracts. Consequently, we do not elect to purchase insurance against product recall risk.

We believe that our insurance coverage is in accordance with industry custom, including with respect to the terms of and the coverage provided by such insurance. For further details, see "*Risk Factors - Risks Relating to Our Business –Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject, and this may have a material adverse effect on our business, financial condition and results of operations*" on page 50 of this Preliminary Placement Document.

**Competition**

Our Company has evolved into a full system solutions provider and caters to a diverse range of customers in the automotive sector. While there are multiple domestic and global competitors in the automotive industry, our Company has strong OEM relationships, core expertise in all aspects of design, research, engineering and development and global proximity to customer facilities which provides us with a competitive advantage over the competitors. We believe we compete effectively on a domestic and international level with other major suppliers. We also believe that there are several significant barriers to entry into the automotive component manufacturing market, including the fact that the OEMs prefer companies with a strong operational track record and financial capabilities, the capital-intensive nature of business and it being a highly-regulated industry requiring the procurement of various licences in order to operate effectively.

**Human Resources**

Our relations with our employees are amicable and we have not had a disruption in production or delivery to customers due to industrial relations issue in our factories in the past. Our employees contribute significantly to our business operations. As of June 30, 2021, the Group had a total workforce of over 20,000 individuals including engineers, design professionals, management graduates, company secretaries and chartered accountants at India level.

We conduct regular training sessions for our employees to develop a variety of skill sets under our Company's 'Pathshala' initiative. We also provide for external training programs designed for our mid-level and senior-level management to prepare them for the next level of responsibilities. Additionally, our Company has also undertaken a leadership programme designed to groom and nurture future leaders, by handpicking the most promising individuals from our varied employee base. Further, we adopt a robust performance management system to encourage our employees to achieve their respective targets and efficiently dispense their responsibilities.

Our human resource practices are aimed at recruiting talented individuals, ensuring their continuous development and making sure their grievances, if any, are redressed in a timely manner. In this regard, we provide several forums and communication channels for our employees to provide their feedback and effectively share their views.

During the Covid-19 pandemic, the Company had also launched several initiatives during Covid-19 to ensure safety and well being of its employees and their facilities which include setting up Covid Care centre with oxygen bed, vaccination camps, emergency support etc.

The Group had 5 trade unions consisting of 937 employees. Out of which, our Company had 2 trade union consisting of 478 employees and balance in Subsidiary, Joint Venture and Associate companies consisting of 459 employees

**Corporate Social Responsibility ("CSR")**

Sustainable practices have always been an integral part of our business strategy. Our CSR policy is aimed at demonstrating care for the community through a focus on education and skill development. Also, embedded in this objective is support to the marginalised section of the society by providing opportunities to improve their quality of life. We support various social causes and are actively involved in running a number of charitable and social organisations under the support of the Suman Nirmal Minda Charitable Trust. These organisations undertake various CSR activities including primary education, including computer courses and imparting various other vocational skills to students.

Further, the CSR Committee has been entrusted with the prime responsibility of recommending to the Board and monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. In Fiscal Year 2021, we spent ₹ 7.43 Crores on corporate social responsibility initiatives.

We have also been recently awarded “The 5th Institute of Company Secretaries of India (ICSI) CSR Excellence Award” for extraordinary contribution towards CSR, under the category of The Best Corporate in The Emerging Category.

**Legal Proceedings**

For further details on the outstanding litigation against our Company, our Subsidiaries and our Promoter, see “*Legal Proceedings*” beginning on page 182 of this Preliminary Placement Document.

## ORGANIZATIONAL STRUCTURE

### Corporate history

Our Company was incorporated as 'Minda Industries Limited' under the Companies Act, 1956 vide a certificate of incorporation dated September 16, 1992 issued by the Registrar Companies, Delhi & Haryana and received its certificate of commencement of business on November 3, 1992 under the Companies Act, 1956.

### Organizational Structure

As of the date of this Preliminary Placement Document, we have 24 Subsidiaries, 11 Joint Ventures and 6 Associates, details of which are as follows:

**List of Subsidiaries and stepdown subsidiaries:**

1. Minda Storage Batteries Private Limited
2. Minda Katolec Electronics Services Private Limited
3. Mindarika Private Limited
4. Minda Kosei Aluminum Wheels Private Limited
5. Minda Kyoraku Limited
6. YA Auto Industries (Partnership Firm)
7. iSYS RTS GmbH, Germany
8. PT Minda Asean Automotive, Indonesia
    (a) PT Minda Trading, Indonesia
9. MI Torica India Private Limited
    (a) MITIL Polymers Private Limited
10. Harita Fehrer Limited
11. SAM Global Pte Ltd, Singapore
    (a) Minda Industries Vietnam Co. Limited, Vietnam
    (b) Minda Delvis GmbH, Germany
    (c) Delvis Solutions GmbH, Germany
    (d) Delvis Products GmbH, Germany
    (e) Minda Korea Co., Ltd, South Korea
12. Global Mazinkert S.L., Spain
    (a) Clarton Hom, Spain
    (b) Clarton Hom S. De R.L. De C.V., Mexico
    (c) Clarton Hom Marco SRL, Morocco*
    (d) CH Signalkoustic GmbH, Germany*
    (e) Light & Systems Technical Center S.L., Spain

**Pursuant to a Board resolution dated June 13, 2021, businesses of two of the overseas wholly owned step-down subsidiaries of the Company namely, Clarton Horn Marco SRL, Morocco and CH Signalkoustic GmbH, Germany is proposed to be shifted to other company in the Group and hence, these will cease to be a separate legal entity upon completion of the restructuring process.*

Mindarika Private Limited and Minda Kosei Aluminium Wheel Private Limited, have been classified as the Material

Subsidiaries of our Company for the financial year ended March 31, 2021.

**List of Joint Ventures**

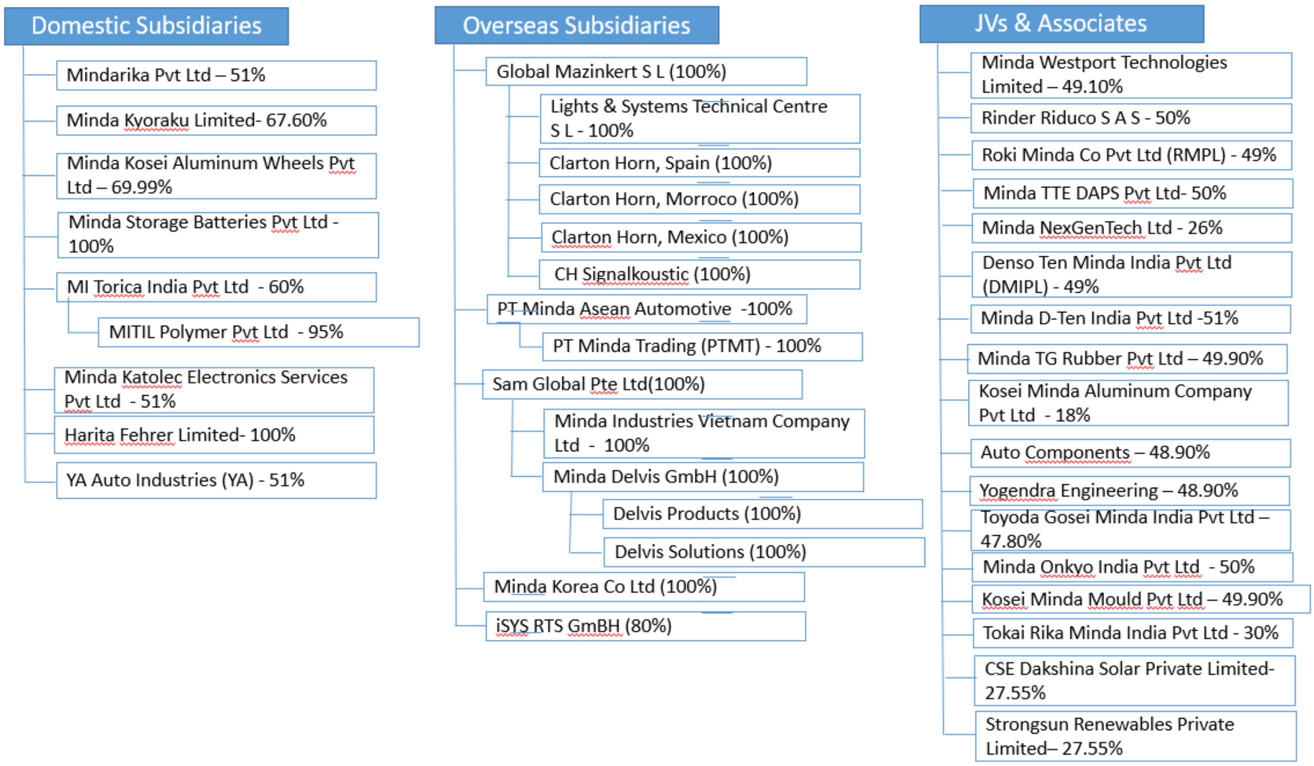
1. Minda Westport Technologies Limited (formerly known as Minda Emer Technologies Limited)
2. Rinder Riduco, S.A.S. Columbia
3. ROKI Minda Co. Pvt. Ltd.
4. Minda TTE DAPS Private Limited
5. Minda Onkyo India Private Limited
6. Minda TG Rubber Private Limited
7. Denso Ten Minda India Private Limited
8. Minda D-Ten India Private Limited
9. Toyoda Gosei Minda India Pvt. Limited
10. Kosei Minda Mould Private Limited
11. Tokai Rika Minda India Private Limited

**List of Associate Companies:**

As on the date of this Preliminary Placement document, our Company has following Associate Companies:

1. Kosei Minda Aluminum Company Private Limited;
2. Minda NexGenTech Limited;
3. CSE Dakshina Solar Private Limited;
4. Strongsun Renewables Private Limited;
5. Yogendra Engineering (partnership firm);
6. Auto Components (partnership firm); and

The organisational structure of our Company is as follows:

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## BOARD OF DIRECTORS AND SENIOR MANAGEMENT

### Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its powers subject to the Memorandum of Association and Articles of Association of our Company and as per the requirements of the applicable laws. The composition of our Board is governed by the provisions of the Companies Act, 2013, the Articles of Association of our Company and the SEBI Listing Regulations. The Articles of Association of our Company provide that the number of directors shall not be less than three and not more than 12. At present, our Company has 9 Directors on its Board, comprising of 3 Executive Directors, 1 Non-executive non Independent Director and 4 Non-executive Independent Directors, inclusive of two woman directors wherein 1 is an Independent Director.

Pursuant to the provisions of the Companies Act, at least two-third of the total number of Directors, excluding Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. Additionally, in accordance with the Articles of Association of our Company, if the number of Directors retiring is not three or a multiple of three, then the nearest number to one-third are liable to retire by rotation. A retiring Director is eligible for reappointment. Further, as per the provisions of Companies Act, an Independent Director may be appointed for a maximum of two consecutive terms of up to five consecutive years each. However, the reappointment of an Independent Directors for a second consecutive term shall, amongst other things, be on the basis of the performance evaluation report and approved by the Shareholders by way of a special resolution.

The following table sets forth details regarding the Board of Directors as of the date of this Preliminary Placement Document:

| S.No. | Name, Address, Occupation, DIN, Term and Nationality | Age | Designation |
|---|---|---|---|
| 1. | **Anand Kumar Minda**<br><br>*Date of Birth*: April 16, 1952<br><br>*Period of Directorship*: Since April 14, 2011<br><br>*Term:* Liable to retire by rotation<br><br>*Occupation:* Businessman<br><br>*DIN:* 00007964<br><br>*Address:* N-2/31, DLF, Phase-II Gurugram 122 001, Haryana, India | 69 | Non-executive Director |
| 2. | **Nirmal Kumar Minda**<br><br>*Date of Birth*: November 7, 1957<br><br>*Period of Directorship*: Since September 16, 1992<br><br>*Term:* April 1, 2018–March 31, 2023<br><br>*Occupation:* Business<br><br>*DIN:* 00014942<br><br>*Address:* J-10/33, Purvi Marg DLF Phase 2, Sikanderpur, Ghosi (68), DLF Qe, Gurugaon, Farrukhnagar- 122 002, Haryana, India | 63 | Chairman and Managing Director |
| 3. | **Satish Sekhri**<br><br>*Date of Birth*: March 28, 1950<br><br>*Period of Directorship*: Since July 29, 2010<br><br>*Term:* April 1, 2019–March 31, 2022<br><br>*Occupation:* Professional<br><br>*DIN:* 00211478 | 71 | Non-executive Independent Director |

| S.No. | Name, Address, Occupation, DIN, Term and Nationality | Age | Designation |
|---|---|---|---|
| | *Address:* R-6, Sacred Heart Town, V Shivarkar Road, Near Shinde Chatri, Wanowarie, Pune 411 040 Maharashtra, India | | |
| 4. | **Paridhi Minda**<br><br>*Date of Birth*: June 2, 1982<br><br>*Period of Directorship*: Since March 29, 2019<br><br>*Term:* March 29, 2019 –March 28, 2024<br><br>*Occupation*: Business<br><br>*DIN:*00227250<br><br>*Address:* House No.706, Sector-15, Part-2 Gurugram 122 00,1 Haryana, India | 39 | Whole time Director |
| 5. | **Dr. Chandan Chowdhury**<br><br>*Date of Birth*: February 19, 1959<br><br>*Period of Directorship*: Since August 7, 2019<br><br>*Term:* August 7, 2019–August 6, 2021<br><br>*Occupation:* Professor<br><br>*DIN:*00906211<br><br>*Address:* B 235, Ground Floor, Chittaranjan Park, New Delhi 110 019, India | 62 | Non-executive Independent Director |
| 6. | **Krishan Kumar Jalan**<br>*Date of Birth*: June 6, 1957<br><br>*Period of Directorship*: Since May 16, 2019<br><br>*Term:* May 16, 2021 – May 15, 2023<br><br>*Occupation:* Professional<br><br>*DIN:*01767702<br><br>*Address:* Flat No. 502, The Hermitage CGHS Limited. Sector-28, Chakkarpur Gurugram 122 002, Haryana, India | 64 | Non-executive Independent Director |
| 7. | **Pravin Tripathi**<br><br>*Date of Birth*: December 23, 1949<br><br>*Period of Directorship*: Since February 6, 2019<br><br>*Term:* February 6, 2021 – February 5, 2023<br><br>*Occupation:* Professional<br><br>*DIN:* 06913463<br><br>*Address:* D-243, Lane 1-B, Anupam Gardens, Sainik Farms, Neb Sarai, New Delhi 110 068, India | 71 | Non-executive Independent Director |
| 8. | **Ravi Mehra**<br>*Date of Birth*: April 8, 1961<br><br>*Period of Directorship*: Since April 1, 2021 | 60 | Deputy Managing Director (Whole time Director) |

| S.No. | Name, Address, Occupation, DIN, Term and Nationality | Age | Designation |
|---|---|---|---|
| | *Term:* April 1, 2021 – March 31, 2024<br><br>*Occupation:* Service<br><br>*DIN:* 01651911<br><br>*Address:* C-301, Park View City I, Sohna Road, Sector-48, South City-II, Gurgaon-122018, HR | | |
| 9. | **Rakesh Batra**<br>*Date of Birth*: November 25,1955<br><br>*Period of Directorship*: July 19, 2021<br><br>*Term:* July 19,2021- July 18,2024<br><br>*Occupation:* Professional<br><br>*DIN*: 06511494<br><br>*Address:* B-5/169, Safdarjung Enclave, South West Delhi, 110029 | 65 | Non Executive Independent Director |

**Relationship with other Directors**

Except Nirmal Kumar Minda and Paridhi Minda, who are father and daughter, none of the Directors are related to each other

**Borrowing powers of the Board**

Our Company has pursuant to a special resolution passed by the Shareholders dated March 27, 2019 and subject to the provisions of our Articles of Association and applicable laws, authorised the Board, to borrow monies from time to time any sums of money (in foreign currency or Indian rupees) including by way of fully/partly Convertible Debentures and/or Non-Convertible Debentures with or without detachable or non- detachable Warrants and/ or secured premium notes and/or floating rates notes /bonds, commercial papers, or other debt instruments, which together with the money already borrowed by the Company may exceed the aggregate of the paid-up share capital, free reserves and securities premium of the Company provided, however, that the total amount borrowed and outstanding at any point of time (apart from temporary loans obtained/ to be obtained from the Company's bankers in the ordinary course of business as defined under explanation to section 180(1)(c) of the Companies Act shall not, at any time exceed ₹ 1,500 Crores (Rupees One Thousand Five Hundred Crores only).

**Interest of the Directors**

Our Company has increased/decreased its shareholding in subsidiaries, joint ventures and associates in the recent past. Pursuant to the same, certain consideration, at arm's length, has been made to entities in which our executive director has direct/indirect control.

Further, all of our Executive Directors are interested to the extent of remuneration paid to them for service rendered to our Company and in addition Nirmal Minda is also entitled for commission.

All of our Non-Executive Independent Directors, may be deemed to be interested to the extent of fees payable to them for attending Board or Board committee meetings as well as to the extent of reimbursement of expenses payable to them. Our Directors may also be regarded as interested in the Equity Shares held by them, if any, or that which may be subscribed by or allotted to their relatives or the companies, firms or trusts, in which they are interested as directors, members, partners, trustees or promoters. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as disclosed in this Preliminary Placement Document, and except to the extent of shareholding in our Company, our Directors do not have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

For details relating to contracts, agreements or arrangements entered into by our Company during the last three Fiscals, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements and for other interest of Directors in respect to other related party transactions, see "*Financial Statements*" on page 189.

**Shareholding of Directors**

The following table sets forth details regarding the shareholding of the Directors as on July 23, 2021:

| Name of the Director | Number of Equity Shares | % shareholding |
|---|---|---|
| Anand Kumar Minda | 38,000 | 0.01 |
| Nirmal Kumar Minda | 6,57,52,700 | 23.83 |
| Satish Sekhri | 2,177 | 0.00 |
| Paridhi Minda | 22,15,643 | 0.80 |
| Dr. Chandan Chowdhury | NIL | NIL |
| Krishan Kumar Jalan | NIL | NIL |
| Pravin Tripathi | NIL | NIL |
| Ravi Mehra | 1,52,592 | 0.06 |
| Rakesh Batra | NIL | NIL |

**Remuneration of the Directors**

Our Company pays a sitting fee of ₹50,000 per meeting per independent director of the Board meeting and audit committee meeting and ₹15,000 for other board committee meeting.

Our Non-Executive Non Independent Directors are not entitled to any sitting fees.

The following table sets forth the remuneration (including sitting fees, commission and perquisites) paid by our Company to the Directors:

*(In ₹ Crore)*

| Name of Directors | April 1, 2021 to June 30, 2021 | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
|---|---|---|---|---|
| Paridhi Minda | 0.20 | 0.53 | 0.61 | 0.00 |
| Ravi Mehra# | 0.83 | - | - | - |
| Nirmal K Minda | 0.61 | 7.73 | 2.34 | 8.42 |
| Anand Kumar Minda | Nil | Nil | Nil | Nil |
| Alok Dutta | - | - | 0.01 | 0.11** |
| Satish Sekhri | 0.03 | 0.09 | 0.09 | 0.11 |
| Pravin Tripathi | 0.02 | 0.08 | 0.08 | 0.03 |
| Krishan Kumar Jalan | 0.03 | 0.09 | 0.08 | - |
| Dr. Chandan Chowdhury | 0.01 | 0.04 | 0.02 | - |
| Renu Challu | - | - | - | 0.06** |
| Rakesh Batra* | Nil | - | - | - |

** Rakesh Batra was appointed on July 19, 2021 hence he was not entitled for any remuneration as a Director in Fiscal 2021, 2020 & 2019*
*# Ravi Mehra was appointed on April 1, 2021 hence he was not entitled for any remuneration as a Director in Fiscal 2021, 2020 & 2019.*
***resigned as director.*

**Terms of appointment and remuneration of our Executive Directors:**

***Nirmal Kumar Minda, Chairman and Managing Directors***

Nirmal Kumar Minda has been re-appointed as the Chairman and Managing Director of our Company for a period of 5 (five) years with effect from April 1, 2018 to March 31, 2023, pursuant to a resolution passed by our Board and our Shareholders on February 13, 2018 and March 30, 2018, respectively. Further, the terms and conditions of his appointment as the Chairman and Managing Director are set forth below:

| Particulars | Remuneration* (in ₹) |
|---|---|
| Salary | Basic salary of ₹ 11.4 Lakhs per month with increments as per the company's policy and as may be determined by the Board of Directors from time to time. |
| Perquisites | Medical reimbursement, housing facility, reimbursement of gas, electricity and water expenses, club fee, personal accident insurance premium, leave travel concession, car for use, driver's salary, telephone at residence, company's contribution to provident fund, superannuation fund and annuity fund, reimbursement of entertainment, travelling and other expenses incurred for the business of the company, encashment of leave at the end of tenure.<br><br>Minimum remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, in the event of loss or inadequacy of profits, the Company will subject to applicable laws, pay remuneration by way of salary, perquisites and allowances. |

| Particulars | Remuneration* (in ₹) |
|---|---|
| Performance related pay/incentive | Commission upto 3% of the net profit computed in accordance with section 198 of the Companies Act. |
| Sitting fees | NA |

***Paridhi Minda, Whole-time Director***

Paridhi Minda has been appointed as the Whole-time Director of our Company for a period of 5 (five) years with effect from March 29, 2019 to March 28, 2024, pursuant to a resolution passed by our Board and our Shareholders on March 29, 2019 and August 6, 2019, respectively. Further, the terms and conditions of her appointment as the Whole-time Director are set forth below:

| Particulars | Remuneration (in ₹) |
|---|---|
| Remuneration | ₹ 5,29,200 CTC per month in pay scale of ₹ 5 Lakh CTC to ₹ 15 lakh CTC per month with authority to the Board (which shall include a committee thereof), to revise the salary from time to time |
| Perquisites | House rent allowance, Personal accident insurance premium, medical expenses leave travel concession, car running & maintenance, telephone, provident fund gratuity leave encashment and other allowance. Reimbursement of expenses incurred by her for the business of the company. The total remuneration will be within the approval limit. |
| Performance related pay/incentive | NIL |
| Sitting fees | NIL |

***Ravi Mehra, Deputy Managing Director***

Ravi Mehra has been appointed as Whole-time Director and designated as Deputy Managing Director with effect from April 1, 2021 till March 31, 2024 in Board meeting held on March 15, 2021 and shareholders meeting held on July 22, 2021. Further, the terms and conditions of his appointment as the Whole-time Director are set forth below:

| Particulars | Remuneration (in ₹) |
|---|---|
| Basic Salary | ₹ 19,21,505 per month |
| Fixed Allowances | ₹ 64,783 per month |
| House Rent Allowance and City Compensatory Allowance | 40% of Basic |
| Variable Pay | Upto 30% of Gross Salary |
| Other | Payment of Leave Travel Allowance as per rules of the Company presently ₹2,13,000/- p.a<br>Reimbursement of motor car running and driver salary as per rules of the Company Reimbursement of the entertainment, travelling and all other expenses incurred by him for the business of the Company.<br><br>Company's contribution to Provident Fund and Superannuation Fund, as per the Rules of the Company. Gratuity payable as per Company Policy Leave with full pay and allowance: Leave with full pay and allowance as per Company's policy. Encashment of leave at the end of the tenure as per Company Policy Medical insurance for self and family as per Company policy.<br><br>The following perquisites shall not be included in the computation of ceiling of remuneration: - I. Contribution to Provident Fund and Superannuation Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 II. Gratuity payable at the rate not exceeding half a month's salary for the each completed year of service. III. Encashment of leave at the end of the tenure.<br><br>Grant of stock options under UNOMINDA Employee Stock Options Scheme 2019, Criteria and grant size (No. of options to be granted) to be decided by Nomination & Remuneration Committee of the Board from time to time. During the period the appointee functions as Whole time Director, he shall not be paid any sitting fees for attending the meetings of the Board of Directors or any committee thereof Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, in the event of loss or inadequacy of profits, the Company will subject to applicable laws, pay remuneration by way of salary, perquisites and allowances as specified above.<br><br>Notice Period: As per rules of the Company Other rules of the Company which |

| Particulars | Remuneration (in ₹) |
|---|---|
| | are applicable to his grade shall also be applicable on him Annual increments shall be given to him as decided by the Board.<br><br>The remuneration payable to Ravi Mehra (including the salary, allowances, variable pay, perquisites, benefits and amenities) shall not exceed maximum 5%, of net profit as the limits laid down in section 197 of the Companies Act 2013, including any statutory modifications or re-enactment thereof. The Board can modify/ add/ substitute any or all components/terms of remuneration within the overall limits prescribed in section 198 of the Act and other applicable statute. |

**Key Managerial Personnel**

The details of our Key Managerial Personnel other than the Managing Director, Whole-time directors and Deputy Managing Director, as on the date of this Preliminary Placement Document, are set out below:

In addition to Nirmal Kumar Minda, Ms. Paridhi Minda and Ravi Mehra, the details of our Company's other Key Managerial Personnel are set forth below:

| Sr. No. | Name | Designation |
|---|---|---|
| 1. | Sunil Bohra | Group Chief Finance Officer & Chief Procurement Officer |
| 2. | Tarun Kumar Srivastava | Company Secretary & Compliance Officer |

**Shareholding of Key Managerial Personnel**

The following table sets forth details regarding the shareholding of the Key Managerial Personnel in our Company as on July 23, 2021:

| Name | Number of Equity Shares | Number of Stock options |
|---|---|---|
| Sunil Bohra | Nil | 35,250 |
| Tarun Kumar Srivastava | Nil | Nil |

For the shareholding of the Chairman and Managing Director, Deputy Managing Director and the Executive Directors, see "— *Shareholding of the Directors*" on page 138.

**Corporate governance**

The Board of Directors presently consists of 9 Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board of Directors has 5 Independent Directors including one independent woman Director. Our Company is in compliance with the corporate governance requirements including the constitution of Board and committees thereof, as prescribed under the SEBI Listing Regulations.

**Committees of the Board of Directors**

The Board of Directors have constituted committees, in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations.

The following table sets forth the members of the aforesaid committees as of the date of this Preliminary Placement Document:

| Committee | Members |
|---|---|
| Audit Committee | Pravin Tripathi (Chairperson)<br>Krishan Kumar Jalan<br>Satish Sekhri |
| Nomination and Remuneration Committee | Pravin Tripathi (Chairperson)<br>Satish Sekhri<br>Krishan Kumar Jalan |
| Stakeholders' Relationship Committee | Satish Sekhri (Chairperson)<br>Krishan Kumar Jalan<br>Anand Kumar Minda |
| Risk Management Committee | Satish Sekhri<br>Dr. Chandan Chowdhary<br>Anand Kumar Minda<br>Sunil Bohra |
| Corporate Social Responsibility Committee | Nirmal Kumar Minda (Chairperson)<br>Anand Kumar Minda<br>Krishan Kumar Jalan |

| Committee | Members |
|---|---|
| | Satish Sekhri |

Additionally, our Company has constituted various operational committees of its Board, such as the Internal Finance Committee.

**Policy on disclosures and internal procedure for prevention of insider trading**

Our Company has adopted a code of conduct for prevention of insider trading ("**Insider Code**") with a view to regulate trading in securities by the directors and employees of our Company. The Insider Code requires pre-clearance for dealing in our Company's shares and prohibits the purchase or sale of our Company's shares by the directors and employees while in possession of unpublished price sensitive information in relation to our Company or its securities. Our Company has appointed the Company Secretary as the Compliance Officer to ensure compliance of the Insider Code by all the directors and employees likely to have access to unpublished price sensitive information.

**Relationship with other Key Managerial Personnel**

Except as disclosed in "Relationship with other Directors" on page 137, none of our Key Managerial Personnel are related to each other.

**Other confirmations**

None of the Directors, Promoter, Key Managerial Personnel of our Company has any financial or other material interest in the Issue.

All our Key Managerial Personnel are permanent employees of our Company.

Except for Nirmal Minda who is entitle to commission and some of the Key Managerial Personnel who are entitle for options under ESOP 2019 and component of remuneration including variable pay, our Company does not have any bonus or profit-sharing plan with its Directors or Key Managerial Personnel.

None of the Directors or the companies with which they are or were associated as promoter or director, are debarred from accessing the capital markets under any order or direction passed by the SEBI or any other governmental authority. Neither our Company, nor our Promoter or the companies with which our Promoter is or has been associated with a promoter or a person in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other governmental authority.

Neither our Company, nor any of our Directors or Promoter have been declared as a Wilful Defaulter in the last ten years.

None of our Directors or Promoter have been declared as a Fugitive Economic Offender.

**Related Party Transactions**

For details in relation to the related party transactions entered by our Company during the last three Fiscal Years immediately preceding the date of this Preliminary Placement Document, please see the section "*Related Party Transaction*" on page 34.

**Employee Stock Option Schemes**

For details with respect the employee stock option scheme of our Company, please see the section "*Capital Structure - Employee stock option scheme*" on page 67.

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## SHAREHOLDING PATTERN OF OUR COMPANY

The following table sets forth the details regarding the equity shareholding pattern of our Company as on June 30, 2021:

| Category of Shareholder | No. of Shareholders | No. of fully paid up equity shares held | No. of Shares Underlying Depository Receipts | Total No. of Shares Held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | No. of Voting Rights | Total as a % of (A+B+C) | No. of Shares Underlying Outstanding convertible securities (Including Warrants) | Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of equity shares held in dematerialized form |
|---|---|---|---|---|---|---|---|---|---|---|
| (A) Promoter & Promoter Group | 10 | 19,27,05,697 | 0 | 19,27,05,697 | 69.85 | 19,27,05,697 | 69.85 | 0 | 69.85 | 19,27,05,697 |
| (B) Public | 69,970 | 8,31,92,744 | 0 | 8,31,92,744 | 30.15 | 8,31,92,744 | 30.15 | 0 | 30.15 | 7,82,06,046 |
| (C) Non Promoter-Non Public | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (C1) Shares underlying DRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (C2) Shares held by Employees Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total:** | **69,980** | **27,58,98,441** | 0 | **27,58,98,441** | **100** | **27,58,98,441** | **100** | 0 | **100** | **27,09,11,743** |

The following table sets forth the details regarding the equity shareholding pattern of our Promoter and Promoter Group as on June 30, 2021:

| Category & Name of the Shareholder | No. of Shareholders | No. of fully paid-up equity shares held | Total No. of Shares Held | Shareholding % calculated as per SCRR, 1957, As a % of (A+B+C2) | No. of Voting Rights | Total as a % of (A+B+C) | Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2 | Number of equity shares held in dematerialized form |
|---|---|---|---|---|---|---|---|---|
| **(A1) Indian** | | | | | | | | |
| **Individuals/Hindu undivided Family** | **6** | **11,26,61,713** | **11,26,61,713** | **40.83** | **11,26,61,713** | **40.83** | **40.83** | **11,26,61,713** |
| Nirmal Kr. Minda | | 6,57,52,700 | 6,57,52,700 | 23.83 | 6,57,52,700 | 23.83 | 23.83 | 6,57,52,700 |
| Suman Minda | | 4,00,00,737 | 4,00,00,737 | 14.50 | 4,00,00,737 | 14.50 | 14.50 | 4,00,00,737 |
| Pallak Minda | | 33,86,133 | 33,86,133 | 1.23 | 33,86,133 | 1.23 | 1.23 | 33,86,133 |
| Paridhi Minda | | 22,15,643 | 22,15,643 | 0.80 | 22,15,643 | 0.80 | 0.80 | 22,15,643 |
| Amit Minda | | 12,68,500 | 12,68,500 | 0.46 | 12,68,500 | 0.46 | 0.46 | 12,68,500 |

| Category & Name of the Shareholder | No. of Shareholders | No. of fully paid-up equity shares held | Total No. of Shares Held | Shareholding % calculated as per SCRR, 1957, As a % of (A+B+C2) | No. of Voting Rights | Total as a % of (A+B+C) | Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2 | Number of equity shares held in dematerialized form |
|---|---|---|---|---|---|---|---|---|
| Anand Kumar Minda | | 38,000 | 38,000 | 0.01 | 38,000 | 0.01 | 38000 | 38,000 |
| **Central Government /State Government(s)** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Financial Institutions/ Banks** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Any Other (specify)** | **4** | **8,00,43,984** | **8,00,43,984** | **29.01** | **8,00,43,984** | **29.01** | **29.01** | **8,00,43,984** |
| **Promoters Trust** | **1** | **3,24,690** | **3,24,690** | **0.12** | **3,24,690** | **0.12** | **0.12** | **3,24,690** |
| Maa Vaishno Devi Endowment | | 3,24,690 | 3,24,690 | 0.12 | 3,24,690 | 0.12 | 0.12 | 3,24,690 |
| **Bodies Corporate** | **3** | **7,97,19,294** | **7,97,19,294** | **28.89** | **7,97,19,294** | **28.89** | **28.89** | **7,97,19,294** |
| Minda Investments Ltd. | | 6,77,74,957 | 6,77,74,957 | 24.57 | 6,77,74,957 | 24.57 | 24.57 | 6,77,74,957 |
| Singhal Fincap Ltd. | | 82,05,713 | 82,05,713 | 2.97 | 82,05,713 | 2.97 | 2.97 | 82,05,713 |
| Minda Finance Ltd. | | 37,38,624 | 37,38,624 | 1.36 | 37,38,624 | 1.36 | 1.36 | 37,38,624 |
| **Sub-Total (A1)** | 10 | 19,27,05,697 | 19,27,05,697 | 69.85 | 19,27,05,697 | 69.85 | 69.85 | 19,27,05,697 |
| **(A2) Foreign** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Shareholding of Promoter and Promoter Group (A)=(A1+A2)** | **10** | **19,27,05,697** | **19,27,05,697** | **69.85** | **19,27,05,697** | **69.85** | **69.85** | **19,27,05,697** |

The following table sets forth the details regarding the equity shareholding of the members of the public as on June 30, 2021:

| Category & Name of the Shareholder | No. of Shareholders | No. of fully paid-up equity shares held | Total No. of Shares Held | Shareholding % calculated as per SCRR, 1957, As a % of (A+B+C2) | Equity shares with voting rights | Total as a % of (A+B+C) | No. of Shares Underlying Outstanding convertible securities (Including Warrants) | Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) | Number of equity shares held in dematerialized form |
|---|---|---|---|---|---|---|---|---|---|
| **(B1) Institutions** | | | | | | | | | |
| **Mutual Funds** | 18 | 2,88,34,154 | 2,88,34,154 | 10.45 | 2,88,34,154 | 10.45 | 0 | 10.45 | 2,88,34,154 |
| Canara Robeco Mutual Fund A/C Canara Robeco Emerging Equities | | 70,31,804 | 70,31,804 | 2.55 | 70,31,804 | 2.55 | 0 | 2.55 | 70,31,804 |
| IDFC Flexi Cap Fund | | 50,90,298 | 50,90,298 | 1.84 | 50,90,298 | 1.84 | 0 | 1.84 | 50,90,298 |
| DSP Flexi Cap Fund | | 38,12,899 | 38,12,899 | 1.38 | 38,12,899 | 1.38 | 0 | 1.38 | 38,12,899 |
| ICICI Prudential Multicap Fund | | 39,66,609 | 39,66,609 | 1.44 | 39,66,609 | 1.44 | 0 | 1.44 | 39,66,609 |
| Invesco Trustee Private Limited - A/C Invesco India Equity & Bond Fund | | 40,35,788 | 40,35,788 | 1.46 | 40,35,788 | 1.46 | 0 | 1.46 | 40,35,788 |
| Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Alternate Investment Funds** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Foreign Venture Capital Investors** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Foreign Portfolio Investors** | 89 | 2,46,84,041 | 2,46,84,041 | 8.95 | 2,46,84,041 | 8.95 | 0 | 8.95 | 2,46,84,041 |
| Matthews Asia Dividend Fund | | 1,36,19,268 | 1,36,19,268 | 4.94 | 1,36,19,268 | 4.94 | 0 | 4.94 | 1,36,19,268 |
| **Financial Institutions/Banks** | 1 | 304 | 1,36,19,268 | 0.00 | 1,36,19,268 | 0.00 | 0 | 0.00 | 1,36,19,268 |
| **Insurance Companies** | 6 | 13,31,659 | 13,31,659 | 0.48 | 13,31,659 | 0.48 | 0 | 0.48 | 13,31,659 |
| **Provident Funds/Pension Funds** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Any Other** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub Total (B1)** | **114** | **5,48,50,158** | **5,48,50,158** | **19.88** | **5,48,50,158** | **19.88** | **0** | **19.88** | **5,48,50,158** |
| **(B2) Central Government/State Government(s)/ President of India** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub Total (B2)** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **(B3) Non-Institutions** | | | | | | | | | |
| **Individual shareholders holding nominal share capital up to ₹ 2 lakhs** | 66,848 | 1,15,97,816 | 1,15,97,816 | 4.20 | 1,15,97,816 | 4.20 | 0 | 4.20 | 1,15,97,816 |
| **Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs** | 6 | 44,10,754 | 44,10,754 | 1.60 | 44,10,754 | 1.60 | o | 1.60 | 44,10,754 |
| Zztransit* | 1 | 37,22,711 | 37,22,711 | 1.35 | 37,22,711 | 1.35 | 0 | 1.35 | 37,22,711 |
| **NBFCs Registered with RBI** | 1 | 18,53,313 | 18,53,313 | 0.67 | 18,53,313 | 0.67 | 0 | 0.67 | 18,53,313 |
| **Employee Trusts** | 1 | 1,432 | 1,432 | 0.00 | 1,432 | 0.00 | 0 | 0.00 | 1,432 |
| **Overseas Depositories (holding DRs) (balancing figure)** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Any Other** | **3,000** | **1,04,79,271** | **1,04,79,271** | **3.80** | **1,04,79,271** | **3.80** | **0** | **3.80** | **1,04,79,271** |
| (i) IEPF | 1 | 1,74,260 | 1,74,260 | 0.06 | 1,74,260 | 0.06 | 0 | 0.06 | 1,74,260 |
| ii) Trust(s) | 1 | 6,32,775 | 6,32,775 | 0.23 | 6,32,775 | 0.23 | 0 | 0.23 | 6,32,775 |
| iii) Hindu Undivided Family | 793 | 3,24,841 | 3,24,841 | 0.12 | 3,24,841 | 0.12 | 0 | 0.12 | 3,24,841 |

| Category & Name of the Shareholder | No. of Shareholders | No. of fully paid-up equity shares held | Total No. of Shares Held | Shareholding % calculated as per SCRR, 1957, As a % of (A+B+C2) | Equity shares with voting rights | Total as a % of (A+B+C) | No. of Shares Underlying Outstanding convertible securities (Including Warrants) | Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) | Number of equity shares held in dematerialized form |
|---|---|---|---|---|---|---|---|---|---|
| iv) Non-Resident Indians (Non-Repat) | 481 | 1,53,050 | 1,53,050 | 0.06 | 1,53,050 | 0.06 | 0 | 0.06 | 1,53,050 |
| v) Non-Resident Indians (Repat) | 1,322 | 3,66,093 | 3,66,093 | 0.13 | 3,66,093 | 0.13 | 0 | 0.13 | 3,66,093 |
| vi) Body Corporate -LLP-DR | 21 | 10,912 | 10,912 | 0.00 | 10,912 | 0.00 | 0 | 0.00 | 10,912 |
| vi) Clearing Members | 105 | 6,45,266 | 6,45,266 | 0.23 | 6,45,266 | 0.23 | 0 | 0.23 | 6,45,266 |
| vii) Bodies Corporates | 276 | 81,72,074 | 81,72,074 | 2.96 | 81,72,074 | 2.96 | 0 | 2.96 | 81,72,074 |
| - Mahadhyuta Automotive Private Limited | 1 | 40,05,000 | 40,05,000 | 1.45 | 40,05,000 | 1.45 | 0 | 1.45 | 40,05,000 |
| - Savitar Auto Components Private Limited | 1 | 40,05,000 | 40,05,000 | 1.45 | 40,05,000 | 1.45 | 0 | 1.45 | 40,05,000 |
| **Sub Total (B)(3)** | **69,856** | **2,83,42,586** | **2,83,42,586** | **10.27** | **2,83,42,586** | **10.27** | 0 | **10.27** | **2,83,42,586** |
| **Total Public Shareholding (B) = (B1)+(B2)+(B3)** | **69970** | **8,31,92,744** | **8,31,92,744** | **30.15** | **8,31,92,744** | **30.15** | **0** | **30.15** | **8,31,92,744** |

The following table sets forth the details of our non-promoter, non-public shareholders as on June 30, 2021:

| Category & Name of the Shareholder | No. of Shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of Shares Underlying Depository Receipts | Total No. of Shares Held (IV+V+VI) | Shareholding % calculated as per SCRR, 1957, As a % of (A+B+C2) | Equity shares with voting rights | Total as a % of (A+B+C) | No. of Shares Underlying Outstanding convertible securities (Including Warrants) | Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (as a % of A+B+C2) | Number of equity shares held in dematerialized form |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **(C1) Custodian/DR Holder** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **(C2) Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Non-Promoter-Non Public Shareholding (C) = (C1)+(C2)** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |

The following table sets forth the details of disclosure made by the trading members holding 1% or more of the total number of shares of our Company as on June 30, 2021:

| Sl. No | Name of the trading member | Name of the beneficial owner | Number of shares held | % of total number of shares | Date of reporting by the trading member |
|---|---|---|---|---|---|
| - | NIL | NIL | NIL | NIL | NIL |

*Note:*

*The details of the shares which remain unclaimed may be given hear alongwith details such as number of shareholders, outstanding shares held in demat /unclaimed suspense account, voting rights which are frozen etc.*

| *No. of shareholders* | *No. of shares* |
|---|---|
| *2* | *1126* |

**the allotment of shares in the demat mode to the shareholders of Harita Seating Systems Ltd. is also shown under physical mode, as the corporate action is yet to be approved by the depositories.*

## ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and Bidders are assumed to have apprised themselves of the same from our Company or the BRLMs. Prospective Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisors in this regard. Also see "Selling Restrictions" and "Transfer Restrictions"* on pages 161 and 167, respectively.

*Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsel, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.*

### Qualified Institutions Placement

**THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.**

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and other applicable provisions of the Companies Act, a company may issue equity shares to Eligible QIBs provided that certain conditions are met by our Company. Some of these conditions are set out below:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must *inter alia* specify that, (a) the Allotment of the Equity Shares is proposed to be made pursuant to the QIP, and (b) the Relevant Date;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which our Company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of Issue, the contribution made by the Promoter or Directors either as part of the Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the Issue or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on Stock Exchange for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer-cum-application and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the Issue will be made. The Issue must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited; and

- the Promoter and Directors are not Fugitive Economic Offenders.

At least 10% of the Equity Shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise their Bids downwards after the Bid/ Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated June 13, 2021 and our Shareholders through a special resolution dated July 22, 2021, have authorised our Board to decide the quantum of discount of not more than 5% of the Floor Price at the time of determination of the Issue Price.

The "Relevant Date" referred to above means the date of the meeting in which the Board or Securities Issuance Committee decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the resolution of the Shareholders passed on July 22, 2021 our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders' resolution approving the Issue and also within 60 days from the date of receipt of subscription money from the relevant Eligible QIBs. For details of Allotment, see "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" below on page 156.

The Equity Shares issued pursuant to the Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹2,500 million; and

- five, where the issue size is greater than ₹2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "**—***Bid Process—Application Form*" on page 152.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on June 13, 2021 and our Shareholders through a special resolution on July 22, 2021. Include dates

**Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.**

**The Equity Shares offered hereby have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. For a description of certain restrictions on transfer of the Equity Shares, see "*Transfer Restrictions*" on page 167.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Issue Procedure**

1. On Bid / Issue Opening Date, our Company and/or the BRLMs shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form will be specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company shall maintain complete records of Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act.

2. The list of Eligible QIBs to whom the Application Form is delivered shall be determined by our Company in consultation with the BRLMs. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the escrow account specified in the application form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the BRLMs.

5. Bidders will be required to indicate the following in the Application Form:

   - a representation that it is outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S, and it has agreed to certain other representations set forth in the Application Form;

   - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

   - details of the depository account to which the Equity Shares should be credited; and

   ***NOTE*****:** *Eligible FPIs are required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the*

*Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

6. Eligible QIBs shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "*Minda Industries Limited - QIP Escrow Account 2021-22*" Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Notwithstanding the above, in the event (a) any Bidder is not Allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Bid/Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in the section titled "*Issue Procedure - Refunds*" on page 157.

7. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

8. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or before the Bid/ Issue Closing Date, our Company shall, in consultation with BRLMs determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the BRLMs on behalf of our Company will send the serially numbered CAN to the Successful Bidders. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated and the Refund Amount (if any) due to the Successful Bidders. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the BRLMs.**

9. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required disclose the names of proposed Allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it.

10. Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

11. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the BRLMs, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

12. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

13. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

14. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

15. Our Company will then apply for the final trading approvals from the Stock Exchanges.

16. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

17. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

**Eligible QIBs**

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- Eligible FPIs;
- insurance companies registered with the Insurance Regulatory and Development Authority;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India.
- multilateral and bilateral development financial institutions eligible to invest in India;
- Mutual Funds, VCFs, AIFs;
- pension funds with minimum corpus of ₹250 million;
- provident funds with minimum corpus of ₹250 million;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- systemically important non-banking financial companies; and
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India.

**ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA NON-DEBT RULES IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIS ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.**

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Non-Debt Rules, the total holding of each FPI shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. The existing aggregate investment limit for FPIs in our Company is 100% of the paid up capital of our Company.

In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on page 161 and 167, respectively.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/ NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

***Restriction on Allotment***

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being our Promoter, or any person related to, the Promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the Promoter:

- rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board

Provided, however, that an Eligible QIB which does not hold any Equity Shares and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

**Our Company, the BRLMs and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations, and ensure compliance with applicable laws.**

**A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.**

***Note:*** *Affiliates or associates of the BRLMs who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

**Bid Process**

***Application Form***

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made all the following representations and warranties and the representations, warranties and agreements made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and " *Transfer Restrictions*" on page 2, 4, 161 and 167, respectively:

1. Each Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoter, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter or promoter group or persons related to the Promoter;

3. Each Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the promoter;

4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Non-Debt Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. Each Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. Each Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

7. Each Eligible QIB confirms that the Eligible QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

8. Each Eligible QIB confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

9. Each Eligible QIB agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. Each Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLMs. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. Each Eligible QIB acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as "proposed Allottees" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs.

12. Each Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    (a) QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and

(b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. Each Eligible QIBs acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

14. Each Eligible QIB confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

15. Each Eligible QIB acknowledges, represents and agrees that its total voting rights in our Company does not exceed 10% of the total issued share capital of our Company.

16. Each Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

17. A representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" under Regulation S and is not an affiliate of the Company or a person acting on behalf of such an affiliate.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route.

**ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN (IF APPLICABLE), DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.**

**IF SO REQUIRED BY THE BRLMs, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLMs TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.**

**IF SO REQUIRED BY THE BRLMs, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.**

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the BRLMs) in favour of the Successful Bidder.

***Submission of Application Form***

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLMs either through electronic form or through physical delivery at either of the following addresses:

| Name | Address | Contact Person | Website and Email | Phone (Telephone) |
|---|---|---|---|---|
| Equirus Capital Private Limited | 12th Floor, C Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai 400 013, Maharashtra, India | Munish Aggarwal | www.equirus.com<br><br>mindaqip2021@equirus.com | +91-22 4332 0700 |
| Nomura Financial Advisory & Securities (India) Private Limited | Ceejay House, Level - 11, Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra, India | Vishal Kanjani | www.nomuraholdings.com/company/group/asia/india/index.html<br><br>mindaqip2021@nomura.com | +91 22 4037 4037 |

The BRLMs shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue, shall pay the entire Bid Amount along with the submission of the duly completed Application Form, within the Issue Period.

**Payment of Bid Amount**

Our Company has opened the Escrow Account in the name of "*Minda Industries Limited - QIP Escrow Account 2021-22*" with the Escrow Agent, in terms of the Escrow Agreement. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

**Note: Payments are to be made only through electronic fund transfer. Payments made through cash or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.**

Pending Allotment, our Company undertakes to utilise the amount deposited in "*Minda Industries Limited - QIP Escrow Account 2021-22*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event, a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in the section titled "*Issue Procedure - Refunds*" on page 157.

***Pricing and Allocation***

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, our Company may offer a discount of not more than 5% of the Floor Price in accordance with the approval of our Shareholders, accorded through their special resolution passed on July 22, 2021 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

The "Relevant Date" referred to above will be the date of the meeting in which the Board decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

***Build up of the Book***

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the BRLMs.

***Method of Allocation***

Our Company shall determine the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, Company in consultation with BRLMs have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

**THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLMs IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLMs ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.**

**CAN**

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

**QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.**

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section "*Notice to Investors*" on page 2 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

***Designated Date and Allotment of Equity Shares***

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the successful Bidders' beneficiary accounts, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

**Refunds**

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN. In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

**Release of Funds to our Company**

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC.

**Other Instructions**

***Submission of Documents***

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

***Permanent Account Number or PAN***

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the Income Tax Act, 1961. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

***Bank Account Details***

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

***Right to Reject Applications***

Our Company, in consultation with the BRLMs, may reject Bids, in part or in full, without assigning any reason whatsoever.

The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see " - *Bid Process*" and "- *Refunds*" on pages 152 and 157, respectively.

***Equity Shares in dematerialised form with NSDL or CDSL***

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLMs shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

# PLACEMENT

## Placement

The BRLMs have entered into the Placement Agreement with our Company, pursuant to which the BRLMs have agreed to procure subscription for the Equity Shares to be issued pursuant to the Issue.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and it is subject to termination in accordance with the terms contained therein.

The BRLMs and their affiliates may engage in transactions with and perform services for our Company and our Subsidiaries or affiliates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and our Subsidiaries or affiliates, for which they would have received compensation and may in the future receive compensation.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in *"offshore transactions"*, as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. See "*Offshore Derivative Instruments*" and "*Representations by Investors*" on pages 9 and 4, respectively.

## Relationship with the Book Running Lead Managers

Affiliates of the Book Running Lead Managers may purchase the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. Please see the section "***Offshore Derivative Instruments***". From time to time, the Book Running Lead Managers, and their affiliates and associates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for the Group and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their respective affiliates and associates.

## Lock-up

Our Company undertakes to not, for a period of 180 days from the date of Allotment, without the prior written consent of the Lead Manager, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. The foregoing restriction shall not apply to any issuance, sale, transfer or disposition of Equity Shares or options by the Company: (A) pursuant to this Issue; and (B) pursuant to the existing employee stock option schemes of the Company, or (C) any issuance of Equity Shares pursuant to the approval of scheme of amalgamation with Minda I-connect.

## Lock-up by Promoters

Each of our Promoter and Promoter Group jointly and severally undertake that they will not, during the period commencing on the date of the Preliminary Placement Document and ending 90 days after the date of Allotment, without the prior written consent of the Lead Manager, directly or indirectly ("**Lock up Period**"): (a) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.

Nothing would restrict the inter-se transfer of any Equity Shares between the Promoters and members of the Promoter Group.

## SELLING RESTRICTIONS

*The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.*

### General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

### Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

### Australia

This Preliminary Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Preliminary Placement Document, and any offers made under this Preliminary Placement Document, you represent to the Company and the Book Running Lead Managers that you will not provide this Preliminary Placement Document or communicate any offers made under this Preliminary Placement Document to, or make any applications or receive any offers for the Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or a Book Running Lead Manager) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

### Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for "accredited investors" as defined by the Central Bank of Bahrain. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares and this Preliminary

Placement Document will not be issued, passed to, or made available to the public generally. The Central Bank of Bahrain has not reviewed, nor has it approved, this Preliminary Placement Document or the marketing thereof in the Kingdom of Bahrain. The Central Bank of Bahrain is not responsible for the performance of the Equity Shares.

**Dubai International Financial Centre**

This Preliminary Placement Document may not be distributed into, or circulated in, the Dubai International Financial Centre (the "**DIFC**") other than as an "Exempt Offer" in accordance with the Markets Rules of the Dubai Financial Services Authority ("**DFSA**") Rulebook (the "**MKT Module**"). The DFSA has not approved this Preliminary Placement Document or any associated documents nor taken any steps to verify the information set out in, and has no responsibility for, this Preliminary Placement Document.

This Preliminary Placement Document may only be provided to Professional Clients, as defined in the DFSA Rulebook Conduct of Business Module (the "**COB Module**"). The offer of the Equity Shares is not directed at Retail Clients, as defined in the COB Module.

Accordingly, the Equity Shares will not be offered to any person in the DIFC unless such offer is:

(a) an Exempt Offer in accordance with the MKT Module; and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the COB Module.

**European Economic Area**

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Book Running Lead Managers for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall require the Issuer or the Book Running Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Equity Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant Member State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Managers have been obtained to each such proposed offer or resale. Our Company, its directors, the Book Running Lead Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Book Running Lead Managers of such fact in writing may, with the consent of the Book Running Lead Managers, be permitted to subscribe for or purchase Equity Shares in the Issue.

**Hong Kong**

The contents of this Preliminary Placement Document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer of the Equity Shares. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus (as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the "**Companies (WUMP) Ordinance**") in Hong Kong. This Preliminary Placement Document has not been reviewed or approved for publication or distribution in Hong Kong by the Securities and Future Commission of Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**"). Accordingly, the Equity Shares may not be offered or sold in Hong Kong by means of this document or otherwise, and this document or any abridged version of this document must not be issued, circulated or distributed in Hong Kong, other than (a) to "professional investors" as defined in the SFO and any subsidiary legislation made under the SFO or (b) in other circumstances which do not result in this document or any other document being a "prospectus" as defined in the Companies (WUMP) Ordinance. In addition, no advertisement, invitation or document relating to the Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, any member of the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to "professional investors" as defined in the SFO or any subsidiary legislation made under the SFO.

**Japan**

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

**Republic of Korea**

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

**Mauritius**

The public of the Republic of Mauritius is not invited to subscribe for the interests offered hereby. This document relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. The interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. No regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company. The document is for the use only of the named addressee and should not be given or shown to any other person.

**Qatar**

This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient, upon that person's request and initiative, and for the recipient's personal use only and is not intended to be available to the public. Nothing in this prospectus constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of the Equity Shares in the State of Qatar or in the Qatar Financial Centre or the inward marketing of an investment fund or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre. This Preliminary Placement Document and the underlying instruments have not been reviewed, approved, registered or licensed by the Qatar Central Bank, The Qatar Financial Centre Regulatory Authority, The Qatar Financial Markets Authority or any other regulator in the State of Qatar. Any distribution of this Preliminary Placement Document by the recipient to third parties in Qatar or the Qatar Financial Centre beyond these terms is not authorised and shall be at the liability of the recipient.

**Saudi Arabia**

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 3-123-2017 dated December 27, 2017 as amended by resolution number 1-104-2019 dated September 30, 2019, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial adviser.

**Singapore**

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Book Running Lead Manager has represented, warranted and agreed that it has not offered or sold any Equity Shares or caused the Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Equity Shares or cause the Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Preliminary Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

**Sultanate of Oman**

This Preliminary Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA. The offering and sale of Equity Shares described in the Preliminary Placement Document will not take place inside Oman. The Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

**United Arab Emirates (excluding the Dubai International Financial Centre)**

No offering, marketing, promotion, advertising or distribution (collectively, "**Promotion**") of this Preliminary Placement Document or the Equity Shares may be made in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE.

The Promotion of this Preliminary Placement Document and the Equity Shares has not been and will not be approved by the SCA and, as such, this Preliminary Placement Document does not constitute an offer to the general public in the UAE to acquire any Equity Shares. Except where the Promotion of this Preliminary Placement Document and the Equity Shares is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE, the Promotion of this Preliminary Placement Document and the Equity Shares in the UAE is being made only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations).

None of the SCA, the Central Bank of the United Arab Emirates or any other regulatory authority in the UAE has reviewed or approved the contents of this Preliminary Placement Document and nor does any such entity accept any liability for the contents of this Preliminary Placement Document.

**United Kingdom**

This document does not constitute an approved prospectus for the purposes of and as defined in section 85 of Financial Services and Markets Act 2000 ("**FSMA**"), has not been prepared in accordance with the prospectus rules issued by the Financial Conduct Authority ("**FCA**") pursuant to section 73A of the FSMA and has not been approved by or filed with the FCA. The Equity Shares may not be offered or sold and will not be offered or sold to the public in the United Kingdom (within the meaning of section 85 and 102B of the FSMA) save in the circumstances where it is lawful to do so without an approved prospectus (within the meaning of section 85 of the FSMA) being made available to the public before the offer is made.

This document is not to be distributed, delivered or passed on to any person resident in the United Kingdom, unless it is being made only to, or directed only at (a) persons falling within the categories of "investment professionals" as defined in Article 19(5) of the Financial Services and Markets Act (Financial Promotion) Order 2005 as amended (the "**Financial Promotion Order**"), (b) persons falling within any of the categories of persons described in Article 49(2) of the Financial Promotion Order (high net worth companies, unincorporated associations etc.), or (c) any other person to whom it may otherwise lawfully be made (all such persons together being referred to as "**relevant persons**").

This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. Persons of any other description in the United Kingdom may not receive and should not act or rely on this document or any other marketing materials relating to the Equity Shares.

Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Equity Shares and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

If the recipient of this document is in any doubt about the investment to which this document relates, they should consult a person authorized under the FSMA who specializes in advising on investing in securities.

**United States**

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' (as defined in Regulation S) in reliance on Regulations S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see "*Transfer Restrictions*" on page 167.

## TRANSFER RESTRICTIONS

*Due to the following restrictions, Bidders are advised to consult legal counsel prior to Bidding for the Equity Shares or making any offer, resale, pledge or transfer of the Equity Shares.*

*Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, please see the section entitled "Selling Restrictions" on page* 161.

### U.S. TRANSFER RESTRICTIONS

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

- Each purchaser of the Equity Shares outside the United States is deemed to have represented, agreed and acknowledged as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S) or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is not located outside the United States (within the meaning of Regulation S).

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- The Equity Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the BRLMs for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold the Company and each of the BRLMs harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the BRLMs liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that the Company and the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLMs. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

## THE SECURITIES MARKET OF INDIA

*The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the BRLMs or any of their respective affiliates or advisors.*

### The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

### Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the SCR (SECC) Rules, which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

### Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act, SEBI Listing Regulations and various guidelines and regulations issued by the SEBI and the stock exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

### Minimum Level of Public Shareholding

All listed companies are required to ensure a minimum public shareholding at 25%. Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement. Further, pursuant to the budget 2019-2020, SEBI has been authorised to consider increasing the minimum public shareholding requirement to 35%.

### Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

**BSE**

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

**NSE**

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

**Internet-based Securities Trading and Services**

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

**Trading Hours**

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

**Trading Procedure**

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

**SEBI Listing Regulations**

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

**SEBI Takeover Regulations**

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

**SEBI Insider Trading Regulations**

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**"). The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations. The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations. The SEBI Insider Trading Regulations also provides for disclosure obligations for promoters, employees and directors, with respect to their shareholding in the company, and the changes therein.

**Depositories**

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

**Derivatives (Futures and Options)**

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

## DESCRIPTION OF THE EQUITY SHARES

*The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association and the Companies Act. Bidders are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.*

### Share capital

The authorized share capital of our Company is ₹51,169.20 lakhs divided into 73,62,13,000 Equity Shares of ₹2 each, 2,75,00,000 8% Non-Cumulative Redeemable Preference Shares of ₹10 each, 33,694,945 0.01% Non Convertible Redeemable Preference Shares of Rs 100 each and the total issued subscribed and paid up share capital is ₹24,402.63 lakhs divided into 27,58,98,441 Equity Shares of ₹2 each and 1,88,84,662 preference shares of ₹100 each. For further details please see the section "*Capital Structure"* on page 66.

### Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each Fiscal. Subject to certain conditions laid down by Section 123 of the Companies Act, no dividend can be declared or paid by a company for any Fiscal except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous Fiscal(s) arrived in a manner laid down by the Companies Act and remaining undistributed or out of both or out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government.

Further, as per the Companies Act read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in the event of inadequacy or absence of profits in any year, a company may declare dividend out of free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this shall not apply to a company, which has not declared any dividend in each of the three preceding financial years (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves of the company as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15% of the company's paid up share capital as per the most recent audited financial statement of the company.

Our Board may retain any dividends on which our Company may have a lien and may apply the same towards the satisfaction of the debts or liabilities or engagement in respect of which the lien exists.

According to the Articles of Association, dividends may be paid to the members according to their respective rights but the amount of dividend shall not exceed the amount recommended by our Board of Directors. However, our Company may declare a smaller dividend in the general meeting.

Unclaimed and unpaid dividend shall not be forfeited by our Company. Subject to applicable provisions of the Companies Act, if our Company has declared a dividend but which has not been paid or claimed or dividend warrant or such other instrument has not been posted within 30 days from the date of declaration to any member entitled to the payment of the dividend, our Company shall within seven days from the date of the expiry of the aforesaid 30 days period transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened in that behalf in any scheduled bank called unpaid dividend account.

The profits of our Company, subject to provisions of the Articles of Association, shall be divisible among the members in proportion of the amount of capital paid up on the shares held by them respectively.

### Capitalisation of Profits and issue of bonus shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to capitalise the company's profits or reserves for the purpose of issuing fully paid-up bonus shares, which are similar to stock dividend. The Companies Act, 2013 permits the issue of fully paid-up bonus shares from its free reserves, securities premium account or capital redemption reserve account, provided that bonus shares shall not be issued by capitalising reserves created by revaluation of assets and/or in lieu of dividend. These bonus equity shares must be distributed to shareholders in proportion to the number of equity shares owned by them as recommended by the board of directors.

Any issue of bonus shares by a listed company would be subject to the SEBI ICDR Regulations. The SEBI ICDR Regulations prescribe that no company shall make a bonus issue of equity shares if it has outstanding fully or partly convertible debt instruments at the time of making the bonus issue, unless it has made reservation of the equity shares in the same class in favour of the holders of the outstanding convertible debt instruments in proportion to the convertible part thereof and the equity shares reserved for the holders of fully or partly convertible debt instruments shall be issued at the time of conversion of such convertible debt instruments on the same terms or same proportion on which the bonds were issued. Further, for issuance of such bonus shares, a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The bonus issuance shall be made out of free reserves built out of genuine profits or share premium collected in cash only. The reserves created by revaluation of fixed assets cannot be capitalised. Further, a company should have sufficient reason to believe that it has not defaulted in respect of the payment of statutory dues of the employees, such as contributions to provident funds, gratuities and/or bonuses.

Our Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves. Such reserves shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends. Such reserves may also, at the discretion of the Board, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. Our Board may also carry forward any profit which it may think prudent not to divide without setting aside as a reserve.

Our Company may by a resolution passed in a general meeting of the shareholders, upon a recommendation by the Board, resolve that the whole or any part of the undivided profits of the Company (which expression shall include premiums received on the issue of shares and any profits or other sums which have been set aside as a reserve or reserves or have been carried forward without being divided) be capitalised and distributed amongst such shareholders who would be entitled to receive the same, if distributed by way of dividend and in the same proportions, on the footing that they become entitled thereto as capital. All or any part of such capitalised amount may be applied on behalf of such members upon paying up in full any unissued shares of the Company which shall be distributed accordingly or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such member in full satisfaction of their interest in the said capitalized amount. Provided that any sum standing to the credit of the share premium account or a capital redemption reserve account may only be applied in the paying up of unissued shares to be issued to the shareholders as fully paid bonus shares.

**Alteration of Share Capital**

Subject to the provisions of the Companies Act, 2013, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. Pursuant to the provisions of the Companies Act, 2013 such new shares shall be offered to existing shareholders in proportion to the paid-up share capital on those shares at that date.

The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date, the Board may dispose of the shares offered in respect of which no acceptance has been received in a manner which shall not be disadvantageous to the shareholders of our Company. The offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. Private placement and public issues shall be undertaken pursuant to Chapter III the Companies Act, 2013.

Under the provisions of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, new shares may be offered to any persons whether or not those persons include existing shareholders or employees to whom shares are allotted under a scheme of employee's stock options, either for cash or for consideration other than cash, if a special resolution to that effect is passed by our shareholders in a general meeting. Our Company may, by a resolution passed in a general meeting, from time to time, increase the share capital by the creation of new Equity Shares of such amount as may be deemed expedient and specified in the resolution. Such increase in the share capital shall be subject to compliance with the provision of the Companies Act, 2013 and of any other laws that may be in force. New Equity Shares shall be issued upon such terms and conditions and with such rights and privileges attached thereto as are consistent with provisions of the Companies Act, 2013 and which the general meeting, resolving upon the creation thereof shall direct and if no direction be given, as our Board shall determine, and in particular such Equity Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of our Company, subject to the conditions prescribed under the Companies Act, 2013.

Our Company may by ordinary resolution adopted in a general meeting of shareholders:

(i) increase its authorised share capital by such amount as it thinks expedient;
(ii) consolidate and divide its share capital into shares of larger amount than its existing Equity Shares;

(iii) sub-divide its existing Equity Shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, so however, that in the subdivision the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the share from which the reduced share was derived; or

(iv) cancel any Equity Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the Equity Shares so cancelled.

Further, our Company may, from time to time, accept from any shareholder, the surrender of all or any of his shares on such terms as may be agreed and in compliance with provisions of applicable law.

**General Meetings of Shareholders**

There are two types of general meetings of the shareholders, namely, AGM and EGM. Our Company is required to hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between two AGMs, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board of Directors may convene an EGM *suo motu* when it deems fit.

Notices, along with statement containing material facts concerning each special item, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to every member or the legal representative of a deceased member, auditors of the company and every director of the company, at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. Further, a general meeting, other than an annual general meeting may be called after giving a shorter notice if consent is received, by the majority in number of shareholders of the company who are entitled to vote and who represent not less than 95% of the paid-up share capital of the company. Unless, the Articles of Association provide for a larger number, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

A company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode.

**Voting Rights**

At a general meeting, every member holding shares is entitled to vote through e-voting process. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital. The Chairman of the meeting has a casting vote or second vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form prescribed. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings.

**Registration of Transfers and Register of Members**

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository. For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the

Board of Directors may deem expedient in accordance with the provisions of the Companies Act. Under the SEBI Listing Regulations of the stock exchanges on which our Company's outstanding Equity Shares are listed, our Company may, upon at least seven working days' (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

**Liquidation Rights**

In the event of our winding up, if the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital, at the commencement of the winding up, paid up or which ought to have been paid up on the shares issued upon special terms and conditions. On winding up, the preference shares issued by our Company shall rank in priority to Equity Shares but shall not be entitled to any further participation in profits or assets.

## TAXATION

## CERTIFICATE ON STATEMENT OF SPECIAL TAX BENEFITS

Date: August 2, 2021

To
The Board of Directors,
Minda Industries Limited
Village- Naweda, Fatehpur,
P.O.- SikanderPur Badda IMT Manesar,
Gurgaon-122004,
Haryana, India

**Dear Sir,**

**Sub: Statement of special tax benefits in relation to the proposed Qualified Institutions Placement of equity shares of face value of ₹ 2 each by Minda Industries Limited ("Company"), such equity shares of the Company, the "Equity Shares" and such placement, (the "Issue").**

1. This certificate is issued in accordance with the terms of our engagement letter dated July 15, 2021 in context of proposed qualified institutions placement (the "**Issue**") of equity shares of face value of ₹ 2 each ("**Equity Shares**") in accordance with Chapter IV of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, ("**SEBI ICDR Regulations**") and applicable provisions of the Companies Act, 2013, as amended and the rules framed thereunder ("**Companies Act**") by Minda Industries Limited.

2. The accompanying 'Statement of Possible Special Direct Tax And Indirect Tax Benefits available to Minda Industries Limited, Mindarika Private Limited and Minda Kosei Aluminum Wheels Private Limited (together referred as "the Group") and Shareholders of the Company, attached herewith, hereinafter referred to as "the Statement" under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2021 (hereinafter referred to as the "**Income Tax Regulations**") and Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company (hereinafter referred to as the "**GST Regulations**", has been prepared by the management of the Company which we have initialed for identification purpose proposed to be included in the Preliminary Placement Document and Placement Document (the "**Placement Documents**") of the Company.

**Management's Responsibility**

3. The preparation of this Statement is the responsibility of the management of the Company. The management of the respective companies included in the Group are responsible for the preparation and maintenance of all accounting and other relevant supporting records and documents. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that the Group complies with the laws and regulations, including applicable accounting standards.

**Practitioner's Responsibility**

4. Pursuant to the SEBI ICDR Regulations and the Companies Act 2013, it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Group and the shareholders of the Company, under the Income Tax and GST Regulations as at the date of our certificate.

5. Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Placement Documents.

6. We performed procedures in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Inherent Limitations**

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information. Several of the benefits mentioned in the Statement are dependent on the Group or shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Group or shareholders of the Company to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the Statement are not exhaustive.

   The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

   Further, we give no assurance that the tax authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes**.**

**Opinion**

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as of the date of this certificate, to the Group and the shareholders of the Company, under the Income Tax and GST Regulations as at the date of our certificate.

10. Considering the matters referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

    (i) The Group or shareholders of the Company will continue to obtain the benefits as per the Statement in future; or
    (ii) The conditions prescribed for availing the benefits as per the Statement have been/ would be met with.

**Restriction on Use**

11. We consent to the inclusion of the above information in the Placement Documents to be filed by the Company with the stock exchanges on which the Equity Shares of the Company are listed (the "**Stock Exchanges**"), and the Registrar of Companies, and any other authority and such other documents as may be prepared in connection with the Issue.

12. This certificate has been prepared at the request of the Company for submission to the Lead Managers ("LMs") (namely, Equirus Capital Private Limited and Nomura Financial Advisory & Securities (India) Private Limited) and legal counsels (namely L&L Partners Law Offices and M/s. Crawford Bayley & Co., counsels to the Issue under domestic law and Hogan Lovells Lee & Lee, special purpose international legal counsel)) appointed in connection with the Issue by the Company and is not to be considered for any other purpose except submission with the Stock Exchanges, the Securities and Exchange Board of India, and any other regulatory or statutory authority in respect of the Issue and for the records to be maintained by the LMs in connection with the Issue. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

13. We undertake to immediately inform the LMs and legal counsel in case of any changes to the above until the date when the Equity Shares pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

14. We hereby consent to this certificate being disclosed by the Lead Managers, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

15. We agree to keep the information regarding the Issue strictly confidential.

For **Bansal & Co LLP**
Firm Regn. No. 001113N/N500079
Peer Review Number 011937
Chartered Accountants
Kapil Mittal
Partner
Membership No.: 502221
UDIN:
Place: New Delhi

**cc:**

**Equirus Capital Private Limited**
12th Floor, C Wing,
Marathon Futurex,
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**Nomura Financial Advisory & Securities (India) Private Limited**
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**L&L Partners Law Offices**
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India
*(Formerly known as Luthra & Luthra Law Offices)*

**M/s. Crawford Bayley & Co.**
Advocates and Solicitors
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Fort, Mumbai 400 023

**Hogan Lovells Lee & Lee**
50 Collyer Quay
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Singapore 049321

**STATEMENT OF POSSIBLE SPECIAL DIRECT AND INDIRECT TAX BENEFITS AVAILABLE TO THE GROUP AND SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT TAX AND INDIRECT TAX LAWS IN INDIA**

**A. Special Direct Tax Benefit**

**1. Special tax benefits available to the Group under Income Tax Act, 1961 as amended by Finance Act, 2021, applicable for Financial Year 2021-22 relevant to Assessment Year 2022-23.**

**A. <u>Lower corporate tax rate under Section 115BAA</u>**

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 ( from AY 2020-21) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1)(iia), 33ABA, 35(2AB), 80-IA etc.)

The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available. Corresponding amendment has been inserted under Section 115JAA dealing with MAT credit.

Mindarika Private Limited and Minda Kosei Aluminum Wheels Private Limited, the subsidiary companies have exercised the above option.

**B. <u>Additional Depreciation</u>**

Under section 32(1)(iia) of the Act, the Company engaged in the business of manufacture or production of any article or thing or in the business of generation, transmission or distribution of power is entitled to claim additional depreciation of a sum equal to 20% of the actual cost of any new plant or machinery that is acquired and installed by the Company (other than ships and aircrafts) for 180 days or more during the year subject to conditions specified in said section of the Act. In case it is acquired and installed for less than 180 days during the year, additional depreciation at 10% is available. The balance 10% additional depreciation on new plant or machinery acquired and installed for less than 180 days in the previous year shall be allowed in the next year.

The Company is eligible to claim additional depreciation on fulfilling specified conditions mentioned in section. Mindarika Private Limited and Minda Kosei Aluminum Wheels Private Limited are not eligible to claim additional depreciation as companies have exercised the Lower corporate tax rate under section 115BAA.

**C. <u>Deductions from Gross Total Income</u>**

- **Section 80 JJAA -Deduction in respect of employment of new employees**

  Subject to fulfilment of prescribed conditions, the Group is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

- **Section 80G - Deduction in respect of inter-corporate dividends**

  All taxpayers (individuals/companies/Hindu Undivided Families) are eligible to make donations to charity under Section 80G and claim a deduction, subject to limits set down by the government. Company Minda Industries Limited is claiming tax deduction @50% of donation paid to eligible trusts/entities.

- **Section 80M - Deduction in respect of inter-corporate dividends**

  A new Section 80M has been inserted by the Finance Act, 2020 w.e.f. April 1, 2020 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act.

Where the Company receives any such dividend during a Financial Year and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said Financial Year, it shall be entitled to the deduction under Section 80M of the Act.

**Concessional Taxation on dividend received from foreign company**

As per section 115BBD of the Act, dividend income received by an Indian Company from a specified foreign Company i.e. in which the Indian Company holds twenty-six per cent or more in nominal value of the equity share capital, will be taxable @ 15% on gross basis (plus applicable surcharge and education cess). However, company can avail benefit of Section 80M as discussed in para above.

**Share of profit received from partnership firm**

Income by way of share in total income of the firm, being a partner of the firm is exempt from tax under Section 10(2A) of the Act.

**2. Special tax benefits available to Shareholders**

There are no special tax benefits available to the shareholders of the Company.

**NOTES:**

1. The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

3. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23. Several of these benefits are dependent on the Group or shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

4. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.

5. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

7. The above statement covers only certain relevant Direct Tax Law benefits and does not cover any Indirect Tax Law benefits or benefits under any other law.

**B. Special Indirect Tax Benefit**

I. Under the Central Goods And Services Tax Act, 2017/ Integrated Goods And Services Tax Act, 2017 relevant State Goods and Services Tax Act (SGST) read with rules, circulars, and notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP") (herein collectively referred as "indirect tax laws").

**1. Special indirect tax benefits available to the Group**

- There are no special tax benefits available to the Group under GST law.

- The Group has taken Advance Authorisation (‘AA’), Export Promotion Capital Goods Scheme (‘EPCG’) licenses under FTP and have units under Export Oriented Units (EOUs) scheme and is availing exemption from basic customs duty, social welfare surcharge and integrated goods and services tax on import of goods meant for export production

    - Imports made by the Group against AA, EPCG and EOU scheme are exempted from IGST and compensation cess.

**2. Special indirect tax benefits available to Shareholders**

- The Shareholders of the Company are not entitled to any special tax benefits under indirect tax laws.

**Notes:**

1. These benefits are dependent on the Group fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

2. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## LEGAL PROCEEDINGS

*We are, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are in the nature of, amongst others, labour proceedings, recovery of dues, direct and indirect tax matters among others.*

*As on the date of this Preliminary Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's policy in relation to disclosure of material events framed in accordance with Regulation 30 of the SEBI Listing Regulations. Solely for the purpose of the Issue, the following legal proceedings have additionally been disclosed in this section: (i) Any outstanding actions initiated by regulatory authorities such as SEBI, or such similar authorities or Stock Exchanges, involving the Company and its Subsidiaries will be disclosed individually; (ii) all outstanding criminal litigation filed by and against the Company and its Subsidiaries will be disclosed individually; (iii) all outstanding civil litigation involving (which includes cases filed by and against) the Company and its Subsidiaries, which exceed 10% of the consolidated net worth or 10% of the consolidated turnover, for the last audited financial year, whichever is lower, which is approximately equivalent to ₹ 256.30 Crores or above ("**Materiality Threshold**"), will be disclosed individually; (iv) all outstanding tax proceedings (including show cause notices) involving the Company and its Subsidiaries which are equivalent or above the Materiality Threshold; (v) any other outstanding litigation involving the Company and/or its Subsidiaries, and/or its Directors, wherein a monetary liability is not determinable or quantifiable, or which does not exceed the threshold as specified in (iii) above, however, the outcome of which if results in an adverse outcome would have a material adverse effect on the financial position, business, operations, prospects or reputation of the Company, on a consolidated basis.*

*It is clarified that for the purposes of the above, pre-litigation notices, (excluding statutory/regulatory/governmental authorities or notices threatening criminal action) shall, unless otherwise decided by the Board, not be considered as litigation until such time that the Company or any of its Subsidiaries, as the case may be, is impleaded as a party in litigation proceedings before any judicial forum.*

*Further, as on the date of this Preliminary Placement Document, other than as disclosed in this section: (i) there is no litigation or regulatory action pending or taken by any ministry or department of the government or a statutory authority against our Promoters during the last three years immediately preceding the year of this Preliminary Placement Document and no directions have been issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company and our Subsidiaries, and further, there were no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document for our Company and our Subsidiaries; (iii) there are no defaults by our Company in the repayment of statutory dues, dues payable to holders of any debentures and interest thereon, in respect of deposits and interests thereon, or in repayment of any loan obtained from any bank or financial institution and interest thereon, as of the date of this Preliminary Placement Document; (iv) there are no material frauds committed against our Company in the last three years; (v) there are no defaults in the annual filings of our Company under the Companies Act and the rules made thereunder; and (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.*

### *I.* Litigation involving our Company

#### *A. Outstanding criminal litigation involving our Company*

***Criminal proceedings against our Company***

As on the date of this Preliminary Placement Document, there are no criminal proceedings against our Company.

***Criminal proceedings by our Company***

As on the date of this Preliminary Placement Document, the following are the criminal proceedings that have been instituted by our Company -

1. Our Company ("**Complainant**") has lodged a First Information Report ("**FIR**") No. 151 of 2020, dated March 16, 2020 in the Sriperumbudur Police Station of the Kanchipuram District, Tamil Nadu against J. Veeramani ("**Accused**") for the offence under Section 381 of the Indian Penal Code ("**IPC**"), 1860 for fraudulently loading the materials from the Complainant's plant. The Accused was working in maintenance department as a temporary

worker. On March 8, 2020, the security staff of the plant noticed the Accused loading some material off to a vehicle and complained to the plant head and the HR. The Police has registered the FIR and stolen material has been recovered. However, filing of chargesheet is awaited for initiation of judicial proceedings.

2. Our Company ("**Complainant**") filed a police complaint, dated June 11, 2021 in the Ashok Vihar Police Station, New Delhi for the registration of a First Information Report ("**FIR**") against 1) Shiva Ray ("**Accused**"), 2) officials of Trackon Courier Private Limited ("**Accused Company**") and 3) Officials of the Indian Bank, Paharganj ("**Bank Branch**") for conspiring amongst each other to commit criminal offenses such as criminal breach of trust, cheating, forgery and misappropriation, wrongful loss to the Complainant and wrongful gain to the Accused. It is alleged that a cheque for an amount of ₹ 92,000 (Rupees Ninety-Two Thousand Only) that was sent to the Complainant by one of its business partners through courier by using the services of the Accused Company was reported lost (FIR No. 12330 of 2021 dated February 10,2021 in PS Crime Branch, New Delhi). It was subsequently discovered that the cheque was deposited by the Accused in his bank account. The case is under investigation.

3. Our Company ("**Complainant**") has filed a police complaint, dated June 11, 2021 in the Ashok Vihar Police Station, New Delhi for the registration of a First Information Report ("**FIR**") against an unknown person ("**Accused**") and the officials of Trackon Courier Private Limited ("**Accused Company**") for acts of cheating, fraud and misappropriation of money. It is alleged that a cheque that was sent to the Complainant by one of its business partners through courier by using the services of the Accused Company was reported lost (FIR No. 12330 of 2021 dated February 10,2021 in PS Crime Branch, New Delhi). However, the same was presented for payment by the Accused but could not be processed due to insufficient deposit in the bank account of the above mentioned business partner. The case is under investigation.

**Cases filed under Section 138 of Negotiable Instruments Act, 1881**

4. There are 11 cases filed by our Company pending before various forums across the country for alleged violation of section 138 of the Negotiable Instruments Act, 1881 by the customers/ debtors of our Company which involves an aggregate sum of ₹ 38,10,911.

***B. Outstanding civil proceedings involving our Company***

***Material civil proceedings against our Company***

As on the date of this Preliminary Placement Document, there are no material civil proceedings against our Company

***Material civil proceedings by our Company***

As on the date of this Preliminary Placement Document, there are no material civil proceedings that have been instituted by our company.

***C. Pending Action by statutory or regulatory authorities against our Company***

Our Company and Tarun Kumar Shrivastava ("**Compliance Officer**"), Compliance Officer of our Company received a Show Cause Notice No. SEBI/EAD/BJDMKG/0015003/2020 and No. SEBI/EAD/BJDMKG/0015009/2020, both dated September 11,2020 from SEBI under Rule 4(1) of SEBI (Procedure for Holding Inquiry and imposing penalties) Rules, 1995 ("**Show Cause Notices**").The Show Cause Notices was served upon our Company for the alleged delay in filling disclosures under Regulation 7(2) (b) of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**PIT Regulations**") in respect of the trades undertaken by two of its designated persons i.e., Jaikumar Menon and Atul Swaroop. The Show Cause Notices that was served on our Compliance Officer was for an alleged violation of Regulation 9(3) of PIT Regulations by the Compliance Officer. Our Company and the Compliance Officer filed their replies to the Show Cause Notices on September 28, 2020. On October 27, 2020, in a hearing on the show cause notice before the Enquiry and Adjudication Department, SEBI, our Company and the Compliance Officer submitted that they are filling an application for settlement and hence requested SEBI to keep the proceedings in abeyance till the disposal of the matter. Subsequently, the Company filed the settlement application dated November 3, 2020 for (i) both the Show Cause Notices and (ii) for suo moto settlement of potential violations under regulation 7(2)(b) of the PIT Regulations. Our Company later filed two separate settlement applications for Show Cause Notices and suo moto settlement of potential violations cases. The application for suo moto settlement of potential violations was rejected by the High Powered Advisory Committee on June 14, 2021 on the grounds that the amount proposed by applicants was not in line with the amount calculated as per the SEBI (Settlement Proceedings) Regulations, 2018. The settlement proceeding with respect to the Show Cause Notices is currently pending.

### *D. Tax proceedings involving our Company.*

***Tax proceedings against our Company***

As on the date of this Preliminary Placement Document, there is no material tax proceedings against our Company.

***Tax proceedings by our Company***

As on the date of this Preliminary Placement Document, there is no material tax proceedings that has been instituted by our Company.

### *E. Other material outstanding litigation involving our Company*

***Other material outstanding litigation against our Company***

As on the date of this Preliminary Placement Document, there is no other material outstanding litigation against our Company.

***Other material outstanding litigation by our Company***

As on the date of this Preliminary Placement Document, there is no other material outstanding litigation that has been instituted by our Company

## *II.* Litigation involving our Subsidiaries

### *A. Outstanding criminal litigation involving our Subsidiaries.*

***Criminal proceedings against our subsidiaries***

As on the date of this Preliminary Placement Document, there are no criminal proceedings against our subsidiaries.

***Criminal Proceedings by our Subsidiaries***

As on the date of this Preliminary Placement Document, there are no criminal proceedings that have been instituted by our Subsidiaries.

### *B. Outstanding civil proceedings involving our Subsidiaries*

***Material civil proceedings against our Subsidiaries***

As on the date of this Preliminary Placement Document, there are no material civil proceedings against our Subsidiaries

***Material civil proceedings by our Subsidiaries***

As on the date of this Preliminary Placement Document, there are no material civil proceedings that have been instituted by our Subsidiaries.

### *C. Pending action by statutory or regulatory authorities against our Subsidiaries*

As on the date of this Preliminary Placement Document, there are no pending actions by statutory or regulatory authorities against our Subsidiaries.

### *D. Tax proceedings involving our Subsidiaries.*

***Tax proceedings against our Subsidiaries***

As on the date of this Preliminary Placement Document, there is no material tax proceedings against our Subsidiaries.

***Tax proceedings by our Subsidiaries***

As on the date of this Preliminary Placement Document, there is no material tax proceedings that has been instituted by our Subsidiaries.

***E. Other material outstanding litigation involving our Subsidiaries***

***Other material outstanding litigation against our Subsidiaries***

As on the date of this Preliminary Placement Document, there are no material pending outstanding litigation proceedings against our Subsidiaries.

***Other material outstanding litigation by our Subsidiaries***

As on the date of this Preliminary Placement Document, there are no material pending outstanding litigation proceedings by our Subsidiaries.

***III. Outstanding Litigations involving the Directors, an adverse outcome of which could materially and adversely affect the financial position, business, operations, prospects or reputation of our Company***

As on the date of this Preliminary Placement Document, there are no outstanding litigations involving the Directors, an adverse outcome of which could materially and adversely affect the financial position, business, operations, prospects or reputation of our Company.

***IV. Litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against our Promoter during the last three years***

There are no litigations or legal actions pending or taken by any ministry or department of the Government or any statutory authority and there are no directions issued by such ministry or department of the Government or statutory authority upon conclusion of such litigation or legal action against our Promoter during the last three years immediately preceding the year of the issue of this Preliminary Placement Document.

***V. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years***

There have been no inquiries, inspections or investigations initiated or conducted against our Company and / or our Subsidiaries under the Companies Act in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company and / or our Subsidiaries.

***VI. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company***

There have been no material frauds committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

***VII. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of undisputed statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon***

As on the date of this Preliminary Placement Document, our Company has no outstanding defaults in repayment of undisputed statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

***VIII. Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder***

As on the date of this Preliminary Placement Document, our Company has not made any default in annual filings of our Company under the Companies Act, 2013 and the rules made thereunder.

### *IX. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations*

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

## OUR STATUTORY AUDITORS

Our Company's Statutory Auditors, BSR & Co LLP, Chartered Accountants, are independent auditors with respect to our Company, as required by the Companies Act and in accordance with the guidelines issued by the ICAI. The Audited Consolidated Financial Statements included in this Preliminary Placement Document have been audited by BSR & Co LLP, Chartered Accountants.

## GENERAL INFORMATION

- Our Company was incorporated as 'Minda Industries Limited', under the Companies Act, 1956 pursuant to a certificate of incorporation dated September 16, 1992 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**") and commenced its business on November 3, 1992 pursuant to a certificate of commencement of business issued by RoC.

- Our registered office is located at B-64/1, Wazirpur Industrial Area, Delhi 110 052, India.

- Our CIN is L74899DL1992PLC050333. The website of our Company is www.unominda.com.

- Our corporate office is located at Village - Nawada, Fatehpur P.O. Sikanderpur Badda, IMT Manesar, District-Gurugram 122 004, Haryana, India.

- Our Equity Shares are listed on BSE and NSE since August 24, 2004 and February 2, 2007, respectively.

- The Issue was authorised and approved by our Board of Directors on June 13, 2021. Our Shareholders have approved the Issue by way of a special resolution through a postal ballot dated July 22, 2021. The Company has been authorised to raise funds up to ₹ 700 Crore by way of issue of securities including Equity Shares, pursuant to the Issue.

- Our Company has received in-principle approvals in terms of Regulation 28(1) of the SEBI Listing Regulations from each of BSE and NSE on August 2, 2021 to list the Equity Shares issued pursuant to the Issue on the Stock Exchange. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.

- Copies of our Memorandum and Articles of Association will be available for inspection between 11:00 am to 1:00 pm on any weekday (except Saturdays and public holidays) during the Issue Period at our Registered Office.

- Except as disclosed in this Preliminary Placement Document, there has been no material adverse change in our financial position since the Audited Consolidated Financial Statements.

- Our Company confirms that it is in compliance with the minimum public shareholding requirements as specified in the SCRR.

- The Floor Price is ₹734.84 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations.

- Our Company confirms that it is in compliance with the minimum public shareholding requirements as specified in the SCRR.

- Our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

- The Company and the BRLMs accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

- Details of the Company Secretary and Compliance Officer of our Company:

  **Tarun Kumar Srivastava**

  Village-Nawada, Fatehpur
  P.O. Sikanderpur Badda, IMT Manesar
  Gurugram 122 004
  Haryana, India
  Telephone: 011-49373931, 0124-2291604
  E-mail: tksrivastava@mindagroup.com

# FINANCIAL STATEMENTS


| Sl. No. | Financial Information | Page No. |
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| 1. | Audited consolidated financial statements for Fiscal 2021 | F-1 to F-92 |
| 2. | Audited consolidated financial statements for Fiscal 2020 | F-1 to F-92 |
| 3. | Audited consolidated financial statements for Fiscal 2019 | F-189 to F-282 |

# INDEPENDENT AUDITOR'S REPORT

To the Members of **Minda Industries Limited**

**Report on the Audit of Consolidated Financial Statements**

## Opinion

We have audited the consolidated financial statements of Minda Industries Limited (hereinafter referred to as the "Holding/Parent Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

## Emphasis of matter

We draw attention to note 55 to the consolidated financial statements for the year ended March 31, 2021 which describes the overall accounting for and in particular basis for restatement of the previous year by the Company's management consequent to the Scheme of Amalgamation ('Scheme') for amalgamation of the Holding Company and Harita Limited, Harita Venu Private Limited, Harita Cheema Private Limited, Harita Financial Services Limited and Harita Seating Systems Limited ("collectively referred to as transferor Companies"). The Scheme has been approved by the concerned National Company Law Tribunal ('NCLT') vide its orders dated February 1, 2021 and February 23, 2021 with appointed date of April 1, 2019.

Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# INDEPENDENT AUDITOR'S REPORT (Contd.)

## Description of Key Audit Matters

| Key Audit Matters | How the matter was addressed in our audit |
|---|---|
| **1. Revenue Recognition**<br>**See note 2(b)(k) and 28 to the consolidated financial statements**<br>Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations.<br>The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms and conditions. Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts/ rebates and any taxes or duties such as goods and services tax, etc. Customer acceptance is used to estimate the provision for price increase/decrease. Revenue is only recognised to the extent, where it is highly probable, a significant reversal will not occur.<br>Standards on Auditing presume that there is fraud risk with regard to revenue recognition. The timing of revenue recognition is relevant to the reported performance of the Group. The Group considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred. | Our audit procedures included:<br>- Assessing the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.<br>- Evaluating the integrity of the information and technology general control environment and testing the operating effectiveness of key IT application controls.<br>- Evaluating the design and implementation of Group's key financial controls in respect of revenue recognition and tested of the operating effectiveness of such controls for a sample of transactions (using random sampling)<br>- Testing the effectiveness of such controls over revenue cut off at period-end.<br>- Testing by selecting samples (using statistical sampling) of revenue transactions recorded during the year. For such samples, verified the underlying documents including customer contracts/ purchase order to identify terms and conditions relating to goods acceptance.<br>- Testing on a sample basis (selected based on specified risk-based criteria), the supporting documents for sales transactions recorded during the period closer to the year end and subsequent to the year end to determine whether revenue was recognised in the correct period.<br>- Performing analytical procedures on current year revenue based on trends and where appropriate, conducted further enquiries and testing. |

| Key Audit Matters | How the matter was addressed in our audit |
|---|---|
| **2. Evaluation of impairment indicators in investments in associates and joint ventures**<br>**See note 2(a)(F) and 4 to the consolidated financial statements**<br>**Investments in associates and joint ventures**<br>The Group carries its investments in associates and joint ventures at cost (net of provision) at an aggregate amount of Rs. 527.69 Crores as at March 31, 2021.<br>The Group has identified the investments where indicator of impairment exists and performed an impairment assessment on those investments as at March 31, 2021. The Group adjusts the carrying value of the investment for the consequential impairment loss, if any, based upon valuation carried out internally or by independent experts.<br>The recoverable amount is considered to be the higher of the Holding Company's assessment of value in use and fair value less cost of disposal. These models use several key assumptions, including future sales estimates, margins, growth rate, discount rate, etc. We have identified the assessment of impairment in respect of investment in associates and joint ventures as a key audit matter since it involves significant judgement in making the above estimates and is dependent on external factors such as future market conditions and the economic environment. | In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:<br>- Assessed the appropriateness of accounting policy for impairment of investment in associates and joint ventures as per relevant accounting standard.<br>- Evaluated the Group's assessment for identification of indicators of impairment.<br>- Evaluated the design implementation of key internal financial controls with respect to impairment including determination of recoverable value and tested the operating effectiveness of such controls.<br>- Evaluated the impairment model used by the Group. This included assessing the appropriateness of key assumptions used, with particular attention to future sales estimates, margins, growth rate, discount rate and other assumptions based on historical data, our knowledge of the Group and the industry with assistance of our valuation specialist.<br>- Considered historical forecasting accuracy, by comparing previously forecasted cash flows to actual numbers achieved.<br>- Performed sensitivity analysis of the key assumptions used to determine, which changes to assumptions would change the outcome of impairment assessment.<br>- Assessed the adequacy of the disclosures relating to impairment of investments. |

# INDEPENDENT AUDITOR'S REPORT (Contd.)

| Key Audit Matters | How the matter was addressed in our audit |
|---|---|
| **3. Impairment of goodwill**<br>**See note 2(b)(e), 55 and 56 to the consolidated financial statements**<br>The Group has goodwill on consolidation of Rs 281.72 Crores as at March 31, 2021.<br>The majority of goodwill has been allocated to four subsidiaries, Mindarika Private Limited, Minda Delvis GmbH, Harita Fehrer Limited, iSYS RTS GmbH and an acquired division of the Parent Company.<br>The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the CGUs, which is based on value in use model, has been derived from discounted forecast cash flow forecasts. This model uses several key assumptions, including future sales estimates, margins, growth rate, discount rate, etc. | In view of the significance of the matter, the auditor of the Holding company and auditor of the subsidiary applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:<br>- Assessed the appropriateness of accounting policy for impairment of goodwill as per relevant accounting standard.<br>- Evaluated the design and implementation of key internal financial controls with respect to impairment including determination of recoverable value and tested the operating effectiveness of such controls.<br>- Involved independent valuation specialist to assist in evaluating the appropriateness of the assumptions applied, which included comparing the weighted-average cost of capital with sector averages for the relevant market in which the CGUs operate;<br>- Considered historical forecasting accuracy, by comparing previously forecasted cash flows to actual numbers achieved.<br>- Performed sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the currently estimated headroom; and<br>- Assessed the adequacy of the disclosures relating to impairment of goodwill. |

## Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the

# INDEPENDENT AUDITOR'S REPORT (Contd.)

companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures is responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical

# INDEPENDENT AUDITOR'S REPORT (Contd.)

requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

a) We did not audit the financial statements of twenty subsidiaries (including one subsidiary converted into joint venture w.e.f. March 15, 2021), whose financial statements reflect total assets (before consolidation adjustments) of Rs. 1,170.12 crores as at March 31, 2021, total revenues (before consolidation adjustments) of Rs. 1,673.10 crores and net cash inflows (before consolidation adjustments) amounting to Rs. 0.63 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of Rs. 26.92 crores for the year ended March 31, 2021, in respect of twelve associates/ joint ventures (including one joint venture converted from subsidiary w.e.f. March 15, 2021), whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management/ component auditor and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures/associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the audit reports of the other auditors.

   Certain of these subsidiaries and a joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and a joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and a joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

b) The consolidated financial statements also include the Group's share of net loss after tax of Rs. 4.90 crores for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements/ financial information have not been audited by us or by other auditor. These unaudited financial statements/ financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

c) We did not audit the financial statements of Harita Limited, Harita Venu Private Limited, Harita Cheema Private Limited, Harita Financial Services Limited and Harita Seating Systems Limited whose financial statements reflects total assets (before eliminations) of Rs 306.74 Crores as at March 31, 2020 and total revenues (before eliminations) of Rs 353.74 Crores and net cash outflows (before eliminations) amounting to Rs 17.17 Crores for the previous year ended March 31, 2020 included in these consolidated financial statements consequent to its amalgamation with the Company with the appointed date of April 1, 2019 (refer note 55 to the consolidated financial statements).

   These financial statements were audited by other auditors, as adjusted for the accounting effects of the Scheme recorded by the Company (in particular, the accounting effects of Ind AS 103 'Business Combinations') and other consequential adjustments, which have been audited by us.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work

# INDEPENDENT AUDITOR'S REPORT (Contd.)

done and the reports of the other auditors and the financial statements/financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

(A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies, and joint venture companies incorporated in India is disqualified as on March 31, 2021 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 Holding Company, its subsidiary companies, associate companies and joint venture companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures , as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2021 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 39 and 51 to the consolidated financial statements.

ii. The Group, its associates and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2021.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Group, associate companies and joint venture companies incorporated in India during the year ended March 31, 2021; and

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended March 31, 2021.

(C) With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, associate companies and joint venture companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, associate companies and joint venture companies to its directors is in accordance with the provisions of Section 197 of the Act, if applicable. The remuneration paid to any director by the Holding Company, its subsidiary company and a joint venture Company is not in excess of the limit laid down under Section 197 of the Act except one subsidiary company which has obtained shareholder's approval by way of special resolution for such payments. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Rajiv Goyal**

Partner

Place: Gurugram — Membership Number: 094549

Date: June 13, 2021 — ICAI UDIN: 21094549AAAADE6371

# ANNEXURE A

### Annexure A to the Independent Auditors' report on the consolidated financial statements of Minda Industries Limited for the period ended March 31, 2021

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### Opinion

In conjunction with our audit of the consolidated financial statements of Minda Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, its associate companies and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate companies and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, associate companies and joint venture companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements.

### Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies and eight associate/joint venture companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Rajiv Goyal**

Partner

Place: Gurugram
Membership Number: 094549

Date: June 13, 2021
ICAI UDIN: 21094549AAAADE6371

# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Notes | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3A | 2,050.65 | 1,910.87 |
| Capital work-in-progress | 3B | 111.94 | 340.04 |
| Right-of-use assets | 3C | 174.93 | 165.94 |
| Intangible assets | 3D | 289.47 | 311.44 |
| Intangible assets under development | 3E | 22.36 | 20.00 |
| Goodwill on Consolidation | 3F | 281.72 | 285.98 |
| **Financial assets** | | | |
| (i) Investments | 4 | 528.61 | 373.37 |
| (ii) Loans | 5 | 27.26 | 16.16 |
| (iii) Other financial assets | 6 | 3.70 | 10.28 |
| Income tax asset (net) | 7 | 26.17 | 48.07 |
| Other non-current assets | 8 | 39.27 | 52.76 |
| **Total non-current assets** | | **3,556.08** | **3,534.91** |
| **Current assets** | | | |
| Inventories | 9 | 750.56 | 609.52 |
| **Financial assets** | | | |
| (i) Investments | 10 | 1.56 | 24.95 |
| (ii) Trade receivables | 11 | 1,198.82 | 863.24 |
| (iii) Cash and cash equivalents | 12 | 205.61 | 263.67 |
| (iv) Bank balances other than those included in cash and cash equivalents | 13 | 32.57 | 77.24 |
| (v) Loans | 14 | 2.94 | 6.27 |
| (vi) Other financial assets | 15 | 27.28 | 39.88 |
| Other current assets | 16 | 202.01 | 153.68 |
| **Total current assets** | | **2,421.35** | **2,038.45** |
| **Assets held for sale** | 27 | - | 7.49 |
| **Total Assets** | | **5,977.43** | **5,580.85** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 17 (a) | 54.39 | 52.44 |
| Other equity | 17 (b) | 2,202.18 | 1,808.64 |
| **Equity attributable to owners of the Company** | | **2,256.57** | **1,861.08** |
| Non-controlling interest | 17 (d) | 306.45 | 282.84 |
| **Total Equity** | | **2,563.02** | **2,143.92** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 18 | 539.12 | 780.32 |
| (ii) Lease liabilities | | 90.55 | 98.06 |
| (iii) Trade payables | | - | 0.50 |
| (iv) Other financial liabilities | 19 | 89.57 | 75.13 |
| Provisions | 20 | 135.07 | 124.77 |
| Deferred tax liabilities (net) | 21 | 29.93 | 41.02 |
| **Total non-current liabilities** | | **884.24** | **1,119.80** |
| **Current liabilities** | | | |
| **Financial liabilities** | | | |
| (i) Borrowings | 22 | 313.78 | 237.95 |
| (ii) Lease liabilities | | 20.16 | 18.76 |
| (iii) Trade payables | 23 | | |
| (a) total outstanding dues of micro enterprises and small enterprises | | 181.68 | 100.32 |
| (b) total outstanding dues of creditors other than micro and small enterprises | | 1,108.11 | 1,018.18 |
| (iv) Other financial liabilities | 24 | 757.37 | 783.25 |
| Other current liabilities | 25 | 110.03 | 121.17 |
| Provisions | 26 | 39.04 | 33.16 |
| **Total current liabilities** | | **2,530.17** | **2,312.79** |
| **Liabilities related to assets held for sale** | 27 | **-** | **4.34** |
| **Total Equity and Liabilities** | | **5,977.43** | **5,580.85** |
| Significant accounting policies | 2 (b) | | |

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

As per our report of even date attached

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

**Rajiv Goyal**
Partner
Membership No. 094549

Place : Gurugram
Date : June 13, 2021

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**
Chairman and Managing Director
DIN No. 00014942

**Anand Kumar Minda**
Director
DIN No. 00007964

**Sunil Bohra**
Group CFO

**Tarun Kumar Srivastava**
Company Secretary
Membership No. - A11994

Place : Gurugram
Date : June 13, 2021

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Notes | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 28 | 6,373.74 | 6,222.03 |
| Other income | 29 | 47.03 | 40.49 |
| **Total income** | | **6,420.77** | **6,262.52** |
| **Expenses** | | | |
| Cost of materials consumed | 30 | 3,456.43 | 3,214.72 |
| Purchases of stock in trade | 31 | 528.76 | 613.28 |
| Changes in inventories of finished goods, stock in trade and work-in-progress | 32 | (65.90) | (17.72) |
| Employee benefits expense | 33 | 981.69 | 943.83 |
| Finance costs | 34 | 73.65 | 94.17 |
| Depreciation and amortisation expense | 35 | 375.30 | 340.07 |
| Other expenses | 36 | 747.77 | 796.12 |
| **Total expenses** | | **6,097.70** | **5,984.47** |
| **Profit before share of profit /(loss) of associates and joint ventures, exceptional item and tax** | | 323.07 | 278.05 |
| Exceptional item | 37 | 1.73 | (34.46) |
| **Profit before share of profit /(loss) of associates and joint ventures and tax** | | **324.80** | **243.59** |
| **Tax expense** | | | |
| Current tax | | 98.29 | 93.63 |
| Deferred tax (credit) / charge | | 2.24 | (25.01) |
| **Tax expense** | | **100.53** | **68.62** |
| **Profit before share of profit /(loss) of associates and joint ventures and after tax** | | **224.27** | **174.97** |
| Add:- Share of profit of associates and joint ventures | | 24.17 | 12.97 |
| **Total profit after share of profit of associates and joint ventures** | | **248.44** | **187.94** |
| **Other comprehensive income/(loss)** | | | |
| **(a) Items that will not be reclassified subsequently to profit or loss** | | | |
| (i) Remeasurements of defined benefit (liability)/ asset | | 3.77 | (7.77) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (1.26) | 2.84 |
| | | **2.51** | **(4.93)** |
| **(b) Items that will be reclassified subsequently to profit or loss** | | | |
| (i) Foreign currency translation reserve | | 8.26 | 2.80 |
| (ii) Others | | 3.98 | - |
| | | **12.24** | **2.80** |
| **Other comprehensive income/(loss), net of tax (a+b)** | | **14.75** | **(2.13)** |
| **Total comprehensive income** | | **263.19** | **185.81** |
| **Profit attributable to:** | | | |
| Owners of Minda Industries Limited | | 206.63 | 155.18 |
| Non-controlling interest | | 41.81 | 32.76 |
| | | **248.44** | **187.94** |
| **Other comprehensive income attributable to:** | | | |
| Owners of Minda Industries Limited | | 14.31 | (1.93) |
| Non-controlling interest | | 0.44 | (0.20) |
| | | **14.75** | **(2.13)** |
| **Total comprehensive income attributable to:** | | | |
| Owners of Minda Industries Limited | | 220.94 | 153.25 |
| Non-controlling interest | | 42.25 | 32.56 |
| | | **263.19** | **185.81** |
| **Earnings per equity share [nominal value of share ₹ 2 (Previous year ₹ 2)]** | 38 | | |
| Basic (₹) | | 7.73 | 5.92 |
| Diluted (₹) | | 7.41 | 5.65 |
| Significant accounting policies | 2 (b) | | |

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

As per our report of even date attached

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

**Rajiv Goyal**
Partner
Membership No. 094549

Place : Gurugram
Date : June 13, 2021

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**
Chairman and Managing Director
DIN No. 00014942

**Anand Kumar Minda**
Director
DIN No. 00007964

**Sunil Bohra**
Group CFO

**Tarun Kumar Srivastava**
Company Secretary
Membership No. - A11994

Place : Gurugram
Date : June 13, 2021

# CONSOLIDATED CASH FLOW STATEMENT

**FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts in Indian ₹ Crores, unless otherwise stated)

| Particulars | | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **A.** | **Cash flows from operating activities :** | | |
| | Profit before tax | 324.80 | 243.59 |
| | Adjustments for: | | |
| | Depreciation and amortisation | 375.30 | 340.07 |
| | Finance costs | 73.65 | 94.17 |
| | Interest income on fixed deposits | (5.85) | (9.60) |
| | Liabilities / provisions no longer required written back | (3.21) | (1.40) |
| | Expenses incurred for share allotment under equity settled share based payments | 1.05 | 1.20 |
| | Unrealised (gain)/ loss on foreign currency fluctuations (net) | (2.73) | 27.94 |
| | Mark to market gain on forward contract | (0.56) | (7.08) |
| | Doubtful trade and other receivables provided for | 4.73 | 4.76 |
| | Gain/ FV on investment | (4.30) | 3.55 |
| | Provision for warranty | 15.10 | 13.92 |
| | Net profit on sale of property, plant and equipments | 2.50 | 7.87 |
| | | **455.68** | **475.40** |
| | Operating profit before working capital changes | 780.48 | 718.99 |
| | Adjustments for working capital changes: | | |
| | Decrease/ (increase) in inventories | (141.04) | 11.29 |
| | Decrease/ (increase) in trade receivable | (340.37) | 265.41 |
| | Decrease/ (increase) in loan current | (11.09) | (3.42) |
| | Decrease/ (increase) in loan non current | 3.33 | 7.56 |
| | Decrease/ (increase) in other current financial assets | 11.75 | 2.46 |
| | Decrease/ (increase) in other non-current financial assets | 1.91 | (0.31) |
| | Decrease/ (increase) in other non-current assets | 7.21 | 15.67 |
| | Decrease/ (increase) in other current assets | (48.33) | 4.86 |
| | Increase/ (decrease) in trade payables | 174.02 | 93.92 |
| | Increase/ (decrease) in other Current financial liabilities | (24.56) | 16.33 |
| | Increase/(decrease) in other current liabilities | (11.13) | 33.27 |
| | Increase/(decrease) in short-term provisions | 5.86 | 7.77 |
| | Increase/(decrease) in other non current financial liabilities | 14.44 | (10.02) |
| | Increase in long-term provisions | 7.23 | 1.59 |
| | | **(350.77)** | **446.38** |
| | Cash generated from operations | 429.71 | 1165.37 |
| | Income tax paid | (87.00) | (116.82) |
| | **Net Cash flows from operating activities (A)** | **342.71** | **1048.55** |
| **B.** | **Cash flows from investing activities** | | |
| | Payment for acquisition of subsidiaries and jointly controlled entities | (155.60) | (176.80) |
| | Sale/(Purchase) of Investment | 27.68 | (17.50) |
| | Purchase of Property, Plant and Equipment | (299.05) | (606.81) |
| | Proceeds from sale of property, plant and equipments | 10.97 | 15.47 |
| | Interest received on fixed deposits | 5.93 | 10.21 |
| | Decrease in deposits (with original maturity more than three months) | 49.10 | (59.79) |
| | **Net cash used in investing activities (B)** | **(360.97)** | **(835.22)** |
| **C.** | **Cash flows from financing activities** | | |
| | Proceeds from issue of equity share capital | 12.29 | - |
| | Security premium | 238.40 | - |
| | Purchase of Non controlling interest | (52.00) | - |
| | Proceeds from/ (repayment of) short term borrowings | 75.83 | (142.79) |

# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED MARCH 31, 2021

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Proceeds from/ (repayment of) Long term borrowings | (221.84) | 181.71 |
| Interest paid on borrowings | (74.31) | (90.85) |
| Dividend paid (including corporate dividend tax) | (18.61) | (43.97) |
| **Net cash used in financing activities (C)** | **(40.24)** | **(95.90)** |
| **Net increase/ (decrease) in cash and cash equivalents (A+B+C)** | **(58.50)** | **117.43** |
| Foreign currency translation adjustment | 0.44 | 2.78 |
| Cash and cash equivalents pursuant to acquisition - refer note 55 | - | 22.58 |
| Cash and cash equivalents as at beginning | 263.67 | 120.88 |
| **Cash and cash equivalents as at closing** | **205.61** | **263.67** |
| "Cash on hand" | 0.74 | 1.14 |
| Balances with banks: | | |
| - on current accounts | 159.47 | 230.43 |
| - on deposit accounts | 45.40 | 32.10 |
| **Cash and cash equivalents at the end of the year (refer note 12)** | **205.61** | **263.67** |

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

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

2 Purchase of Property, Plant and Equipment includes movement of Capital work-in-progress (including capital advances) during the year.

3 Changes in liabilities arising from financing activities

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Opening balance of secured loans** | | |
| Indian currency term loan (including current maturities) | 360.75 | 442.93 |
| Local currency term loan (including current maturities) | 157.57 | 31.00 |
| Foreign currency term loan (including current maturities) | 440.56 | 255.15 |
| Short term borrowings | 237.95 | 380.74 |
| **Cash flows** | | |
| Repayment of long term secured loan (Including foreign fluctuation) | (243.49) | (250.28) |
| Proceeds from long term secured loan (Including foreign fluctuation) | 19.36 | 480.07 |
| Increase in short term borrowings (Net) | 75.83 | (142.79) |
| Pursuant to acquisition | - | - |
| | (148.30) | 86.91 |
| **Closing balance of secured loans** | | |
| Indian currency term loan (including current maturities) | 216.94 | 360.75 |
| Local currency term loan (including current maturities) | 178.70 | 157.57 |
| Foreign currency term loan (including current maturities) | 339.11 | 440.56 |
| Short term borrowings | 313.78 | 237.95 |

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

As per our report of even date attached

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

**Rajiv Goyal**
Partner
Membership No. 094549

Place : Gurugram
Date : June 13, 2021

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**
Chairman and Managing Director
DIN No. 00014942

**Anand Kumar Minda**
Director
DIN No. 00007964

**Sunil Bohra**
Group CFO

**Tarun Kumar Srivastava**
Company Secretary
Membership No. - A11994

Place : Gurugram
Date : June 13, 2021

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED MARCH 31, 2021**

## (a) Equity share capital

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Amount |
|---|---|
| **Balance as at the April 01, 2019** | **52.44** |
| Changes in equity share capital during 2019-20 | - |
| **Balance as at March 31, 2020** | **52.44** |
| Changes in equity share capital during 2020-21 | 1.95 |
| **Balance as at March 31, 2021** | **54.39** |

* Includes ₹1.95 Crore towards right issue of shares ( Refer Note 17)

## (b) Other equity attributable to owners of Minda Industries Limited:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Other comprehensive income/(loss) | | | Equity component of other financial instru ments | Securities premium | Capital redem ption reserve | Capital reserves | Capital reserves arising on consoli dation | General reserves | Employee stock options reserve | Shares pending Issuance (Refer note 55) | Retained earnings | Total other equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Remeas urements of Defined Benefits obligations | Foreign currency translation reserve | Effective portion of Cash Flow Hedges | | | | | | | | | | |
| **Balance as at April 01, 2020** | **(3.03)** | **5.38** | **-** | **6.55** | **390.33** | **18.39** | **3.28** | **177.01** | **71.06** | **1.20** | **52.00** | **1,086.47** | **1,808.64** |
| Profit for the year | - | - | - | - | - | - | - | - | - | - | - | 206.63 | 206.63 |
| Other comprehensive income/(loss) (net of tax) | 2.19 | 8.14 | 3.98 | - | - | - | - | - | - | - | - | - | 14.31 |
| Security premium on shares issued under Rights issue | - | - | - | - | 240.85 | - | - | - | - | - | - | - | 240.85 |
| Amount utilised towards Rights issue expenses | - | - | - | - | (2.41) | - | - | - | - | - | - | - | (2.41) |
| Purchase of Non controlling interest (refer note 55) | - | - | - | - | (3.13) | - | - | - | - | - | (52.00) | - | (55.13) |
| Employee stock compensation expense | - | - | - | - | - | - | - | - | - | 1.05 | - | - | 1.05 |
| Pursuant to loss of control in a subsidiary (refer note 55) | - | - | - | - | - | - | - | - | - | - | - | 1.48 | 1.48 |
| Interim dividend for the year ended March 31, 2021 | - | - | - | - | - | - | - | - | - | - | - | (9.52) | (9.52) |
| Others | - | - | - | - | - | - | - | - | - | - | - | (3.72) | (3.72) |
| **Balance as at March 31, 2021** | **(0.84)** | **13.52** | 3.98 | **6.55** | **625.64** | **18.39** | **3.28** | **177.01** | **71.06** | **2.25** | **-** | **1,281.34** | **2,202.18** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED MARCH 31, 2021

**(b) Other equity attributable to owners of Minda Industries Limited:**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Other comprehensive income/(loss) | | | Equity component of other financial instru ments | Securities premium | Capital redem ption reserve | Capital reserves | Capital reserves arising on consoli dation | General reserves | Employee stock options reserve | Shares pending Issuance (Refer note 55) | Retained earnings | Total other equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Remeas urements of Defined Benefits obligations | Foreign currency translation reserve | Effective portion of Cash Flow Hedges | | | | | | | | | | |
| **Balance as at April 01, 2019** | **1.48** | **2.80** | - | **6.55** | **360.51** | **18.29** | **3.32** | **177.01** | **70.64** | - | - | **1,011.12** | **1,651.72** |
| Transition impact of Ind AS 116 net of tax | - | - | - | - | - | - | - | - | - | - | - | (5.32) | (5.32) |
| Effect of business combination (refer note 55) | - | - | - | - | 29.82 | 0.10 | - | - | 0.42 | - | 52.00 | (37.46) | 44.88 |
| Profit for the year | - | - | - | - | - | - | - | - | - | - | - | 155.18 | 155.18 |
| Other comprehensive income/(loss) (net of tax) | (4.51) | 2.58 | - | - | - | - | - | - | - | - | - | - | (1.93) |
| Employee stock compensation expense | - | - | - | - | - | - | - | - | - | 1.20 | - | - | 1.20 |
| Utilised during the Year | - | - | - | - | - | - | (0.04) | - | - | - | - | - | (0.04) |
| Addition during the year (including pursuant to acquisition) | - | - | - | - | - | - | - | - | - | - | - | (4.45) | (4.45) |
| Final dividend for the year ended March 31, 2019 | - | - | - | - | - | - | - | - | - | - | - | (16.27) | (16.27) |
| Interim dividend for the year ended March 31, 2020 | - | - | - | - | - | - | - | - | - | - | - | (10.49) | (10.49) |
| **Dividend distribution tax** | - | - | - | - | - | - | - | - | - | - | - | **(5.42)** | **(5.42)** |
| Others | - | - | - | - | - | - | - | - | - | - | - | (0.42) | (0.42) |
| Balance as at March 31, 2020 | (3.03) | 5.38 | - | 6.55 | 390.33 | 18.39 | 3.28 | 177.01 | 71.06 | 1.20 | 52.00 | 1,086.47 | 1,808.64 |

**(c) Non Controlling Interest**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Amount |
|---|---|
| **Balance as at April 01, 2019** | 266.71 |
| Profit for the year | 32.76 |
| Transition impact of Ind AS 116 net of tax | (4.64) |
| Dividend paid during the year | (11.79) |
| Other comprehensive income/(loss) (net of tax) | (0.20) |
| **Balance as at March 31, 2020** | 282.84 |
| Profit for the year | 41.81 |
| Dividend paid/ Drawings during the year | (9.09) |
| Addition in non-controlling interest due to issue of shares to minority shareholder | 9.80 |
| Pursuant to loss of control in a subsidiary (refer note 55) | (19.29) |
| Other comprehensive income/(loss) (net of tax) | 0.44 |
| Adjustment | (0.06) |
| **Balance as at March 31, 2021** | 306.45 |

Significant accounting policies

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

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

As per our report of even date attached

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

**Rajiv Goyal**
Partner
Membership No. 094549

Place : Gurugram
Date : June 13, 2021

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**
Chairman and Managing Director
DIN No. 00014942

Anand Kumar Minda
Director
DIN No. 00007964

**Sunil Bohra**
Group CFO

Tarun Kumar Srivastava
Company Secretary
Membership No. - A11994

Place : Gurugram
Date : June 13, 2021

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts in Indian ₹ Crore, unless otherwise stated)

## 1. CORPORATE INFORMATION

Minda Industries Limited is a public Company domiciled and headquartered in India. It was incorporated on 16 September 1992 under the Companies Act, 1956 and its shares are listed on the National Stock Exchange of India Limited and BSE Limited having its registered office at B64/1 Wazirpur, Industrial Area, Delhi-110052, India

The consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates and joint ventures. The Group is engaged in the business of manufacturing of auto components including auto electrical parts and its accessories and ancillary services and caters to both domestic and international markets.

## 2. (a) BASIS OF PREPARATION

### A. Statement of compliance

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

The consolidated financial statements were authorised for issue by the Parent Company's Board of Directors on June 13, 2021.

Details of the Group's accounting policies are included in Note 2 (b).

### B. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee, which is Minda Industries Limited's functional and presentation currency. All amounts have been rounded-off to the nearest crores, unless otherwise indicated.

### C. Basis of measurement

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

| | |
|---|---|
| (a) Certain financial assets and liabilities (including derivative financial instruments) | Fair value |
| (b) Net defined benefit (asset)/ liability | Fair value of plan assets less present value of defined benefit obligations |

### D. Use of estimates and judgements

In preparing the consolidated 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.

Critical estimates and judgements

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.

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

Areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note 44
- Estimation of fair value of unlisted securities – Note 54
- Estimation of defined benefit obligation – Note 43
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 39
- Lease - Note 47
- Consolidation: whether the Group has de facto control over an investee
- Business combinations: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis – Note 55
- Recognition of deferred tax– Note 21
- Impairment of financial assets

### E. Measurement of fair values

A number of the Group's 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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts in Indian ₹ Crore, unless otherwise stated)

- 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).

When measuring the fair value of an asset or a liability, the Group 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 Group 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 is included in the following notes:

- Note 48 - share-based payment
- Note 54 - fair value measurements
- Note 55 - acquisition of subsidiaries, associates and jointly controlled entities

## F. Principles of consolidation

The consolidated financial statements (CFS) are prepared on the following basis in accordance with Ind AS on "Consolidated Financial Statements" (Ind AS – 110), "Investments in Associates and Joint Ventures" (Ind AS – 28) and "Disclosure of interest in other entities" (Ind AS – 112), specified under Section 133 of the Companies Act, 2013.

### i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

### ii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### iii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

### iv. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity- accounted investees until the date on which significant influence or joint control ceases.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Consolidated Statement of Profit and Loss

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

v. **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra- group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

vi. **Business Combination, Goodwill and intangible assets**

Business combinations, other than through common control transactions, are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations through common control transactions are accounted on a pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in other equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in other equity as capital reserve, without routing the same through OCI. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Company.

Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Standalone Statement of Profit and Loss. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Transaction costs that the Group incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Parent Company, finder's fees, legal fees, due diligence fees and other professional and consulting fees, etc are expensed as incurred.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts in Indian ₹ Crore, unless otherwise stated)

The consolidated financial statements are comprised of the financial statements of the members of the Group as under:

| Name of subsidiaries / Joint ventures / Associates | Country of incorporation | % of Interest | |
|---|---|---|---|
| | | March 31, 2021 | March 31, 2020 |
| **Subsidiaries** | | | |
| Minda Kyoraku Limited | India | 67.60% | 67.60% |
| Minda Kosei Aluminum Wheel Private Limited | India | 69.99% | 69.99% |
| Minda TG Rubber Private Ltd (Refer note 55) | India | - | 51.00% |
| Minda Storage Batteries Private Limited | India | 100.00% | 100.00% |
| YA Auto Industries (partnership firm) | India | 51.00% | 51.00% |
| Minda Katolec Electronic Services Private Limited | India | 51.00% | 51.00% |
| Mindarika Private Limited | India | 51.00% | 51.00% |
| iSYS RTS GmbH | Germany | 80.00% | 80.00% |
| Harita Fehrer Limited | India | 100.00% | 100.00% |
| MI Torica India Private Limited | India | 60.00% | 60.00% |
| **Downstream subsidiary of MI Torica India Private Limited** | | | |
| MITIL Polymer Private Limited | India | 57.00% | 57.00% |
| Global Mazinkert S.L. | Spain | 100.00% | 100.00% |
| **Downstream subsidiaries of Global Mazinkert, S.L.** | | | |
| Clarton Horn, Spain | Spain | 100.00% | 100.00% |
| Clarton Horn, Asia | Switzerland | 100.00% | 100.00% |
| Clarton Horn, Morocco | Morocco | 100.00% | 100.00% |
| Clarton Horn, Signalkoustic | Germany | 100.00% | 100.00% |
| Clarton Horn, Mexico | Mexico | 100.00% | 100.00% |
| Light & Systems Technical Centre, S.L. Spain | Spain | 100.00% | 100.00% |
| PT Minda Asean Automotive | Indonesia | 100.00% | 100.00% |
| **Downstream subsidiary of PT Minda Asean Automotive** | | | |
| PT Minda Trading | Indonesia | 100.00% | 100.00% |
| Sam Global Pte Ltd. | Singapore | 100.00% | 100.00% |
| Downstream subsidiaries of Sam Global Pte Ltd. | | | |
| **Minda Industries Vietnam Company Limited** | Vietnam | 100.00% | 100.00% |
| Minda Korea Co Ltd | Korea | 100.00% | - |
| Minda Delvis GmbH | Germany | 100.00% | 100.00% |
| Downstream subsidiaries of Minda Delvis GmbH | | | |
| Delvis Products GmbH | Germany | 100.00% | 100.00% |
| Delvis Solutions GmbH | Germany | 100.00% | 100.00% |
| **Joint Ventures** | | | |
| Minda Westport Technologies Limited (formerly known as Minda Emer Technologies Limited) | India | 49.10% | 49.10% |
| Rinder Riduco, S.A.S. Columbia | Columbia (USA) | 50.00% | 50.00% |
| ROKI Minda Co. Pvt. Ltd. | India | 49.00% | 49.00% |
| Minda TTE DAPS Private Limited | India | 50.00% | 50.00% |
| Minda Onkyo India Private Limited | India | 50.00% | 50.00% |
| Minda TG Rubber Private Ltd (Refer note 55) | India | 49.90% | - |
| Densoten Minda India Private Limited | India | 49.00% | 49.00% |
| Minda D-ten India Private Limited | India | 51.00% | 51.00% |
| Toyoda Gosei Minda India Pvt. Ltd. | India | 47.80% | 47.80% |
| Kosei Minda Mould Private Limited | India | 49.90% | 49.90% |
| Tokai Rika Minda India Private Limited | India | 30.00% | - |
| **Associates** | | | |
| Minda NexGenTech Limited | India | 26.00% | 26.00% |
| Yogendra Engineering (partnership firm) | India | 48.90% | 48.90% |
| Auto Components (partnership firm) | India | 48.90% | 48.90% |
| Kosei Minda Aluminum Company Pvt. Ltd. | India | 30.00% | 30.00% |

### 2. (b) SIGNIFICANT ACCOUNTING POLICIES

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

#### a. Foreign currency transactions:

Transactions in foreign currencies are initially recorded into the respective functional currencies of the Group's entities at 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.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI);

**Foreign operations**

The assets and liabilities of foreign operations (subsidiaries, associates, joint ventures) including goodwill and fair value adjustments arising on acquisition, are translated into ₹, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into ₹ at 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 currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

#### b. Financial instruments:

##### i. Initial Recognition and Measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group 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

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

| | |
|---|---|
| Financial Assets at FVPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. |
| 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 profit or loss. Any gains or loss or derecognition is are recognised in profit or loss. |
| Debt investments at FVOCI | These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other income and net gains and losses accumulated in OCI are reclassified to profit or loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Dividend income are recognised in profit or loss unless dividend clearly represents a recovery of part of cost of investment. Other income and net gains and losses are recognised in OCI and are not reclassified to profit or loss. |

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts in Indian ₹ Crore, unless otherwise stated)

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.

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 profit or loss.

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 profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or 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 profit or 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 profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### iii. Derecognition

*Financial assets*

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group 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 profit or loss.

**iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group 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 and hedge accounting**

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

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

**vi. Financial guarantee contracts**

The Group on a case to case basis elects to account for financial guarantee contracts as a financial instrument or as an insurance contract, as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance Contracts. The Group has regarded all its financial guarantee contracts as insurance contracts. At the end of each reporting period the Group performs a liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognised in profit or loss.

**vii. Compound financial instruments**

Compound financial instruments issued by the Group comprise cumulative redeemable preference shares denominated in ₹ that are mandatorily redeemable at a fixed or determinable amount at a fixed or future date and the payment of dividends is discretionary.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset).

**c. Current versus non-current classification**

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

(a) expected to be realised in, or is intended to be sold or consumed in Group's normal operating cycle;

(b) held primarily for the purpose of being traded;

(c) expected to be realised within twelve months after the reporting date; 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 date.

All other assets are classified as non-current.

*A Liability is current when:*

(a) it is expected to be settled in Group's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within twelve months after the reporting date; or

(d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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 Group has identified twelve months as its operating cycle.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts in Indian ₹ Crore, unless otherwise stated)

### d. Property, plant and equipment

#### i. Initial 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 and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

#### ii. Subsequent expenditure

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

#### iii. Depreciation

Depreciation on plant and machinery, tools and dies and on other tangible property, plant and equipment is provided on SLM/ WDV basis, based on the rates as per useful life prescribed in Schedule II to the Companies Act, 2013 except in the case of tools and dies, the useful life based on technical advice is 3 to 6 years.

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

Depreciation 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. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

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

### e. Goodwill

For measurement of goodwill that arises on a business combination see note 2(a)(F)(vi). Subsequent measurement is at cost less any accumulated impairment losses. Goodwill is not amortised and is tested for impairment annually.

### f. Other intangible assets

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

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

Intangible assets are amortised in the Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis. Intangible assets are amortised over the best estimate of their respective useful lives as under:

i) Technical know-how: Amortised over the period of 6 years or over the period of agreement, as applicable

ii) Computer software: Amortised over the period of 6 years.

iii) Trade Mark: Amortised over the period of 10 years

iv) Customer relationship: Amortized over the period of 10 years or over the period of agreement, as applicable

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

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

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

#### Internally generated: Research and development

a) Expenditure on research activities is recognised in profit or loss as incurred.

b) Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

### g. Impairment

#### i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost

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

The Group measures loss allowances 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. In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group 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 Group 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 Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when the financial asset is 90 days or more past due.

*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 Group in accordance with the contract and the cash flows that the Group expects to receive).

*Presentation of allowance for expected credit losses in the balance sheet*

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 Group 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 Group's procedures for recovery of amounts due.

#### ii. Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts in Indian ₹ Crore, unless otherwise stated)

If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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. Impairment losses are recognised in the Consolidated Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. 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.

### h. Borrowing cost

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

### i. Leases

#### i Determining whether an arrangement contains a lease

At inception of a contract, the Group determines whether the contract is, or contains, a lease. The contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset or assets for a period of time in exchange for consideration, even if that right is not explicitly specified in a contract.

At inception or on reassessment of a contract that contains lease component and one or more additional lease or non-lease components, the Group separates payments and other consideration required by the contract into those for each lease component on the basis of their relative stand-alone price and those for non-lease components on the basis of their relative aggregate stand-alone price. If the Group concludes that it is impracticable to separate the payments reliably, then right-of-use asset and Lease liability are recognised at an amount equal to the present value of future lease payments; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

The previous determination pursuant to Ind AS 17 and its 'Appendix C' of whether a contract is a lease has been maintained for existing contracts.

#### ii. Group as a lessee

At inception, the Group assesses whether a contract is or contains a lease. This assessment involves the exercise of judgement about whether it depends on an identified asset, whether the Group obtains substantially all the economic benefits from the use of that asset, and whether the Group has the right to direct the use of that asset.

The Group has elected to separate lease and non-lease components of contracts, wherever possible.

The Group recognises a right-of-use (ROU) asset and a lease liability at the transition date/ lease commencement date. The right-of-use asset is initially measured based on the present value of future lease payments, plus initial direct costs, and cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, and lease payments made at or before the commencement date, less any incentives received. The right-of-use asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The right-of-use asset is subject to testing for impairment if there is an indicator for impairment.

At the commencement date, Group measures the lease liability at the present value of the future lease payments that are not yet paid at that date discounted using interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group's uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Contingent rents payments are recognised as an expense in the period in which they are incurred. Lease payments generally include fixed payments and variable payments that depend on an index (such as an inflation index). When the lease contains an extension or purchase option that the Group considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities in separately from other assets/liabilities in the balance sheet.

The Group has elected not to recognise right-of-use assets and liabilities for leases where the total lease term is less than or equal to 12 months, or for leases of low value assets. The payments for such leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term

**iii. Group as a Lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an underlying assets are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments are structured to increase in line with the general inflation to compensate for the lessor's expected inflationary cost increase. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards incidental to ownership of underlying asset is transferred from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts in Indian ₹ Crore, unless otherwise stated)

### j. Inventories

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

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

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

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

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

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

Inventories in transit are valued at cost.

### k. Revenue recognition

#### (i) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

**Sale of goods (including moulds and scrap)**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any). Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

**Variable Consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customers. Where customers are provided with discounts, rebates, etc., such discounts and rebates will give rise to variable consideration. The Group follows the most likely amount method in estimating the amount of variable consideration.

(ii) Management fees, designing fees and service revenue is recognised on an accrual basis as and when the services are rendered in accordance with the terms of the underlying contract.

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

(iv) Dividend income is recognised when the right to receive dividend is established.

(v) Royalty income is recognised based on the terms of the underlying agreement.

(vi) Claims lodged with insurance companies are accounted for on an accrual basis, to the extent these are measurable and the ultimate collection is reasonably certain.

(vii) Export entitlement under Duty Entitlement Pass Book Scheme ('DEPB') is recognised on accrual basis and whenthe right to entitlement has been established.

#### Contract balances

**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (b) Financial instruments – initial recognition and subsequent measurement.

#### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

### l. Government grants

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

When the Group receives grants of non-monetary assets, the assets and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as Government grant. The loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### m. Provisions (other than employee benefits)

#### (i) General

A provision is recognised if, as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of time value of money is material provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### (ii) Warranties

Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods and is included in the Consolidated Statement of Profit and Loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made, as and when required.

### n. Retirement and other 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 Group has a present legal or constructive

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts in Indian ₹ Crore, unless otherwise stated)

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 (Equity settled)**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in employee stock option (ESOP) reserves in other equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

**(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 Group makes specified monthly contributions towards employee provident fund, employee state insurance corporation and superannuation funds which is a defined contribution plan. The Group's contribution is recognised as an expense in the Consolidated Statement of Profit and Loss during the period in which the employee renders the related service.

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

**(iv) Defined benefit plans**

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest), are recognised immediately in the balance sheet with a corresponding debit or credit to other equity through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent period.

The Group 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 profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group 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 utilised wholly within twelve months after the end of such period, the benefit to such extent is classified as a long-term employee benefit. The Group 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 the Consolidated Statement of Profit and Loss.

#### (vi) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

### o. Income taxes

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

#### (i) 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.

Tax benefits of deductions earned on exercise of employee stock options in excess of compensation charged to income are credited to securities premium.

#### (ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of 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 is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable 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 a history of recent losses, the Group 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 realised. 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 benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised 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 Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts in Indian ₹ Crore, unless otherwise stated)

Deferred tax assets and liabilities are offset 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 authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate.

Minimum alternate tax (MAT) paid in a year is charged to the Consolidated Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset, it is created by way of credit to the Consolidated Statement of Profit and Loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

. **p. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue and share split that have changed the numbers of equity share outstanding, without a corresponding change in resources.

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

**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, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**r. Cash dividend to equity holders**

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the Consolidated Statement of Profit and Loss.

**s. Recently issued accounting pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of schedule III and are applicable from April 1, 2021 The Group is evaluating the effect of the amendments on its financial statements.

## 3A. PROPERTY, PLANT AND EQUIPMENT:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Land-Freehold | Land-Leasehold | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | | |
| **Balance as at April 01, 2019 (as earlier published)** | **203.49** | **24.68** | **367.57** | **1,419.15** | **45.09** | **17.36** | **15.74** | **29.64** | 2,122.73 |
| Effect of business combination | 49.28 | 15.57 | 61.09 | 125.90 | 1.23 | 0.34 | 3.68 | 0.10 | 257.19 |
| **Balance as at April 01, 2019** | **252.77** | **40.25** | **428.65** | **1,545.05** | **46.32** | **17.70** | **19.42** | **29.74** | 2,379.92 |
| Transition adjustment of Ind AS 116 (refer note 3C) | - | (24.68) | (2.54) | - | - | - | - | - | (27.22) |
| Additions (pursuant to acquisition -refer note 55) | - | - | - | 8.10 | 0.30 | 0.03 | 0.39 | 0.76 | 9.58 |
| Additions during the year | 1.84 | - | 61.63 | 238.62 | 13.30 | 1.97 | 5.78 | 7.19 | 330.33 |
| Foreign currency translation impact | (0.09) | - | 2.96 | 15.29 | 7.14 | 0.07 | 0.18 | 0.29 | 25.84 |
| Disposals/Adjustment | - | - | 0.49 | 19.49 | 0.55 | 3.07 | 0.67 | 0.72 | 24.99 |
| Transfer to assets held for sale (refer note 27) | - | - | 2.12 | 0.27 | - | - | - | - | 2.39 |
| **Balance as at March 31, 2020** | **254.51** | **15.57** | **488.09** | **1,787.30** | **66.51** | **16.71** | **25.11** | **37.26** | 2,691.07 |
| Pursuant to loss of control in a subsidiary (refer note 55) | (15.28) | - | (15.80) | (55.58) | (0.38) | (0.28) | (0.84) | (0.45) | (88.61) |
| Additions during the year | **-** | **-** | **110.08** | **372.84** | **10.77** | **0.82** | **1.53** | **4.80** | 500.84 |
| Foreign currency translation impact | 0.31 | - | 1.58 | 17.34 | 5.11 | 0.16 | 0.28 | 0.62 | 25.40 |
| Disposals/Adjustment | - | 15.57 | 0.75 | 12.14 | (0.23) | 1.92 | 0.68 | 1.35 | 32.18 |
| **Balance as at March 31, 2021** | **239.55** | **-** | **583.21** | **2,109.76** | **82.24** | **15.49** | **25.39** | **40.88** | 3,096.52 |
| **Accumulated depreciation and impairment losses** | | | | | | | | | |
| **Balance as at April 01, 2019(as earlier published)** | **0.04** | **0.40** | **31.96** | **405.87** | **29.91** | **7.61** | **5.44** | **12.10** | 493.33 |
| Effect of business combination | - | - | - | - | - | - | - | - | - |
| **Balance as at April 01, 2019** | **0.04** | **0.40** | **31.96** | **405.87** | **29.91** | **7.61** | **5.44** | **12.10** | 493.33 |
| Additions (pursuant to acquisition -refer note 55) | - | (0.40) | (0.60) | - | - | - | - | - | (1.00) |
| Foreign currency translation impact | - | - | 2.22 | 15.11 | 6.57 | 0.09 | 0.02 | 0.29 | 24.30 |
| Depreciation for the year | - | 0.16 | 20.86 | 234.13 | 12.47 | 2.75 | 4.93 | 8.54 | 283.83 |
| Disposals/Adjustment | - | - | 0.31 | 12.99 | 1.85 | 2.41 | 0.48 | 0.59 | 18.63 |
| Transfer to assets held for sale (refer note 27) | - | - | 1.43 | 0.21 | - | - | - | - | 1.64 |
| **Balance as at March 31, 2020** | **0.04** | **0.16** | **52.70** | **641.91** | **47.10** | **8.04** | **9.91** | **20.34** | 780.20 |
| Pursuant to loss of control in a subsidiary | - | | (3.36) | (23.35) | (0.21) | (0.18) | (0.73) | (0.39) | (28.22) |
| Foreign currency translation impact | - | - | 0.74 | 14.04 | 4.48 | 0.07 | 0.16 | 0.53 | 20.02 |
| Depreciation for the year | - | | 22.77 | 243.97 | 13.78 | 2.20 | 4.37 | 8.23 | 295.32 |
| Disposals/Adjustment | - | 0.16 | 0.60 | 16.51 | 1.43 | 0.99 | 0.58 | 1.18 | 21.45 |
| **Balance as at March 31, 2021** | **0.04** | **-** | **72.25** | **860.06** | **63.72** | **9.14** | **13.13** | **27.53** | 1,045.87 |
| **Carrying amounts (net)** | | | | | | | | | |
| **As at March 31, 2020** | **254.48** | **15.41** | **435.40** | **1,145.39** | **19.41** | **8.67** | **15.19** | **16.92** | 1,910.87 |
| **As at March 31, 2021** | **239.51** | **-** | **510.96** | **1,249.70** | **18.52** | **6.35** | **12.26** | **13.35** | **2,050.65** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

## 3B. CAPITAL WORK-IN-PROGRESS:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Opening Balance (as earlier published)** | 340.04 | 131.52 |
| Effect of business combination (refer note 55) | - | 18.99 |
| **Opening Balance** | 340.04 | 150.51 |
| Additions | 271.93 | 517.90 |
| Deletion | (500.03) | (328.36) |
| **Closing Balance** | **111.94** | **340.04** |

## 3C. RIGHT-OF-USE ASSETS:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Leasehold Land | Building | Vehicles | Office equipment | P&M | Totall |
|---|---|---|---|---|---|---|
| **Balance as at April 1, 2019** | - | - | - | - | - | - |
| Transition adjustment of Ind AS 116 (refer note 3A) | **24.88** | **98.31** | - | - | - | 123.19 |
| Effect of business combination (refer note 55) | 29.35 | - | - | - | - | 29.35 |
| Additions during the year | 22.14 | 3.67 | - | - | 0.50 | 26.31 |
| Additions (pursuant to acquisition -refer note 55) | - | 9.64 | 1.29 | 1.15 | - | 12.08 |
| Deductions/ Adjustments (net) | - | 3.86 | - | - | - | 3.86 |
| Foreign currency translation impact | - | 2.12 | - | - | - | 2.12 |
| Transfer to assets held for sale (refer note 27) | 6.97 | - | - | - | - | 6.97 |
| **Balance as at March 31, 2020** | **69.40** | **109.88** | **1.29** | **1.15** | 0.50 | 182.22 |
| Additions during the year | 15.75 | 11.09 | 2.95 | 2.49 | 14.20 | 46.48 |
| Deductions/ Adjustments (net) | - | 14.50 | - | - | - | 14.50 |
| Foreign currency translation impact | 0.66 | 0.59 | 0.83 | - | - | 2.08 |
| Transfer to assets held for sale (refer note 27) | - | - | - | - | - | - |
| **Balance as at March 31, 2021** | **85.81** | **107.06** | **5.07** | **3.64** | 14.70 | 216.28 |
| **Accumulated depreciation** | | | | | | |
| **Balance as at April 1, 2019** | **-** | **-** | **-** | **-** | - | - |
| Transition adjustment of Ind AS 116 (refer note 3A) | 0.40 | 0.60 | - | - | - | 1.00 |
| Depreciation for the year | 0.74 | 14.04 | 0.17 | 0.14 | 0.42 | 15.51 |
| Transfer to assets held for sale (refer note 27) | 0.23 | - | - | - | - | 0.23 |
| **Balance as at March 31, 2020** | **0.91** | **14.64** | **0.17** | **0.14** | 0.42 | 16.28 |
| Depreciation for the year | 3.85 | 14.38 | 4.85 | 0.04 | 1.70 | 24.82 |
| Disposals/Adjustment | (0.13) | (0.07) | (0.05) | - | - | (0.25) |
| **Balance as at March 31, 2021** | **4.89** | **29.09** | **5.07** | **0.18** | 2.12 | 41.35 |
| **Carrying amounts (net)** | | | | | | |
| **As at March 31, 2020** | **68.49** | **95.24** | **1.12** | **1.01** | 0.08 | 165.94 |
| **As at March 31, 2021** | **80.92** | **77.97** | **-** | **3.46** | 12.58 | 174.93 |

1. Carrying amount of Property, plant and equipment (included in above) pledged as securities for borrowings (refer note 18 and 21)
2. The amount of borrowing costs capitalised during the year ended March 31, 2021 was ₹ 4.25 Crores (March 31, 2020: ₹ 12.15 Crores). The rate used to determine the amount of borrowing costs eligible for capitalisation was 8.30% (March 31, 2020: 8.67%) which is the effective interest rate.
3. Freehold land having carrying value as at March 31, 2021 ₹ 66.98 Crores (previous year ₹ 66.98 Crores) is pending for registration in the name of the Parent Company.
4. Leasehold land having gross block as at March 31, 2021 ₹ 41.52 Crores (previous year ₹ 41.52 Crores) and accumulated depreciation as at March 31, 2021 ₹ 2.54 Crores (previous year ₹ 1.38 Crores) is pending for registration in the name of the Parent Company. Further, leasehold land having gross block of ₹ 6.97 Crores and accumulated depreciation of ₹ 0.23 Crores included under assets held for sale during the previous year.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

## 3D. INTANGIBLE ASSETS:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Good will | Other intangible assets | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Trade Mark | Design Fees | Technical Knowhow | Computer Software | Customer Relation ship | |
| **Gross carrying amount** | | | | | | | |
| **Balance as at April 1, 2019 (as earlier published)** | **0.56** | **3.09** | **2.49** | **48.34** | **42.07** | **-** | **96.55** |
| Effect of business combination (refer note 55) | - | - | - | 0.02 | 1.42 | 106.60 | 108.04 |
| **Balance as at April 1, 2019** | **0.56** | **3.09** | **2.49** | **48.36** | **43.49** | **106.60** | **204.59** |
| Additions (pursuant to acquisition -refer note 55) | - | - | - | 114.25 | 2.12 | 14.70 | 131.07 |
| Additions during the year | - | - | - | 26.25 | 8.00 | 11.50 | 45.75 |
| Foreign currency translation impact | - | - | - | **0.70** | **(0.11)** | - | **0.59** |
| Disposals/Adjustment | 0.36 | - | - | 0.22 | 0.11 | - | 0.69 |
| **Balance as at March 31, 2020** | **0.20** | **3.09** | **2.49** | **189.34** | **53.39** | **132.80** | **381.31** |
| Pursuant to loss of control in a subsidiary (refer note 55) | | - | - | - | **(0.76)** | - | **(0.76)** |
| Additions during the year | - | - | - | 23.16 | 6.65 | - | 29.81 |
| Foreign currency translation impact | - | - | - | 4.15 | 0.13 | 0.56 | 4.84 |
| Disposals/Adjustment | - | - | - | 1.74 | 0.53 | - | 2.27 |
| **Balance as at March 31, 2021** | **0.20** | **3.09** | **2.49** | **214.91** | **58.88** | **133.36** | **412.93** |
| **Accumulated amortisation and impairment losses** | | | | | | | |
| **Accumulated amortisation and impairment losses at April 1, 2019 ( as earlier published)** | **0.23** | **1.73** | **2.49** | **13.62** | **11.64** | **-** | **29.71** |
| Effect of business combination (refer note 55) | - | - | - | - | | - | - |
| **Accumulated amortisation and impairment losses at April 1, 2019** | **0.23** | **1.73** | **2.49** | **13.62** | **11.64** | **-** | **29.71** |
| Amortisation for the year | 0.06 | 0.35 | - | 16.48 | 10.85 | 12.98 | 40.72 |
| Foreign currency translation impact | - | - | - | - | (0.11) | - | (0.11) |
| Disposals/Adjustment | 0.20 | - | - | 0.22 | 0.03 | - | 0.45 |
| **Balance as at March 31, 2020** | **0.09** | **2.08** | **2.49** | **29.88** | **22.35** | **12.98** | **69.87** |
| Amortisation for the year | 0.06 | 0.26 | - | 25.50 | 10.13 | 19.21 | 55.16 |
| Foreign currency translation impact | - | - | - | 0.06 | 0.64 | 0.01 | 0.71 |
| Disposals/Adjustment | - | - | - | 0.98 | 0.56 | - | 1.54 |
| Pursuant to loss of control in a subsidiary (refer note 55) | - | - | - | - | 0.74 | | 0.74 |
| **Balance as at March 31, 2021** | **0.15** | **2.34** | **2.49** | **54.46** | **31.82** | **32.20** | **123.46** |
| **Carrying amount (net)** | | | | | | | |
| **As at March 31, 2020** | **0.11** | **1.01** | **-** | **159.46** | **31.04** | **119.82** | **311.44** |
| As at March 31, 2021 | 0.05 | 0.75 | - | 160.45 | 27.06 | 101.16 | 289.47 |

## 3 E. INTANGIBLE ASSET UNDER DEVELOPMENT:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Opening Balance** | **20.00** | **18.61** |
| Additions | 25.52 | 27.64 |
| Deletion | (23.16) | (26.25) |
| **Closing Balance** | **22.36** | **20.00** |

## 3F. GOODWILL ON CONSOLIDATION

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Opening Balance (as earlier published)** | 285.98 | 164.92 |
| Effect of business combination (refer note 55) | - | 83.92 |
| **Opening Balance** | **-** | **248.84** |
| Additions (pursuant to acquisition -refer note 55) | - | 37.14 |
| Pursuant to loss of control in a subsidiary (refer note 55) | (4.26) | - |
| **Closing Balance** | **281.72** | **285.98** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

## 4. NON-CURRENT INVESTMENTS

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unquoted** | | |
| **Investments measured at cost** | | |
| **(i) Investments in partnership firms**** | | |
| - Auto Component | 2.64 | 2.91 |
| - Yogendra Engineering | 0.08 | 0.08 |
| **(ii) Associates** | | |
| Equity instruments | | |
| Minda NexGenTech Limited<br>- 3,120,000 equity shares (previous year 3,120,000 equity shares) of ₹ 10/- each, fully paid up | 5.59 | 4.11 |
| Kosei Minda Aluminum Co Private Limited<br>- 28,737,371 equity shares (previous year 28,737,371 equity shares) of ₹ 10/- each, fully paid up | 3.52 | 8.20 |
| **(iii) Joint ventures** | | |
| Equity instruments | | |
| Minda Westport Technologies Limited (formerly known as Minda Emer Technologies Limited)<br>- 2,725,000 equity shares (previous year 2,725,000 equity shares) of ₹ 10/- each, fully paid up | 8.19 | 5.07 |
| Roki Minda Co. Private Limited<br>- 40,924,800 equity shares (previous year 40,924,800 equity shares) of ₹ 10/- each, fully paid up | 110.67 | 92.11 |
| Minda TTE Daps Private Limited<br>- 4,990,513 equity shares (previous year 4,990,513 equity shares) of ₹ 10/- each, fully paid up | - | 3.38 |
| Minda Onkyo India Private Limited<br>- 33,043,031 equity shares (previous year 19,500,000 equity shares) of ₹ 10/- each, fully paid up | 3.56 | - |
| Minda D-Ten India Private Limited<br>- 2,544,900 equity shares (previous year 2,544,900 equity shares) of ₹ 10/- each, fully paid up | 7.89 | 7.33 |
| Denso Ten Minda India Private Limited<br>- 35,525,000 equity shares (previous year 35,525,000 equity shares) of ₹ 10/- each, fully paid up | 53.41 | 45.51 |
| Rinder Riduco S.A.S.<br>- 850,000 equity shares (previous year 850,000 equity shares) of COP 1/- each, fully paid up | 10.40 | 8.88 |
| Kosei Minda Mould Private Limited<br>- 6,341,645 equity shares (previous year 6,341,645 equity shares) of ₹ 10/- each, fully paid up | 4.34 | 4.61 |
| Tokai Rika Minda India Private Limited<br>- 65,357,143 equity shares (previous year- Nil equity shares ) of ₹ 10/- each, fully paid up | 63.34 | - |
| Toyoda Gosei Minda India Private Limited<br>- 243,780,000 equity shares (previous year 210,320,000 equity shares) of ₹ 10/- each, fully paid up | 231.08 | 193.05 |
| Minda TG Rubber Private Limited (Subsidiary upto 14 March 2021)<br>- 25,766,730 equity shares (previous year - Nil ) of ₹ 10/- each, fully paid up | 26.10 | - |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Investments measured at Fair value through profit and loss:** | | |
| **Unqouted** | | |
| **Equity instruments** | | |
| Paras Green Power LLP | 0.03 | 0.03 |
| Green Infra Wind Energy Theni Limited<br>- 315,523 equity shares (previous year 315,523 equity shares) of ₹ 10/- each, fully paid up | 0.12 | 0.52 |
| Minda Industria E Comerico De Autopecsa Limited<br>- 25,000 equity shares (previous year 25,000 equity shares) of Brazilian $ 1 each, fully paid up | 0.07 | 0.07 |
| OPG Power Generation Private Limited<br>- 37,700 equity shares (previous year 37,700 equity shares) of ₹ 10/- each, fully paid up | 0.04 | 0.04 |
| Others (Unqouted) | | |
| Life Insurance Corporation of India, Mumbai | 0.73 | 0.66 |
| (Group annuity policy for Pension to employees) | | |
| Less: Other than temporary diminution in value of non-current investment * | **531.80** | **376.56** |
| - Minda NexGenTech Limited | (3.12) | (3.12) |
| - Minda Industria E Comerico De Autopecsa Limited | (0.07) | (0.07) |
| | | |
| | **528.61** | **373.37** |
| **Aggregate value of impairment in the value of investments** | | |

* Aggregate provision for diminution of non-current investment is ₹ 3.19 Crores (March 31, 2020 ₹ 3.19 Crores).

**Investment in Partnership Firms

| Partnership Firm | Name of the Partners | Share in Profit (%) As at March 31, 2021 | Share in Profit (%) As at March 31, 2020 |
|---|---|---|---|
| Auto Component | Minda Industries Limited | 48.90% | 48.90% |
| | Mr. Nirmal K. Minda | 25.55% | 25.55% |
| | Ms. Palak Minda | 25.55% | 25.55% |
| Yogendra Engineering | Minda Industries Limited | 48.90% | 48.90% |
| | Mr. Sanjeev Garg | 12.50% | 12.50% |
| | Mrs. Suman Minda | 38.60% | 38.60% |
| **Total Capital of the firm** | | **Amount** | **Amount** |
| Auto Component | | 8.47 | 7.96 |
| Yogendra Engineering | | 0.16 | 0.16 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

## 5. LOANS (NON-CURRENT)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (Unsecured and considered good unless otherwise stated) | | |
| Security deposits | 26.96 | 15.83 |
| Others | 0.30 | 0.33 |
| | **27.26** | **16.16** |

## 6. OTHER FINANCIAL ASSETS (NON-CURRENT)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (Unsecured and considered good unless otherwise stated) | | |
| Bank deposits (due to mature after 12 months from the reporting date) | 1.24 | 5.67 |
| Interest accrued on fixed deposits | - | 0.24 |
| Retention money with customers | 1.65 | 1.65 |
| Forward contract receivable | - | 1.02 |
| Other receivable | 0.81 | 1.70 |
| | **3.70** | **10.28** |

## 7. INCOME TAX ASSETS (NET)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Advance income tax | 26.17 | 48.07 |
| | **26.17** | **48.07** |

## 8. OTHER ASSETS (NON-CURRENT)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (Unsecured considered good unless otherwise stated) | | |
| Capital advances | 38.08 | 44.36 |
| Prepaid Expense | 0.21 | 0.33 |
| Balances with government authorities | - | 7.03 |
| Others | 0.98 | 1.04 |
| | **39.27** | **52.76** |

## 9. INVENTORIES

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (At lower of cost and net realisable value, unless otherwise stated) | | |
| Raw materials [Goods in transit ₹ 30.69 Crore ( ₹ 28.16 Crore as on March 31, 2020)] | 358.16 | 281.09 |
| Work-in-progress | 115.80 | 85.40 |
| Finished goods [Goods in transit ₹ 31.36 Crore (₹ 12.77 Crore as on March 31, 2020)] | 108.57 | 97.02 |
| Stock-in-trade [Goods in transit ₹ 17.62 Crore (₹ 6.83 Crore as on March 31, 2020)] | 100.52 | 85.91 |
| Stores and spares | 47.94 | 42.38 |
| Loose tools | 19.57 | 17.71 |
| | **750.56** | **609.52** |
| Carrying amount of inventories (included in above) pledged as securities for borrowings and sanctioned limits (refer note 18 and 22) | **750.56** | **609.52** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

## 10. INVESTMENTS CURRENT

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Investments measured at Fair value through profit and loss** | | |
| **(i) Investments in mutual funds (Unquoted)** | | |
| SBI Liquid Fund | 0.52 | 0.50 |
| - 1,627.54 (Previous year 1,627.54 units) | | |
| ICICI Prudential Liquid Fund | 0.52 | 0.50 |
| - 17,216.86 (Previous year 17,216.86 units) | | |
| HDFC Liquid Fund | 0.52 | 18.01 |
| - 1,296.45 (Previous year 46,837.36 units) | | |
| **(ii) Investments in equity shares (Quoted)** | | |
| TVS Motor Co Limited<br>- Nil (previous year 200,000 ) of ₹ 1/- each, fully paid up | - | 5.94 |
| | **1.56** | **24.95** |
| Aggregate amount of unquoted investments | 1.56 | 19.02 |
| Aggregate market value of quoted investments | - | 5.94 |
| Aggregate cost of unquoted investments | 1.50 | 19.02 |
| Aggregate cost of quoted investments | - | 0.32 |

## 11. TRADE RECEIVABLES *

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (Unsecured, considered good unless otherwise stated) | | |
| | | |
| Trade receivables considered good- Unsecured | 1,198.82 | 863.24 |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade receivables- credit impaired | 12.03 | 10.57 |
| | **1,210.85** | **873.81** |
| Less: Allowance for credit impaired | (12.03) | (10.57) |
| | **1,198.82** | **863.24** |
| The movement in change in allowance for expected credit loss and credit impairment | | |
| **Balance as at beginning of the year** | **10.57** | **5.36** |
| Change in allowance for expected credit loss and credit impairment | 4.73 | 4.76 |
| Utilisation/ written back | (3.27) | 0.45 |
| **Balance as at the end of the year** | **12.03** | **10.57** |

*The Group exposure to currency and liquidity risks related to the above financial assets is disclosed in Note 50.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

## 12. CASH AND CASH EQUIVALENTS

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| - Balances with banks | | |
| In current accounts | 159.47 | 230.43 |
| In deposit accounts (with original maturity of 3 months or less) | 45.40 | 32.10 |
| | 204.87 | 262.53 |
| - Cash on hand | 0.74 | 1.14 |
| | **205.61** | **263.67** |

## 13. BANK BALANCES OTHER THAN THOSE INCLUDED IN CASH AND CASH EQUIVALENTS ABOVE

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Bank deposits (due for realisation within 12 months of the reporting date)* | 31.85 | 76.65 |
| Unpaid dividend accounts** | 0.72 | 0.59 |
| | **32.57** | **77.24** |

* Includes fixed deposit amounting to ₹ 0.82 Crores (previous year ₹ 0.77 Crores) pledged against cash credit facilities

** Does not include any amount payable to Investor Education and Protection Fund

## 14. LOANS (CURRENT)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (Unsecured and considered good unless otherwise stated) | | |
| Security deposits | 0.41 | 0.96 |
| Loan to employees | - | 1.86 |
| Others | 2.53 | 3.45 |
| | **2.94** | **6.27** |

## 15. OTHER FINANCIAL ASSETS (CURRENT)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (Unsecured and considered good unless otherwise stated) | | |
| Forward contract receivable | 5.32 | 11.18 |
| Interest accrued on bank deposits | 2.26 | 2.10 |
| Loans and advances to related party and others | - | 6.95 |
| Advances to employees | 3.18 | 3.04 |
| Incentive receivable | 3.73 | 11.42 |
| Insurance claims receivable | 1.26 | 2.56 |
| Others | 11.53 | 2.63 |
| | **27.28** | **39.88** |

## 16. OTHER CURRENT ASSETS

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (Unsecured and considered good unless otherwise stated) | | |
| Prepaid expenses | 19.27 | 12.51 |

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Advance to suppliers | | |
| - Considered good | 69.63 | 44.10 |
| - Considered doubtful | 2.33 | 0.06 |
| Less: Provision for loss allowance | (2.33) | (0.06) |
| Balances with government authorities | | - |
| - Considered good | 112.26 | 93.98 |
| - Considered doubtful | 0.29 | 0.06 |
| Less: Provision for loss allowance | (0.29) | (0.06) |
| Others | 0.85 | 3.09 |
| | **202.01** | **153.68** |

## 17(a) EQUITY SHARE CAPITAL

### (i) Authorised

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **Equity share capital** | | | | |
| Equity shares of ₹ 2/- each with voting rights | 65,07,53,000 | 130.15 | 31,75,00,000 | 63.50 |
| Equity shares of ₹10/- each with voting rights | - | - | 6,37,00,000 | 63.70 |
| Equity shares of ₹100/- each with voting rights | - | - | 2,95,060 | 2.95 |
| Equity shares of ₹10/- each with voting rights *# | 1,70,46,000 | 17.05 | 1,70,46,000 | 17.05 |
| **Preference share capital** | | | | |
| 9% Cumulative redeemable preference shares of ₹10/- each (Class 'A') | 30,00,000 | 3.00 | 30,00,000 | 3.00 |
| 3% Cumulative compulsorily convertible preference shares of ₹2,187/- each (Class 'B') | 1,83,500 | 40.13 | 1,83,500 | 40.13 |
| 3% Cumulative redeemable preference shares of ₹10/- each (Class 'C') | 35,00,000 | 3.50 | 35,00,000 | 3.50 |
| 1% Non-cumulative fully convertible preference shares of ₹10/- each (Class 'D') | 1,00,00,000 | 10.00 | 1,00,00,000 | 10.00 |
| 8% Non-cumulative redeemable preference shares of ₹10/- each (Class 'E') | 2,75,00,000 | 27.50 | 2,75,00,000 | 27.50 |
| 14% Non-cumulative Redeemable Preference shares of ₹10/- each* | 20,00,000 | 2.00 | 20,00,000 | 2.00 |
| 13.5% Preference shares of ₹10/- each (Class 'A') * | 2,000 | 0.00 | 2,000 | 0.00 |
| 13.5% Preference shares of ₹100/- each (Class 'B') * | 600 | 0.01 | 600 | 0.01 |
| 2% Redeemable preference shares of ₹10/- each (Class 'C') * | 1,10,000 | 0.11 | 1,10,000 | 0.11 |
| | **71,40,95,100** | **233.44** | **44,48,37,160** | **233.44** |

* Represents effects of business combination (refer note 55)

# Formalities for conversion to ₹ 2 per share completed subsequent to the year end

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

### (ii) Issued, subscribed and fully paid up

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **Equity share capital** | | | | |
| Equity shares of ₹ 2/- each with voting rights | 27,19,28,704 | 54.39 | 26,22,16,965 | 52.44 |
| | **27,19,28,704** | **54.39** | **26,22,16,965** | 52.44 |

### iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **Equity shares** | | | | |
| Balance at the beginning of the year | 26,22,16,965 | 52.44 | 26,22,16,965 | 52.44 |
| Add: Increase in number of shares on account of Right issue [Refer note (vii) ] | 97,11,739 | 1.95 | - | - |
| **Balance at the end of the year** | **27,19,28,704** | **54.39** | **26,22,16,965** | **52 .44** |

### (iv) (i) Rights, preferences and restrictions attached to equity shares

The Parent Company has only one class of issued equity shares capital having par value of ₹ 2/- per share (March 31, 2020 ₹ 2/- per share). Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors 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 assets, in proportion to their shareholding.

The Board at its meeting held on February 04, 2021, declared an interim dividend of ₹ 0.35 per equity share i.e. 17.50% on 27,19,28,704 equity shares of ₹ 2 each (previous year ₹ 0.40/- per equity share). Further, the Board at its Meeting held on June 13, 2021, has recommended a final dividend of ₹ 0.50 per equity share i.e. 25.00% (previous year ₹ Nil) for the financial year ended on March 31, 2021, subject to the approval of shareholders at the ensuing Annual General Meeting.

### (v) Details of shareholders holding more than 5% shares in the Company:

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| Class of shares / Name of shareholder | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Mr. Nirmal K Minda | 6,70,62,700 | 24.66% | 6,53,71,530 | 24.93% |
| Mrs. Suman Minda | 4,00,00,737 | 14.71% | 3,85,72,140 | 14.71% |
| Minda Investments Limited | 6,69,44,957 | 24.62% | 6,38,50,140 | 24.35% |
| Matthews Asia Dividend Fund | 1,36,19,268 | 5.01% | 1,39,29,676 | 5.31% |

(vi) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash for the period of five years immediately preceding the balance sheet date is 174,342,310.

(vii) On August 11, 2020, the Board of Directors of the Parent Company approved issue of 97,11,739 fully paid up equity shares of face value of ₹ 2 each (the "Rights Equity Shares") amounting to ₹ 242.79 Crores at a price of ₹ 250 per Rights Equity Share (including premium of ₹ 248 per Rights Equity Share), in the ratio of 1 Rights Equity Shares for every 27 existing fully paid-up shares held by the eligible equity shareholders as on August 17, 2020, the Record date. Further, on September 15, 2020, the Rights Issue Committee of the Board of Directors approved the allotment of Rights Equity Shares in relation to the said Rights Issue and consequently Rights issue shares were issued during the year. There is no deviation in use of proceeds from the objects stated in the Offer document for rights issue.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
## FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

### 17(b) OTHER EQUITY ATTRIBUTABLE TO OWNERS OF MINDA INDUSTRIES LIMITED:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Other comprehensive income/(loss) | | | Equity component of other financial instru ments | Securities premium | Capital redem ption reserve | Capital reserves | Capital reserves arising on consoli dation | General reserves | Employee stock options reserve | Shares pending Issu ance (Refer note 55) | Retained earnings | Total other equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Remeas urements of Defined Benefits obligations | Foreign currency translation reserve | Effective portion of Cash Flow Hedges | | | | | | | | | | |
| **Balance as at April 1, 2020** | **(3.03)** | **5.38** | **-** | **6.55** | **390.33** | **18.39** | **3.28** | **177.01** | **71.06** | **1.20** | **52.00** | **1,086.47** | **1,808.64** |
| Profit for the year | - | - | - | - | - | - | - | - | - | - | | 206.63 | 206.63 |
| Other comprehensive income/(loss) (net of tax) | 2.19 | 8.14 | 3.98 | - | - | - | - | - | - | - | | - | 14.31 |
| Security premium on shares issued under Rights issue | - | - | - | - | 240.85 | - | - | - | - | - | - | - | 240.85 |
| Amount utilised towards Rights issue expenses | - | - | - | - | (2.41) | - | - | - | - | - | - | - | (2.41) |
| Purchase of Non controlling interest (refer note 55) | - | - | - | - | (3.13) | - | - | - | - | - | (52.00) | - | (55.13) |
| Employee stock compensation expense | - | - | - | - | - | - | - | - | - | 1.05 | - | - | 1.05 |
| Pursuant to loss of control in a subsidiary (refer note 55) | - | - | - | - | - | - | - | - | - | - | - | 1.48 | 1.48 |
| Interim dividend for the year ended March 31, 2021 | - | - | - | - | - | - | - | - | - | - | | (9.52) | (9.52) |
| Others | - | - | - | - | - | - | - | - | - | - | | (3.72) | (3.72) |
| **Balance as at March 31, 2021** | **(0.85)** | **13.52** | **3.98** | **6.55** | **625.64** | **18.39** | **3.28** | **177.01** | **71.06** | **2.25** | **-** | **1,281.36** | **2,202.18** |

| Particulars | Other comprehensive income/(loss) | | | Equity component of other financial instru ments | Securities premium | Capital redem ption reserve | Capital reserves | Capital reserves arising on consoli dation | General reserves | Employee stock options reserve | Shares pending Issu ance (Refer note 55) | Retained earnings | Total other equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Remeas urements of Defined Benefits obligations | Foreign currency translation reserve | Effective portion of Cash Flow Hedges | | | | | | | | | | |
| **Balance as at April 1, 2019** | **1.48** | **2.80** | | **6.55** | **360.51** | **18.29** | **3.32** | **177.01** | **70.64** | **-** | **-** | **1,011.12** | **1,651.72** |
| Transition impact of Ind AS 116 net of tax | - | - | | - | - | - | - | - | (0.00) | - | - | (5.32) | (5.32) |
| Effect of business combination (refer note 55) | - | - | | - | 29.82 | 0.10 | - | - | 0.42 | - | 52.00 | (37.46) | 44.88 |
| Profit for the year | - | - | | - | - | - | - | - | - | - | - | 155.18 | 155.18 |
| Other comprehensive income/(loss) (net of tax) | (4.51) | 2.58 | | - | - | - | - | - | - | - | - | - | (1.93) |
| Employee stock compensation expense | - | - | | - | - | - | - | - | - | 1.20 | - | - | 1.20 |
| Utilised during the Year | - | - | | - | - | - | (0.04) | - | - | - | - | - | (0.04) |
| Addition during the year (including pursuant to acquisition) | - | - | | - | - | - | - | - | - | - | - | (4.45) | (4.45) |
| Final dividend for the year ended March 31, 2019 | - | - | | - | - | - | - | - | - | - | - | (16.27) | (16.27) |
| Interim dividend for the year ended March 31, 2020 | - | - | | - | - | - | - | - | - | - | - | (10.49) | (10.49) |
| Dividend distribution tax | - | - | | - | - | - | - | - | - | - | - | (5.42) | (5.42) |
| Others | - | - | | - | - | - | - | - | - | - | - | (0.41) | (0.41) |
| **Balance as at March 31, 2020** | **(3.03)** | **5.38** | | **6.55** | **390.33** | **18.39** | **3.28** | **177.01** | **71.06** | **1.20** | **52.00** | **1,086.48** | **1,808.64** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

**The Description of the nature and purpose of each reserve within other equity is as follows:**

a) Securities premium: Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Companies Act 2013, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

b) Capital redemption reserve: The capital redemption reserve is a non-distributable reserve and represents preference shares redeemed.

c) General reserve: The parent Company appropriates apportion to general reserve out of profits voluntarily and the said reserve is available for payment of dividend to shareholders.

d) Employee stock options reserve: The Parent Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees. The reserve is used to recognise the value of equity settled stock options provided to employees, including key management personnel, as part of their remuneration. Refer to Note 48 for further details of these plans.

e) Equity component of other financial instruments: Equity component of the compound financial instruments is credited to other equity.

f) Capital reserve arising on consolidation:

Capital Reserve arising on consolidation is the reserve created on acquisition of subsidiaries, joint ventures and associates.

g) Foreign currency translation reserve:

This reserve is created due to changes in historic rates and closing rates of assets and liabilities of foreign subsidiary entities.

h) Other comprehensive Income (OCI) amount pertaining to remeasurements of defined benefit liabilities (Asset) - comprises actuarial gain & losses.

i) Share pending issuance represents shares to be issued to a non-resident shareholder of transferor Company persuant to business combination (refer note 55)

**j) Effective portion of Cash Flow Hedges:**

The cash flow hedging reserve represents the cumulative portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassified to Statement of Profit and Loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non financial hedged items.

## 17(c) DISTRIBUTION MADE

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Cash dividends on equity shares declared and paid:** | | |
| Final dividend for the year ended on March 31, 2020 ₹ Nil per share (March 31, 2019 ₹ 0.65/- per Share) | - | 17.04 |
| Interim dividend for the year ended on March 31, 2021 ₹ 0.35 per share (March 31, 2020 ₹ 0.40 per share) | 9.52 | 10.49 |
| Dividend distribution tax on above (DDT) | - | 5.42 |
| | **9.52** | **32.95** |
| **Proposed Dividends on equity shares*:** | | |
| Final dividend for the year ended on March 31, 2021 @ 0.50 per share (March 31, 2020 @ ₹ Nil per share) | 13.60 | - |
| | **13.60** | **-** |

## 17(d) NON CONTROLLING INTEREST:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2020 |
|---|---|
| **Balance as at April 01, 2019** | **266.71** |
| Profit for the year | 32.76 |
| Transition impact of Ind AS 116 net of tax | (4.64) |
| Dividend paid/ Drawings during the year | (11.79) |
| Other comprehensive income/(loss) (net of tax) | (0.20) |
| **Balance as at March 31, 2020** | **282.84** |
| Profit for the year | 41.81 |
| Dividend paid/ Drawings during the year | (9.09) |
| Addition in non-controlling interest due to renouncing of right issue | 9.80 |
| Pursuant to loss of control in a subsidiary (refer note 55) | (19.29) |
| Other comprehensive income/(loss) (net of tax) | 0.44 |
| Adjustment | (0.06) |
| **Balance as at March 31, 2021** | **306.45** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

## 18. NON-CURRENT BORROWINGS

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Term loans** | | |
| **Secured** | | |
| From banks | 665.12 | 877.76 |
| From others | 9.66 | 26.73 |
| Less: Current maturities of long term borrowings (Refer note 24) | 164.12 | 145.23 |
| | **510.66** | **759.26** |
| **Term loans** | | |
| **Unsecured** | | |
| From banks | 29.94 | 46.66 |
| From others | 30.02 | 7.72 |
| Less: Current maturities of long term borrowings (Refer note 24) | 31.50 | 33.32 |
| | 28.46 | 21.06 |
| | **539.12** | **780.32** |

(All amounts in Indian ₹ Crore, unless otherwise stated)

| S.No | Nature of security (including current portion of term loan) | Terms of repayment and rate of interest | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| 1 | Rupee term loan from HDFC Bank obtained by the Parent Company is secured by:<br>Movable Property, plant and equipment ~First Pari passu charge on all movable Property, plant and equipment of the company<br>Immovable Property, plant and equipment~ First Pari passu charge on Immovable Property, plant and equipment of the company. Collateral Details -<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurgaon<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana<br>iii) Plot No ME-I and ME-II, Sector-2A, IMT Manesar<br>iv) Land & Bldg at Plot no. B-3, SIPCOT Industrial Park at Pillaipakkam, Vengadu Taluk, Sriperumpudur<br>(v) Plot No 5, Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand and<br>vi) Plot No 5(A), Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand.<br>Also, Negative Lien on:<br>i) Property No. B-6, MIDC, Chakan Industrial Area, Mahalunge, Taluka Khed, measuring 9300 sq mt and 11970 sq mt<br>ii) Property No. B-1/5 MIDC, Chakan Industrial Area, Mahalunge, Taluka Khed, measuring 18022 sq mt. | Total loan sanctioned amounting to ₹100 Crore having tenure of 60 Months including moratorium of 18 months and repayment in 7 equal semi-annual payable post moratorium<br><br>Rate of interest- HDFC 1Y MCLR | 75.00 | 100.00 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| S.No | Nature of security (including current portion of term loan) | Terms of repayment and rate of interest | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| 2 | Rupee term loan from Axis Bank obtained by the Parent Company is secured by:<br>First pari passu charge on the fixed Assets of the Parent Company i.e. plant and machinery including land & building as mentioned below:<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana.<br>iii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar<br>iv) Plot No 5(A), , Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand.<br>v) Plot No ME-I and ME-II, Sector-2A, IMT Manesar :<br>Negative Lien on :<br>i) Plot No. B-1/5, Chakan Industrial Area, Nogoje, Taluka Khed, Pune<br>ii) B-6, MIDC Chakan Industrial Area, Village Mahalunge, Taluka Khed, Distt. Pune.<br>Second pari passu charge on the entire current assets of the Company both present and future. | Total loan sanctioned amounting to ₹ 85 Crore having tenure of 5 years including moratorium of 6 months and repayment in 20 equal quarterly payable post moratorium<br>Rate of interest- 3M MCLR + 10bps | - | 68.00 |
| 3 | External Commercial Borrowing from HSBC Bank obtained by the Parent Company is secured by :<br>First pari passu charge on the fixed Assets of the Company i.e. plant and machinery including land & building as mentioned below:<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.<br>iii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana.<br>iii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttrakhand.<br>iv) Plot No 5(A), Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand.<br>v) Plot No ME-I and ME-II, Sector-2A, IMT Manesar<br>vi) Plot no. B-3, SIPCOT Industrial Park at Pillaipakkam, Vengadu Taluk, Sriperumpudur<br>Negative Lien on :<br>i) Plot No. B-1/5, Chakan Industrial Area, Nogoje, Taluka Khed, Pune<br>ii) B-6, MIDC Chakan Industrial Area, Village Mahalunge, Taluka Khed, Distt. Pune. | Total loan sanctioned amounting to USD 1 Crore having tenure of 60 month including moratorium of 12 months and repayment in 16 equal quarterly installments post moratorium<br>Rate of interest- 3 M LIBOR + 105 bps | 45.90 | 65.96 |

(All amounts in Indian ₹ Crore, unless otherwise stated)

| S.No | Nature of security (including current portion of term loan) | Terms of repayment and rate of interest | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| 4 | External Commercial Borrowing from Citi Bank N.A. obtained by the Parent Company is secured by:<br>First pari passu charge on the fixed Assets of the Company i.e. plant and machinery including land & building as mentioned below:<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana.<br>iii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttrakhand.<br>iv) Plot No 5(A), Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand.<br>v) Plot No ME-I and ME-II, Sector-2A, IMT Manesar | Total loan sanctioned amounting to USD 0.8 Crore having tenure of 5 Years including moratorium of 12 months and repayment in 17 equal quarterly installments post moratorium<br>Rate of interest- 3 M LIBOR + 90 bps | 32.53 | 46.70 |
| 5 | External Commercial Borrowing from HSBC Bank obtained by the Parent Company is secured:<br>First Parri Passu charge on entire block of Movable Property, plant and equipments except those wherein lenders have exclusive charge. First Pari passu charge on Equitable Mortgage at below locations:<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana.<br>iii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttrakhand.<br>iv) Plot No 5(A), Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand.<br>v) Plot No ME-I and ME-II, Sector-2A, IMT Manesar<br>vi) Plot no. B-3, SIPCOT Industrial Park at Pillaipakkam, Vengadu Taluk, Sriperumpudur<br>Negative Lien on :<br>i) Plot No. B-1/5, Chakan Industrial Area, Nogoje, Taluka Khed, Pune<br>ii) B-6, MIDC Chakan Industrial Area, Village Mahalunge, Taluka Khed, Distt. Pune. | Total loan sanctioned amounting to USD 1.50 Crore having tenure of 75 month including moratorium of 15 months and repayment in 20 equal quarterly installments post moratorium<br>Rate of interest- 3 M LIBOR + 100 bps | 110.26 | 113.08 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| S.No | Nature of security (including current portion of term loan) | Terms of repayment and rate of interest | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| 6 | External Commercial Borrowing from Citi Bank obtained by the Parent Company is secured:<br>First pari passu charge on all movable and all immovable property, plant and equipment of the Company as below;<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana.<br>iii) Plot no. -5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttrakhand.<br>iv) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttrakhand.<br>v) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>vi) Plot no. B-3, SIPCOT Industrial Park at Pillaipakkam, Vengadu Taluk, Sriperumpudur<br>Negative Lien on :<br>i) Plot No. B-1/5, Chakan Industrial Area, Nogoje, Taluka Khed, Pune<br>ii) B-6, MIDC Chakan Industrial Area, Village Mahalunge, Taluka Khed, Distt. Pune.<br>Second pari passu charge on all present and future current assets of the Company | Total loan sanctioned amounting to USD 1.40 Crore having tenure of 5 Years including moratorium of 18 months and repayment in 14 equal quarterly installments post moratorium<br>Rate of interest- 3 M LIBOR + 75 bps | 95.56 | 105.54 |
| 7 | Rupee term loan from Axis Bank obtained by the Parent Company is secured:<br>First pari passu charge on the property, plant and equipment of the Company i.e. plant and machinery including land & building as mentioned below:<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana.<br>iii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttrakhand.<br>iv) Plot No 5(A), , Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand.<br>v) Plot No ME-I and ME-II, Sector-2A, IMT Manesar<br>v) Plot no. B-3, SIPCOT Industrial Park at Pillaipakkam, Vengadu Taluk, Sriperumpudur<br>Negative Lien on :<br>i) Plot No. B-1/5, Chakan Industrial Area, Nogoje, Taluka Khed, Pune<br>ii) B-6, MIDC Chakan Industrial Area, Village Mahalunge, Taluka Khed, Distt. Pune.<br>Second pari passu charge on the entire current assets of the Company both present and future. | Total loan sanctioned amounting to ₹ 38 Crore having tenure of 5.5 years including moratorium of 18 months and repayment in 16 equal quarterly installments post moratorium<br>Rate of interest- 3 M MCLR + 10 bps | 30.00 | 30.00 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| S.No | Nature of security (including current portion of term loan) | Terms of repayment and rate of interest | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| 8 | Foreign currency loan from CITI Bank obtained Minda Kyoraku Limited is secured by:<br>First charge on Property, plant and equipment of the Company situated at Gujarat Unit (Both movable and immovable Property, plant and equipments) | Rate of interest - 3 months MCLR + 2% spread, Company has taken a interest rate swap contract to fixed interest liabilites @ 5.20% P.A. on outsanding ₹ principal amount.<br>The principal amount of USD 0.21 Crores is repayable in 20 equal quarterly installments of USD 0.01 Crores commencing from April 9, 2020 , Company has entered in to partial hedge contract for principal repayment | 12.42 | 16.04 |
| 9 | FCNR Loan from ICICI Bank obtained by Minda Kyoraku Limited is secured by:<br>- First Pari Passu charge by way of mortgage over all the immovable fixed assets related Gujarat Project both present and future (Immovable Fixed Assets)<br>- First Pari Passu charge on all the movable fixed assets related to Gujarat Project both present and future (Movable Fixed Assets)<br>- Second Pari Passu charge by way of hypothecation over current assets both present and future of the borrower (Current Assests) | a) Rate of interest - 3 months MCLR + 2% spread, Company has taken a interest rate swap contract to fixed interest liabilities @ 6.68% P.A. on outstanding USD principal amount.<br>The principal amount of USD 0.14 Crores is repayable in 14 equal quarterly installments of USD 0.01 Crores commencing from December 31, 2019, Company has entered in to partial hedge contract for principal repayment.<br>b) Rate of interest - 3 months MCLR + 2% spread, Company has taken a interest rate swap contract to fixed interest liabilities @ 6.61% P.A. on outstanding USD principal amount<br>The principal amount of USD 0.14 Crores is repayable in 9 equal quarterly installments of USD 0.01 Crores commencing from December 31, 2019 and last payment for USD 0.05 Crores will be paid on February 28, 2022. The Company has entered in to partial hedge contract for principal repayment. | 11.57 | 17.94 |
| 10 | Rupee loan from IndusInd bank obtained by Minda Kosei Aluminum Wheel Private Limited is secured by:<br>- First pari passu charge by way of equitable mortgage on immovable property (land and building) located at Bawal, Haryana and by way of hypothecation on all present and future moveable PPE.<br>- Second pari passu charge by way of hypothecation on all the present and future current assets. | a) Rate of interest - floating @ IndusInd Bank base rate 6 month MCLR. Currently 7.50% at March 31, 2021 (March 31, 2020: 8.95%)<br>Maximum tenure of loan is for 96 months from the date of first disbursement. Principal amount is repayable in 24 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2018-19.<br>b) Rate of interest - floating @ IndusInd Bank base rate 6 month MCLR. Currently 7.50% at March 31, 2021 (March 31, 2020: 8.95%)<br>Maximum tenure of loan is for 96 months from the date of first disbursement. Principal amount is repayable in 24 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2015-16. | 21.44 | 25.91 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| S.No | Nature of security (including current portion of term loan ): | Terms of repayment and rate of interest | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| 11 | Foreign currency loan from SCB Bank obtained by Minda Kosei Aluminum Wheel Private Limited is secured by:<br>- First pari passu charge on all movable PPE (both present and future) of Gujarat plant.<br>- Second pari passu charge on current assets. | Cost of funds + Bank's margin of 1.50%. Currently 8.55% at March 31, 2021 (March 31, 2020: 8.55%)<br>Maximum tenure of loan shall not exceed 7 years from the date of first disbursement. Principal amount is repayable in 20 equal quarterly installments after a moratorium period of 24 months from the date of first disbursement, with first repayment date to not go beyond December 31, 2019. | 30.87 | 40.71 |
| 12 | Rupee term loan from HDFC banks by M/s Minda Kosei Aluminum Wheel Private Limited is secured by:<br>- First pari passu charge on equitable mortgage over immovable PPE (land and building of Gujarat Plant) and movable PPE (plant and equipment of Gujarat plant and Bawal Phase 1 plant)<br>- Second pari passu charge on stock and book debts | a) Rate of interest - floating @ HDFC Bank base rate 6 month MCLR. Currently 7.40% as at March 31, 2021 (March 31, 2020: 8.45%<br>Maximum tenure of loan is for 84 months from the date of first disbursement. Principal amount is repayable in 20 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2017-18.<br>b) Rate of interest - floating @ HDFC Bank base rate 6 month MCLR Currently 7.40% as at March 31, 2021 (March 31, 2020: 8.45%<br>Maximum tenure of loan is for 84 months from the date of first disbursement. Principal amount is repayable in 20 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2018-19. | 41.58 | 42.50 |
| 13 | Rupee term loan from Axis Bank is secured by way of first paripassu charge on present and future movable assets of the Parent Company (also refer note 55).<br>(Primary Security) and equitable mortgage of land and building situated at Chakan.<br>(Pune), Second charge by way of hypothecation of entire current assets of the Parent Company | Loan1- Total loan sanctioned amounting to ₹ 30 Crores of which loan of ₹ 15 Crores was availed in current year repayable in 24 quarterly instalments of ₹ 1.25 Crores each starting after 12 months from the date of first disbursement.<br>Rate of interest : MCLR +1% , currently 8.8% p.a.<br>Loan 2- Total loan sanctioned amounting to ₹ 22 Crores repayable in 20 quarterly instalment of ₹ 1.10 Crores each starting after 6 months from the date of first disbursement Rate of interest : MCLR +1% , currently 8.8% p.a. | 15.01 | 36.09 |
| 14 | Term loan from Bajaj Finance Limited is secured by exclusive charge by way of equitable mortgage of land and building located at Bahadurgarh (Haryana) of the Parent Company | Loan sanctioned amounting to ₹ 28 Crores, repayable in 22 quarterly instalments of ₹ 1.27 Crores starting from March 2020.<br>Rate of interest : 9% p.a. | 9.66 | 26.73 |

(All amounts in Indian ₹ Crore, unless otherwise stated)

| S.No | Nature of security (including current portion of term loan ): | Terms of repayment and rate of interest | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| 15 | Rupee term loan from HDFC Bank obtained by Minda Katolec Electronics Services Private Limited:<br>Secured by exclusive hypothecation on stock in trade, book debts and receivables, plant and machinery, fixed deposits and movable assets (both present & future). | Capex loan sanctioned amounting to ₹ 15.07 Crores having tenure of 5 years including moratorium of 6 months.<br>Rate of interest at 8.45% as on March 31, 2021 | 12.25 | 14.65 |
| 16 | ECB loan from Standard Chartered Bank obtained by Mindarika Private limited: Secured by:<br>- First exclusive mortgage of the Land/ Building situated at Chennai.<br>- First exclusive charge on assets financed out of external commercial borrowing (ECB). | Sanctioned amount $ 0.40 Crores<br>Rate of interest - 2.25%+Libor<br>Repayable in 17 equal quarterly instalments starting from Mar'16 and Apr'16 (i.e. 12 months after first instalment of the loan)<br>Last instalment due in April 2020 | - | 0.89 |
| 17 | Term loan from HSBC bank by Mindarika Private limited Secured by: First charge on the movable property, plant and equipment of Gujarat plant with minimum asset cover of 1.25x | Sanctioned amount ₹ 32.50 Crore<br>Rate of interest - 3 month MCLR +0.05%<br>Repayable in 16 quarterly equal instalments starting from Apr'19 (i.e. 12 months from the date of first disbursement). Last instalment due in Apr 2023. | - | 16.87 |
| 18 | Term Loan from Axis Bank by the Parent Company ( unsecured) | Bullet Repayment after 1 years from date of respective drawdowns. Repo Rate + Spread 0.75% | 12.00 | - |
| 19 | - External commercial borrowings from Banco Balbao Vijcaya Argentaria S.A. obtained by the Parent Company (unsecured) | Total loan sanctioned amounting to EUR 0.45 Crore, repayable in 20 quarterly instalments from July, 2016. Rate of interest- 1.79% p.a. | - | 10.63 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| S.No | Nature of security (including current portion of term loan ): | Terms of repayment and rate of interest | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| 20 | External Commercial Borrowings from Bank of Tokyo Mitsubishi (Unsecured) of Minda TG Rubber Private Limited | USD Nil equivalent to ₹ Nil (March 31, 2020: USD 0.07 Crores equivalent to ₹ 2.94Crores) at an interest rate of 8.95% Quarterly instalments of ₹ 0.50 Crores each starting from September 2016 upto June, 2021.<br>USD Nil equivalent to ₹ Nil (March 31, 2020: USD 0.07 Crores equivalent to ₹ 3.03 Crores) at an interest rate of 9.30% 20 Quarterly instalments of ₹ 0.50 Crores each starting from September 2016 upto June, 2021.<br>USD Nil equivalent to ₹ Nil (March 31, 2020: USD 0.11 Crores equivalent to ₹ 4.46 Crores) at an interest rate of 8.98% 20 Quarterly instalments of ₹ 0.75 Crores each starting from Sep 2016 upto June, 2021.<br>USD Nil equivalent to ₹ Nil (March 31, 2020: USD 0.4 Crores equivalent to ₹ 1.86 Crores) at an interest rate of 9.05% 16 Quarterly instalments of ₹ 0.23 Crores each and 1 installment of ₹ 0.23Crores starting from Dec 2017 upto Sep 2021 and 1 quarterly installment of ₹ 0.24 Lacs in Dec 2021.<br>USD Nil equivalent to ₹ Nil (March 31, 2020: USD 0.06 Crores equivalent to ₹ 3.35 Crores) at an interest rate of 7.87% 4 Quarterly instalments of ₹ 0.18 Crores from Dec 2018 to Sep 2019, 4 Quarterly instalments of ₹ 0.22 Crores from Dec 2019 to Sep 2020 4 Quarterly instalments of ₹ 0.33 Crores from Dec 2020 to Sep 2021 & 4 Quarterly instalments of ₹ 0.28 Crores from Dec 2021 to Sep 2022<br>USD Nil equivalent to ₹ Nil (March 31, 2020: USD 0.10 Crores equivalent to ₹ 7.42 Crores) at an interest rate of 9.15% 5 Quarterly instalments of ₹ 0.16 Crores from Dec 2019 to Dec 2020, 5 Quarterly instalments of ₹ 0.50 Crores from Mar 2021 to Mar 2022 & 5 Quarterly instalments of ₹ 0.83 Crores from Jun 2022 to Jun 2023 | - | 23.07 |
| 21 | Loan from La Caixa Bank is secured by the corporate guarantee given by Clarton, Spain (Unsecured) | Repayable in 20 equal quarterly instalments. Rate of Interest 1.50% (March 31, 2019: 2.10%) | 16.91 | 9.55 |
| 22 | Unsecured loan from Bankinter Bank obtained by Light & Systems Technical Center S.L., Spain | Term loan for acquisition of fixed assets amounting to Euro 0.03 Crores | 1.03 | 1.39 |
| 23 | Unsecured loan from Santander Bank by Light & Systems Technical Center S.L., Spain | Term loan for acquisition of fixed assets amounting to Euro 0.03 Crores | - | 2.02 |
| 24 | Subsidised loan received from Ministry of Industry, Government of Spain by Clarton Horn, S.A. (Unsecured) | Total loan sanctioned amounting to Euro 0.05 Crores is repayable in 7 equal annual instalments from year 2016-17. | 4.75 | 2.54 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| S.No | Nature of security (including current portion of term loan ): | Terms of repayment and rate of interest | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| 25 | Subsidised loan received from Ministry of Industry, Government of Spain by Clarton Horn, S.A. (Unsecured) | Total loan sanctioned amounting to Euro 0.06 Crore repayable in 10 equal annual instalments from year 2017-18. | 3.74 | 1.96 |
| 26 | Subsidised loan received from Center for Industrial Technology Development by Clarton Horn, S.A. (Unsecured) | Total loan sanctioned amounting to Eur 0.08 Crores and 50% amount has been received during the year and balance amount will be received at the end of FY 2020-21 | 21.53 | 3.22 |
| 27 | Loan from Indusind Bank by Minda Germany Gmbh is secured by Corporate guarantee given by the Parent Company | Total loan sanctioned amounting to Eur 1.91 Crores (March 31, 2019 Nil) repayable in 17 equal quarterly instalments.<br>Rate of interest - 1.96% p.a. | 130.73 | 136.88 |
| | **Total** | | **734.74** | **958.87** |

## 19. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Deferred government grant | 73.33 | 69.30 |
| Deferred payment liabilities | | |
| - Deferred liability (unsecured) | 5.55 | 5.55 |
| - Less: Current maturities of deferred payment liability (refer note 24) | 3.85 | 3.06 |
| | 1.70 | 2.49 |
| Others | 14.54 | 3.34 |
| | **89.57** | **75.13** |

| Nature of security (including current portion of term loan): | Terms of repayment and rate of interest | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Deferred payment credit from HSIIDC (Haryana State Industrial and Infrastructure Development Corporation Limited) by the Parent Company (Unsecured) | Repayable in 10 half yearly instalments of ₹ 0.55 Crore.<br>Rate of interest- 12% p.a. | 5.55 | 5.55 |
| **Total** | | **5.55** | **5.55** |

## 20. LONG-TERM PROVISIONS

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (refer note 43) | 66.46 | 62.25 |
| Compensated absences | 22.77 | 19.42 |
| | 89.23 | 81.67 |
| **Others** | | |
| Warranty (refer note 46) | 3.58 | 7.13 |
| Pension (refer note 43) | 4.01 | 4.03 |
| Others* (refer movement below) | 38.25 | 31.94 |
| | **135.07** | **124.77** |

**Movement**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Opening balance** | 31.94 | 29.80 |
| Add: provision made / (reversed) during the year | 6.31 | 2.14 |
| **Closing balance** | **38.25** | **31.94** |

*Amount represents provision for non-export of goods under EPCG scheme, including interest payable on the same.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

## 21. DEFERRED TAX ASSETS/ (LIABILITIES)-NET

**Deferred tax liabilities**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Deferred tax liabilities** | | |
| Differences between written down value of Property, plant & equipment and intangible assets as per Companies Act and Income Tax Act | 148.78 | 151.30 |
| | **148.78** | **151.30** |
| **Deferred tax assets** | | |
| Provision for employee benefits | 40.70 | 36.01 |
| Unabsorbed tax losses | 19.68 | 20.63 |
| Others | 44.94 | 40.03 |
| | **105.32** | **96.67** |
| | **(43.46)** | **(54.63)** |
| **Total (A)** | | |
| **- MAT credit entitlement (B)** | 13.53 | 13.61 |
| **Deferred tax assets/ (liabilities)- Net (A+B)** | **(29.93)** | **(41.02)** |

Movement in deferred tax assets / (liabilities)

| Particulars | Property, plant & equipments and intangible assets | Provision for employee benefits | Others | Unabsorbed Losses | MAT credit entitlement | Total |
|---|---|---|---|---|---|---|
| **As at April 1, 2019 (as earlier published)** | **(77.91)** | **28.83** | **14.83** | **11.80** | **21.83** | **(0.62)** |
| Effect of business combination (refer note 55) | (47.90) | 1.62 | 1.14 | - | 3.28 | (41.86) |
| **As at April 1, 2019** | **(125.81)** | **30.45** | **15.97** | **11.80** | **25.11** | **(42.48)** |
| **(Charged)/credited:** | | | | | | |
| to statement of profit or loss | 11.65 | 2.72 | 13.31 | 8.83 | (11.50) | 25.01 |
| to other comprehensive income | - | 2.84 | - | - | - | 2.84 |
| Pursuant to acquisition | (37.14) | - | - | - | - | (37.14) |
| Utilisation | - | - | 3.00 | - | - | 3.00 |
| Others | - | - | 7.75 | - | - | 7.75 |
| **As at March 31, 2020** | **(151.30)** | **36.01** | **40.03** | **20.63** | **13.61** | **(41.02)** |
| **(Charged)/credited:** | | | | | | |
| to statement of profit or loss | 1.52 | 5.95 | 4.91 | (5.05) | (9.57) | (2.24) |
| to other comprehensive income | - | (1.26) | - | - | - | (1.26) |
| Pursuant to loss of control in subsidiary (Refer note 55) | 1.00 | - | - | (1.83) | (0.75) | (1.58) |
| Others | - | - | - | 5.93 | 10.24 | 16.17 |
| **As at March 31, 2021** | **(148.78)** | **40.70** | **44.94** | **19.68** | **13.53** | **(29.93)** |

## 22. SHORT-TERM BORROWINGS

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Loans repayable on demand | | |
| from banks (secured)* | 99.76 | 99.21 |
| from banks (unsecured)** | 146.02 | 98.64 |
| | | |
| from a related party (unsecured)*** | - | 5.10 |
| from others (unsecured)**** | 68.00 | 35.00 |
| | **313.78** | **237.95** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| S.No | Bank Name (facility) Nature of security | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| | *Secured loan from Banks: | | |
| 1 | HDFC Bank (Cash Credit) obtained by the Parent Company is secured by:<br>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.<br>Second pari passu charge on property, plant and equipments of the Company as per detailed below:<br>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat<br>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram<br>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>Negative lien on the following properties:<br>a) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.<br>b) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune.<br>Rate of interest: 1 year MCLR | 33.26 | 31.24 |
| 2 | Citibank (Cash Credit) obtained by the Parent Company is secured by:<br>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.<br>Second pari passu charge on property, plant and equipments of the Company as per detailed below:<br>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat<br>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram<br>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>Negative lien on the following properties:<br>a) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.<br>b) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune.<br>Rate of interest: 5% p.a | 14.00 | - |
| 3 | State Bank of India (Cash Credit) obtained by the Parent Company is secured by:<br>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.<br>Second pari passu charge on property, plant and equipments of the Company as per detailed below:<br>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat<br>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram<br>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>Negative lien on the following properties:<br>a) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.<br>b) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune.<br>Rate of interest: 1 year MCLR | 10.70 | 24.84 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| S.No | Bank Name (facility) Nature of security | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 4 | Canara Bank (Cash Credit) obtained by the Parent Company is secured by:<br>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.<br>Second pari passu charge on property, plant and equipment of the Company as per detailed below:<br>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat<br>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram<br>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>Negative lien on the following properties:<br>a) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.<br>b) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune.<br>Rate of interest: 9% p.a | 6.25 | 4.54 |
| 5 | Standard Chartered Bank (Cash Credit) obtained by the Parent Company is secured by:<br>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.<br>Second pari passu charge on property, plant and equipment of the Company as per detailed below:<br>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat<br>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram<br>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>Negative lien on the following properties:<br>a) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.<br>b) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune.<br>Rate of interest: 4.75% p.a | 12.00 | 0.50 |
| 6 | Axis Bank rate of interest : MCLR (3M) + 100 bps i.e. 9.50% pa.- obtained by Parent Company is secured by:<br>a) First charge by the way of hypothecation on the entire current assets of the Company (Bawal & Hosur) both present & future.<br>b) First charge by the way of hypothecation on the entire moveable property, plant and equipment of the Company (Bawal & Hosur) both present & future.<br>c) Equitable mortgage on land and building both present & future of Hosur Plant situated at Upparapalli, Mathagondapalli, thally Road, Hosur, Tamilnadu, India.<br>d) Equitable mortgage on land and building both present & future of Bawal Plant situated at 323, Phase II/IV, Sector-3, 'Industrial Growth Centre, Bawal Distt. Rewari, Haryana, India.<br>e) Hypothecation on all movable property, plant and equipment (except vehicles) of the borrower both present & future. Further secured by way of hypothecation on borrower's entire stocks of raw materials, semi-finished and finished goods, consumable, stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables both present and future. | - | 3.70 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| S.No | Bank Name (facility) Nature of security | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 7 | Working capital loan from banks amounting to Nil (March 31, 2020: ₹ 0.24) is secured by: Minda Kyoraku Limited is secured by<br>-First pari passu charge on all the current assets of the borrower (both present and future)<br>-Second pari passu charge on all the movable fixed assets (both present and future)<br>-Second pari passu charge on all the immovable fixed assets of the borrower located at Bawal Plant.<br>Rate of interest - 3 months MCLR + 1.50% spread currently at 10.65% on 31st March 2021. | - | 0.24 |
| 8 | Rupee cash credit from Axis Bank obtained by Minda Storage Batteries Private Limited amounting to Nil (March 31, 2020: ₹ Nil) is secured by:<br>First pari passu charge on all movable and immovable fixed assets (both present and future).<br>Floating @ MCLR rate plus 75 bps. Currently 8.15% (March 31, 2020: 8.75%)<br>Maximum tenure of loan is for 1 Year from the date of first disbursement.<br>Principal amount is repayable on demand. | - | 1.45 |
| 9 | Working capital and PCFC credit from Citi Bank N.A. is secured by<br>Exclusive charge on all present and future stock and book debts of the Company. (PCFC Loan in foreign currency ₹ Nil., Working capital loan ₹ Nil, Buyers credit ₹ Nil)<br>(March 31, 2020- PCFC Loan in foreign currency ₹ 4.60 Crores., Working capital loan ₹ Nil, Buyers credit ₹ 3.19 Crore.) | - | 7.79 |
| 10 | Short term loan from HDFC Bank obtained by Mindarika Private Limited:<br>Includes obligation against bills discounted and remaining unpaid as at year end. | 9.52 | - |
| 11 | Short term loan from HSBC Bank obtained by Mindarika Private Limited:<br>Secured by first pari passu charge on current assets of Mindarika Private Limited. Second charge on movable property, plant and equipment of the Company, both Present & future.<br>Rate of interest Nil on March 31, 2021 (March 31, 2020: 11.45%) | - | 0.05 |
| 12 | Working capital loan from HDFC Bank carries interest rate of 8.4% obtained by Minda Katolec Electronics Services Private Limited is secured by exclusive hypothecation on stock in trade, book debts and receivables, plant and machinery, fixed deposits and movable assets (both present & future). | 0.19 | - |
| 13 | Buyers credit from HDFC Bank carries interest rate at LIBOR +250 basis points by Minda Katolec Electronics Services Private Limited Secured by exclusive hypothecation on stock in trade, book debts and receivables, plant and machinery, fixed deposits and movable assets (both present & future). | 3.68 | 5.24 |
| 14 | Bills payable outstanding from HDFC Bank carries interest rate of 8.45% obtained by Minda Katolec Electronics Services Private Limited Secured by exclusive hypothecation on stock in trade, book debts and receivables, plant and machinery, fixed deposits and movable assets (both present & future). | 4.40 | 4.87 |
| 15 | Primary security (for CC): First charge (hypothecation) on all the current assets of the Company including stock, work-in -progress, book debt (both current and non-current), both present and future | - | 14.75 |
| 16 | Short term loan from HDFC Bank obtained by the parent company<br>Includes obligation against bills discounted and remaining unpaid as at year end | 5.76 | - |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| S.No | Bank Name (facility) Nature of security | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| | ****Unsecured Loan from Banks:** | | |
| 1 | Working capital loan from Kotak Mahindra Bank obtained by the Parent Company, is repayable maximum within 90 days | 9.50 | - |
| 2 | Commercial Paper from Kotak Mahindra Bank by the Parent Company | 50.00 | - |
| 3 | Packing Credit loan from HDFC Bank by the Parent Company | 12.40 | 6.06 |
| 4 | Working capital demand loan availed by Minda TG Rubber Private Limited of ₹ NIL (March 31, 2020: 9.45 Crores at interest rate of 7.25%) | - | 9.45 |
| 5 | Short term Loan from Kotak Bank obtained by Mi Torica India Private Limited | 17.50 | - |
| 6 | Short term Loan from-Tokyo -Mitsubishi UFJ,Limited by MI Torica India Private Limited | - | 15.75 |
| 7 | From BBVA Bank to subsidiaries of Global Mazinkert, S.L | 17.10 | 13.20 |
| 8 | From La Caixa Bank to subsidiaries of Global Mazinkert, S.L | 22.73 | 42.62 |
| 9 | From Santander Bank to Global Mazinkert, S.L | 6.46 | - |
| 10 | Working Capital loan from BBVA Bank taken by iSYS RTS GmbH | 10.33 | 11.56 |
| | *****Unsecured Loan from related party:** | | |
| 1 | From Singhal Fin Cap Limited to Minda Katolec Electronics Services Private Limited which is repayable on demand carries interest rate of 8.50%p.a. | - | 5.10 |
| | ******Unsecured Loan from Others:** | | |
| 1 | Working capital loan from Bajaj Finance Limited by the Parent Company, is repayable maximum within 60 days in case of purchase order discounting and 180 days in case of short term loan, respectively. | 68.00 | 35.00 |
| | Total | **313.78** | **237.95** |

## 23. TRADE PAYABLES

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Trade payables** | | | |
| (a) | Total outstanding dues of micro enterprises and small enterprises (refer note 45) | 181.68 | 100.32 |
| (b) | Total outstanding dues of creditors other than micro and small enterprises* | 1,108.11 | 1018.18 |
| | | **1,289.79** | **1,118.50** |

The Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in Note 50.

* Includes Acceptances amounting to ₹ Nil (previous year ₹ 5.88 Crore)

## 24. OTHER FINANCIAL LIABILITIES (CURRENT)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Current maturities of non-current borrowings (refer note 18) | 195.62 | 178.55 |
| Current portion of deferred payment liabilities (refer note 19) | 3.85 | 3.06 |
| Interest accrued but not due on non-current borrowings | 4.58 | 5.25 |
| Payble for purchase consideration (refer note 55) | 463.88 | 463.88 |
| Unpaid dividend | 0.74 | 0.75 |
| Capital creditors | 31.29 | 48.09 |
| Others | | |
| - Retention deposits payable | 1.42 | 0.93 |
| - Payable to employees | 43.01 | 34.87 |
| - Current portion of deferred Government grants | 0.86 | 1.31 |
| - Forward contract payable | 12.12 | 6.97 |
| - Payable for acquisition (refer note 55) | - | 34.32 |
| - Payable for other purchase | - | 5.27 |
| | **757.37** | **783.25** |

## 25. OTHER LIABILITIES (CURRENT)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Advance from customers | 48.01 | 59.47 |
| Accrued liabilities for expenses | - | 10.74 |
| Others | | |
| - Mark to market loss derivative contract | - | 0.04 |
| - Statutory dues | 59.52 | 48.84 |
| - Others | 2.50 | 2.08 |
| | **110.03** | **121.17** |

## 26. SHORT-TERM PROVISIONS

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Short-term provisions** | | |
| **Provision for employee benefits** | | |
| Gratuity (refer note 43) | 3.40 | 3.88 |
| Compensated absences | 13.41 | 15.19 |
| | **16.81** | **19.07** |
| **Others** | | |
| Provision for warranty (refer note 46) | 13.90 | 10.33 |
| Others | 8.33 | 3.76 |
| | **22.23** | **14.09** |
| | **39.04** | **33.16** |

## 27. ASSET HELD FOR SALE

The Parent Company is having a land under lease hold arrangement with Maharashtra Industrial Development Corporation for a period of 99 years. The Company has entered into sale agreement for disposal of said land as per the term and condition agreed.

Pursuant to the above, the said buildings have been reclassified from “Property, plant and equipment” to “Non-current assets held for sale” amounting to ₹ 0.75 Crore and the said land has been reclassified from “Right-of-use assets” to “Non-current assets” held for sale amounting to ₹ 6.74 Crores at an agreeed sale value of ₹ 8 Crores. Also, the Company has received advance amounting to ₹ 4.34 Crores which is disclosed separately in balance sheet as "Liabilities related to assets held for sale".

## 28. REVENUE FROM OPERATIONS *

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Revenue from contract with customers** | ` | |
| Sale of products | 6,065.74 | 6,007.23 |
| Sale of services | 217.61 | 145.81 |
| | | |
| **Other operating revenues** | 90.39 | 68.99 |
| | **6,373.74** | **6,222.03** |

* Also refer note 42 for revenue based on geographical location

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

## 29. OTHER INCOME

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Interest income on deposits | 5.85 | 9.60 |
| Net gain on foreign currency fluctuations | 19.35 | 6.17 |
| Net profit on sale of property, plant and equipment (net) | 2.50 | 7.87 |
| Dividend income | - | 0.07 |
| Profit on Redemption/sale of shares & Mutual Funds | 4.30 | - |
| Income under Package Scheme of Incentives | 0.41 | 0.86 |
| Other non-operating income | | |
| - Liabilities / provisions no longer required written back | 3.21 | 1.40 |
| - Insurance Claim | 0.32 | 0.02 |
| - Mark to market gain on forward contract | 0.56 | 7.08 |
| - Miscellaneous income | 10.53 | 7.42 |
| | **47.03** | **40.49** |

## 30. COST OF MATERIALS CONSUMED

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Raw materials (including purchased components and packing material consumed)** | | |
| Opening balance | 281.09 | 296.52 |
| Add: Purchases | 3,539.38 | 3,200.88 |
| Less: Closing inventories | (358.16) | (281.09) |
| Less: Pursuant to loss of control in a subsidiary | (5.63) | - |
| Less: Foreign currency translation adjustment | (0.25) | (1.59) |
| | **3,456.43** | **3,214.72** |

## 31. PURCHASES OF STOCK IN TRADE

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Purchases of stock in trade** | 528.76 | 613.28 |
| | **528.76** | **613.28** |

## 32. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Inventories at the end of the year:** | | |
| Work-in-progress | 121.84 | 85.40 |
| Finished goods | 111.87 | 97.02 |
| Stock-in-trade | 100.52 | 85.91 |
| | **334.23** | **268.33** |
| **Inventories at the beginning of the year:** | | |
| Work-in-progress | 85.40 | 71.07 |
| Finished goods | 97.02 | 113.77 |
| Stock-in-trade | 85.91 | 65.77 |
| | **268.33** | **250.61** |
| **Net (increase)/decrease in inventories** | **(65.90)** | (17.72) |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

## 33. EMPLOYEE BENEFITS EXPENSE

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Salaries and wages | 849.97 | 818.08 |
| Expense on employee stock option schemes (refer note 48) | 1.05 | 1.20 |
| Contribution to provident and other funds | 81.96 | 72.32 |
| Staff welfare expense | 48.71 | 52.23 |
| | **981.69** | **943.83** |

## 34. FINANCE COSTS

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Interest expense on borrowings | 62.68 | 80.90 |
| Interest expense on lease liabilities | 6.53 | 7.64 |
| Other borrowing costs | 4.44 | 5.63 |
| | **73.65** | **94.17** |

## 35. DEPRECIATION AND AMORTISATION EXPENSE

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Depreciation on property, plant and equipment | 295.32 | 283.84 |
| Amortisation on intangible fixed assets | 55.16 | 40.72 |
| Depreciation on right-of-use assets | 24.82 | 15.51 |
| | **375.30** | **340.07** |

## 36. OTHER EXPENSES

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Consumption of stores and spare parts | 108.79 | 108.98 |
| Job work charges | 55.92 | 61.47 |
| Power and fuel | 149.85 | 148.49 |
| Rent (refer note 47) | 21.14 | 28.60 |
| Repairs and maintenance: | | |
| - Buildings | 13.64 | 12.59 |
| - Machinery | 39.30 | 45.10 |
| - Others | 14.37 | 11.08 |
| Insurance | 11.86 | 10.75 |
| Rates and taxes | 4.56 | 4.17 |
| Travelling and conveyance | 38.28 | 60.26 |
| Director's sitting fee | 0.57 | 0.53 |
| Legal and professional charges * | 27.73 | 37.19 |
| Fixed assets scrapped/ written off | 1.89 | 1.21 |
| Advertisement and sales promotion | 12.92 | 12.03 |
| Provision/write off for doubtful trade and other receivables, loans and advances (net) | 4.73 | 4.76 |
| Royalty expenses | 18.24 | 14.20 |
| Freight and other distribution overheads | 117.72 | 99.40 |
| Development Expenses | 4.03 | 4.31 |
| Data processing expenses | 1.73 | 2.55 |
| Warranty (refer note 46) | 15.10 | 14.26 |
| Printing and stationery | 3.96 | 4.71 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Corporate social responsibility expenditure | 7.43 | 8.40 |
| Net loss on foreign currency fluctuations (other than considered as finance cost) | 5.00 | 38.03 |
| Net change in fair value of investments measured at FVTPL | - | 3.55 |
| Miscellaneous expenses | 69.01 | 59.49 |
| | **747.77** | **796.12** |
| **Note:** | | |
| *Includes payments to the Auditors (excluding taxes) | | |
| Statutory audit | 2.27 | 2.32 |
| Limited review | 0.68 | 0.65 |
| Certification | 0.64 | 0.39 |
| Reimbursement of expenses | 0.18 | 0.45 |
| | **3.77** | **3.81** |
| Others (not included in payments to auditors above )# | | |
| Other services | 0.85 | - |
| Reimbursment of expenses | 0.03 | - |
| | **0.88** | **-** |

# Included in Rights Issue expenses under other equity.

## 37. EXCEPTIONAL ITEMS

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Acquisition / amalgamation related expenses * | - | 33.36 |
| Impairment of land | - | 1.10 |
| Gain on loss of control in subsidiary | 1.73 | - |
| | **1.73** | **34.46** |

*includes acquisition related costs and stamp duty

## 38. EARNINGS PER SHARE

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Net profit after tax as per Consolidated Statement of Profit and loss | 206.63 | 155.18 |
| Weighted average number of Equity Shares (in Nos.): | | |
| - Basic | 26,73,78,821 | 26,22,16,965 |
| - Diluted | 27,86,87,216 | 27,47,86,257 |
| Basic earnings per share in rupees (Face value ₹ 2 per share) (In rupees) | 7.73 | 5.92 |
| Diluted earnings per share in rupees (Face value ₹ 2 per share) (In rupees) | 7.41 | 5.65 |
| **Calculation of weighted average number of shares** | | |
| For basic earnings per share | | |
| Opening balance of Equity Shares | 26,22,16,965 | 26,22,16,965 |
| Issued during the year (Rights Issue) | 97,11,739 | - |
| ESOP Exercised | | - |
| Issued during the previous year (Bonus Shares) | | - |
| Closing balance of equity shares | 27,19,28,704 | 26,22,16,965 |
| **Weighted average number of equity share** | **26,73,78,820.80** | **26,22,16,965** |
| For diluted earnings per share | | |
| No. of Equity Shares (weigthed average) | 26,73,78,820.80 | 26,22,16,965.00 |
| Dilution of equity (ESOP) | 1,13,08,395.22 | 1,25,69,292.41 |
| **Weighted average number of equity share** | **27,86,87,216** | **27,47,86,257** |

## 39. CONTINGENT LIABILITIES

(a) Claims made against the Group not acknowledged as debts (including interest, wherever applicable):

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Income tax matters * | 13.72 | 17.23 |
| Excise / Sales tax / Service tax / GST matter ** | 22.06 | 15.85 |
| Others | 1.25 | 1.95 |
| Bank guarantee given to custom authorities and others | 0.51 | 0.51 |
| **Total** | **37.54** | **35.54** |

* The Group has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, the tax treatment of certain expenses claimed by the Group as deductions and the computation of, or eligibility of, the Group's use of certain tax incentives or allowances. The Group has a right of appeal to the Commissioner of Income Tax (Appeals), or CIT (A), the Dispute Resolution Panel, or DRP, and to the Income Tax Appellate Tribunal, or ITAT, against adverse decisions by the assessing officer, DRP or CIT (A), as applicable. The income tax authorities have similar rights of appeal to the ITAT against adverse decisions by the CIT (A) or DRP. The Group has a further right of appeal to the High Court or the Hon'ble Supreme Court against adverse decisions by the appellate authorities for matters involving substantial question of law. The income tax authorities have similar rights of appeal.

** Includes show cause demand on applicability of excise duty on designs provided by the customer ₹ 15.16 (Previous year ₹ 15.30 crores)

Future cash outflows in respect of the above would be determinable on finalisation of judgments /decisions pending with various forums / authorities.

(b) Group Companies have made sales to various customers against C-form issued under Central Sales Tax Act on account of which the Group Companies have paid 2% sales tax in place of respective higher rates. Total outstanding forms amounting to ₹ 0.13 crore (₹ 0.53 crore as on March 31, 2020). If the Group Companies do not collect the forms in prescribed time, then the Group Companies may have to pay differential tax, including interest and penalty thereon which is not quantifiable.

(c) The liability of custom duty towards export obligation undertaken by the Group under export promotion capital goods scheme (EPCG) amounting ₹ 6.60 crores (₹ 14.08 crores as at March 31, 2020). The Group had imported Capital goods under EPCG and saved duty to the tune of ₹ 6.60 crores (₹ 14.08 crores as on March 31, 2020). As per the EPCG terms and conditions, Company needs to export ₹ 39.60 crores (₹ 84.47 crores as on March 31, 2020) i.e. 6 times of duty saved on import of Capital goods on FOB basis within a period of 6 years. If the Group does not export goods in prescribed time, then the Group may have to pay interest and penalty thereon.

(d) The group has availed MSIP incentive from the Ministry of Electronics amounting to ₹ 6.01 Crore ( March 31, 2020 ₹ 5.21Crores). In accordance with the MSIP guidelines, the amount may be refundable to the government if the specified conditions are not fulfilled within prescribed time. Further, an entity in the group has also accounted revenue subsidy of ₹ 3.73 Crore (March 31, 2020 Nil.)

(e) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively.

Pending the outcome of the review petition and directions from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the consolidated financial statements.

## 40. CAPITAL AND OTHER COMMITMENTS (NET OF ADVANCE)

a) Estimated amount of contracts remaining to be executed on account of capital and other commitments (net of advance) and not provided for as at March 31, 2021 aggregates to ₹ 74.76 Crores (March 31, 2020: ₹ 81.49 Crores).

b) Estimated amount of investment to be made as per government incentive scheme is ₹ 199.34 (₹ 318.94 Crores as at March 31, 2020).

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

**41.** During the year 2002-03, the Director, Town and Country Planning, Chandigarh issued a demand notice on the Company amounting to ₹ 0.39 Crore towards revised CLU (change of land use) charges for the land situated at Village Nawada Fatehpur, P.O. Sikanderpur Badda, Gurugram, and Haryana (Manesar land). The Company paid ₹ 0.02 Crore and had also filed a Special Leave Petition (SLP) with the Hon'ble Supreme Court of India, basis which a leave had been granted. Further, the Company had deposited ₹ 0.09 Crore under protest with the authorities. During the previous years, the Company had filed a writ petition with the High Court of Punjab and Haryana in order to cancel the demand notice and obtain a stay on the balance demand. Further, the Company had withdrawn the petition and accordingly had asked Town and Country Planning, Chandigarh to review and waive of the liability of remaining balance of ₹ 0.28 Crore and the interest thereon amounting to ₹ 0.50 Crore (previous year ₹ 0.47 Crore) towards revised CLU charges after adjusting the amount of ₹ 0.11 Crore paid earlier.

"The Parent Company had applied for grant of license under 'Affordable Housing Policy- 2013' on the land measuring 5 acres in Manesar land and paid scrutiny fee (non-refundable) amounting to ₹ 0.03 Crore in this respect, which was received in earlier year. The Company had paid ₹ 0.43 Crore towards CLU charges during the previous year. The Company had further applied for grant of similar license on additional land measuring 5 acres in Manesar land.

During the year, the Company had applied for migration of license received under 'Affordable Housing Policy- 2013' admeasuring 5 acres to "Deen Dayal Awas Yojna Scheme" of the Government and withdrawn other pending applications. Further the Company had applied for Manesar land admeasuring 10 acres (including share of a subsidiary "Mindarika Private Limited") under "Deen Dayal Awas Yojna Scheme" and paid application money of ₹ 0.92 Crores."

The Parent Company had considered the option of re-locating the manufacturing units from Sector 81, Gurgaon to Bawal, Dharuhera, IMT Manesar, Farrukhnagar. The Company considered factors such as price, distance and convenience of employees and other stake holders' and was of the view that shifting to Farrukhnagar Would be a suitable option. In this respect, the Company had approached certain related parties who had land measuring 14.37 acres in Farrukhnagar, Haryana (which is close to existing Manesar plant) and took land on lease for 99 years at a lump-sum rent of ₹ 0.05 Crores for entire tenure. The Company will apply CLU (change of land use from agricultural to industrial) for Farrukhnagar land. Post approval of CLU, the Company will cancel the lease and purchase the land at fair market price as determined by registered valuer.

## 42. SEGMENT INFORMATION

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

As the Group's business activity primarily falls within a single business segment i.e. auto components including electrical parts and its accessories and ancillary services as primary segment, thus there are no additional disclosures to be provided under Ind AS 108 – 'Operating Segments'. The management considers that the various goods and services provided by the Group constitutes single business segment, since the risk and rewards from these services are not different from one another.

**Information about geographical areas**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | | March 31, 2021 | March 31, 2020 |
|---|---|---|---|
| Revenue from operations* | Within India | 5,170.03 | 5,152.97 |
| | Outside India | 1,203.71 | 1,069.06 |
| Non-current assets** | Within India | 2,599.98 | 2,798.13 |
| | Outside India | 396.53 | 336.97 |

* on the basis of location of customers.
** on the basis of location of the assets.

Assets used in the Group's business and liabilities contracted in respect of its business activities, are not identifiable in line with the above geographies as the assets and liabilities contracted are used interchangeably between the geographies.

## 43. DISCLOSURE PURSUANT TO IND AS 19 ON "EMPLOYEE BENEFITS"

### A. Defined benefit plan

**Define benefit includes**

The Company operates following defined benefit obligations:

a) Defined benefit plans such as gratuity and

b) Pension for its eligible employees,

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

### (i) Risk exposure

#### Inherent risk

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

#### Salary inflation risk

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

#### Demographic risk

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

### (ii) Changes in present value of obligation:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Pension Benefits | | Gratuity Benefits | |
|---|---|---|---|---|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Present value of obligation as at the beginning of the year | 4.03 | 3.33 | 84.20 | 65.73 |
| Current service cost | - | | 11.08 | 10.43 |
| Interest cost | 0.30 | 0.22 | 5.81 | 4.99 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | - | - | (0.48) | - |
| - change in demographic assumptions (gain) / loss | - | | (0.17) | (0.01) |
| - change in financial assumptions | (0.17) | 0.57 | 0.94 | 7.60 |
| - experience variance | (0.16) | (0.09) | (4.21) | (0.30) |
| - others | | | - | - |
| Past service cost | - | - | - | - |
| Benefits paid | - | - | (6.45) | (4.90) |
| Others | - | - | (1.09) | 0.65 |
| Actuarial (gain)/loss on obligation | - | - | - | - |
| Present value of obligation as at the end of year | 4.01 | 4.03 | 89.63 | 84.20 |
| - Long term | 4.01 | 4.03 | 86.22 | 80.32 |
| - Short term | - | - | 3.41 | 3.88 |

*The Parent Company and its subsidiary is maintaining its gratuity fund with L.I.C. through Gratuity Trust.

### (iii) Changes in the fair value of plan assets:

The Company is maintaining its gratuity fund with L.I.C. through Gratuity Trust.

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Pension Benefits | | Gratuity Benefits | |
|---|---|---|---|---|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Fair value of plan assets at the beginning of the year | - | - | 18.12 | 17.76 |
| Investment Income | - | - | - | - |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

| Particulars | Pension Benefits | | Gratuity Benefits | |
|---|---|---|---|---|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Expected return on plan assets | - | - | 0.76 | - |
| Return on plan assets | - | - | 0.46 | 1.30 |
| Actuarial gain/loss for the year | - | - | - | - |
| Employer contributions | - | - | - | - |
| Benefits paid | - | - | (0.55) | (0.21) |
| Others | - | - | 0.98 | (0.78) |
| Fair value of plan assets at the end of the year | - | - | 19.77 | 18.07 |

## (IV) THE AMOUNTS RECOGNISED IN THE CONSOLIDATED BALANCE SHEET ARE AS FOLLOWS:

((All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Pension Benefits | | Gratuity Benefits | |
|---|---|---|---|---|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Present value of obligation as at the end of the year | (4.01) | (4.03) | (89.63) | (84.20) |
| Fair value of plan assets as at the end of the year | - | - | 19.77 | 18.07 |
| Unfunded status | (4.01) | (4.03) | (69.86) | (66.13) |
| Net asset/(liability) recognized in consolidated balance sheet | (4.01) | (4.03) | (69.86) | (66.13) |

## (V) EXPENSES RECOGNISED IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Pension Benefits | | Gratuity Benefits | |
|---|---|---|---|---|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Current service cost | - | - | 11.08 | 10.43 |
| Past service cost | - | - | - | - |
| Interest cost | 0.30 | 0.22 | 5.81 | 4.99 |
| Return on plan assets | - | - | (1.22) | (1.30) |
| Expenses recognized in the consolidated statement of profit and loss | 0.30 | 0.22 | 15.67 | 14.12 |

## (VI) RE-MEASUREMENTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI):

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Pension Benefits | | Gratuity Benefits | |
|---|---|---|---|---|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Actuarial (gains) / losses | | | | |
| - change in demographic assumptions | - | - | (0.17) | (0.01) |
| - change in financial assumptions | (0.17) | 0.57 | 0.94 | 7.60 |
| - experience variance (i.e. Actual experience vs - assumptions) | (0.16) | (0.09) | (4.21) | (0.30) |
| **Components of defined benefit costs recognised in other comprehensive income** | **(0.33)** | **0.48** | **(3.44)** | **7.29** |

**(vii) Maturity profile of defined benefit obligation:**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Pension Benefits | | Gratuity Benefits | |
|---|---|---|---|---|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Within 1 year | 0.27 | 0.34 | 4.60 | 5.78 |
| 2 to 5 years | 0.97 | 0.86 | 17.60 | 16.51 |
| 6 to 10 years | 1.94 | 1.79 | 30.88 | 29.78 |
| More than 10 years | 11.20 | 11.20 | 166.87 | 164.06 |

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

**a) Economic assumptions:**

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

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Pension Benefits | | Gratuity Benefits | |
|---|---|---|---|---|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Discount rate | 5.91% | 6.28% | 6.85% | 6.64% - 6.85% |
| Future salary increase | 5.50% | 5.50% | 6.00% - 8.00% | 5.50% - 8.00% |
| Expected return on plant assets | - | - | 8.00% | 8.00% |

**b) Demographic assumptions:**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Pension Benefits | | Gratuity Benefits | |
|---|---|---|---|---|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| i) Retirement Age (Years) | 58.00 | 58.00 | 58.00 | 58.00 |
| ii) Mortality Table | IALM (2012-14) | | IALM (2006-08); IALM (2012-14) | |
| iii) Ages | Withdrawal Rate (%) | | Withdrawal Rate (%) | |
| Up to 30 years | 3.00 | 3.00 | 3.00 | 3.00 |
| From 31 to 44 years | 2.00 | 2.00 | 2.00 | 2.00 |
| | 1.00 | 1.00 | 1.00 | 1.00 |

**(ix) Sensitivity analysis for significant assumptions:**

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

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Pension Benefits | | Gratuity Benefits | |
|---|---|---|---|---|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| 1% increase in discount rate | (0.53) | (0.60) | (71.67) | (63.80) |
| 1% decrease in discount rate | 0.73 | 0.57 | 90.55 | 81.94 |
| 1% increase in salary escalation rate | 0.67 | 0.75 | 89.35 | 80.71 |
| 1% decrease in salary escalation rate | (0.62) | (0.49) | (72.39) | (64.54) |
| 50% increase in attrition rate | (0.59) | (0.66) | (79.31) | (70.72) |
| 50% decrease in attrition rate | 0.61 | 0.68 | 81.37 | 72.81 |
| 10% increase in mortality rate | (0.60) | (0.67) | (80.22) | (71.60) |
| 10% decrease in mortality rate | 0.60 | 0.67 | 80.23 | 71.61 |

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FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

## 44. INCOME TAXES

**Reconciliation of effective tax rate:**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Profit before income tax expense (inclusive of other comprehensive income excluding share of profit in associates and joint ventures) | 340.81 | 238.61 |
| Tax at India's tax rate of 34.944% (previous year 34.608%) | 119.09 | 83.38 |
| Tax effect of amounts which are not deductible in calculating taxable income (net off exempt income) | 4.91 | 15.49 |
| Tax effect due to B/f Losses | (0.64) | - |
| Tax on foreign dividend | - | (3.79) |
| Tax effect due to Capital Gain Taxable @ 20% instead of @ 30% | (0.60) | - |
| Weighted deduction for expenditure incurred on research and development | - | (11.48) |
| Difference of tax rate due to subsidiaries having lower tax rate | (7.98) | (7.76) |
| Unabsorbed losses where deferred tax not recognised | 2.16 | 9.20 |
| Change in tax rates | (8.77) | (10.12) |
| Other adjustments | (6.38) | (9.14) |
| **Income tax expense (inclusive of other comprehensive income tax component)** | **101.79** | **65.78** |

45. The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the said Memorandum. Accordingly, the disclosures in below respect of the amounts payable to such enterprises as at the year-end has been made based on information received and available with the Group.

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| The amounts remaining unpaid to micro and small suppliers as at the end of the year | | |
| - Principal | 181.02 | 100.02 |
| - Interest | 0.66 | 0.30 |
| The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006) | 1.03 | 0.04 |
| The Amounts of the payments made to micro and small suppliers beyond the appointed day during the year | 73.99 | 245.49 |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006 | 0.24 | 1.67 |
| The amount of interest accrued and remaining unpaid at the end of the year | 0.38 | 1.97 |
| 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 MSMED Act 2006 | 0.03 | - |

## 46. PROVISION FOR CONTINGENCIES

**Warranty**

The Group has made 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. The movement of the provision is as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance as at beginning of the year | 17.46 | 18.20 |
| Add: Provision made during the year | 15.10 | 14.26 |
| Less: Utilised/ reversed during the year | (15.08) | (15.00) |
| **Balance as at the end of the year** | **17.48** | **17.46** |
| Non-current | 3.58 | 7.13 |
| Current | 13.90 | 10.33 |

## 47. LEASE

(i) Amount recognised in Balance sheet:

The balance sheet shows the following amount related to leases :

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Right of use assets** | | |
| Leasehold land | 80.92 | 68.49 |
| Builidng | 77.97 | 95.24 |
| Plant and Machinery and others | 16.04 | 2.21 |
| **Total** | **174.93** | **165.94** |

The following is the break-up of current and non-current lease liabilities:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Current lease liabilities | 20.16 | 18.76 |
| Non-current lease liabilities | 90.55 | 98.06 |
| **Total** | 110.71 | 116.82 |

The maturity analysis of lease liabilities are disclosed in note 50

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at the beginning | 116.82 | - |
| Transition adjustment of Ind AS 116 | - | 116.05 |
| Additions during the year | 30.73 | 16.26 |
| Effect of business combination | - | 1.69 |
| Finance cost accrued during the year | 6.53 | 7.64 |
| Deletions/Adjustment | (15.92) | (3.86) |
| Payment of lease liabilities | (27.45) | (20.96) |
| **Total** | **110.71** | **116.82** |

(ii) Amount recognised in the statement of Profit and loss:

The statement of Profit and loss shows the following amount related to leases :

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Depreciation charge of right of use assets** | | |
| Leasehold land | 3.85 | 0.74 |
| Builidng | 14.38 | 14.04 |
| Plant and Machinery and others | 6.59 | 0.73 |
| **Total** | 24.82 | 15.51 |

The maturity analysis of lease liabilities are disclosed in note 50

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(iii) Lease commitments are the undiscounted future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases with term less than twelve months and leases of low value assets.

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Payable within one year** | 12.06 | 11.99 |
| Payable between one to five years | 32.76 | 32.69 |
| Payable after five years | 120.94 | 119.07 |
| **Total** | **165.76** | **163.75** |

## 48. SHARE BASED PAYMENTS

**(a) UNO Minda Employee Stock Option Scheme – 2019**

The shareholders of the Parent Company had approved the UNO Minda Employee Stock Option Scheme – 2019 (herein referred as UNOMINDA ESOS-2019) through postal ballot resolution dated March 25, 2019.

During the previous year, the NRC has approved and granted options to Eligible Employees of the Parent Company and its Subsidiaries.The plan envisaged grant of stock options to eligible employees at market price in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

This scheme provided for conditional grant of stock options at nominal value to eligible employees as determined by the Nomination and Remuneration Committee from time to time. The vesting conditions under this scheme include the Company achieving the target market capitalisation. The maximum number of equity shares to be granted under the scheme shall not exceed 7,866,500 options, convertible into equity shares of the Company. The scheme is monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors 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.

| Particulars | Scheme Name |
|---|---|
| **Scheme** | **Minda Employee Stock Option Scheme 2020** |
| Year | 2019-20 |
| Date of Grant | 16/05/2019 & 28/01/2021 |
| No. of options granted | 10,12,259 |
| Vesting conditions | Achieving target of market capitalization of the Company on or before 31 May 2022 |
| Exercise period | 2 Year from the date of Vesting |
| Exercise price (₹) per share | 325/- |
| Fair value of the option on the date of grant (₹) per share | 41.31/- |

**No. of Share outstanding at year end for Minda Employee Stock Option Scheme 2019**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Outstanding at the beginning of the year | 10,12,259 | - |
| Granted during the year | 88,325 | 10,12,259 |
| Forfeited/ Expired during the year | 25,272 | - |
| Exercised during the year* | - | - |
| Exercisable at the end of the year | - | - |
| Outstanding at the end of the year | 10,75,312 | 10,12,259 |
| Weighted average exercise price during the year (₹) per share | NA | NA |

**Fair valuation**

The fair value of options has been done by an independent merchant banker on the date of grant using the Binomial Model.

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

| Particulars | |
|---|---|
| Risk-free interest rate (%) | 7.13% |
| Expected life of options (years) [(year to vesting) + (contractual option term)/2] | 4 years |
| Expected volatility (%) | 41% |
| Dividend yield | 0.63% |
| Share price as at grant date (In ₹) | 318 |

The Risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities or 10 years Government bonds. Volatility calculation is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period.The measure volatility is used in option- pricing model is the annualised standard deviation of the continuously compounded rate of the return of the stock over a period of time. The dividend yield for the year is derived by dividing the dividend for the period with the current market price.

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

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group, as an active supplier for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The Group's decentralised management structure with the main activities in the plants 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 Group is exposed to and how it manages the risks:

**a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and price risks, such as equity price risk and commodity price risk. The sensitivity analyses in the following sections relate to the position as at March 31, 2021. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

**(i) Foreign currency risk**

The Group's risk management policy is to hedge a part of its estimated foreign currency exposure in respect of forecast sales and purchases. The Group uses forward exchange contracts and currency options to hedge its currency risk.

| Nature of contracts | Currency Hedged | Outstanding Foreign Currency amount as at March 31, 2021* | Amount (₹) | Outstanding Foreign Currency amount as at March 31, 2020* | Amount (₹) |
|---|---|---|---|---|---|
| Forward exchange contracts ( Trade Receivables) | USD | USD 29,73,193 | 21.85 | USD 12,05,163 | 9.09 |
| Forward exchange contracts (Trade Receivables) | EURO | EUR 3,90,000 | 3.36 | - | - |
| Cross currency and interest rate swaps (to hedge the foreign currency loan) | USD | USD 41,97,742 | 30.86 | USD 53,97,097 | 40.69 |
| Forward exchange contracts (Trade Payables) | JPY | - | - | JPY 6,50,00,000 | 4.53 |
| Forward exchange contracts (Trade Payables) | USD | USD 23,54,230 | 17.30 | USD 20,52,880 | 15.48 |
| Currency options (to hedge the ECB loan) | USD | EUR 1,51,93,177 | 130.81 | EUR 1,73,69,109 | 144.25 |
| Currency options (to hedge the ECB loan) | USD | USD 1,06,75,100 | 78.47 | USD 1,49,45,140 | 112.67 |

* Foreign currency figures in absolute

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**Particulars of un-hedged foreign currency exposure**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Currency | As at March 31, 2021 | | | As at March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | Foreign currency Amount in Crores | Exchange rate (in ₹) | Amount | Foreign currency Amount in Crores | Exchange rate (in ₹) | Amount |
| **Trade receivables** | | | | | | |
| USD | 0.87 | 73.50 | 63.67 | 0.62 | 75.39 | 46.87 |
| EUR | 0.25 | 86.10 | 21.54 | 0.28 | 83.05 | 23.65 |
| JPY | 9.57 | 0.66 | 6.35 | 3.02 | 0.70 | 2.10 |
| GBP | 0.00 | 100.95 | 0.18 | 0.00 | 93.08 | 0.10 |
| **Trade payable & Capital creditors** | | | | | | |
| USD | 1.55 | 73.50 | 113.87 | 1.92 | 75.39 | 144.51 |
| JPY | 21.31 | 0.66 | 14.14 | 21.76 | 0.70 | 15.17 |
| EUR | 0.15 | 86.10 | 13.20 | 0.13 | 83.05 | 11.00 |
| TWD | 0.04 | 2.57 | 0.10 | 0.05 | 2.24 | 0.12 |
| THB | 0.00 | - | - | 0.50 | 2.31 | 1.14 |
| **Advance to vendors** | | | | | | |
| EUR | 0.01 | 86.10 | 1.23 | - | 83.05 | - |
| USD | 0.19 | 73.50 | 13.82 | 0.26 | 75.39 | 19.60 |
| GBP | 0.00 | 100.95 | 0.01 | - | 93.08 | - |
| JPY | 0.76 | 0.66 | 0.51 | 1.21 | 0.70 | 0.84 |
| **Advance from customers** | | | | | | |
| USD | 0.01 | 73.50 | 0.99 | 0.01 | 75.39 | 0.75 |
| EUR | 0.00 | 86.10 | 0.26 | 0.00 | 83.05 | 0.01 |
| **Bank balances** | | | | | | |
| TWD | 0.03 | 2.57 | 0.09 | - | 2.24 | - |
| USD | 0.02 | 73.50 | 1.16 | 0.11 | 75.39 | 8.07 |
| JPY | 0.06 | 0.66 | 0.04 | 3.30 | 0.70 | 2.30 |
| EUR | - | 86.10 | - | 0.03 | 83.05 | 2.49 |
| **Borrowings** | - | | | | | |
| USD | 2.80 | 73.50 | 205.81 | 3.54 | 75.39 | 266.87 |
| EUR | - | 86.10 | - | 0.42 | 83.05 | 34.88 |

**Foreign currency risk sensitivity**

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

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Exposure gain/(loss) | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| **Particulars** | Change +1% | Change -1% | Change +1% | Change -1% |
| **Trade receivables** | | | | |
| USD | 0.64 | (0.64) | 0.47 | (0.47) |
| EUR | 0.22 | (0.22) | 0.24 | (0.24) |
| JPY | 0.06 | (0.06) | 0.02 | (0.02) |
| GBP | 0.00 | (0.00) | 0.00 | (0.00) |
| **Trade payables** | | | | |
| USD | (1.14) | 1.14 | (1.45) | 1.45 |
| JPY | (0.14) | 0.14 | (0.15) | 0.15 |
| EUR | (0.13) | 0.13 | (0.11) | 0.11 |
| TWD | (0.00) | 0.00 | (0.00) | 0.00 |
| THB | - | - | (0.01) | 0.01 |
| **Advance to vendors** | | | | - |
| EUR | 0.01 | (0.01) | - | - |
| USD | 0.14 | (0.14) | 0.20 | (0.20) |
| GBP | 0.00 | (0.00) | - | - |
| JPY | 0.01 | (0.01) | 0.01 | (0.01) |

| | | | | |
|---|---|---|---|---|
| **Advance from customers** | | | | |
| USD | (0.01) | 0.01 | (0.01) | 0.01 |
| EUR | (0.00) | 0.00 | (0.00) | 0.00 |
| **Bank balances** | | | | |
| TWD | 0.00 | (0.00) | - | - |
| USD | 0.01 | (0.01) | 0.08 | (0.08) |
| JPY | 0.00 | (0.00) | 0.02 | (0.02) |
| EUR | - | - | 0.02 | (0.02) |
| **Borrowings** | | | | |
| USD | (2.06) | 2.06 | (2.67) | 2.67 |
| EUR | - | - | (0.35) | 0.35 |

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. During March 31, 2021 and March 31, 2020, the Group's borrowings at variable rate were mainly denominated in INR, EURO and USD.

The Group's fixed rate borrowings are carried at amortised cost.

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

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Variable rate borrowings | 790.02 | 1,056.87 |
| Fixed rate borrowings | 258.50 | 139.95 |
| **Total** | **1,048.52** | **1,196.82** |

**Sensitivity analysis**

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

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Impact on profit before tax | |
|---|---|---|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Increase by 0.5% | (3.95) | (5.28) |
| Decrease by 0.5% | 3.95 | 5.28 |

**(iii) Commodity price risks**

Fluctuation in commodity price in market affects directly or indirectly the price of raw material and components used by the Group. The Group sells its products mainly to auto makers (Original Equipment Manufacturer) whereby there is a regular negotiation / adjustment of prices on the basis of changes in commodity prices.

**b) Liquidity Risk**

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

**(i) The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| As at March 31, 2021 | 0-1 Years | 1-5 Years | More than 5 Years | Total |
|---|---|---|---|---|
| Borrowings | 509.40 | 538.67 | 0.45 | 1,048.52 |
| Lease liabilities | 20.16 | 48.84 | 41.71 | 110.71 |
| Trade payable | 1,289.79 | - | - | 1,289.79 |
| Other financial liabilities | 561.75 | 89.57 | - | 651.32 |
| **As at March 31, 2020** | | | | |
| Borrowings | 416.50 | 653.64 | 126.68 | 1,196.82 |
| Lease liabilities | 18.76 | 45.17 | 52.89 | 116.82 |
| Trade payable | 1,118.50 | 0.50 | - | 1,118.99 |
| Other financial liabilities | 604.69 | 75.14 | - | 679.83 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

**(ii) Financing arrangements**

The Group had access to the following undrawn borrowing facilities at the end of the reporting period.

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Floating rate | As per Note 21 | As per Note 21 |
| - Expiring within one year (cash credit and other facilities) | 269.84 | 239.89 |

## c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Group and arises principally from the Group's receivables from customers and deposits with banking institutions. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

The Group has developed guidelines for the management of credit risk from trade receivables. The Group's primary customers are major automobile manufacturers (OEMs) with good credit ratings. All 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 Group has deposited liquid funds at various banking institutions. No impairment loss is considered necessary in respect of fixed deposits that are with recognised commercial banks and are not past due over past years.

## 51. (I) THE FOLLOWING TABLE SUMMARISES THE INFORMATION RELATING TO EACH OF THE GROUP'S SUBSIDIARIES THAT HAS MATERIAL NCI, BEFORE ANY INTRA-GROUP ELIMINATIONS

(All amounts in Indian ₹ Crore, unless otherwise stated)

| As at March 31, 2021 | Minda Kyoraku Limited | Minda Kosei Aluminum Wheel Private Limited | Mindarika Private Limited |
|---|---|---|---|
| **NCI percentage** | **32.40%** | **30.01%** | **49.00%** |
| Non-current assets | 103.13 | 497.65 | 199.98 |
| Current assets | 82.04 | 196.13 | 226.15 |
| Non-current liabilities | 20.77 | 145.75 | 38.85 |
| Current liabilities | 45.64 | 121.67 | 141.90 |
| Net assets | 118.76 | 426.36 | 245.38 |
| **Net assets attributable to NCI** | **38.48** | **127.95** | **120.24** |
| Revenue | 165.38 | 518.71 | 660.43 |
| Profit/(Loss) | 17.94 | 59.91 | 34.41 |
| OCI | 0.08 | 0.28 | 0.37 |
| Total comprehensive income | 18.02 | 60.19 | 34.78 |
| **Profit/(Loss) allocated to NCI** | **5.81** | **17.98** | **16.86** |
| **OCI allocated to NCI** | **0.03** | **0.08** | **0.18** |
| **Total comprehensive income allocated to NCI** | **5.84** | **18.06** | **17.04** |
| Cash flows from (used in) operating activities | 26.31 | 37.03 | 29.16 |
| Cash flows from (used in) investing activities | (10.15) | (16.53) | (10.42) |
| Cash flows from (used in) financing activities | (12.66) | (26.14) | (20.91) |
| **Net increase (decrease) in cash and cash equivalents** | **3.50** | **(5.64)** | (2.17) |

| As at March 31, 2020 | Minda Kyoraku Limited | Minda Kosei Aluminum Wheel Private Limited | Mindarika Private Limited |
|---|---|---|---|
| NCI percentage | 32.40% | 30.01% | **49.00%** |
| Non-current assets | 108.97 | 507.52 | **219.88** |
| Current assets | 62.28 | 159.62 | **171.82** |
| Non-current liabilities | 28.49 | 164.46 | **54.11** |
| Current liabilities | 40.79 | 136.50 | 120.47 |

(All amounts in Indian ₹ Crore, unless otherwise stated)

| | | | |
|---|---|---|---|
| Net assets | 101.97 | 366.18 | 217.12 |
| **Net assets attributable to NCI** | **33.04** | **109.89** | **106.39** |
| Revenue | 158.83 | 533.91 | 711.35 |
| Profit/(Loss) | 6.22 | 65.54 | 26.16 |
| OCI | (0.29) | (0.42) | (0.42) |
| Total comprehensive income | 5.93 | 65.12 | 25.74 |
| **Profit/(Loss) allocated to NCI** | **2.02** | **19.67** | **12.82** |
| **OCI allocated to NCI** | **(0.09)** | **(0.13)** | **(0.21)** |
| **Total comprehensive income allocated to NCI** | **1.92** | **19.54** | **12.61** |
| Cash flows from (used in) operating activities | 42.44 | 219.41 | 102.59 |
| Cash flows from (used in) investing activities | (3.95) | (81.38) | (25.58) |
| Cash flows from (used in) financing activities | (9.36) | (130.75) | (57.86) |
| **Net increase (decrease) in cash and cash equivalents** | **29.13** | **7.28** | **19.15** |

(ii) Details of subsidiaries which have been consolidated are as follows:

| **Name of Company** | **Country of Incorp oration** | **Ownership interest held by Group** | | **Non Controlling Interest** | **Non Controlling Interest** | **Reporting date used for consolidation** |
|---|---|---|---|---|---|---|
| | | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 | |
| **Subsidiaries** | | | | | | |
| Minda Kyoraku Limited | India | 67.60% | 67.60% | 32.40% | 32.40% | March 31, 2021 |
| Minda Kosei Aluminum Wheel Private Limited | India | 69.99% | 69.99% | 30.01% | 30.01% | March 31, 2021 |
| Minda TG Rubber Private Limited | India | - | 51.00% | - | 49.00% | March 31, 2020 |
| Minda Storage Batteries Private Limited | India | 100.00% | 100.00% | - | - | March 31, 2021 |
| YA Auto Industries (partnership firm) | India | 51.00% | 51.00% | 49.00% | 49.00% | March 31, 2021 |
| Minda Katolec Electronic Services Private Limited | India | 51.00% | 51.00% | 49.00% | 49.00% | March 31, 2021 |
| Mindarika Private Limited | India | 51.00% | 51.00% | 49.00% | 49.00% | March 31, 2021 |
| iSYS RTS GmbH | Germany | 80.00% | 80.00% | 20.00% | 20.00% | March 31, 2021 |
| Harita Fehrer Limited | India | 100.00% | 100.00% | - | - | March 31, 2021 |
| MI Torica India Private Limited | India | 60.00% | 60.00% | 40.00% | 40.00% | March 31, 2021 |
| **Downstream subsidiary of MI Torica India Private Limited** | | | | | | |
| MITIL Polymer Private Limited | India | 57.00% | 57.00% | 43.00% | 43.00% | March 31, 2021 |
| Global Mazinkert S.L. | Spain | 100.00% | 100.00% | - | - | March 31, 2021 |
| **Downstream subsidiaries of Global Mazinkert, S.L.** | | | | | | |
| Clarton Horn, Spain | Spain | 100.00% | 100.00% | - | - | March 31, 2021 |
| Clarton Horn, Morocco | Morocco | 100.00% | 100.00% | - | - | March 31, 2021 |
| Clarton Horn, Signalkoustic | Germany | 100.00% | 100.00% | - | - | March 31, 2021 |
| Clarton Horn, Mexico | Mexico | 100.00% | 100.00% | - | - | March 31, 2021 |
| Light & Systems Technical Centre, S.L. Spain | Spain | 100.00% | 100.00% | - | - | March 31, 2021 |
| PT Minda Asean Automotive | Indonesia | 100.00% | 100.00% | - | - | March 31, 2021 |
| **Downstream subsidiary of PT Minda Asean Automotive** | | | | | | |
| PT Minda Trading | Indonesia | 100.00% | 100.00% | - | - | March 31, 2021 |
| Sam Global Pte Limited | Singapore | 100.00% | 100.00% | - | - | March 31, 2021 |
| **Downstream subsidiaries of Sam Global Pte Limited** | | | | | | |
| Minda Industries Vietnam Company Limited | Vietnam | 100.00% | 100.00% | - | - | March 31, 2021 |
| Minda Korea Co Limited | Korea | 100.00% | - | - | - | March 31, 2021 |
| Minda Delvis GmbH | Germany | 100.00% | 100.00% | - | - | March 31, 2021 |
| **Downstream subsidiaries of Minda Delvis GmbH** | | | | | | |
| Delvis Products GmbH | Germany | 100.00% | 100.00% | - | - | March 31, 2021 |
| Delvis Solutions GmbH | Germany | 100.00% | 100.00% | - | - | March 31, 2021 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

**(iii) Details of joint ventures and associates which have been accounted as per equity method are as follows:**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Name of Company | Country of Incorp oration | % of Ownership interest at March 31, 2021 | Quoted fair value as at # | | Carrying amount as at | |
|---|---|---|---|---|---|---|
| **Interest in joint ventures consolidating using equity method of accounting** | | | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Minda Westport Technologies Limited (formerly known as Minda Emer Technologies Limited) | India | 49.10% | - | - | 8.19 | 5.07 |
| Rinder Riduco, S.A.S. Columbia | Columbia (USA) | 50.00% | - | - | 10.40 | 8.88 |
| ROKI Minda Co. Pvt. Ltd. | India | 49.00% | - | - | 110.67 | 92.11 |
| Minda TTE DAPS Private Limited | India | 50.00% | - | - | - | 3.38 |
| Minda Onkyo India Private Limited | India | 50.00% | - | - | 3.56 | - |
| Minda TG Rubber Private Ltd. (Refer note 55) | India | 49.90% | - | - | 26.10 | - |
| Densoten Minda India Private Limited | India | 49.00% | - | - | 53.41 | 45.51 |
| Minda D-ten India Private Limited | India | 51.00% | - | - | 7.89 | 7.33 |
| Toyoda Gosei Minda India Pvt. Ltd. | India | 47.80% | - | - | 231.08 | 193.05 |
| Kosei Minda Mould Private Limited | India | 49.90% | - | - | 4.34 | 4.61 |
| Tokai Rika Minda India Private Limited | India | 30.00% | - | - | 63.34 | - |
| **Interest in associates consolidating using equity method of accounting** | | | | | | |
| Minda NexGenTech Limited | India | 26.00% | - | - | 2.47 | 0.99 |
| Yogendra Engineering (partnership firm) | India | 48.90% | - | - | 0.08 | 0.08 |
| Auto Components (partnership firm) | India | 48.90% | - | - | 2.64 | 2.91 |
| Kosei Minda Aluminum Company Pvt. Ltd. | India | 30.00% | - | - | 3.52 | 8.20 |

# As all entities are unlisted therefore there is no quoted price.

**(iv) Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III:**

For the year ended March 31, 2021

| Particulars | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount in ₹ Crore | As % of consolidated profit or loss | Amount in ₹ Crore | As % of consolidated other comprehensive income | Amount in ₹ Crore | As % consolidated of total comprehensive income | Amount in ₹ Crore |
| **Holding Company** | | | | | | | | |
| Minda Industries Limited | 73.02% | 1,647.84 | 57.58% | 118.98 | 18.58% | 2.66 | 55.06% | 121.64 |
| **Subsidiary Companies** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Kyoraku Limited | 5.26% | 118.76 | 8.68% | 17.94 | 0.53% | 0.08 | 8.16% | 18.02 |
| Minda Kosei Aluminum Wheel Private Limited | 18.89% | 426.36 | 29.00% | 59.91 | 1.95% | 0.28 | 27.24% | 60.19 |
| Minda TG Rubber Private Ltd. | 0.00% | - | -1.06% | (2.18) | 0.00% | - | -0.99% | (2.18) |
| Minda Storage Batteries Private Limited | 4.99% | 112.58 | -0.95% | (1.97) | -0.56% | (0.08) | -0.93% | (2.05) |
| YA Auto Industries (partnership firm) | 0.16% | 3.70 | 4.26% | 8.80 | 0.00% | - | 3.98% | 8.80 |
| Minda Katolec Electronic Services Private Limited | 0.35% | 7.93 | -3.67% | (7.58) | 0.35% | 0.05 | -3.41% | (7.53) |
| Mindarika Private Limited | 10.87% | 245.38 | 16.65% | 34.41 | 2.56% | 0.37 | 15.74% | 34.77 |
| MI Torica India Private Limited | 1.07% | 24.23 | 1.20% | 2.48 | 0.07% | 0.01 | 1.13% | 2.49 |
| Harita Fehrer Limited | 8.63% | 194.79 | 9.08% | 18.76 | -5.94% | (0.85) | 8.11% | 17.91 |
| **Foreign** | | | | | | | | |
| Global Mazinkert S.L. | 1.83% | 41.32 | -8.02% | (16.57) | 7.82% | 1.12 | -6.99% | (15.45) |
| PT Minda Asean Automotive | 4.02% | 90.63 | 6.82% | 14.09 | 58.54% | 8.38 | 10.17% | 22.47 |
| Sam Global Pte Ltd. | 1.29% | 29.19 | 2.47% | 5.10 | 14.95% | 2.14 | 3.28% | 7.24 |
| iSYS RTS GmbH | 0.89% | 19.99 | 1.20% | 2.47 | 4.26% | 0.61 | 1.39% | 3.08 |
| **Minority interest in all subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Kyoraku Limited | -1.71% | (38.48) | -2.81% | (5.81) | -0.17% | (0.02) | -2.64% | (5.84) |
| Minda Kosei Aluminum Wheel Private Limited | -5.67% | (127.95) | -8.70% | (17.98) | -0.59% | (0.08) | -8.18% | (18.07) |
| Minda TG Rubber Private Ltd. | 0.00% | - | 0.52% | 1.07 | 0.00% | - | 0.48% | 1.07 |
| YA Auto (partnership firm) | -0.08% | (1.81) | -2.09% | (4.31) | 0.00% | - | -1.95% | (4.31) |
| Minda Katolec Electronic Services Private Limited | -0.17% | (3.89) | 1.80% | 3.71 | -0.17% | (0.02) | 1.67% | 3.68 |
| Mindarika Private Limited | -5.33% | (120.24) | -8.16% | (16.86) | -1.26% | (0.18) | -7.71% | (17.04) |
| MI Torica India Private Limited | -0.45% | (10.10) | -0.54% | (1.13) | -0.03% | (0.00) | -0.51% | (1.13) |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

| Particulars | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount in ₹ Crore | As % of consolidated profit or loss | Amount in ₹ Crore | As % of consolidated other comprehensive income | Amount in ₹ Crore | As % consolidated of total comprehensive income | Amount in ₹ Crore |
| **Foreign** | | | | | | | | |
| iSYS RTS GmbH | -0.18% | (4.00) | -0.24% | (0.49) | -0.85% | (0.12) | -0.28% | (0.62) |
| **Associate Companies (Investment as per Equity method)** | | | | | | | | |
| Indian | | | | | | | | |
| Minda NexGenTech Limited | - | - | 0.71% | 1.47 | - | - | 0.67% | 1.47 |
| Yogendra Engineering (partnership firm) | - | - | 0.00% | - | - | - | 0.00% | - |
| Auto Components (partnership firm) | - | - | 1.66% | 3.44 | - | - | 1.56% | 3.44 |
| Kosei Minda Aluminum Company Private Limited | - | - | -2.27% | (4.68) | - | - | -2.12% | (4.68) |
| **Joint venture companies (As per equity method)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Emer Technologies Limited | - | - | 1.54% | 3.18 | - | - | 1.44% | 3.18 |
| Rinder Riduco S.A.S. | - | - | 0.86% | 1.77 | - | - | 0.80% | 1.77 |
| ROKI Minda Co. Pvt. Ltd. | - | - | 8.98% | 18.56 | - | - | 8.40% | 18.56 |
| Minda TTE DAPS Private Limited | - | - | -2.37% | (4.89) | - | - | -2.21% | (4.89) |
| Minda Onkyo Private Limited | - | - | -3.85% | (7.96) | - | - | -3.60% | (7.96) |
| Denso Ten Minda India Private Limited | - | - | 4.87% | 10.05 | - | - | 4.55% | 10.05 |
| Minda D-Ten India Private Limited | - | - | 0.47% | 0.97 | - | - | 0.44% | 0.97 |
| Toyoda Gosei Minda India Pvt. Ltd | - | - | 2.21% | 4.58 | - | - | 2.07% | 4.58 |
| Kosei Minda Mould Private Limited | - | - | -0.15% | (0.31) | - | - | -0.14% | (0.31) |
| Tokai Rika Minda India Private Limited | | | -0.97% | (2.01) | | | -0.91% | (2.01) |
| **Total eliminations** | -17.71% | (399.68) | -14.70% | (30.37) | - | - | -13.75% | (30.37) |
| **TOTAL** | **100.00%** | **2,256.57** | **100.00%** | **206.63** | **100.00%** | **14.31** | **100.00%** | **220.94** |

**(iv) Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III:**

For the year ended March 31, 2020

| Particulars | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount in ₹ Crore | As % of consolidated profit or loss | Amount in ₹ Crore | As % of consolidated other comprehensive income | Amount in ₹ Crore | As % consolidated of total comprehensive income | Amount in ₹ Crore |
| **Holding Company** | | | | | | | | |
| Minda Industries Limited | 72.51% | 1,349.41 | 57.46% | 89.17 | 196.93% | (3.80) | 55.71% | 85.37 |
| **Subsidiary Companies** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Kyoraku Limited | 5.48% | 101.97 | 4.01% | 6.22 | 15.03% | (0.29) | 3.87% | 5.93 |
| Minda Kosei Aluminum Wheel Private Limited | 19.68% | 366.18 | 42.23% | 65.54 | 21.77% | (0.42) | 42.49% | 65.12 |
| Minda TG Rubber Private Ltd. | 2.23% | 41.53 | -1.77% | (2.75) | -0.52% | 0.01 | -1.79% | (2.74) |
| Minda Storage Batteries Private Limited | 6.16% | 114.55 | -9.22% | (14.31) | 12.96% | (0.25) | -9.50% | (14.56) |
| YA Auto Industries (partnership firm) | 0.30% | 5.53 | 5.17% | 8.03 | 0.00% | - | 5.24% | 8.03 |
| Minda Katolec Electronic Services Private Limited | -0.24% | (4.54) | -7.82% | (12.13) | -2.59% | 0.05 | -7.88% | (12.08) |
| Mindarika Private Limited | 11.67% | 217.12 | 16.86% | 26.16 | 21.77% | (0.42) | 16.80% | 25.74 |
| MI Torica India Private Limited | 1.20% | 22.37 | 1.91% | 2.97 | 3.63% | (0.07) | 1.89% | 2.90 |
| Harita Fehrer Limited | 9.50% | 176.82 | 14.42% | 22.37 | 10.88% | (0.21) | 14.46% | 22.16 |
| **Foreign** | | | | | | | | - |
| Global Mazinkert S.L. | 2.92% | 54.29 | -11.44% | (17.75) | -435.32% | 8.40 | -6.10% | (9.35) |
| PT Minda Asean Automotive | 4.76% | 88.65 | 20.14% | 31.26 | 299.54% | (5.78) | 16.63% | 25.48 |
| Sam Global Pte Ltd. | 1.33% | 24.83 | 3.94% | 6.11 | 24.88% | (0.48) | 3.67% | 5.63 |
| iSYS RTS GmbH | 0.91% | 16.91 | 0.88% | 1.37 | -58.04% | 1.12 | 1.62% | 2.49 |
| **Minority interest in all subsidiaries** | | - | | - | | | | |
| **Indian** | | - | | - | | | | |
| Minda Kyoraku Limited | -1.78% | (33.04) | -1.30% | (2.02) | -4.87% | 0.09 | -1.25% | (1.92) |
| Minda Kosei Aluminum Wheel Private Limited | -5.90% | (109.89) | -12.67% | (19.67) | -6.53% | 0.13 | -12.75% | (19.54) |
| Minda TG Rubber Private Ltd. | -1.09% | (20.35) | 0.87% | 1.35 | 0.25% | (0.00) | 0.88% | 1.34 |
| YA Auto (partnership firm) | -0.15% | (2.71) | -2.54% | (3.93) | 0.00% | - | -2.57% | (3.93) |
| Minda Katolec Electronic Services Private Limited | 0.12% | 2.22 | 3.83% | 5.94 | 1.27% | (0.02) | 3.86% | 5.92 |
| Mindarika Private Limited | -5.72% | (106.39) | -8.26% | (12.82) | -10.67% | 0.21 | -8.23% | (12.61) |
| MI Torica India Private Limited | -0.50% | (9.31) | -0.84% | (1.30) | -1.45% | 0.03 | -0.83% | (1.27) |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

| Particulars | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount in ₹ Crore | As % of consolidated profit or loss | Amount in ₹ Crore | As % of consolidated other comprehensive income | Amount in ₹ Crore | As % consolidated of total comprehensive income | Amount in ₹ Crore |
| **Foreign** | | | | | | | | |
| iSYS RTS GmbH | -0.18% | (3.38) | -0.18% | (0.27) | 11.61% | (0.22) | -0.32% | (0.50) |
| **Associate companies (Investment as per equity method)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda NexGenTech Limited | - | - | 0.11% | 0.17 | 0.00% | - | 0.11% | 0.17 |
| Yogendra Engineering (partnership firm) | - | - | 0.00% | - | 0.00% | - | 0.00% | - |
| Auto Components (partnership firm) | - | - | 1.73% | 2.68 | 0.00% | - | 1.75% | 2.68 |
| Kosei Minda Aluminum Company Private Limited | - | - | -5.00% | (7.76) | 0.00% | - | -5.06% | (7.76) |
| **Joint venture companies (As per equity method)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Emer Technologies Limited | - | - | 1.12% | 1.74 | 0.00% | - | 1.14% | 1.74 |
| Rinder Riduco S.A.S. | - | - | 1.10% | 1.70 | 0.00% | - | 1.11% | 1.70 |
| ROKI Minda Co. Pvt. Ltd. | - | - | 11.97% | 18.57 | 0.00% | - | 12.12% | 18.57 |
| Minda TTE DAPS Private Limited | - | - | -0.01% | (0.02) | 0.00% | - | -0.01% | (0.02) |
| Minda Onkyo Private Limited | - | - | -6.60% | (10.24) | 0.00% | - | -6.68% | (10.24) |
| "Denso Ten Minda India Private Limited (Formerly Fujitsu Ten Minda India Private Limited)" | - | - | 4.33% | 6.72 | 0.00% | - | 4.38% | 6.72 |
| Minda D-Ten India Private Limited | - | - | 0.79% | 1.23 | 0.00% | - | 0.80% | 1.23 |
| Toyoda Gosei Minda India Pvt. Ltd | - | - | -0.11% | (0.17) | 0.00% | - | -0.11% | (0.17) |
| Kosei Minda Mould Private Limited | - | - | -1.06% | (1.65) | 0.00% | - | -1.08% | (1.65) |
| **Total eliminations** | -23.20% | (431.69) | (0.24) | (37.33) | 0.00% | - | -24.36% | (37.33) |
| **TOTAL** | **100.00%** | **1,861.08** | **100.00%** | **155.18** | **100.00%** | **(1.93)** | **100.00%** | **153.25** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(v) Summarised Balance Sheet and Statement of profit and loss of Material joint ventures and associates

(All amounts in Indian ₹ Crore, unless otherwise stated)

| **March 31, 2021** | **Joint Venture** | | | | | **Associates** |
|---|---|---|---|---|---|---|
| **Particulars** | **ROKI Minda Co. Pvt. Ltd.** | **Densoten Minda India Private Limited** | **Toyoda Gosei Minda India Pvt. Ltd.** | **Minda Onkyo India Private Limited** | **Tokai Rika Minda India Private Limited** | **Kosei Minda Aluminum Company Pvt. Ltd.** |
| Total non-current assets | 183.27 | 90.46 | 446.42 | 15.64 | 146.30 | 132.60 |
| Total current assets | 153.60 | 154.92 | 261.58 | 51.32 | 329.87 | 45.99 |
| Total non-current liabilities | 6.35 | 52.59 | 63.14 | 4.76 | 1.70 | 30.75 |
| Total current liabilities | 104.66 | 83.79 | 169.92 | 55.08 | 271.10 | 136.10 |
| **Net assets** | 225.86 | 109.00 | 474.94 | 7.12 | 203.37 | 11.74 |
| **Proportion of Group's ownership** | **49.00%** | **49.00%** | **47.80%** | **50.00%** | **30.00%** | **30.00%** |
| **Carrying amount of investment** | 110.67 | 53.41 | 227.02 | 3.56 | 61.01 | 3.52 |
| Revenue | 412.08 | 273.27 | 530.40 | 47.11 | 529.70 | 78.57 |
| Interest income | 0.88 | 1.01 | - | 0.01 | 2.90 | 0.01 |
| Finance costs | 3.21 | 0.78 | 5.61 | 1.24 | 14.60 | 6.06 |
| Depreciation and amortisation | 35.17 | 11.08 | 51.25 | 2.95 | 30.40 | 12.22 |
| Income tax expense | 13.74 | 10.92 | 2.36 | 1.71 | (6.60) | - |
| Total comprehensive income | 37.88 | 20.52 | 10.33 | (15.91) | (6.70) | (15.61) |
| **Groups share of total comprehensive income** | **18.56** | **10.05** | **4.94** | **(7.96)** | **(2.01)** | **(4.68)** |

| **March 31, 2020** | **Joint Venture** | | | | **Associates** |
|---|---|---|---|---|---|
| **Particulars** | **ROKI Minda Co. Pvt. Ltd.** | **Densoten Minda India Private Limited** | **Toyoda Gosei Minda India Pvt. Ltd.** | **Minda Onkyo India Private Limited** | **Kosei Minda Aluminum Company Pvt. Ltd.** |
| Total non-current assets | 204.39 | 93.08 | 395.21 | 20.18 | 142.90 |
| Total current assets | 114.43 | 123.61 | 112.44 | 48.12 | 35.34 |
| Total non-current liabilities | 19.14 | 50.68 | 34.06 | 20.73 | 38.09 |
| Total current liabilities | 111.70 | 73.13 | 69.71 | 51.54 | 112.81 |
| **Net assets** | 187.98 | 92.88 | 403.88 | (3.97) | 27.34 |
| **Proportion of Group's ownership** | **49.00%** | **49.00%** | **47.80%** | **50.00%** | **30.00%** |
| **Carrying amount of investment** | 92.11 | 45.51 | 193.05 | - | 8.20 |
| Revenue | 419.61 | 321.65 | 415.20 | 59.85 | 115.41 |
| Interest income | 0.61 | 0.41 | 1.34 | 0.01 | 0.94 |
| Finance costs | 5.18 | 5.17 | 5.21 | 1.83 | 8.52 |
| Depreciation and amortisation | 30.03 | 10.35 | 42.77 | 2.62 | 13.15 |
| Income tax expense | 10.95 | 4.68 | 0.26 | 0.31 | - |
| Total comprehensive income | 38.12 | 14.66 | (0.08) | (20.46) | (25.87) |
| **Groups share of total comprehensive income** | **18.68** | **7.19** | **(0.04)** | **(10.23)** | **(7.76)** |

(vi) Commitment and contingent Liabilities in respect of associates and Joint ventures

(All amounts in Indian ₹ Crore, unless otherwise stated)

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Share of Joint Venture's contingent liabilities in respect of following** | | |
| Income tax matter | 2.24 | 0.28 |
| Liabilities of customs duty towards export obligation undertaken by the Group under EPCG schemes | 1.61 | 0.46 |
| Claim against the company not acknowledged as debt | 0.91 | - |
| Bank guarantee given to custom authorities and others | 0.39 | 0.00 |
| Indirect Tax | 5.85 | 6.61 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Commitments-joint ventures** | | |
| Estimated amount of contracts remaining to be executed on capital and other account (Net of advances) | 65.20 | 89.62 |
| **Share of associate's contingent liabilities in respect of following** | | |
| Bank guarantee given to custom authorities and others | 0.71 | - |
| Indirect Tax | 0.44 | 0.42 |
| Liabilities of customs duty towards export obligation undertaken by the Group under EPCG schemes | 2.09 | 2.09 |
| **Commitments-associate** | | |
| Estimated amount of contracts remaining to be executed on capital and other account (Net of advances) | - | - |

As per the EPCG terms and conditions, Associates/ Joint Venture needs to export ₹ 60.80 crores (₹ 47.40 crores as on March 31, 2020) i.e. 6 times of duty saved on import of Capital goods on FOB basis within a period of 6-8 years. If the Associates/ Joint Venture does not export goods in prescribed time, then the Associates/ Joint Venture may have to pay interest and penalty thereon.

## 52. RELATED PARTY DISCLOSURES

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

| Nature of related party transaction | Name of related party |
|---|---|
| **Associates** | Minda NexGenTech Limited |
| | Kosei Minda Aluminum Company Private Limited |
| **Partnership firms** | Auto Component (Firm) |
| | Yogendra Engineering (Firm) |
| **Joint ventures (jointly controlled entities)** | Minda Westport Technologies Limited (formerly known as Minda Emer Technologies Limited) |
| | Roki Minda Co. Private Limited |
| | Rinder Riduco, S.A.S. Columbia (Stepdown Joint Venture of Global Mazinkert) |
| | Minda TTE Daps Private Limited (Formerly as Minda Daps Private Limited) |
| | Minda Onkyo India Private Limited |
| | Minda D-Ten India Private Limited |
| | Denso Ten Minda India Private Limited |
| | Toyoda Gosei Minda India Private Limited |
| | Kosei Minda Mould Private Limited |
| | Minda TG Rubber Private Limited (w.e.f. 15 March 2021) |
| | Tokai Rika Minda India Private Limited (w.e.f. 24 March 2021) |
| **Key management personnel (KMP)** | Mr. Nirmal K. Minda |
| | {Chairman and Managing Director('CMD')} |
| | Mr. Anand K. Minda (Director) |
| | Mr. Alok Dutta (Independent Director) |
| | Mr. Satish Sekhri (Independent Director) |

| | |
|---|---|
| | Mr. Chandan Chowdhury (Independent Director) (w.e.f 07 August 2019) |
| | Mr. Krishan Kumar Jalan (Independent Director) (w.e.f 16 May 2019) |
| | Ms. Praveen Tripathi (Independent Director) |
| | Ms. Paridhi Minda (Executive Director ) |
| | Mr. Sunil Bohra (CFO) |
| | Mr. Tarun Kumar Srivastava ( Company Secretary) |
| **Relatives of key management personnel** | Mrs. Suman Minda (wife of CMD) |
| | Ms. Paridhi Minda (daughter of CMD) |
| | Ms. Pallak Minda (daughter of CMD) |
| | Mr. Vivek Jindal (son-in-law of CMD) |
| | Mr. Amit Minda (Son of KMP) |
| **Other entities over which key management personnel and their relatives are able to exercise significant influence** | |
| Minda Investments Limited | |
| Minda International Limited | |
| Minda Infrastructure LLP | |
| Minda Industries Firm | |
| Minda Finance Limited | |
| Singhal Fincap Ltd | |
| Pioneer Finest Ltd | |
| Samaira Engineering (Firm) | |
| S.M.Auto Industries (Firm) | |
| Shankar Moulding Ltd. | |
| Minda Nabtesco Automotive Private Limited | |
| Minda I Connect Private Limited | |
| Minda Projects Limited | |
| SN Castings Limited | |
| Jindal Mectec Private Limited | |
| Minda Industries Ltd Gratuity Scheme Trust | |
| Minda Industries Ltd Managerial Superannuation Scheme Trust | |
| Minda Spectrum Advisory Limited | |
| Minda Mindpro Limited | |
| Moga Devi Charitable Trust | |
| Suman Nirmal Minda Charitable Trust | |
| Shree Aumji Habitation Pvt. Ltd | |
| Shree Aumji Real Estate SEZ Pvt. Ltd | |
| Shree Aumji Construction Pvt. Ltd | |
| Spectrum Techno Construction Pvt. Ltd | |
| Shree Aumji Buildwell Pvt. Ltd | |
| Shree Aumji Promoters & Builders Pvt. Ltd | |
| Shree Aumji Buildtech Pvt. Ltd | |
| Midway Infrastructure Pvt. Ltd | |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

### (ii) Transactions / balances with related parties

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Associates (including partnership firms where Group has significant influence) | | Joint venture companies | | Entities over which key management personnel and their relatives are able to exercise significant influence | | Key management personnel and relatives | |
|---|---|---|---|---|---|---|---|---|
| **Transactions during the year** | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Sale of products | 0.92 | 0.70 | 59.28 | 61.95 | 22.25 | 19.31 | - | - |
| Purchase of products | 83.17 | 68.12 | 15.89 | 6.78 | 206.80 | 200.60 | - | - |
| Sale of Property, plant & equipment | - | - | - | 0.02 | 0.07 | 0.01 | - | - |
| Purchase of Property, plant & equipment | - | - | 6.04 | - | 20.76 | 135.12 | - | - |
| Services Rendered | 0.12 | 0.27 | 15.78 | 10.32 | 0.69 | 1.85 | - | - |
| Services received | 0.69 | 0.08 | 0.20 | 0.71 | 25.44 | 26.29 | 2.15 | 2.00 |
| Remuneration* | - | - | - | - | - | - | 11.49 | 8.06 |
| Dividend received | - | - | 2.56 | 2.72 | - | - | - | - |
| Interest paid | - | - | 0.15 | - | 0.10 | 0.96 | - | - |
| Unsecured Loan Given/ Repayment | - | - | 0.30 | - | 5.00 | 36.00 | - | - |
| Unsecured Loan Received | - | - | 0.60 | - | - | 3.00 | - | - |
| Share of profits | 4.01 | 3.30 | - | - | - | - | - | - |
| Royalty received | 1.06 | 0.25 | - | - | 0.84 | - | - | - |
| Dividend paid on equity share capital | - | - | - | - | 2.53 | 7.88 | 3.72 | 11.58 |
| Donation | - | - | - | - | 3.66 | 4.24 | - | - |
| Investment in shares / partnership firm | (3.70) | (3.19) | 89.89 | 7.50 | 22.59 | - | - | - |

*The above figures do not include provisions for encashment leave, provision for gratuity as separate actuarial valuation are not available.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(iii) Balances with related parties

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Summary of balances with related parties | Associates | | Joint venture companies | | Entities over which key management personnel and their relatives are able to exercise significant influence | | Key management personnel and relatives | |
|---|---|---|---|---|---|---|---|---|
| **Balance as at year end** | **March 31, 2021** | **March 31, 2020** | **March 31, 2021** | **March 31, 2020** | **March 31, 2021** | **March 31, 2020** | **March 31, 2021** | **March 31, 2020** |
| Balance outstanding-Receivable | - | 0.17 | 13.33 | 12.58 | 17.06 | 14.91 | - | - |
| Balance outstanding-Payable | 11.96 | 8.94 | 2.76 | 1.74 | 30.39 | 46.59 | 4.50 | 0.23 |
| Loan Outstanding | - | - | | - | - | 5.10 | - | - |

(iv) Material transactions with related parties during the year ended March 31, 2021

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Related party | Nature of transaction | Amount |
|---|---|---|
| **Transactions during the year** | | |
| Samaira Engineering | Purchase of goods | 123.80 |
| Auto Components | Purchase of goods | 83.17 |
| SN Castings Limited | Purchase of goods | 31.09 |
| Shankar Moulding Limited | Purchase of goods | 34.67 |
| Minda I Connect Private Limited | Sale of goods | 17.55 |
| Toyoda Gosei Minda India Private Limited | Sale of goods | 48.36 |
| Minda Infrastructure LLP | Purchase of FA | 20.33 |
| Kosei Minda Mould Private Limited | Purchase of FA | 6.04 |
| Roki Minda Co. Private Limited | Services rendered | 4.96 |
| Toyoda Gosei Minda India Private Limited | Services rendered | 6.21 |
| Minda Investments Limited | Services received | 18.64 |
| Minda Projects Limited | Services received | 4.56 |
| Singhal Fincap Limited | Interest Paid | 0.10 |
| Paridhi Minda | Remuneration | 0.53 |
| Mr Nirmal K Minda | Dividend paid | 2.19 |
| Mrs Suman Minda | Dividend paid | 1.30 |
| Minda Investments Limited | Dividend paid | 2.14 |
| Singhal Fincap Limited | Unsecured loan repaid | 5.00 |
| Minda Onkyo Private Limited | Investment in shares | 13.54 |
| Toyoda Gosei Minda India Private Limited | Investment in shares | 33.46 |
| Tokai Rika Minda India Private Limited | Investment in shares | 42.89 |
| Suman Nirmal Minda Charitable Trust | Donation | 3.66 |
| Minda Finance Limited | Acquisition of shares in Joint Venture | 22.59 |

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Related party | Nature of transaction | Amount |
|---|---|---|
| **Balance as at year end** | | |
| Samaira Engineering | Payable | 17.28 |
| Auto Components | Payable | 11.96 |
| Shankar Moulding Limited | Payable | 6.02 |
| Minda TTE Daps Private Limited | Receivables | 3.91 |
| Toyoda Gosei Minda India Private Limited | Receivables | 5.10 |
| Minda I Connect Private Limited | Receivables | 16.04 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

**Material transactions with related parties during the year ended March 31, 2020**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Related party | Nature of transaction | Amount |
|---|---|---|
| **Transactions during the year** | | |
| Samaira Engineering | Purchase of goods | 128.34 |
| Auto Components | Purchase of goods | 68.11 |
| SN Castings Limited | Purchase of goods | 30.96 |
| Shankar Moulding Limited | Purchase of goods | 22.79 |
| Minda I Connect Private Limited | Sale of goods | 15.09 |
| Toyoda Gosei Minda India Private Limited | Sale of goods | 51.19 |
| Minda Projects Limited | Purchase of FA | 53.21 |
| Minda Infrastructure LLP | Purchase of FA | 81.76 |
| Roki Minda Co. Private Limited | Services rendered | 1.81 |
| Minda D-Ten India Private Limited | Services rendered | 0.93 |
| Kosei Minda Aluminum Company Private Limited | Services rendered | 0.01 |
| Minda Emer Technologies Limited | Services rendered | 0.67 |
| Toyoda Gosei Minda India Private Limited | Services rendered | 3.76 |
| Minda Investments Limited | Services received | 21.46 |
| Minda Projects Limited | Services received | 3.47 |
| Singhal Fincap Limited | Interest Paid | 0.96 |
| Pallak Minda | Remuneration | 0.60 |
| Paridhi Minda | Remuneration | 0.60 |
| Mr Nirmal K Minda | Dividend paid | 6.86 |
| Mrs Suman Minda | Dividend paid | 4.05 |
| Minda Investments Limited | Dividend paid | 6.70 |
| Singhal Fincap Limited | Unsecured loan repaid | 36.00 |
| Singhal Fincap Limited | Unsecured loan received | 3.00 |
| Suman Nirmal Minda Charitable Trust | Donation | 4.24 |

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Related party | Nature of transaction | Amount |
|---|---|---|
| Balance as at year end | | |
| Samaira Engineering | Payable | 19.29 |
| Minda Projects Limited | Payable | 5.32 |
| Auto Components | Payable | 8.94 |
| Shankar Moulding Limited | Payable | 6.12 |
| Minda Infrastructure LLP | Payable | 9.16 |
| Roki Minda Co. Private Limited | Receivables | 0.46 |
| Rinder Riduco, S.A.S. Columbia | Receivables | 2.30 |
| Toyoda Gosei Minda India Private Limited | Receivables | 4.47 |
| Minda I Connect Private Limited | Receivables | 12.64 |
| Singhal Fincap Limited | Loan payable | 5.10 |

Note: Remuneration to key managerial personnel given in note (v) below

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

**(v) Key managerial personnel compensation**

### Remuneration to Chairman & Managing Director (i.e. Mr. Nirmal K Minda)*

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Short Term Benefit | 2.29 | 2.30 |
| Commission | 4.50 | 0.40 |
| Others - Allowances | 0.30 | 0.24 |
| **Total** | **7.09** | **2.94** |

### Remuneration to Independent Directors

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Sitting Fees | | |
| Mr. Alok Dutta | - | 0.01 |
| Mr. Satish Sekhri | 0.09 | 0.09 |
| Ms. Praveen Tripathi | 0.08 | 0.08 |
| Mr. Krishan Kumar Jalan | 0.09 | 0.08 |
| Mr. Chandan Chowdhury | 0.04 | 0.02 |
| **Total** | **0.30** | **0.28** |

### Remuneration to Key Managerial Personnel other than Managing Director and Independent Directors

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Short Term Benefit | | |
| Mr. Sunil Bohra (Chief Financial Officer) | 3.46 | 3.78 |
| Mr. Tarun Kumar Srivastava (Company Secretary) | 0.23 | 0.24 |
| Ms. Paridhi Minda | 0.50 | 0.57 |
| Others - Allowances | | |
| Mr. Sunil Bohra (Chief Financial Officer) | 0.17 | 0.20 |
| Mr. Tarun Kumar Srivastava (Company Secretary) | 0.01 | 0.02 |
| Ms. Paridhi Minda | 0.03 | 0.04 |
| **Total** | **4.40** | **4.85** |

*The above remuneration excludes provision for gratuity and leave benefits as separate actuarial valuation is not available.

## 53. CAPITAL MANAGEMENT

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

Consistent with others in the industry, the Group monitors Net Debt to EBITDA ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax and exceptional items plus depreciation and amortisation expense excluding share of profit/ loss of associates/ joint venture plus finance costs minus other income). The Group's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Net Debt | 842.91 | 933.15 |
| EBITDA | 724.99 | 671.79 |
| **Net Debt to EBITDA** | 1.16 | 1.39 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

## 54. FAIR VALUE MEASUREMENTS

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Category | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| **1) Financial assets at amortised cost** | | | | |
| Investments in associates and joint ventures | 530.17 | 530.17 | 398.32 | 398.32 |
| Loans (current / non current) | 30.20 | 30.20 | 22.43 | 22.43 |
| Trade receivables | 1,198.82 | 1,198.82 | 863.24 | 863.24 |
| Cash and cash equivalents | 205.61 | 205.61 | 263.67 | 263.67 |
| Other bank balances | 32.57 | 32.57 | 77.24 | 77.24 |
| Other financial assets (current / non current) | 30.98 | 30.98 | 50.16 | 50.16 |
| **Total** | **2,028.35** | **2,028.35** | **1,675.06** | **1,675.06** |
| **2) Financial liabilities at amortised cost** | | | | |
| Borrowings (current / non current) (including current maturity) | 1,048.52 | 1,048.52 | 1,196.82 | 1,196.82 |
| Lease liabilities (current / non current) | 110.71 | 110.71 | 116.82 | 116.82 |
| Trade payables | 1,289.79 | 1,289.79 | 1,118.99 | 1,118.99 |
| Other financial liabilities (current / non current) | 651.32 | 651.32 | 679.83 | 679.83 |
| **Total** | **3,100.35** | **3,100.35** | **3,112.47** | **3,112.47** |

* Management has assessed that investments, loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, lease liabilities trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

### Discount rate used in determining fair value

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

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

Investments amount to ₹ 1.56 crores (₹ 24.95 crores on March 31, 2020) is valued at fair value (level 1).

## 55. BUSINESS COMBINATION (IND AS 103)

**Year ended March 31, 2021**

**(i) Scheme of Amalgamation**

**a)** The Scheme of Amalgamation ('Scheme') filed during the year ended March 31, 2019 under the provisions of Section 230 to 232 of the Companies Act, 2013, for amalgamation of Harita Limited ("Transferor Company 1") and Harita Venu Private Limited ("Transferor Company 2") and Harita Cheema Private Limited ("Transferor Company 3") and Harita Financial Services Limited ("Transferor Company 4") and Harita Seating Systems Limited ("Transferor Company 5") and Minda Industries Limited ("Transferee Company") was approved by the Hon'ble National Company Law Tribunal vide its orders dated 01 February 2021 and 23 February 2021 with appointed date of April 1, 2019. Consequently, the Parent Company has given effect to the scheme as per Ind AS 103- Business Combinations in the consolidated financial statements w.e.f. appointed date i.e. April 1, 2019 in accordance with General Circular No. 09/2019 by Ministry of Corporate Affairs dated August 21, 2019. The Company received the certified copy of the said order and filed the same with the respective Registrar of Companies on April 1, 2021. Accordingly figures of previous year have been restated to give effect to the Scheme.

The management believes that this merger will offer product, customer, sales channel and technology synergies and create value for all stakeholders of the Company.

**b) Detail of consideration**

The scheme provides for issue of equity shares or non-convertible redeemable preference shares by the Transferee Company in the manner set out in the Scheme on amalgamation of the Transferor Companies with the Transferee Company. On the Scheme of amalgamation becoming effective, the Company may issue

(i) 12,527,570 equity shares having face value of ₹ 2 each (after considering cancellation of shares on account of cross holding) if all the eligible shareholders of Transferor Companies opt for equity shares of Transferee Company

Or

(ii) 29,331,337 preference shares having face value of ₹ 100/- each (after considering cancellation of shares on account of cross holding) if all the eligible shareholders of Transferor Companies opt for preference shares of Transferee Company except for 1,653,152 equity shares having face value of ₹ 2 each to be issued to non resident shareholders. This is in view of the applicable law where eligible non resident member shall compulsorily be issued Transferee Company's equity shares, the amount of such consideration being ₹ 52 crore. Accordingly, it is accounted for under Other Equity. During the year, these shares were acquired from a non resident member and accordingly adequate accounting is carried out in Other Equity.

Since as on the date of these financial statements, the resident shareholders of the Transferor Companies have the option to opt for either equity shares or non convertible redeemable preference shares of the Transferee Company towards the consideration, an amount of ₹ 348.88 crore has been shown in the current financial liabilities as per applicable accounting standards.

Minority shareholder in Harita Fehrer Limited (subsidiary of Transferror Company 5) exercised its right to sell its stake at an agreed valuation of ₹ 115 crores as per the agreement. Accordingly an amount of ₹ 115 crores has been considered as current financial liability in these financial statements by a corresponding debit to Investment thereby making it as 100% subsidiary of the Company.

c) **Fair Value of the Consideration transferred**

As per Ind AS 103 – Business Combinations, purchase consideration has been allocated on the basis of fair valuation determined by an independent valuer which is as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Amount |
|---|---|
| **ASSETS** | |
| **Non-current assets** | |
| Property, plant and equipment | 257.19 |
| Right-of-use assets | 29.35 |
| Capital work-in-progress | 18.99 |
| Intangible assets | 108.04 |
| **Financial assets** | |
| (i) Investments | 0.58 |
| (ii) Loans | 2.52 |
| (iii) Other financial assets | 0.13 |
| Income tax asset (net) | 3.77 |
| Other non-current assets | 3.23 |
| **Total non-current assets** | **423.80** |
| **Current assets** | |
| Inventories | 50.73 |
| **Financial assets** | |
| (i) Investment | 10.05 |
| (i) Trade receivables | 192.46 |
| (ii) Cash and cash equivalents | 28.11 |
| (iii) Bank balances other than those included in cash and cash equivalents | 0.34 |
| (iv) Loans | 0.84 |
| (v) Other financial assets | 5.59 |
| Other current assets | 25.28 |
| **Total current assets** | **313.40** |
| **Total Assets** | **737.20** |
| **Liabilities** | |
| **Non-current liabilities** | |
| Provisions | 5.83 |
| Deferred tax liabilities (net) | 41.86 |
| **Total non-current liabilities** | **47.69** |
| **Current liabilities** | |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

| | |
|---|---|
| Financial liabilities | |
| (i) Borrowings | 31.68 |
| (ii) Trade payables | 201.58 |
| (iii) Other financial liabilities | 10.43 |
| Other current liabilities | 10.00 |
| Provisions | 3.86 |
| **Total current liabilities** | **257.55** |
| **Total Equity and Liabilities** | **305.24** |
| Fair value of the net asset acquired # | **431.96** |
| Fair value of the consideration transferred | 515.88 |
| Goodwill* | **83.92** |

# Includes fair value of the net assets of Harita Fehrer Limited (subsidiary of Transferror Company 5)

*This goodwill is attributed to the expected synergies in product, customer, sales channel, technology and cost.

Above goodwill is evaluated for impairment annually. The recoverable amount of these cash generating units have been determined based on value in use model. Value in use has been determined based on future sales estimates, margins, growth rate, discount rate, etc. As at March 31, 2021, the estimated cash flows for a period of 5 years were developed using internal forecasts. Weighted average cost of capital and long term revenue growth is considered as 17% and 4% respectively. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

**d)** Costs amounting to ₹ 20.39 crores related to acquisition (including stamp duty on assets transferred) is charged to Statement of Profit and Loss on the appointed date.

**e)** Harita Venu Private Limited and Harita Cheema Private Limited (Transferor Companies) were registered under section 45-IA of the Reserve Bank of India Act, 1934 and which have been surrendered post approval of the scheme by the NCLT.

**f)** The approved scheme has allowed the Parent Company to take benefit of the authorised share capital of the Transferor Companies.

**(ii) Acquistion of stake in Tokai Rika Minda India Private Limited**

The Parent Company has acquired 30% stake in Tokai Rika Minda India Private Limited during the year for a cash consideration of ₹ 65.48 crore. Consequently, Tokai Rika Minda has been considered as an Joint Venture while preparing the consolidated financial statements. Fair value of assets and liability acquired in respect of the said acquisition are as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| **Particulars** | **Amount** |
|---|---|
| Non Current asset | 157.97 |
| Current assets | 346.99 |
| Borrowing | 176.55 |
| Other non current liabilities | 1.97 |
| Current liabilities | 115.94 |
| **Total net identifiable assets acquired** | **210.50** |
| **% Holding by the Group** | **30.00%** |
| **Net worth allocated to the Group** | **63.15** |
| **Cost of Investment** | **65.48** |
| **Capital Reserve/(Goodwill)** | **(2.33)** |

**(iii)** During the year, Minda TG Rubber India Private Limited ("MTG") has issued fresh equity shares to Toyoda Gosei Co. Limited (other Joint venture partner) resulting in increase of their shareholding from 49.90% to 51.00% and reduction of shareholding and control of the Parent Company from 51.00% to 49.90% resulting into loss of control. Accordingly gain of ₹ 1.73 Crores has been accounted under exception items. Now investment in MTG is considered as an investment in Joint Venture.

**Year ended March 31, 2020**

**(i) A.** The Group has acquired control in the following entities during the year. Business combination is accounted on fair value basis.

| Name of the entity | Relationship | Date of acquisition | Existing stake (%) | Post acquisition stake (%) |
|---|---|---|---|---|
| Delvis GmbH and its two subsidiaries: Delvis solution Gmbh and Delvis Products GmbH | Step down Subsidiary of Minda Germany GmbH | 12-Dec-19 | 0.00% | 100.00% |

* During the year, Minda Germany GmbH and Delvis GmbH has been amalgamated. The name of Minda Germany GmbH has been renamed to Minda Delvis GmbH.

**B.** Total consideration for business combinations was Euro 2.07 Crores which includes contingent consideration amounting to Euro 0.42 Crores. Contingent Consideration is payable if Consolidated EBITDA of the acquired Companies exceeds Euro 0.25 Crores for the calendar year 2019. The Company has paid Contingent Consideration amounting to ₹ 34.32 Crores, which was recorded under other financial liabilities during the previous year. (refer note 24)

**C. Identifiable assets acquired and liabilities assumed**

Fair value of the assets and liabilities recognised as a results of acquisitions are as follows:

| Particulars | Delvis GmbH |
|---|---|
| Non Current asset | 154.26 |
| Current assets | 79.26 |
| Borrowing | 2.43 |
| Other non current liabilities | 46.73 |
| Current liabilities | 49.88 |
| **Total net identifiable assets acquired** | 134.48 |
| **% Holding by the Group** | 100.00% |
| **Net worth allocated to the Group** | 134.48 |
| **Cost of Investment** | 171.62 |
| **Capital Reserve/(Goodwill)** | (37.14) |

**D. Revenue and profit or loss of the acquiree since the acquisition date**

| Particulars | Delvis GmbH |
|---|---|
| Revenue from Operation | 66.66 |
| Total comprehensive income | (1.86) |

Disclosure as per B64(q)(ii) of Ind AS 103 has not been presented as it is impracticable due to different accounting periods.

**56.** Goodwill amounting to ₹ 192.99 crores allocated to three subsidiaries, Mindarika Private Limited, Minda Delvis GmbH and iSYS RTS GmbH is evaluated for impairment. The recoverable amount of these cash generating units have been determined based on value in use model. Value in use has been determined based on future sales estimates, margins, growth rate, discount rate, etc. As at March 31, 2021, the estimated cash flows for a period of 5 years were developed using internal forecasts, and weighted average cost of capital of 7.00% to 15.00%. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

The remaining goodwill (related to different cash generating units individually immaterial) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amounts.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

**57.** Pursuant to the Scheme of Amalgamation ('Scheme') under the provisions of Section 230 to 232 of the Companies Act, 2013, for amalgamation of wholly owned subsidiaries i.e. MJ Casting Limited, Minda Distribution and Services Limited, Minda Auto Components Limited and Minda Rinder Private Limited (together referred to as "transferor companies"), with Minda Industries Limited ("Transferee Company" or "the Parent Company") as approved by the Hon'ble National Company Law Tribunal vide its order dated June 01, 2020 with the appointed date of April 01, 2019, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company with effect from this date at their carrying values. The Parent Company had received the certified copy of the said order on July 17, 2020 and the same had been filed with the respective Registrar of Companies on August 01, 2020. There was no impact of the above merger on profit for the previous periods and the financial position, since the amalgamation was accounted as per requirements of Appendix C to Ind AS 103 "Business Combination" under common control.

**58.** The Board of directors of the Parent Company in its meeting held on February 06, 2020, accorded its consent for the scheme of amalgamation of Minda I Connect Private Limited (Transferor Company) with Minda Industries Limited (Transferee Company) subject to necessary approval(s) of shareholders, Creditors and other approvals and sanctions by the National Company Law Tribunal (NCLT), New Delhi. Appropriate accounting treatment of the Scheme will be done post receipt of NCLT approval.

**59. IMPACT OF COVID-19 ON CONSOLIDATED FINANCIAL STATEMENTS:**

In view of the pandemic relating to COVID - 19, the Group has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of investments, property plant and equipment, intangible assets, right-of-use assets, trade receivables, other current and financial assets, for any possible impact on the Financial Statements. The Group has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting controls etc. and is of the view that based on its present assessment this situation does not materially impact the financial statements. However, the actual impact of COVID - 19 on the financial results may differ from that estimated due to unforeseen circumstances and the Parent Company will continue to closely monitor any material changes to future economic conditions.

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

As per our report of even date attached

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

**RAJIV GOYAL**
Partner
Membership No. 094549

Place : Gurugram
Date : June 13, 2021

For and on behalf of the Board of Directors of **Minda Industries Limited**

**NIRMAL K MINDA**
Chairman and Managing Director
DIN No. 00014942

**ANAND KUMAR MINDA**
Director
DIN No. 00007964

**SUNIL BOHRA**
Group CFO

**TARUN KUMAR SRIVASTAVA**
Company Secretary
Membership No. - A11994

Place : Gurugram
Date : June 13, 2021

# FORM AOC-1

**Statement containing salient features of the financial statement of subsidiaries / associates / joint ventures (Pursuant to Section 129(3) of the Companies Act , 2013)**

**Part A: Subsidiaries**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| S. No. | Name of Enterprise | Reporting Currency | Exchange Rate as on Last Day of Relevant Financial Year | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investment | Turnover/ Other Income | Profit Before Taxation | Provision for Taxation | Profit After Taxation | Proposed Dividend | % of Shareholding | Country |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Minda Kyoraku Ltd. | INR | - | 62.01 | 56.71 | 185.13 | 66.41 | - | 168.03 | 23.99 | 6.05 | 17.94 | - | 67.60% | India |
| 2 | Minda Kosei Aluminum Wheel Private Ltd. | INR | - | 188.38 | 237.98 | 692.19 | 265.83 | - | 522.57 | 79.67 | 19.76 | 59.91 | - | 69.99% | India |
| 3 | Minda Storage Batteries Private Limited | INR | - | 188.60 | (76.00) | 136.49 | 23.89 | - | 116.65 | (1.97) | - | (1.97) | - | 100.00% | India |
| 4 | YA Auto Industries (Partnership firm) | INR | - | 4.93 | (1.23) | 12.45 | 8.75 | - | 72.26 | 13.60 | 4.80 | 8.80 | - | 51.00% | India |
| 5 | Minda Katolec Electronics Services Pvt. Ltd. | INR | - | 35.07 | (27.14) | 85.88 | 77.95 | - | 106.05 | (7.58) | - | (7.58) | - | 51.00% | India |
| 6 | Mindarika Pvt. Ltd. | INR | - | 10.00 | 211.96 | 402.73 | 180.77 | - | 660.87 | 46.91 | 12.47 | 34.44 | - | 51.00% | India |
| 7 | MI Torica India Pvt. Ltd. | INR | - | 9.00 | 4.50 | 16.07 | 2.57 | 3.18 | 7.99 | 0.21 | (0.07) | 0.28 | - | 60.00% | India |
| 8 | MITIL Polymer Private Limited* | INR | - | 3.35 | 10.57 | 91.24 | 77.32 | - | 180.30 | 3.59 | 0.89 | 2.69 | - | 57.00% | India |
| 9 | Harita Fehrer Limited | INR | - | 20.10 | 174.69 | 314.51 | 119.72 | 0.18 | 417.57 | 25.01 | 6.25 | 18.76 | - | 51.00% | India |
| 10 | Global Mazinkert S.L. | EURO | 86.10 | 21.62 | (2.07) | 87.05 | 67.50 | 66.66 | - | (1.63) | (0.41) | (1.22) | - | 100.00% | Spain |
| 11 | Clarton Horn Spain* | EURO | 86.10 | 8.28 | 117.16 | 286.50 | 161.06 | 56.66 | 367.30 | (11.76) | 0.36 | (12.12) | - | 100.00% | Spain |
| 12 | Clarton Horn Morocco SARL* | MAD | 8.10 | 0.93 | 0.11 | 2.17 | 1.13 | - | 5.22 | (0.85) | 0.03 | (0.88) | - | 100.00% | Morocco |
| 13 | Clarton Horn Signalakustic GmbH* | EURO | 86.10 | 0.22 | 1.26 | 2.66 | 1.18 | - | 3.98 | 0.13 | 0.04 | 0.09 | - | 100.00% | Germany |
| 14 | Clarton Horn Mexico* | MXN | 3.58 | 58.18 | (49.44) | 66.57 | 57.83 | - | 50.82 | (1.54) | - | (1.54) | - | 100.00% | Maxico |
| 15 | Light & System Technical Centre S.L., Parque* | EURO | 86.10 | 11.37 | 0.02 | 27.27 | 15.88 | 4.48 | 22.29 | 1.42 | 0.73 | 0.69 | - | 100.00% | Spain |
| 16 | PT Minda Asean Automotive | IDR | 0.0050 | 4.19 | 78.18 | 101.03 | 18.65 | 46.71 | 116.85 | 18.38 | 4.28 | 14.10 | - | 100.00% | Indonesia |
| 17 | PT Minda Trading* | IDR | 0.0050 | 0.46 | 7.80 | 13.99 | 5.74 | - | 25.16 | 3.39 | 0.83 | 2.56 | - | 100.00% | Indonesia |
| 18 | Sam Global Pte Ltd. | USD | 73.50 | 4.41 | 38.22 | 63.95 | 21.32 | 55.86 | 17.64 | 15.44 | - | 15.44 | - | 100.00% | Singapore |
| 19 | Minda Industries Vietnam Company Limited* | VND | 0.00314 | 3.68 | 21.32 | 35.28 | 10.29 | - | 51.45 | 11.76 | 1.47 | 10.29 | - | 100.00% | Vietnam |
| 20 | Minda Korea Co. Ltd* | KRW | 0.06483 | 0.74 | (1.47) | 5.15 | 5.88 | - | 2.94 | (1.47) | - | (1.47) | | 100.00% | Korea |
| 21 | iSYS RTS GmbH | EURO | 86.10 | 0.26 | 19.73 | 73.38 | 53.39 | - | 111.88 | 3.77 | 1.30 | 2.47 | - | 80.00% | Germany |
| 23 | Minda Delvis GmbH* | EURO | 86.10 | - | 40.47 | 384.00 | 343.54 | 43.05 | 4.30 | (4.30) | (1.72) | (2.58) | - | 100.00% | Germany |
| 24 | DELVIS Solutions GmbH* | EURO | 86.10 | 0.86 | 12.05 | 31.00 | 18.08 | - | - | (0.86) | - | (0.86) | - | 100.00% | Germany |
| 25 | DELVIS Products GmbH* | EURO | 86.10 | - | (17.22) | 52.52 | 69.74 | - | 11.19 | (0.86) | - | (0.86) | - | 100.00% | Germany |

*Step down subsidiaries

**Note:**

1 % of shareholding is based on voting power held by the Group

2 Balance sheet items have been translated at the exchange rate on the last day of the relevant financial year.

3 The numbers reported above are based on individual financial statements prepared under local GAAP.

## Part B: Associates and Joint Ventures

(All amounts in Indian ₹ Crore, unless otherwise stated)

| S. No. | Name of Associates/ Joint Ventures | Latest Balance Sheet date | Shares of Associates/Joint Venture Held by the Company on the Year End | | | | Profit/Loss for the year* | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | No. of Shares | Amount of Investment in Associates/ Joint Venture (₹ in Crore) | Extend of Holding % | Net Worth Attributable to Shareholding as per Latest Audited Balance Sheet (₹ in Crore) | Considered in Consolidation (₹ in Crore)** | Not Considered in Consolidation | Discription of how there is significant influence | Reason why the Associate/ Joint Venture is not consolidated |
| | **Associates** | | | | | | | | | |
| 1 | Minda NexGenTech Ltd. | 31-Mar-21 | 31,20,000 | 3.12 | 26.00% | 2.47 | 1.47 | - | Shareholding | NA |
| 2 | Yogendra Engineering (partnership firm) | 31-Mar-21 | - | 0.08 | 49.00% | 0.08 | - | - | Shareholding | NA |
| 3 | Auto Components (partnership firm) | 31-Mar-21 | - | 4.14 | 49.00% | 2.64 | 3.44 | - | Shareholding | NA |
| 4 | Kosei Minda Aluminum Company Private Limited | 31-Mar-21 | 2,87,37,371 | 16.49 | 30.00% | 3.52 | (4.68) | - | Shareholding | NA |
| | **Joint Venture** | | | | | | | | | |
| 1 | Minda Westport Technologies Limited (formerly known as Minda Emer Technologies Limited) | 31-Mar-21 | 27,25,000 | 2.73 | 49.00% | 8.19 | 3.18 | - | Joint Venture Agreement | NA |
| 2 | Rinder Riduco S.A.S., Columbia | 31-Mar-21 | 8,50,000 | - | 50.00% | 10.40 | 1.77 | - | Joint Venture Agreement | NA |
| 3 | Roki Minda Co. Private Limited | 31-Mar-21 | 4,09,24,800 | 43.08 | 49.00% | 110.67 | 18.56 | - | Joint Venture Agreement | NA |
| 4 | Minda TTE DAPS Pvt. Ltd. | 31-Mar-21 | 49,90,513 | 4.99 | 50.00% | - | (4.89) | - | Joint Venture Agreement | NA |
| 5 | Minda Onkyo India Pvt. Ltd. | 31-Mar-21 | 3,30,43,031 | 33.04 | 50.00% | 3.56 | (7.96) | - | Joint Venture Agreement | NA |
| 6 | Denso Ten Minda India Pvt. Ltd. | 31-Mar-21 | 3,55,25,000 | 22.29 | 49.00% | 53.41 | 10.05 | - | Joint Venture Agreement | NA |
| 7 | Minda D-Ten India Private Limited | 31-Mar-21 | 25,44,900 | 3.81 | 51.00% | 7.89 | 0.97 | - | Joint Venture Agreement | NA |
| 8 | Toyoda Gosei Minda India Pvt. Ltd. | 31-Mar-21 | 24,37,80,000 | 190.41 | 48.00% | 231.08 | 4.58 | - | Joint Venture Agreement | NA |
| 9 | Kosei Minda Mould Pvt. Ltd. | 31-Mar-21 | 63,41,645 | 6.34 | 50.00% | 4.34 | (0.31) | - | Joint Venture Agreement | NA |
| 10 | Tokai Rika Minda India Private Limited | 31-Mar-21 | 6,53,57,143 | 65.48 | 30.00% | 63.34 | (2.01) | - | Joint Venture Agreement | NA |
| 11 | Minda TG Rubber Private Limited | 31-Mar-21 | 2,57,66,730 | 26.10 | 49.90% | 26.10 | - | - | Joint Venture Agreement | NA |

* Profit/ (loss) based on individual financial statements drawn up as at 31.03.2021, for consolidation purposes

**Represents Group's share of profit/ (Loss)

Note: Associates Companies and Joint Ventures have been determined based on the Accounting Standards.

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**
Chairman and Managing Director
DIN No. 00014942

Place : Gurugram
Date : June 13, 2021

**Anand Kumar Minda**
Director
DIN No. 00007964

Place : Gurugram
Date : June 13, 2021

**Sunil Bohra**
Group CFO

Place : Gurugram
Date : June 13, 2021

**Tarun Kumar Srivastava**
Company Secretary
Membership No. - A11994

Place : Gurugram
Date : June 13, 2021

# Independent Auditor's Report

**To the Members of Minda Industries Limited**

## Report on the Audit of Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Minda Industries Limited (hereinafter referred to as the "Holding/Parent Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Emphasis of matter

We draw attention to Note 60 in the consolidated financial statements, which describes uncertainties, the Group is facing as a result of COVID-19 which is impacting business operations.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditor's Report (Contd.)

## Description of Key Audit Matters

1. **Revenue Recognition**
**See note 27 to the consolidated financial statements**

| Key Audit Matters | How the matter was addressed in our audit |
|---|---|
| Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations.<br>The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms and conditions. Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts/ rebates and any taxes or duties such as goods and services tax, etc. Customer acceptance is used to estimate the provision for price increase/decrease. Revenue is only recognised to the extent, where it is highly probable, a significant reversal will not occur.<br>The timing of revenue recognition is relevant to the reported performance of the Group. The Group considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred. | Our audit procedures included:<br>- Assessing the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.<br>- Evaluating the integrity of the information and technology general control environment and testing the operating effectiveness of key IT application controls.<br>- Evaluating the design and implementation of Group's controls in respect of revenue recognition.<br>- Testing the effectiveness of such controls over revenue cut off at year-end.<br>- Testing by selecting samples of revenue transactions recorded during the year by verification of underlying documents.<br>- Testing on a sample basis, key customer contracts/ purchase order to identify terms and conditions relating to goods acceptance and price adjustments.<br>- Testing on a sample basis, the supporting documents for sales transactions recorded during the period closer to the year end and subsequent to the year end to determine whether revenue was recognised in the correct period.<br>- Performing analytical procedures on current year revenue based on trends and where appropriate, conducted further enquiries and testing. |

2. **Evaluation of impairment indicators in investments in associates and joint ventures**
**See note 4 to the consolidated financial statements**

| Key Audit Matters | How the matter was addressed in our audit |
|---|---|
| **Investments in associates and joint ventures**<br>The Group carries its investments in associates and joint ventures at cost (net of provision) at an aggregate amount of ₹ 372.16 Crores as at 31 March 2020.<br>The Group has identified the investments where indicator of impairment exists and performed an impairment assessment on those investments as at 31 March 2020. The Group adjusts the carrying value of the investment for the consequential impairment loss, if any, based upon valuation carried out internally or by independent experts.<br>The recoverable is considered to be the higher of the Holding Company's assessment of value in use and fair value less cost of disposal. These models use several key assumptions, including future sales estimates, margins, growth rate, discount rate, etc. We have identified the assessment of impairment in respect of investment in associates and joint ventures as a key audit matter since it involves significant judgement in making the above estimates and is dependent on external factors such as future market conditions and the economic environment. | In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:<br>- Assessed the appropriateness of accounting policy for impairment of investment in subsidiaries, associates and joint ventures as per relevant accounting standard.<br>- Evaluated the Group's assessment for identification of indicators of impairment.<br>- Evaluated the design implementation of key internal financial controls with respect to impairment including determination of recoverable value and tested the operating effectiveness of such controls.<br>- Evaluated the impairment model used by the Group. This included assessing the appropriateness of key assumptions used, with particular attention to future sales estimates, margins, growth rate, discount rate and other assumptions based on historical data, our knowledge of the Group and the industry with assistance of our valuation specialist.<br>- Performed sensitivity analysis of the key assumptions used to determine, which changes to assumptions would change the outcome of impairment assessment.<br>- Assessed the adequacy of the disclosures relating to impairment of investment. |

# Independent Auditor's Report (Contd.)

3. **Impairment of goodwill**

**See note 56 to the consolidated financial statements**

| Key Audit Matters | How the matter was addressed in our audit |
|---|---|
| The Group has goodwill on consolidation of ₹ 202.06 Crores as at 31 March 2020.<br><br>The majority of goodwill has been allocated to two subsidiaries, Mindarika Private Limited cash-generating unit (CGU) and the iSYS RTS GmbH (CGU).<br><br>The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the CGUs, which is based on value in use model, has been derived from discounted forecast cash flow forecasts. This model uses several key assumptions, including future sales estimates, margins, growth rate, discount rate, etc. | In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:<br>– involving independent valuation specialist to assist in evaluating the appropriateness of the assumptions applied, which included comparing the weighted-average cost of capital with sector averages for the relevant market in which the CGUs operate;<br>– performing our own sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the currently estimated headroom; and<br>– evaluating the adequacy of the Consolidated financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities. |

## Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures is responsible for overseeing the financial reporting process of each company.

# Independent Auditor's Report (Contd.)

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were

# Independent Auditor's Report (Contd.)

of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

(a) We did not audit the financial statements of nineteen subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 947.37 crores as at 31 March 2020, total revenues (before consolidation adjustments) of ₹ 1,163.14 crores and net cash inflows (before consolidation adjustments) amounting to ₹10.04 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax (before consolidation adjustments) of ₹ 14.19 crores and the Group's share of total comprehensive income (before consolidation adjustments) of ₹14.34 crores for the year ended 31 March 2020, in respect of ten associates/ joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management/component auditor and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures/associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the audit reports of the other auditors.

Certain of these subsidiaries and a joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and a joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and a joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies, and

# Independent Auditor's Report (Contd.)

joint venture companies incorporated in India is disqualified as on 31 March 2020 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 Holding Company, its subsidiary companies, associate companies and joint venture companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures , as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 38 to the consolidated financial statements.

ii. The Group, its associates and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Group, associate companies and joint venture companies incorporated in India during the year ended 31 March 2020; and

iv. The disclosures in the consolidated 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 in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, associate companies and joint venture companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, associate companies and joint venture companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, associate companies and joint venture companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

**Rajiv Goyal**
Partner
Membership number. 094549
ICAI UDIN: 20094549AAAAEP5881

Place: Gurugram
Date: 29 June 2020

# Annexure-A

**Annexure A to the Independent Auditors' report on the consolidated financial statements of Minda Industries Limited for the period ended 31 March 2020**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

In conjunction with our audit of the consolidated financial statements of Minda Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, its associate companies and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate companies and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, associate companies and joint venture companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

**Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements.

**Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

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

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three subsidiary companies and seven associate/joint venture companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

**Rajiv Goyal**
Partner
Membership number. 094549
ICAI UDIN: 20094549AAAAEP5881

Place: Gurugram
Date: 29 June 2020

# Consolidated Balance Sheet as at 31 March 2020

(All amounts in Indian ₹ crore, unless otherwise stated)

| Particulars | Note | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3A | 1,643.36 | 1,629.40 |
| Capital work-in-progress | 3B | 337.05 | 131.52 |
| Right-of-use assets | 3C | 135.82 | - |
| Intangible assets | 3D | 214.72 | 66.84 |
| Intangible assets under development | 3E | 20.00 | 18.61 |
| Goodwill on Consolidation | 3F | 202.06 | 164.92 |
| **Financial assets** | | | |
| (i) Investments | 4 | 372.16 | 355.58 |
| (ii) Loans | 5 | 13.34 | 21.21 |
| (iii) Other financial assets | 6 | 10.27 | 9.66 |
| Other tax assets | 8 | 42.52 | 33.05 |
| Other non-current assets | 9 | 50.60 | 67.10 |
| **Total non-current assets** | | **3,041.90** | **2,497.89** |
| **Current assets** | | | |
| Inventories | 10 | 555.26 | 560.97 |
| **Financial assets** | | | |
| (i) Trade receivables | 11 | 726.41 | 899.22 |
| (ii) Cash and cash equivalents | 12 | 250.98 | 92.77 |
| (iii) Bank balances other than those included in cash and cash equivalents | 13 | 76.86 | 17.29 |
| (iv) Loans | 14 | 5.70 | 2.01 |
| (v) Other financial assets | 15 | 34.89 | 22.00 |
| Other current assets | 16 | 139.36 | 138.48 |
| **Total current assets** | | **1,789.46** | **1,732.74** |
| **Assets held for sale** | **26** | **7.49** | **-** |
| **Total assets** | | **4,838.85** | **4,230.63** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 17 (a) | 52.44 | 52.44 |
| Other equity | 17 (b) | 1,763.28 | 1,651.72 |
| **Equity attributable to owners of the Company** | | **1,815.72** | **1,704.16** |
| Non-controlling interest | 17 (c) | 282.84 | 266.71 |
| **Total Equity** | | **2,098.56** | **1,970.87** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 18 | 780.33 | 606.34 |
| (ii) Lease liabilities | | 97.93 | - |
| (iii) Other financial liabilities | 19 | 75.14 | 75.58 |
| Provisions | 20 | 117.45 | 99.64 |
| Deferred tax liabilities (net) | 7 | 13.53 | 0.62 |
| **Total non-current liabilities** | | **1,084.38** | **782.18** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 21 | 217.14 | 349.15 |
| (ii) Lease liabilities | | 18.29 | - |
| (iii) Trade payables | 22 | | |
| (a) total outstanding dues of micro and small enterprises | | 87.97 | 64.61 |
| (b) total outstanding dues of creditors other than micro and small enterprises | | 874.82 | 733.21 |
| (iv) Other financial liabilities | 23 | 312.13 | 231.15 |
| Other current liabilities | 24 | 108.83 | 77.90 |
| Provisions | 25 | 32.39 | 21.56 |
| **Total current liabilities** | | **1,651.57** | **1,477.58** |
| **Liabilities related to assets held for sale** | **26** | **4.34** | **-** |
| **Total Equity and Liabilities** | | **4,838.85** | **4,230.63** |
| Significant accounting policies | 2 (b) | | |

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

As per our report of even date attached

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

**Rajiv Goyal**
Partner
Membership No. 094549

Place : Gurugram
Date : 29 June 2020

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**
Chairman and Managing Director
DIN No. 00014942

Place : Gurugram
Date : 29 June 2020

**Anand Kumar Minda**
Director
DIN No. 00007964

Place : Gurugram
Date : 29 June 2020

**Sunil Bohra**
Group CFO

Place : Gurugram
Date : 29 June 2020

**Tarun Kumar Srivastava**
Company Secretary
Membership No. - A11994

Place : Gurugram
Date : 29 June 2020

# Consolidated Statement of Profit and Loss for the year ended 31 March 2020

(All amounts in Indian ₹ crore, unless otherwise stated)

| Particulars | Note | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 27 | 5,465.14 | 5,908.09 |
| Other income | 28 | 39.25 | 27.03 |
| **Total income** | | **5,504.39** | **5,935.12** |
| **Expenses** | | | |
| Cost of materials consumed | 29 | 2,693.26 | 3,100.03 |
| Purchases of stock in trade | 30 | 605.06 | 558.72 |
| Changes in inventory of finished goods, stock in trade and work-in-progress | 31 | (14.18) | (36.27) |
| Employee benefits expense | 32 | 846.77 | 791.29 |
| Finance costs | 33 | 90.21 | 63.15 |
| Depreciation and amortization expense | 34 | 301.90 | 234.38 |
| Other expenses | 35 | 715.06 | 769.14 |
| **Total expenses** | | **5,238.08** | **5,480.44** |
| **Profit before share of profit /(loss) of associates and joint ventures, exceptional item and tax** | | **266.31** | **454.68** |
| Exceptional item | 36 | (14.07) | - |
| **Profit before share of profit /(loss) of associates and joint ventures and tax** | | **252.24** | **454.68** |
| **Tax expense** | | | |
| Current tax | | 88.66 | 115.47 |
| Deferred tax (credit) / charge | 7 | (11.16) | 18.60 |
| **Tax expense** | | **77.50** | **134.07** |
| **Profit before share of profit /(loss) of associates and joint ventures and after tax** | | 174.74 | 320.61 |
| Add:- Share of profit of associates and joint ventures | | 12.97 | 18.87 |
| **Total profit after share of profit of associates and joint ventures** | | **187.71** | **339.48** |
| **Other comprehensive income/(loss)** | | | |
| **(a) Items that will not be reclassified subsequently to profit or loss** | | | |
| (i) Remeasurements of defined benefit (liability)/ asset | | (6.93) | 0.60 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 2.57 | (0.22) |
| | | **(4.36)** | **0.38** |
| **(b) Items that will be reclassified subsequently to profit or loss** | | | |
| (i) Foreign currency translation reserve | | 2.80 | (1.06) |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| | | **2.80** | **(1.06)** |
| **Other comprehensive income/(loss), net of tax (a+b)** | | **(1.56)** | **(0.68)** |
| **Total comprehensive income** | | **186.15** | **338.80** |
| **Profit attributable to:** | | | |
| Owners of Minda Industries Limited | | 154.95 | 285.62 |
| Non-controlling interest | | 32.76 | 53.86 |
| | | **187.71** | **339.48** |
| **Other comprehensive income attributable to:** | | | |
| Owners of Minda Industries Limited | | (1.36) | (0.71) |
| Non-controlling interest | | (0.20) | 0.03 |
| | | **(1.56)** | **(0.68)** |
| **Total comprehensive income attributable to:** | | | |
| Owners of Minda Industries Limited | | 153.59 | 284.91 |
| Non-controlling interest | | 32.56 | 53.89 |
| | | **186.15** | **338.80** |
| **Earnings per equity share [nominal value of share ₹ 2 (Previous year ₹ 2)]** | 37 | | |
| Basic | | 5.91 | 10.90 |
| Diluted | | 5.91 | 10.90 |

Significant accounting policies 2 (b)

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

As per our report of even date attached

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

**Rajiv Goyal**
Partner
Membership No. 094549

Place : Gurugram
Date : 29 June 2020

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**
Chairman and Managing Director
DIN No. 00014942

Place : Gurugram
Date : 29 June 2020

**Anand Kumar Minda**
Director
DIN No. 00007964

Place : Gurugram
Date : 29 June 2020

**Sunil Bohra**
Group CFO

Place : Gurugram
Date : 29 June 2020

**Tarun Kumar Srivastava**
Company Secretary
Membership No. - A11994

Place : Gurugram
Date : 29 June 2020

# Consolidated Cash Flow Statement for the year ended 31 March 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|---|---|---|
| **A. Cash flows from operating activities :** | | |
| Profit before tax | 252.24 | 454.68 |
| **Adjustments for:** | | |
| Depreciation and amortisation | 301.90 | 234.38 |
| Finance costs | 90.21 | 63.15 |
| Interest income on fixed deposits | (9.35) | (5.35) |
| Liabilities / provisions no longer required written back | (1.36) | (1.45) |
| Expenses incurred for share allotment under equity settled share based payments | 1.20 | - |
| Unrealised (gain)/ loss on foreign currency fluctuations (net) | 29.42 | (6.35) |
| Mark to market gain on forward contract | (6.01) | (1.19) |
| Doubtful trade and other receivables provided for | 2.23 | 1.71 |
| Doubtful trade and other receivables, loans and advances written off | 0.46 | 0.06 |
| Provision for warranty | 13.92 | 14.23 |
| Net profit on sale of property, plant and equipments | (7.87) | (1.08) |
| | **414.75** | **298.11** |
| Operating profit before working capital changes | 666.99 | 752.79 |
| Adjustments for working capital changes: | | |
| Decrease/ (increase) in inventories | 14.82 | (113.98) |
| Decrease/ (increase) in trade | 216.55 | (47.22) |
| Decrease/ (increase) in other current financial assets | (6.01) | (6.67) |
| Decrease/ (increase) in other non-current financial assets | (0.19) | 5.03 |
| Decrease/ (increase) in other non-current assets | (6.93) | (1.17) |
| Decrease/ (increase) in other current assets | (0.88) | 3.85 |
| Increase/ (decrease) in trade payables | 134.31 | (69.96) |
| Increase/ (decrease) in other Current financial liabilities | 18.92 | 9.83 |
| Increase/(decrease) in other current liabilities | 35.29 | (14.95) |
| Increase/(decrease) in short-term provisions | 8.81 | (8.24) |
| Increase/(decrease) in other non current financial liabilities | (10.01) | 24.12 |
| Increase in long-term provisions | 4.63 | (4.05) |
| | **409.31** | **(223.41)** |
| Cash generated from operations | 1,076.30 | 529.38 |
| Income tax paid | (111.19) | (115.41) |
| **Net Cash flows from operating activities (A)** | **965.11** | **413.97** |
| **B. Cash flows from investing activities** | | |
| Payment for acquisition of subsidiaries and jointly controlled entities | (173.21) | (191.68) |
| Purchase of Property, Plant and Equipment | (556.65) | (670.06) |
| Proceeds from sale of property, plant and equipments | 15.40 | 8.30 |
| Interest received on fixed deposits | 9.96 | 7.57 |
| Decrease in deposits (with original maturity more than three months) | (60.39) | 20.40 |
| **Net cash used in investing activities (B)** | **(764.89)** | **(825.47)** |
| **C. Cash flows from financing activities** | | |
| Proceeds from issue of equity share capital | - | 0.17 |
| Share premium on exercise of ESOP | - | 7.97 |
| Proceeds from/ (repayment of) short term borrowings | (132.00) | 20.16 |
| Proceeds from/ (repayment of) Long term borrowings | 184.56 | 437.29 |
| Interest paid on borrowings | (74.81) | (61.75) |
| Dividend paid (including corporate dividend tax) | (45.12) | (35.36) |
| **Net cash used in financing activities (C)** | **(67.37)** | **368.48** |
| **Net increase/ (decrease) in cash and cash equivalents(A+B+C)** | **132.85** | **(43.02)** |

# Consolidated Cash Flow Statement for the year ended 31 March 2020 (Contd.)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|---|---|---|
| Foreign currency translation adjustment | 2.78 | 0.80 |
| Cash and cash equivalents pursuant to acquisition - refer note 55 | 22.58 | 9.43 |
| Cash and cash equivalents as at beginning | 92.77 | 125.56 |
| **Cash and cash equivalents as at closing** | **250.98** | **92.77** |
| Cash on hand | 1.05 | 1.69 |
| Balances with banks: | | |
| - on current accounts | 217.82 | 81.83 |
| - on deposit accounts | 32.11 | 9.25 |
| **Cash and cash equivalents at the end of the year** | **250.98** | **92.77** |

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

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

2 Purchase of Property, Plant and Equipment includes movement of Capital work-in-progress (including capital advances) during the year.

3 Changes in liabilities arising from financing activities

| Particulars | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|---|---|---|
| **Opening balance of secured loans** | | |
| Indian currency term loan (including current maturities) | 442.93 | 178.59 |
| Local currency term loan (including current maturities) | 31.00 | 31.86 |
| Foreign currency term loan (including current maturities) | 255.15 | 75.94 |
| Short term borrowings | 349.15 | 302.81 |
| **Cash flows** | | |
| Repayment of long term secured loan (Net of foreign fluctuation) | (250.28) | (69.57) |
| Proceeds from long term secured loan (Net of foreign fluctuation) | 480.07 | 512.26 |
| Increase in short term borrowings (Net) | (132.00) | 20.16 |
| Pursuant to acquisition | - | 26.18 |
| **Closing balance of secured loans** | | |
| Indian currency term loan (including current maturities) | 360.75 | 442.93 |
| Local currency term loan (including current maturities) | 157.57 | 31.00 |
| Foreign currency term loan (including current maturities) | 440.56 | 255.15 |
| Short term borrowings | 217.14 | 349.15 |

As per our report of even date attached

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

**Rajiv Goyal**
Partner
Membership No. 094549

Place : Gurugram
Date : 29 June 2020

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**
Chairman and Managing Director
DIN No. 00014942

Place : Gurugram
Date : 29 June 2020

**Anand Kumar Minda**
Director
DIN No. 00007964

Place : Gurugram
Date : 29 June 2020

**Sunil Bohra**
Group CFO

Place : Gurugram
Date : 29 June 2020

**Tarun Kumar Srivastava**
Company Secretary
Membership No. - A11994

Place : Gurugram
Date : 29 June 2020

# Consolidated Statement of changes in equity for the year ended 31 March 2020

## a) Equity share capital

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Amount |
|---|---|
| Balance as at the 01 April 2018 | 17.41 |
| Changes in equity share capital during 2018-19* | 35.03 |
| **Balance as at 31 March 2019** | **52.44** |
| Changes in equity share capital during 2019-20 | - |
| **Balance as at 31 March 2020** | **52.44** |

* Includes ₹34.86 crore towards issue of bonus shares (Refer Note 17)

## b) Other equity attributable to owners of Minda Industries Limited:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Other comprehensive income | | Equity component of other financial instruments | Securities premium | Capital redemption reserve | Capital reserves | Capital reserves arising on consolidation | General reserves | Employee stock options reserve | Retained earnings | Total other equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Remeasurements of Defined Benefits obligations | Foreign currency translation reserve | | | | | | | | | |
| **Balance as at 1 April 2019** | **1.48** | **2.80** | **6.55** | **360.51** | **18.29** | **3.32** | **177.01** | **70.64** | **-** | **1,011.12** | **1,651.72** |
| Transition impact of Ind AS 116 net of tax (refer note 46) | - | - | - | - | - | - | - | - | - | (5.46) | (5.46) |
| Profit for the year | - | - | - | - | - | - | - | - | - | 154.95 | 154.95 |
| Other comprehensive income/(loss) (net of tax) | (3.94) | 2.58 | - | - | - | - | - | - | - | - | (1.36) |
| Utilised During the Year | - | - | - | - | - | (0.04) | - | - | - | - | (0.04) |
| Employee stock compensation expense | - | - | - | - | - | - | - | - | 1.20 | - | 1.20 |
| Pursuant to acquisition | - | - | - | - | - | - | - | - | - | (4.45) | (4.45) |
| Final dividend for the year ended 31 March 2019 | - | - | - | - | - | - | - | - | - | (17.04) | (17.04) |
| Interim dividend for the year ended 31 March 2020 | - | - | - | - | - | - | - | - | - | (10.49) | (10.49) |
| Dividend distribution tax | - | - | - | - | - | - | - | - | - | (5.42) | (5.42) |
| Others | - | - | - | - | - | - | - | - | - | (0.33) | (0.33) |
| **Balance as at 31 March 2020** | **(2.46)** | **5.38** | **6.55** | **360.51** | **18.29** | **3.28** | **177.01** | **70.64** | **1.20** | **1,122.88** | **1,763.28** |

# Consolidated Statement of changes in Equity for the year ended 31 March 2020 (Contd.)

**b) Other equity attributable to owners of Minda Industries Limited: (Contd.)**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Other comprehensive income | | Equity component of other financial instruments | Securities premium | Capital redemption reserve | Capital reserves | Capital reserves arising on consolidation | General reserves | Employee stock options reserve | Retained earnings | Total other equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Remeasurements of Defined Benefits obligations | Foreign currency translation reserve | | | | | | | | | |
| **Balance as at 1 April 2018** | **1.21** | **3.78** | **6.55** | **371.59** | **6.50** | **3.41** | **139.11** | **70.64** | **3.61** | **767.88** | **1,374.28** |
| Profit for the year | - | - | - | - | - | - | - | - | - | 285.62 | 285.62 |
| Other comprehensive income/(loss) (net of tax) | 0.27 | (0.98) | - | - | - | - | - | - | - | - | (0.71) |
| Additional tax benefit on employee stock options exercised during the year | - | - | - | 5.90 | - | - | - | - | - | - | 5.90 |
| Reserve utilised on exercise of employee stock options | - | - | - | 3.41 | - | - | - | - | (3.41) | - | - |
| Utilised During the Year | - | - | - | - | - | (0.09) | - | - | - | - | (0.09) |
| Utilization of Reserves for issue of bonus shares | - | - | - | (28.36) | (6.50) | - | - | - | - | - | (34.86) |
| Addition on redemption of preference shares | - | - | - | - | 18.29 | - | - | - | - | (18.29) | - |
| Addition during the year (including pursuant to acquisition) | - | - | - | - | - | - | 36.92 | - | - | - | 36.92 |
| Final dividend for the year ended 31 March 2018 | - | - | - | - | - | - | - | - | - | (13.98) | (13.98) |
| Interim dividend for the year ended 31 March 2019 | - | - | - | - | - | - | - | - | - | (11.80) | (11.80) |
| Dividend distribution tax | - | - | - | - | - | - | - | - | - | (5.10) | (5.10) |
| Disposal/ Adjustment | - | - | - | - | - | - | 0.98 | - | (0.20) | 6.79 | 7.57 |
| Premium on ESOP | - | - | - | 7.97 | - | - | - | - | - | - | 7.97 |
| **Balance as at 31 March 2019** | **1.48** | **2.80** | **6.55** | **360.51** | **18.29** | **3.32** | **177.01** | **70.64** | **-** | **1,011.12** | **1,651.72** |

# Consolidated Statement of changes in Equity for the year ended 31 March 2020 (Contd.)

## c) Non Controlling Interest

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Amount |
|---|---|
| **Balance as at 1 April 2018** | **211.01** |
| Profit for the year | 53.86 |
| Pursuant to acquisition/additional investment (Net) during the year | 6.98 |
| Addition in non-controlling interest due to renouncing of right issue | 2.51 |
| Dividend paid during the year | (13.71) |
| Other comprehensive income/(loss) (net of tax) | 0.03 |
| Adjustment | 6.03 |
| **Balance as at 31 March 2019** | **266.71** |
| Profit for the year | 32.76 |
| Transition impact of Ind AS 116 net of tax (refer note 46) | (4.64) |
| Dividend paid/ Drawings during the year | (11.79) |
| Other comprehensive income/(loss) (net of tax) | (0.20) |
| **Balance as at 31 March 2020** | **282.84** |

Significant accounting policies 2 (b)

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

As per our report of even date attached

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

**Rajiv Goyal**
Partner
Membership No. 094549

Place : Gurugram
Date : 29 June 2020

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**
Chairman and Managing Director
DIN No. 00014942

Place : Gurugram
Date : 29 June 2020

**Anand Kumar Minda**
Director
DIN No. 00007964

Place : Gurugram
Date : 29 June 2020

**Sunil Bohra**
Group CFO

Place : Gurugram
Date : 29 June 2020

**Tarun Kumar Srivastava**
Company Secretary
Membership No. - A11994

Place : Gurugram
Date : 29 June 2020

# Notes forming part of the consolidated financial statements for the year ended 31 March 2020

## 1 Corporate information

Minda Industries Limited is a public company domiciled and headquartered in India. It was incorporated on 16 September 1992 under the Companies Act, 1956 and its shares are listed on the National Stock Exchange of India Limited and BSE Limited having its registered office at B64/1 Wazirpur, Industrial Area, Delhi-110052, India.

The consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates and joint ventures. The Group is engaged in the business of manufacturing of auto components including auto electrical parts and its accessories and ancillary services and caters to both domestic and international markets.

## 2 (a) Basis of preparation

### A. Statement of compliance

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

The consolidated financial statements were authorised for issue by the Parent Company's Board of Directors on 29 June 2020.

Details of the Group's accounting policies are included in Note 2 (b).

### B. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee, which is Minda Industries Limited's functional and presentation currency. All amounts have been rounded-off to the nearest crores, unless otherwise indicated.

### C. Basis of measurement

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

| | |
|---|---|
| (a) Certain financial assets and liabilities (including derivative financial instruments) | Fair value |
| (b) Net defined benefit (asset)/ liability | Fair value of plan assets less present value of defined benefit obligations |

### D. Use of estimates and judgements

In preparing the consolidated 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.

Critical estimates and judgements

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.

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

Areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note 43
- Estimation of fair value of unlisted securities – Note 54
- Estimation of defined benefit obligation – Note 42
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 38 and 45
- Lease - Note 46
- Consolidation: whether the Group has de facto control over an investee
- Business combinations: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis – Note 55
- Recognition of deferred tax– Note 7
- Impairment of financial assets

### E. Measurement of fair values

A number of the Group's 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.

# Notes forming part of the Financial Statements

- 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).

When measuring the fair value of an asset or a liability, the Group 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 Group 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 is included in the following notes:

- Note 47 - share-based payment
- Note 54 - fair value measurements
- Note 55 - acquisition of subsidiaries, associates and jointly controlled entities

## F. Principles of consolidation

The consolidated financial statements (CFS) are prepared on the following basis in accordance with Ind AS on "Consolidated Financial Statements" (Ind AS – 110), "Investments in Associates and Joint Ventures" (Ind AS – 28) and "Disclosure of interest in other entities" (Ind AS – 112), specified under Section 133 of the Companies Act, 2013.

### i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

### ii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### iii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

### iv. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

### v. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### vi. Business combination

Business combinations, other than through common control transactions, are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

# Notes forming part of the Financial Statements

Business combinations through common control transactions are accounted on a pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in other equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in other equity as capital reserve, without routing the same through OCI. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Group.

Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Consolidated Statement of Profit and Loss. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Transaction costs that the Company incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Group, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

The consolidated financial statements are comprised of the financial statements of the members of the Group a sunder:

| Name of subsidiaries / Joint ventures / Associates | Country of incorporation | % of Interest | |
|---|---|---|---|
| | | As at 31 March 2020 | As at 31 March 2019 |
| **Subsidiaries** | | | |
| Minda Kyoraku Limited | India | 67.60 | 67.60 |
| ISYS RTS, GmbH, Germany | Germany | 80 | 80 |
| Minda TG Rubber Private Ltd. | India | 51 | 51 |
| Minda Kosei Aluminum Wheel Private Limited | India | 69.99 | 69.99 |
| Minda Storage Batteries Private Limited | India | 100 | 100 |
| YA Auto Industries (partnership firm) | India | 51 | 51 |
| Mindarika Private Limited | India | 51 | 51 |
| Minda Katolec Electronic Services Private Limited | India | 51 | 51 |
| MI Torica India Pvt Ltd | India | 60 | 60 |
| **Downstream subsidiaries of MI Torica India Pvt Ltd** | | | |
| MITIL Polymer Pvt Ltd | India | 57 | 57 |
| Global Mazinkert S.L. | Spain | 100 | 100 |

# Notes forming part of the Financial Statements

| Name of subsidiaries / Joint ventures / Associates | Country of incorporation | % of Interest | |
|---|---|---|---|
| | | As at 31 March 2020 | As at 31 March 2019 |
| **Downstream subsidiaries of Global Mazinkert, S.L.** | | | |
| Clarton Horn | Spain | 100 | 100 |
| Clarton Horn | Morocco | 100 | 100 |
| Clarton Horn, Signalkoustic | Germany | 100 | 100 |
| Clarton Horn | Mexico | 100 | 100 |
| Light & Systems Technical Centre, S.L. | Spain | 100 | 100 |
| PT Minda Asean Automotive | Indonesia | 100 | 100 |
| **Downstream subsidiaries of PT Minda Asean Automotive** | | | |
| PT Minda Trading | Indonesia | 100 | 100 |
| Sam Global Pte Ltd. | Singapore | 100 | 100 |
| **Downstream subsidiaries of Sam Global Pte Ltd.** | | | |
| Minda Industries Vietnam Company Limited | Vietnam | 100 | 100 |
| Minda Germany GmbH | Germany | 100 | - |
| Delvis GmbH | Germany | 100 | - |
| Delvis Products GmbH | Germany | 100 | - |
| Delvis Solutions GmbH | Germany | 100 | - |
| **Joint ventures** | | | |
| Minda Emer Technologies Limited | India | 49.10 | 49.10 |
| Rinder Riduco, S.A.S. Columbia | Columbia (USA) | 50 | 50 |
| ROKI Minda Co. Private Limited | India | 49 | 49 |
| Minda TTE DAPS Private Limited | India | 50 | 50 |
| Minda Onkyo Private Limited | India | 50 | 50 |
| Denso Ten Minda Private Limited | India | 49 | 49 |
| Minda D Ten Private Limited | India | 51 | 51 |
| Toyoda Gosei Minda India Private Limited | India | 47.80 | 47.80 |
| Kosei Minda Mould Private Limited | India | 49.90 | 49.90 |
| **Associates** | | | |
| Minda NexGenTech Limited | India | 26 | 26 |
| Yogendra Engineering (partnership firm) | India | 48.90 | 48.90 |
| Auto Components (partnership firm) | India | 48.90 | 48.90 |
| Kosei Minda Aluminum Company Pvt. Ltd. | India | 30 | 30 |

## 2 (b) Significant accounting policies

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

### a. Foreign currency transactions

Transactions in foreign currencies are initially recorded into the respective functional currencies of the Group's entities at 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.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI);

# Notes forming part of the Financial Statements

### Foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint ventures) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at 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 currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

## b. Financial instruments

### i. Initial Recognition and Measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group 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

| | |
|---|---|
| Financial Assets at FVPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. |
| Financial Assets at amortised cost | These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gains or loss or derecognition is are recognized in profit or loss. |
| Debt investments at FVOCI | These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other income and net gains and losses accumulated in OCI are reclassified to profit or loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Dividend income are recognized in profit or loss unless dividend clearly represents a recovery of part of cost of investment. Other income and net gains and losses are recognized in OCI and are not reclassified to profit or loss. |

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group 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.

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

# Notes forming part of the Financial Statements

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 profit or loss.

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 profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI : These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI : These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or 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 profit or 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 profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

*Financial assets*

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group 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 profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group 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 and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

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

vi. Financial guarantee contracts

The Group on a case to case basis elects to account for financial guarantee contracts as a

# Notes forming part of the Financial Statements

financial instrument or as an insurance contract, as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance Contracts. The Group has regarded all its financial guarantee contracts as insurance contracts. At the end of each reporting period the Group performs a liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognized in profit or loss.

vii. Compound Financial instruments

Compound financial instruments issued by the Group comprise cumulative redeemable preference shares denominated in INR that are mandatorily redeemable at a fixed or determinable amount at a fixed or future date and the payment of dividends is discretionary.

The liability component of a compound financial instrument is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

Interest related to the financial liability is recognized in profit or loss (unless it qualifies for inclusion in the cost of an asset).

## c. Current versus non-current classification

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

(a) expected to be realised in, or is intended to be sold or consumed in Group's normal operating cycle;

(b) held primarily for the purpose of being traded;

(c) expected to be realised within twelve months after the reporting date; 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 date.

All other assets are classified as non-current.

*A Liability is current when:*

(a) it is expected to be settled in Group's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within twelve months after the reporting date; or

(d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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 Group has identified twelve months as its operating cycle.

## d. Property, plant and equipment

i. Initial 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 and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

# Notes forming part of the Financial Statements

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation on plant and machinery, tools and dies and on other tangible property, plant and equipment is provided on SLM/WDV basis, based on the rates as per useful life prescribed in Schedule II to the Companies Act, 2013 except in the case of tools and dies, the useful life based on technical advice is 3 to 6 years.

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

Depreciation 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. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life.

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

**e. Goodwill**

For measurement of goodwill that arises on a business combination see note 2(a)(F)(vi). Subsequent measurement is at cost less any accumulated impairment losses. Goodwill is not amortised and is tested for impairment annually.

**f. Other intangible assets**

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

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

Intangible assets are amortised in the Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis. Intangible assets are amortised over the best estimate of their respective useful lives as under:

i) Technical know-how: Amortized over the period of agreement.

ii) Computer software: Amortized over the period of 6 years.

iii) Trade Mark: Amortized over the period of 10 years

iv) Customer relationship: Amortized over the period of agreement.

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

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

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

**Internally generated: Research and development**

a) Expenditure on research activities is recognised in profit or loss as incurred.

b) Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

**g. Impairment**

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost

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

The Group measures loss allowances 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. In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group 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 Group 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 Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when the financial asset is 90 days or more past due.

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 Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

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 Group 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 Group's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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. Impairment losses are recognised in the Consolidated Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. 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.

h. **Borrowing cost**

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

# Notes forming part of the Financial Statements

i. **Leases**

i. Determining whether an arrangement contains a lease

At inception of a contract, the Group determines whether the contract is, or contains, a lease. The contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset or assets for a period of time in exchange for consideration, even if that right is not explicitly specified in a contract.

At inception or on reassessment of a contract that contains lease component and one or more additional lease or non-lease components, the Group separates payments and other consideration required by the contract into those for each lease component on the basis of their relative stand-alone price and those for non-lease components on the basis of their relative aggregate stand-alone price. If the Group concludes that it is impracticable to separate the payments reliably, then right-of-use asset and Lease liability are recognised at an amount equal to the present value of future lease payments; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

The previous determination pursuant to Ind AS 17 and its 'Appendix C' of whether a contract is a lease has been maintained for existing contracts.

ii. Group as a lessee

At inception, the Group assesses whether a contract is or contains a lease. This assessment involves the exercise of judgement about whether it depends on an identified asset, whether the Group obtains substantially all the economic benefits from the use of that asset, and whether the Group has the right to direct the use of that asset.

The Group has elected to separate lease and non-lease components of contracts, wherever possible.

The Group recognizes a right-of-use (ROU) asset and a lease liability at the transition date/ lease commencement date. The right-of-use asset is initially measured based on the present value of future lease payments, plus initial direct costs, and cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, and lease payments made at or before the commencement date, less any incentives received. The right-of-use asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The right-of-use asset is subject to testing for impairment if there is an indicator for impairment.

At the commencement date, Group measures the lease liability at the present value of the future lease payments that are not yet paid at that date discounted using interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group's uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Contingent rents payments are recognised as an expense in the period in which they are incurred. Lease payments generally include fixed payments and variable payments that depend on an index (such as an inflation index). When the lease contains an extension or purchase option that the Group considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities in separately from other assets/ liabilities in the balance sheet.

The Group has elected not to recognize right-of-use assets and liabilities for leases where the total lease term is less than or equal to 12 months, or for leases of low value assets. The payments for such leases are recognized in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term

iii. Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an underlying assets are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments are structured to increase in line with the general inflation to compensate for the lessor's expected inflationary cost increase. Initial direct costs incurred in negotiating and arranging an operating

# Notes forming part of the Financial Statements

lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards incidental to ownership of underlying asset is transferred from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

## j. Inventories

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

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

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

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

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

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

Inventories in transit are valued at cost.

## k. Revenue recognition

### (i) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

#### Sale of goods (including moulds and scrap)

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any). Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

#### Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customers. Where customers are provided with discounts, rebates, etc., such discounts and rebates will give rise to variable consideration. The Group follows the most likely amount method in estimating the amount of variable consideration.

(ii) Management fees, designing fees and service revenue is recognized on an accrual basis as and when the services are rendered in accordance with the terms of the underlying contract.

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

(iv) Dividend income is recognized when the right to receive dividend is established.

(v) Royalty income is recognized based on the terms of the underlying agreement.

(vi) Claims lodged with insurance companies are accounted for on an accrual basis, to the extent these are measurable and the ultimate collection is reasonably certain.

# Notes forming part of the Financial Statements

(vii) Export entitlement under Duty Entitlement Pass Book Scheme ('DEPB') is recognized on accrual basis and when the right to entitlement has been established.

**Contract balances**

**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (b) Financial instruments – initial recognition and subsequent measurement.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

## l. Government grants

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

When the Group receives grants of non-monetary assets, the assets and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as Government grant. The loan or assistance is initially recognized and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## m. Provisions (other than employee benefits)

### *(i) General*

A provision is recognized if, as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of time value of money is material provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects the risks specific to the liability. When discounting is used , the increase in the provision due to the passage of time is recognized as a finance cost.

### (ii) Warranties

Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods and is included in the Consolidated Statement of Profit and Loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made, as and when required.

## n. Retirement and other 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 Group 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 (Equity settled)

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in employee stock option (ESO) reserves in other equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

# Notes forming part of the Financial Statements

The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

### (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 Group makes specified monthly contributions towards employee provident fund, employee state insurance corporation and superannuation funds which is a defined contribution plan. The Group's contribution is recognized as an expense in the Consolidated Statement of Profit and Loss during the period in which the employee renders the related service.

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

### (iv) Defined benefit plans

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest), are recognised immediately in the balance sheet with a corresponding debit or credit to other equity through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent period.

The Group 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 profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group 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 to such extent is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

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

### (vi) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

## o. Income taxes

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

# Notes forming part of the Financial Statements

**(i) 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.

Tax benefits of deductions earned on exercise of employee stock options in excess of compensation charged to income are credited to securities premium.

**(ii) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of 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 is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable 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 a history of recent losses, the Group 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 realised. 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 benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised 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 Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset 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 authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

Minimum alternate tax (MAT) paid in a year is charged to the Consolidated Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the Consolidated Statement of Profit and Loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**p. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted

# Notes forming part of the Financial Statements

average numbers of equity shares outstanding during the year are adjusted for events of bonus issue and share split that have changed the numbers of equity share outstanding, without a corresponding changes in resources.

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

### 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, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

### r. Cash dividend to equity holders

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the Consolidated Statement of Profit and Loss.

### s. Application of new and revised standards

#### Ind AS 116- leases

The Group has adopted Ind AS 116 Leases with effect from 1 April 2019 under the modified retrospective approach, utilizing the practical expedient to not reassess whether a contract contains a lease. Applying this approach, the comparative information for the 2018-19 financial year has not been restated. This standard replaces Ind AS 17 and sets out the principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lease accounting model for lessees and requires a lessee to recognize assets and liabilities for almost all leases and therefore resulted in recognition of right-of-use assets and corresponding lease liabilities at 1 April 2019. This standard is mandatory for the accounting period beginning on 1 April 2019. The Group has elected for recognition exemption for short term leases and leases for which the underlying asset is of low value.

### t. Recently issued accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

# Notes forming part of the Financial Statements

## 3 A. Property, plant and equipment

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Land-Freehold | Land-Leasehold | Buildings | Plant and equip-ment | Furniture and fixtures | Vehicles | Office equip-ment | Computers | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | | |
| Balance as at 1 April 2018 | 133.19 | 24.68 | 292.26 | 965.86 | 27.34 | 15.36 | 10.01 | 17.55 | 1,486.26 |
| Additions (pursuant to acquisition -refer note 55) | - | - | - | 0.14 | 1.47 | 0.14 | 0.79 | 0.39 | 2.93 |
| Additions during the year | 70.30 | - | 75.32 | 467.20 | 17.62 | 3.53 | 5.42 | 12.60 | 651.99 |
| Foreign currency translation impact | - | - | 0.01 | 0.96 | 0.14 | - | - | 0.03 | 1.14 |
| Disposals/Adjustment | - | - | 0.02 | 15.01 | 1.48 | 1.67 | 0.48 | 0.93 | 19.59 |
| **Balance as at 31 March 2019** | **203.49** | **24.68** | **367.57** | **1,419.15** | **45.09** | **17.36** | **15.74** | **29.64** | **2,122.73** |
| Transition adjustment of Ind AS 116 (refer note 3C and 46) | - | (24.68) | (2.54) | - | - | - | - | - | (27.22) |
| Additions (pursuant to acquisition -refer note 55) | - | - | - | 8.10 | 0.30 | 0.03 | 0.39 | 0.76 | 9.58 |
| Additions during the year | 1.84 | - | 49.68 | 214.56 | 13.17 | 1.98 | 5.47 | 7.19 | 293.87 |
| Foreign currency translation impact | (0.09) | - | 2.96 | 15.29 | 7.14 | 0.07 | 0.18 | 0.29 | 25.84 |
| Disposals/Adjustment | - | - | 0.49 | 18.42 | 0.55 | 3.02 | 0.61 | 0.72 | 23.81 |
| Transfer to assets held for sale (refer note 26) | - | - | 2.12 | 0.27 | - | - | - | - | 2.39 |
| **Balance as at 31 March 2020** | **205.24** | **-** | **415.06** | **1,638.40** | **65.15** | **16.42** | **21.17** | **37.16** | **2,398.60** |
| **Accumulated depreciation and impairment losses** | | | | | | | | | |
| Balance as at 1 April 2018 | 0.04 | 0.27 | 17.30 | 236.57 | 18.47 | 5.37 | 2.97 | 5.89 | 286.87 |
| Foreign currency translation impact | - | - | 0.01 | 0.13 | (0.04) | - | - | 0.02 | 0.12 |
| Depreciation for the year | - | 0.13 | 14.66 | 180.35 | 11.78 | 2.88 | 2.67 | 6.92 | 219.39 |
| Disposals/Adjustment | - | - | 0.01 | 11.18 | 0.30 | 0.64 | 0.20 | 0.73 | 13.05 |
| **Balance as at 31 March 2019** | **0.04** | **0.40** | **31.96** | **405.87** | **29.91** | **7.61** | **5.44** | **12.10** | **493.33** |
| Transition adjustment of Ind AS 116 (refer note 3C and 46) | - | (0.40) | (0.60) | - | - | - | - | - | (1.00) |
| Foreign currency translation impact | - | - | 2.22 | 15.11 | 6.57 | 0.09 | 0.02 | 0.29 | 24.30 |
| Depreciation for the year | - | - | 17.77 | 212.93 | 12.25 | 2.67 | 3.68 | 8.54 | 257.84 |
| Disposals/Adjustment | - | - | 0.31 | 12.06 | 1.85 | 2.36 | 0.43 | 0.59 | 17.59 |
| Transfer to assets held for sale (refer note 26) | - | - | 1.43 | 0.21 | - | - | - | - | 1.64 |
| **Balance as at 31 March 2020** | **0.04** | **-** | **49.61** | **621.64** | **46.88** | **8.01** | **8.71** | **20.35** | **755.24** |
| **Carrying amounts (net)** | | | | | | | | | |
| **As at 31 March 2019** | **203.45** | **24.28** | **335.61** | **1,013.29** | **15.18** | **9.75** | **10.31** | **17.54** | **1,629.40** |
| **As at 31 March 2020** | **205.20** | **-** | **365.45** | **1,016.76** | **18.27** | **8.41** | **12.46** | **16.81** | **1,643.36** |

## 3 B. Capital work-in-progress:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Capital work-in-progress | 337.05 | 131.52 |

# Notes forming part of the Financial Statements

## 3 C. Right-of-use assets

(All amounts in Indian ₹ Crore, unless otherwise stated)

| | Leasehold Land | Building | Vehicles | Office equipment | Total |
|---|---|---|---|---|---|
| **Balance as at 1 April, 2019** | - | - | - | - | - |
| Transition adjustment of Ind AS 116 (refer note 3A and 46) | 24.88 | 98.31 | - | - | 123.19 |
| Additions during the year | 21.80 | 2.92 | - | - | 24.72 |
| Additions (pursuant to acquisition -refer note 55) | - | 9.64 | 1.29 | 1.15 | 12.08 |
| Deductions/ Adjustments (net) | - | 3.87 | - | - | 3.87 |
| Foreign currency translation impact | - | 2.12 | - | - | 2.12 |
| Transfer to assets held for sale (refer note 26) | 6.97 | - | - | - | 6.97 |
| **Balance as at 31 March 2020** | **39.71** | **109.12** | **1.29** | **1.15** | **151.27** |
| **Accumulated depreciation** | | | | | |
| **Balance as at 1 April, 2019** | - | - | - | - | - |
| Transition adjustment of Ind AS 116 (refer note 3A and 46) | 0.40 | 0.60 | - | - | 1.00 |
| Depreciation for the year | 0.36 | 14.01 | 0.17 | 0.14 | 14.68 |
| Disposals/Adjustment | - | - | - | - | - |
| Transfer to assets held for sale (refer note 26) | 0.23 | - | - | - | 0.23 |
| **Balance as at 31 March 2020** | **0.53** | **14.61** | **0.17** | **0.14** | **15.45** |
| **Carrying amounts (net)** | | | | | |
| **As at 31 March 2019** | - | - | - | - | - |
| **As at 31 March 2020** | **39.18** | **94.51** | **1.12** | **1.01** | **135.82** |

1. Carrying amount of assets (included in above) pledged as securities for borrowings (refer note 18 and 21)
2. The amount of borrowing costs capitalised during the year ended 31 March 2020 was ₹ 12.15 Crores (31 March 2019: ₹ 4.24 Crores). The rate used to determine the amount of borrowing costs eligible for capitalisation was 8.67% (31 March 2019: 8.00%) which is the effective interest rate.
3. Freehold land having carrying value as at 31 March 2020 ₹ 43.09 Crores (previous year ₹ 43.09 Crores) is pending for registration in the name of the Parent Company.
4. Leasehold land having gross block as at 31 March 2020 Nil (previous year ₹ 6.97 Crores) and accumulated depreciation as at 31 March 2020 Nil (previous year ₹ 0.17 Crores) is pending for registration in the name of the Parent Company and this land has been transferred to assets held for sale. (also refer note 26 and 57)

# Notes forming part of the Financial Statements

## 3 D. Intangible assets

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Goodwill | Other intangible assets | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Trade Mark | Design Fees | Technical Knowhow | Computer Software | Customer Relationship | |
| **Gross carrying amount** | | | | | | | |
| Balance as at 1 April 2018 | 0.56 | 3.07 | 2.49 | 24.02 | 24.56 | - | 54.70 |
| Additions (pursuant to acquisition -refer note 55) | - | - | - | - | 0.44 | - | 0.44 |
| Additions during the year | - | 0.02 | - | 25.49 | 17.20 | - | 42.70 |
| Foreign currency translation impact | - | - | - | - | 0.07 | - | 0.07 |
| Disposals/Adjustment | - | - | - | 1.17 | 0.20 | - | 1.37 |
| **Balance as at 31 March 2019** | **0.56** | **3.09** | **2.49** | **48.34** | **42.07** | **-** | **96.55** |
| Additions (pursuant to acquisition -refer note 55) | - | - | - | 114.25 | 2.12 | 14.70 | 131.07 |
| Additions during the year | - | - | - | 26.25 | 7.97 | 11.50 | 45.72 |
| Foreign currency translation impact | - | - | - | 0.70 | (0.11) | - | 0.59 |
| Disposals/Adjustment | 0.36 | - | - | 0.22 | 0.11 | - | 0.69 |
| **Balance as at 31 March 2020** | **0.20** | **3.09** | **2.49** | **189.32** | **51.93** | **26.20** | **273.24** |
| **Accumulated amortisation and impairment losses** | | | | | | | |
| Balance as at 1 April 2018 | 0.14 | 1.27 | 2.49 | 6.80 | 4.68 | - | 15.38 |
| Amortisation for the year | 0.09 | 0.46 | - | 7.42 | 7.02 | - | 14.99 |
| Foreign currency translation impact | - | - | - | - | 0.02 | - | 0.02 |
| Disposals/Adjustment | - | - | - | 0.60 | 0.08 | - | 0.68 |
| **Balance as at 31 March 2019** | **0.23** | **1.73** | **2.49** | **13.62** | **11.64** | **-** | **29.71** |
| Amortisation for the year | 0.06 | 0.35 | - | 16.48 | 10.17 | 2.32 | 29.38 |
| Foreign currency translation impact | - | - | - | - | (0.11) | - | (0.11) |
| Disposals/Adjustment | 0.20 | - | - | 0.22 | 0.04 | - | 0.46 |
| **Balance as at 31 March 2020** | **0.09** | **2.07** | **2.49** | **29.88** | **21.67** | **2.32** | **58.52** |
| **Carrying amount (net)** | | | | | | | |
| **As at 31 March 2019** | **0.33** | **1.36** | **-0.00** | **34.72** | **30.43** | **-** | **66.84** |
| **As at 31 March 2020** | **0.11** | **1.02** | **-0.00** | **159.44** | **30.26** | **23.88** | **214.72** |

## 3 E. Intangible asset under development:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Design and Technical know how | 19.70 | 18.47 |
| Others | 0.30 | 0.14 |
| **Total** | **20.00** | **18.61** |

## 3 F. Goodwill on Consolidation:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| **Opening Balance** | **164.92** | **111.79** |
| Additions (pursuant to acquisition -refer note 55) | 37.14 | 40.31 |
| Other adjustment | - | 12.82 |
| **Closing Balance** | **202.06** | **164.92** |

# Notes forming part of the Financial Statements

## 4 Investments

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Investments measured at cost** | | |
| Equity instruments | | |
| **(i) Investments in partnership firms**** | | |
| - Auto Component | 2.91 | 3.42 |
| - Yogendra Engineering | 0.08 | 0.01 |
| **(ii) Associates** | | |
| Minda NexGenTech Limited<br>- 3,120,000 equity shares (previous year 3,120,000 equity shares as on 31 March 2019) of ₹10/- each, fully paid up | 4.11 | 3.95 |
| Kosei Minda Aluminum Co Private Limited<br>- 28,737,371 equity shares (previous year 28,737,371 equity shares) of ₹ 10/- each, fully paid up | 8.20 | 15.96 |
| **(iii) Joint ventures** | | |
| Minda Emer Technologies Limited<br>- 2,725,000 equity shares (previous year 2,725,000 equity shares) of ₹10/- each, fully paid up | 5.07 | 3.26 |
| Roki Minda Co. Private Limited<br>- 40,924,800 equity shares (previous year 40,924,800 equity shares) of ₹10/- each, fully paid up | 92.11 | 73.54 |
| Minda TTE Daps Private Limited<br>- 4,990,513 equity shares (previous year 4,990,513 equity shares) of ₹ 10/- each, fully paid up | 3.38 | 3.47 |
| Minda Onkyo India Private Limited<br>- 19,500,000 equity shares (previous year 12,000,000 equity shares) of ₹ 10/- each, fully paid up | - | 0.72 |
| Minda D-Ten India Private Limited<br>- 2,544,900 equity shares (previous year 2,544,900 equity shares) of ₹ 10/- each, fully paid up | 7.33 | 6.55 |
| Denso Ten Minda India Private Limited<br>- 35,525,000 equity shares (previous year 35,525,000 equity shares) of ₹ 10/- each, fully paid up | 45.51 | 41.07 |
| Rinder Riduco S.A.S.<br>- 850,000 equity shares (previous year 850,000 equity shares) of COP 1/- each, fully paid up | 8.88 | 7.17 |
| Kosei Minda Mould Private Limited<br>- 6,341,645 equity shares (previous year 6,341,645 equity shares) of ₹ 10/- each, fully paid up | 4.61 | 6.26 |
| Toyoda Gosei Minda India Private Limited<br>- 210,320,000 equity shares (previous year 210,320,000 equity shares) of ₹ 10/- each, fully paid up | 193.05 | 193.22 |
| **(iv) Investments measured at Fair value through profit and loss:** | | |
| **Equity instruments** | | |
| Minda Industria E Comerico De Autopecsa Ltd<br>- 25,000 equity shares (previous year 25,000 equity shares) of Brazilian $ 1 each, fully paid up" | 0.07 | 0.07 |
| OPG Power Generation Private Limited<br>- 37,700 equity shares (previous year 37,700 equity shares) of ₹ 10/- each, fully paid up | 0.03 | 0.03 |
| Less: Other than temporary diminution in value of investment * | | |
| - Minda NexGenTech Limited | (3.12) | (3.12) |
| - Minda Industria E Comerico De Autopecsa Ltd | (0.07) | - |
| | **372.16** | **355.58** |
| Aggregate amount of unquoted investments | **372.16** | **355.58** |

* Aggregate provision for diminution of non-current investment is ₹ 3.19 crores (31 March 2019 ₹ 3.12 crores).

# Notes forming part of the Financial Statements

## 4 Investments (Contd.)

**Investment in Partnership Firms:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Partnership Firm | Name of the Partners | Share in Profit (%) As at 31 March 2020 | Share in Profit (%) As at 31 March 2019 |
|---|---|---|---|
| Auto Component | Minda Industries Limited | 48.90% | 48.90% |
| | Mr. Nirmal K. Minda | 25.55% | 25.55% |
| | Ms. Pallak Minda | 25.55% | 25.55% |
| Yogendra Engineering | Minda Industries Limited | 48.90% | 48.90% |
| | Mr. Sanjeev Garg | 12.50% | 12.50% |
| | Mrs. Suman Minda | 38.60% | 38.60% |
| **Total Capital of the firm** | | **Amount** | **Amount** |
| Auto Component | | 7.96 | 7.75 |
| Yogendra Engineering | | 0.16 | 0.16 |

## 5 Loans (non-current)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| (Unsecured and considered good unless otherwise stated) | | |
| Security deposits # | 13.31 | 20.91 |
| Others | 0.03 | 0.30 |
| | **13.34** | **21.21** |

# Includes an amount of ₹ 0.50 crore (Previous year ₹ 0.83 crore) given to a related party

## 6 Other financial assets (non-current)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| (Unsecured and considered good unless otherwise stated) | | |
| Bank deposits (due to mature after 12 months from the reporting date) | 5.67 | 4.85 |
| Interest accrued on fixed deposits | 0.24 | 0.64 |
| Retention money with customers | 1.65 | 1.65 |
| Forward contract receivable | 1.02 | 0.47 |
| Other receivable | 1.69 | 2.05 |
| | **10.27** | **9.66** |

## 7 Deferred tax assets/ (liabilities)-Net

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Deferred tax liabilities** | | |
| Differences between written down value of Property, plant & equipments and intangible assets as per Companies Act and Income Tax Act | 108.20 | 77.91 |
| | **108.20** | **77.91** |
| **Deferred tax assets** | | |
| Provision for employee benefits | 34.15 | 28.83 |
| Others | 29.73 | 14.83 |
| Unabsorbed tax losses | 20.64 | 11.80 |
| | **84.52** | **55.46** |
| **Total (A)** | **(23.68)** | **(22.45)** |
| - MAT credit entitlement (B) | 10.15 | 21.83 |
| **Deferred tax assets/ (liabilities)- Net (A+B)** | **(13.53)** | **(0.62)** |

# Notes forming part of the Financial Statements

## 7 Deferred tax assets/ (liabilities)-Net (contd.)

### Movement in deferred tax assets / (liabilities)

| Particulars | Property, plant & equipments and intangible assets | Provision for employee benefits | Others | Unabsorbed Losses | MAT credit entitlement | Total |
|---|---|---|---|---|---|---|
| **As at April 01, 2018** | **(45.20)** | **25.07** | **13.99** | **14.60** | **10.15** | **18.61** |
| (Charged)/credited: | | | | | | |
| to profit or loss | (32.73) | 3.96 | 0.84 | (2.80) | 12.13 | (18.60) |
| to other comprehensive income | - | (0.22) | - | - | - | (0.22) |
| Pursuant to acquisition | 0.02 | 0.02 | - | - | - | 0.04 |
| Utilisation | - | - | - | - | (4.42) | (4.42) |
| Other Equity | - | - | - | - | 3.97 | 3.97 |
| **As at March 31, 2019** | **(77.91)** | **28.83** | **14.83** | **11.80** | **21.83** | **(0.62)** |
| (Charged)/credited: | | | | | | |
| to profit or loss | 6.85 | 2.75 | 7.40 | 8.84 | (11.68) | 14.16 |
| to other comprehensive income | - | 2.57 | - | - | - | 2.57 |
| Transition impact of Ind AS 116 (Refer note 46) | - | - | 3.00 | - | - | 3.00 |
| Pursuant to acquisition (Refer note 55) | (37.14) | - | - | - | - | (37.14) |
| Others | - | - | 7.50 | - | - | 7.50 |
| **As at March 31, 2020** | **(108.20)** | **34.15** | **29.73** | **20.64** | **10.15** | **(10.53)** |

## 8 Other tax assets

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Advance income tax | 42.52 | 33.05 |
| | **42.52** | **33.05** |

## 9 Other assets (non-current)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| (Unsecured considered good unless otherwise reinstated) | | |
| Capital advances | 42.20 | 65.62 |
| Prepaid Expense | 0.33 | 1.39 |
| Balances with government authorities | 7.02 | - |
| Others | 1.05 | 0.09 |
| | **50.60** | **67.10** |

# Notes forming part of the Financial Statements

## 10 Inventories

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| (At lower of cost and net realisable value, unless otherwise stated) | | |
| Raw materials [Goods in transit ₹ 28.16 crore ( ₹ 44.62 crore as on 31 March 2019)] | 261.94 | 274.94 |
| Work-in-progress | 72.67 | 61.34 |
| Finished goods [Goods in transit ₹ 12.57 crore (₹ 24.10 crore as on 31 March 2019)] | 86.60 | 103.89 |
| Stock-in-trade [Goods in transit ₹ 6.83 crore (₹ 0.21 crore as on 31 March 2019)] | 85.91 | 65.77 |
| Stores and spares | 35.43 | 36.47 |
| Loose tools | 12.71 | 18.56 |
| | **555.26** | **560.97** |
| Carrying amount of inventories (included in above) pledged as securities for borrowings and sanctioned limits (refer note 18 and 21) | 555.26 | 560.97 |

## 11 Trade receivables *

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| (Unsecured, considered good unless otherwise stated) | | |
| Trade receivables considered good- Unsecured | 726.41 | 899.22 |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade receivables- credit impaired | 9.24 | 4.77 |
| | **735.65** | **903.99** |
| Less: Allowance for credit impaired | (9.24) | (4.77) |
| | **726.41** | **899.22** |
| The movement in change in allowance for expected credit loss and credit impairment | | |
| **Balance as at beginning of the year** | **4.77** | **4.91** |
| Change in allowance for expected credit loss and credit impairment | 4.51 | 1.77 |
| Utilisation / written back | (0.04) | (1.91) |
| **Balance as at the end of the year** | **9.24** | **4.77** |

*The Group' exposure to currency and liquidity risks related to the above financial assets is disclosed in Note 50.

## 12 Cash and cash equivalents

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| - Balances with banks | | |
| On current accounts | 217.82 | 81.83 |
| On deposit accounts (with original maturity of 3 months or less) | 32.11 | 9.25 |
| | **249.93** | **91.08** |
| - Cash on hand | 1.05 | 1.69 |
| | **250.98** | **92.77** |

# Notes forming part of the Financial Statements

## 13 Bank balances other than those included in cash and cash equivalents above

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Bank deposits (due for realisation within 12 months of the reporting date)* | 76.65 | 17.10 |
| Unpaid dividend accounts** | 0.21 | 0.19 |
| | **76.86** | **17.29** |

* Includes fixed deposit amounting to ₹ 0.77 crore (previous year ₹ 0.90 crore) pledged against cash credit facilities

** Does not include any amount payable to Investor Education and Protection Fund

## 14 Loans (current)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| (Unsecured and considered good unless otherwise stated) | | |
| Security deposits | 0.96 | 1.04 |
| Loan to employees | 1.86 | 0.97 |
| Others | 2.88 | - |
| | **5.70** | **2.01** |

## 15 Other financial assets (current)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| (Unsecured and considered good unless otherwise stated) | | |
| Forward contract receivable | 11.18 | 1.71 |
| Interest accrued on fixed deposits | 1.76 | 1.97 |
| Loans and advances to related party and others | 6.95 | 1.50 |
| Advances to employees | 2.67 | 4.22 |
| Incentive receivable | 8.46 | 10.49 |
| Insurance claims receivable | 1.35 | 1.61 |
| Others | 2.52 | 0.50 |
| | **34.89** | **22.00** |

## 16 Other assets (current)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| (Unsecured and considered good unless otherwise stated) | | |
| Prepaid expenses | 11.46 | 11.71 |
| Advance to suppliers | 37.34 | 35.16 |
| Balances with government authorities | | |
| - Considered good | 89.35 | 91.53 |
| - Considered doubtful | 0.06 | 0.02 |
| Less: Provision for loss allowance | (0.06) | (0.02) |
| Others | 1.21 | 0.08 |
| | **139.36** | **138.48** |

# Notes forming part of the Financial Statements

## 17 (a) Equity share capital

### (i) Authorised

(All amounts in Indian ₹ Crore, unless otherwise stated)

| | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| Equity shares of ₹ 2/- each with voting rights | 31,75,00,000 | 63.50 | 31,75,00,000 | 63.50 |
| Equity shares of ₹ 10/- each with voting rights * | 9,12,00,000 | 91.20 | 6,10,00,000 | 61.00 |
| Equity shares of ₹ 100/- each with voting rights * | 2,95,060 | 2.95 | 2,95,060 | 2.95 |
| **Preference share capital** | | | | |
| 9% Cumulative redeemable preference shares of ₹ 10/- each (Class 'A') | 30,00,000 | 3.00 | 30,00,000 | 3.00 |
| 3% Cumulative compulsorily convertible preference shares of ₹ 2,187/- each (Class 'B') | 1,83,500 | 40.13 | 1,83,500 | 40.13 |
| 3% Cumulative redeemable preference shares of ₹ 10/- each (Class 'C') | 35,00,000 | 3.50 | 35,00,000 | 3.50 |
| 1% Non-cumulative fully convertible preference shares of ₹ 10/- each (Class 'D') | 1,00,00,000 | 10.00 | 1,00,00,000 | 10.00 |
| 8% Non-cumulative redeemable preference shares of ₹ 10/- each (Class 'E') * | 2,75,00,000 | 27.50 | 2,75,00,000 | 27.50 |
| | **45,31,78,560** | **241.78** | **42,29,78,560** | **211.58** |

* Represents effect of common control business combination (refer note 57)

### (ii) Issued, subscribed and fully paid up

(All amounts in Indian ₹ Crore, unless otherwise stated)

| | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **Equity share capital** | | | | |
| Equity shares of ₹ 2/- each with voting rights (previous year ₹ 2/- each) [Refer footnote (vii)] | 26,22,16,965 | 52.44 | 26,22,16,965 | 52.44 |
| | **26,22,16,965** | **52.44** | **26,22,16,965** | **52.44** |

### (iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **Equity shares** | | | | |
| Opening balance | 26,22,16,965 | 52.44 | 8,70,41,155 | 17.41 |
| Add: Increase in number of shares on account of ESOP exercised | - | - | 8,33,500 | 0.17 |
| Add: Increase in number of shares on account of issue of Bonus shares (Refer footnote vii) | - | - | 17,43,42,310 | 34.86 |
| **Closing balance** | **26,22,16,965** | **52.44** | **26,22,16,965** | **52.44** |

# Notes forming part of the Financial Statements

## 17 Equity share capital (Contd.)

**(iv) (i) Rights, preferences and restrictions attached to equity shares**

The Parent Company has only one class of equity shares having par value of ₹ 2/- per share (31 March 2019 ₹ 2/- per share). Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors 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 assets, in proportion to their shareholding.

During the year, the Board, in its meeting held on 06 February, 2020 , declared an interim dividend of ₹ 0.40/- per equity share i.e. 20% (previous year ₹ 0.45/- per equity share) .

Further, Board of Directors has not proposed any final dividend for the year ended 31 March 2020. The Board has recommended a final dividend of ₹ 0.65/- per equity share i.e. 32.50% for the financial year ended 31 March 2019.

**(v) Details of shareholders holding more than 5% shares in the Company:**

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| Class of shares / Name of shareholder | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Mr. Nirmal K Minda | 6,53,71,530 | 24.93% | 6,53,71,530 | 24.93% |
| Mrs. Suman Minda | 3,85,72,140 | 14.71% | 3,85,72,140 | 14.71% |
| Minda Investments Limited | 6,38,50,140 | 24.35% | 6,38,50,140 | 24.35% |
| Matthews Asia Dividend Fund | 1,39,29,676 | 5.31% | 1,46,60,782 | 5.59% |

**(vi)** Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash for the period of five years immediately preceding the balance sheet date is Nil.

**(vii)** During the year ended 31 March 2019, the Parent Company had issued bonus shares in the ratio of two equity shares of ₹ 2 each for every one equity share of the Company held by the shareholders as on a record date pursuant to resolution passed after taking the consent of shareholders through postal ballot. Consequently earnings per share of previous year is restated for such bonus shares issued.

# Notes forming part of the Financial Statements

## 17 (b) Other Equity attributable to owners of Minda Industries Limited:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Other comprehensive income/(loss) | | Equity component of other financial instruments | Securities premium | Capital redemption reserve | Capital reserves | Capital reserves arising on consolidation | General reserves | Employee stock options reserve | Retained earnings | Total other equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Remeasurements of Defined Benefits obligations | Foreign currency translation reserve | | | | | | | | | |
| **Balance as at 1 April 2019** | **1.48** | **2.80** | **6.55** | **360.51** | **18.29** | **3.32** | **177.01** | **70.64** | **-** | **1,011.12** | **1,651.72** |
| TransitionimpactofIndAS116netoftax(refernote46) | - | - | - | - | - | - | - | - | - | (5.46) | (5.46) |
| Profit for the year | - | - | - | - | - | - | - | - | - | 154.95 | 154.95 |
| Other comprehensive income/(loss) (net of tax) | -3.94 | 2.58 | - | - | - | - | - | - | - | - | (1.36) |
| Utilised During the Year | - | - | - | - | - | (0.04) | - | - | - | - | (0.04) |
| Employee stock compensation expense | - | - | - | - | - | - | - | - | 1.20 | - | 1.20 |
| Pursuant to acquisition | - | - | - | - | - | - | - | - | - | (4.45) | (4.45) |
| Final dividend for the year ended 31 March 2019 | - | - | - | - | - | - | - | - | - | (17.04) | (17.04) |
| Interim dividend for the year ended 31 March 2020 | - | - | - | - | - | - | - | - | - | (10.49) | (10.49) |
| Dividend distribution tax | - | - | - | - | - | - | - | - | - | (5.42) | (5.42) |
| Others | - | - | - | - | - | - | - | - | - | (0.33) | (0.33) |
| **Balance as at 31 March 2020** | **-2.46** | **5.38** | **6.55** | **360.51** | **18.29** | **3.28** | **177.01** | **70.64** | **1.20** | **1,122.88** | **1,763.28** |

# Notes forming part of the Financial Statements

## 17 (b) Other Equity attributable to owners of Minda Industries Limited: (Contd.)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Other comprehensive income/(loss) | | Equity component of other financial instruments | Securities premium | Capital redemption reserve | Capital reserves | Capital reserves arising on consolidation | General reserves | Employee stock options reserve | Retained earnings | Total other equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Remeasurements of Defined Benefits obligations | Foreign currency translation reserve | | | | | | | | | |
| **Balance as at 1 April 2018** | **1.21** | **3.78** | **6.55** | **371.59** | **6.50** | **3.41** | **139.11** | **70.64** | **3.61** | **767.88** | **1,374.27** |
| Profit for the year | - | - | - | - | - | - | - | - | - | 285.62 | 285.62 |
| Other comprehensive income/(loss) (net of tax) | 0.27 | (0.98) | - | - | - | - | - | - | - | - | (0.71) |
| Additional tax benefit on employee stock options exercised during the year | - | - | - | 5.90 | - | - | - | - | - | - | 5.90 |
| Reserve utilised on exercise of employee stock options | - | - | - | 3.41 | - | - | - | - | (3.41) | - | - |
| Utilised During the Year | - | - | - | - | - | (0.09) | - | - | - | - | (0.09) |
| Utilization of Reserves for issue of bonus shares | - | - | - | (28.36) | (6.50) | - | - | - | - | - | (34.86) |
| Addition on redemption of preference shares | - | - | - | - | 18.29 | - | - | - | - | (18.29) | - |
| Addition during the year (including pursuant to acquisition) | - | - | - | - | - | - | 36.92 | - | - | - | 36.92 |
| Final dividend for the year ended 31 March 2018 | - | - | - | - | - | - | - | - | - | (13.98) | (13.98) |
| Interim dividend for the year ended 31 March 2019 | - | - | - | - | - | - | - | - | - | (11.80) | (11.80) |
| Dividend distribution tax* | - | - | - | - | - | - | - | - | - | (5.10) | (5.10) |
| Disposal/ Adjustment | - | - | - | - | - | - | 0.98 | - | (0.20) | 6.79 | 7.57 |
| Premium on ESOP | - | - | - | 7.97 | - | - | - | - | - | - | 7.97 |
| **Balance as at 31 March 2019** | **1.48** | **2.80** | **6.55** | **360.51** | **18.29** | **3.32** | **177.01** | **70.64** | **-** | **1,011.12** | **1,651.72** |

# Notes forming part of the Financial Statements

## 17 (b) Other Equity (Contd.)

**The Description of the nature and purpose of each reserve within other equity is as follows:**

a) **Securities premium:** Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Companies Act 2013, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

b) **Capital redemption reserve:** The capital redemption reserve is a non-distributable reserve and represents preference shares redeemed.

c) **General reserve:** The parent company appropriates apportion to general reserve out of profits voluntarily and the said reserve is available for payment of dividend to shareholders.

d) **Employee stock options reserve:** The Parent Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees. The reserve is used to recognise the value of equity settled stock options provided to employees, including key management personnel, as part of their remuneration. Refer to Note 47 for further details of these plans.

e) **Equity component of other financial instruments**:

Equity component of the compound financial instruments is credited to other equity.

f) **Capital reserve arising on consolidation:**

Capital Reserve arising on consolidation is the reserve created on acquisition of subsidiaries, joint ventures and associates.

g) **Foreign currency translation reserve:**

This reserve is created due to changes in historic rates and closing rates of assets and liabilities of foreign subsidiary entities.

h) Other comprehensive Income (OCI) amount pertaining to remeasurements of defined benefit liabilities (Asset) - comprises actuarial gain & losses.

**Distribution made** (All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Cash dividends on equity shares declared and paid:** | | |
| Final dividend for the year ended on 31 March, 2019 ₹ 0.65/- per share (31 March, 2018 ₹1.60/- per Share) | 17.04 | 13.98 |
| Interim dividend for the year ended on 31 March, 2020 ₹ 0.40 per share (31 March, 2019 ₹ 0.45 per share) | 10.49 | 11.80 |
| Dividend distribution tax on above (DDT) | 5.42 | 5.10 |
| | **32.95** | **30.88** |
| **Proposed Dividends on equity shares*:** | | |
| Final dividend for the year ended on 31 March, 2020 @ Nil per share (31 March, 2019 @ ₹ 0.65 per share) | - | **17.04** |
| Dividend distribution tax on above (DDT) | - | **3.50** |
| | - | **20.54** |

# Notes forming part of the Financial Statements

## 17 c) Non Controlling Interest:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Amount |
|---|---|
| Balance as at 1 April 2018 | 211.01 |
| Profit for the year | 53.86 |
| Pursuant to acquisition/additional investment (net) during the year | 6.98 |
| Addition in non-controlling interest due to non exercising right issue | 2.51 |
| Dividend paid/ Drawings during the year | (13.71) |
| Other comprehensive income/(loss) (net of tax) | 0.03 |
| Adjustment | 6.03 |
| **Balance as at 31 March 2019** | **266.71** |
| Profit for the year | 32.76 |
| Transition impact of Ind AS 116 net of tax (refer note 46) | (4.64) |
| Dividend paid/ Drawings during the year | (11.79) |
| Other comprehensive income/(loss) (net of tax) | (0.20) |
| **Balance as at 31 March 2020** | **282.84** |

## 18 Non-Current borrowings

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Term loans** | | |
| **Secured** | | |
| From banks | 877.76 | 639.66 |
| From others | 26.73 | 1.30 |
| Less: Current maturities of long term borrowings (Refer note 23) | 145.23 | 96.25 |
| | **759.26** | **544.71** |
| **Term loans** | | |
| **Unsecured** | | |
| From banks | 46.66 | 76.15 |
| From others | 7.73 | 11.97 |
| Less: Current maturities of long term borrowings (Refer note 23) | 33.32 | 29.49 |
| | **21.07** | **58.63** |
| Debt portion of compound financial instruments (preference shares)* | - | 3.00 |
| | **780.33** | **606.34** |

# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| S. No | Nature of security (including current portion of term loan): | Terms of repayment and rate of interest | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| 1 | - Rupee term loan from HDFC Bank by the Parent Company is secured by:<br>Movable Fixed assets ~First Pari passu charge on all movable fixed assets of the company<br>Immovable Fixed assets~ First Pari passu charge on Immovable fixed assets of the company. Collateral Details -<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurgaon<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana<br>iii) Plot No ME-I and ME-II, Sector- 2A, IMT Manesar<br>iv) Land & Bldg at Plot no. B-3, SIPCOT Industrial Park at Pillaipakkam, Vengadu Taluk, Sriperumpudur (v) Plot No 5, Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand and<br>vi) Plot No 5(A), , Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand.<br>Also, Negative Lien of<br>i) Property No. B-6, MIDC, Chakan Industrial Area, Mahalunge, Taluka Khed, measuring 9300 sq mt and 11970 sq mt<br>ii) Property No. B-1/5 MIDC, Chakan Industrial Area, Mahalunge, Taluka Khed, measuring 18022 sq mt. | Total loan sanctioned amounting to ₹ 100 crore having tenure of 60 Months including moratorium of 18 months and repayment in 7 equal semi-annual installments post moratorium<br>Rate of interest- HDFC 1Y MCLR | 100.00 | 100.00 |
| 2 | - Rupee term loan from Axis Bank is secured by:<br>First pari passu charge on the fixed Assets of the Parent Company i.e. plant and machinery including land & building as mentioned below:<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana.<br>iii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar<br>iv) Plot No 5(A), , Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand.<br>v) Plot No ME-I and ME-II, Sector- 2A, IMT Manesar<br>Negative Lien on :<br>i) Plot No. B-1/5, Chakan Industrial Area, Nogoje, Taluka Khed, Pune<br>ii) B-6, MIDC Chakan Industrial Area, Village Mahalunge, Taluka Khed, Distt. Pune.<br>Second pari passu charge on the entire current assets of the Company both present and future. | Total loan sanctioned amounting to ₹ 85 crore having tenure of 5 years including moratorium of 6 months and repayment in 20 equal quarterly installments post moratorium<br>Rate of interest- 3M MCLR + 10bps | 68.00 | 80.75 |

# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| S. No | Nature of security (including current portion of term loan): | Terms of repayment and rate of interest | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| 3 | - External Commercial Borrowing from HSBC Bank by the Parent Company is secured by :<br>First pari passu charge on the fixed Assets of the Company i.e. plant and machinery including land & building as mentioned below::<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana.<br>iii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar<br>iv) Plot No 5(A), , Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand.<br>v) Plot No ME-I and ME-II, Sector- 2A, IMT Manesar<br>vi) Plot no. B-3, SIPCOT Industrial Park at Pillaipakkam, Vengadu Taluk, Sriperumpudur<br>Negative Lien on :<br>i) Plot No. B-1/5, Chakan Industrial Area, Nogoje, Taluka Khed, Pune<br>ii) B-6, MIDC Chakan Industrial Area, Village Mahalunge, Taluka Khed, Distt. Pune. | Total loan sanctioned amounting to USD 1 crore having tenure of 60 month including moratorium of 12 months and repayment in 16 equal quarterly installments post moratorium<br>Rate of interest- 3 M LIBOR + 105 bps | 65.96 | 69.17 |
| 4 | - External Commercial Borrowing from Citi Bank N.A. by the Parent Company is secured by:<br>First pari passu charge on the fixed Assets of the Company i.e. plant and machinery including land & building as mentioned below::<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana.<br>iii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar<br>iv) Plot No 5(A), , Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand.<br>v) Plot No ME-I and ME-II, Sector- 2A, IMT Manesar | Total loan sanctioned amounting to USD 0.8 crore having tenure of 5 Years including moratorium of 12 months and repayment in 17 equal quarterly installments post moratorium<br>Rate of interest- 3 M LIBOR + 90 bps | 46.70 | 52.03 |

# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| S. No | Nature of security (including current portion of term loan): | Terms of repayment and rate of interest | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| 5 | - External Commercial Borrowing from HSBC Bank is secured by the Parent Company:<br>First Parri Passu charge on entire block of Movable Fixed Assets except those wheien lenders have exclusive charge.<br>First Pari passu charge on Equitable Mortgage at below locations:<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana.<br>iii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar<br>iv) Plot No 5(A), , Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand.<br>v) Plot No ME-I and ME-II, Sector- 2A, IMT Manesar<br>vi) Plot no. B-3, SIPCOT Industrial Park at Pillaipakkam, Vengadu Taluk, Sriperumpudur<br>Negative Lien on :<br>i) Plot No. B-1/5, Chakan Industrial Area, Nogoje, Taluka Khed, Pune<br>ii) B-6, MIDC Chakan Industrial Area, Village Mahalunge, Taluka Khed, Distt. Pune. | Total loan sanctioned amounting to USD 1.50 crore having tenure of 75 month including moratorium of 15 months and repayment in 20 equal quarterly installments post moratorium<br>Rate of interest- 3 M LIBOR + 100 bps | 113.08 | - |
| 6 | - External Commercial Borrowing from Citi Bank is secured by the Parent Company :<br>First pari passu charge on all movable and all immovable property, plant and equipments of the Company as below;<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana.<br>iii) Plot no. -5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal<br>iv) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>v) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>vi) Plot no. B-3, SIPCOT Industrial Park at Pillaipakkam, Vengadu Taluk, Sriperumpudur<br>Negative Lien on :<br>i) Plot No. B-1/5, Chakan Industrial Area, Nogoje, Taluka Khed, Pune<br>ii) B-6, MIDC Chakan Industrial Area, Village Mahalunge, Taluka Khed, Distt. Pune.<br>Second pari passu charge on all present and future current assets of the Company | Total loan sanctioned amounting to USD 1.40 crore having tenure of 5 Years including moratorium of 18 months and repayment in 14 equal quarterly installments post moratorium<br>Rate of interest- 3 M LIBOR + 75 bps | 105.54 | - |

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# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| S. No | Nature of security (including current portion of term loan): | Terms of repayment and rate of interest | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| 7 | - Rupee term loan from Axis Bank is secured by the Parent Company:<br>First pari passu charge on the fixed Assets of the Company i.e. plant and machinery including land & building as mentinoed below::<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana.<br>iii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar<br>iv) Plot No 5(A), , Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand.<br>v) Plot No ME-I and ME-II, Sector- 2A, IMT Manesar<br>v) Plot no. B-3, SIPCOT Industrial Park at Pillaipakkam, Vengadu Taluk, Sriperumpudur<br>Negative Lien on :<br>i) Plot No. B-1/5, Chakan Industrial Area, Nogoje, Taluka Khed, Pune<br>ii) B-6, MIDC Chakan Industrial Area, Village Mahalunge, Taluka Khed, Distt. Pune.<br>Second pari passu charge on the entire current assets of the Company both present and future. | Total loan sanctioned amounting to ₹ 38 crore having tenure of 5.5 years including moratorium of 18 months and repayment in 16 equal quarterly installments post moratorium<br>Rate of interest- 3 M MCLR + 10 bps | 30.00 | - |
| 8 | From ICICI Bank by erstwhile subsidiary MJ Casting Limited (also refer note 57) is primary secured by:<br>i) equitable mortgage over land and building both present and future of Hosur plant situated at Upparapalli, Mathagondapalli, Hosur, Tamil Nadu<br>ii) equitable mortgage over land and building both present and future of Bawal plant situated at 323, Phase II/IV, Sector 3, Industrial Growth Centre, Bawal, Distt. Rewari, Haryana<br>iii) hypothecation on all movable fixed assets (except vehicles) of the erstwhile subsidiary MJ Casting Limited, both present and future<br>iv) further secured by way of hypothecation on erstwhile subsidiary MJ Casting Limited's (also refer note 55) entire stock and other such movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future. | Loan from ICICI Bank Ltd is repayable in 18 quarterly installments of ₹ 1.73 Cr each.<br>Rate of interest- ICICI Base rate + 0.95% | - | 13.85 |

# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| S. No | Nature of security (including current portion of term loan): | Terms of repayment and rate of interest | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| 9 | Term loan from Yes Bank by Minda Kyoraku Limited is secured by:<br>- First pari passu charge on all the movable and immovable fixed assets of bawal Plant of the borrower (both present and future)<br>- Second pari passu charge on all the current assets of the borrower (both present and future) | Rate of interest - 6 months MCLR + 1.15% spread currently at 10.55% on 31st March 2019<br>Term loan sanction amounting to ₹ 6.50 Crores. The principle amount of ₹ 4.47Crores is repayable in 20 equal quarterly installments of ₹ 0.22 Crores commencing from 2 Dec 2014. Loan maturity date is 2 September 2019. | - | 0.45 |
| 10 | FCNR loan from CITI Bank by Minda Kyoraku Limited is secured by:<br>- First charge on fixed assets of the company situated at Gujarat Unit (Both movable and immovable fixed assets) | Rate of interest - 3 months MCLR + 2% spread, Company has taken a interest rate swap contract to fixed interest liabilites @ 5.20% P.A. on outsanding INR principal amount.<br><br>The principal amount of USD 0.21 Crores is repayable in 20 equal quarterly installments of USD 0.01 Crores commencing from 09 April 2020 , company has entered in to partial hedge contract for principal repayment | 16.04 | 14.72 |
| 11 | FCNR Loan from ICICI Bank by Minda Kyoraku Limited is secured by:<br>- First Pari Passu charge by way of mortgage over all the immovable fixed assets related Gujarat Project both present and future (Immovable Fixed Assets)<br>- First Pari Passu charge on all the movable fixed assets of the company's Gujarat Project both present and future (Movable Fixed Assets)<br>- Second Pari Passu charge by way of hypothecation over current assets both present and future of the borrower (Current Assests) | a) Rate of interest - 3 months MCLR + 2% spread, company has taken a interest rate swap contract to fixed interest liabilities @ 6.68% P.A. on outstanding USD principal amount.<br>The principal amount of USD 0.14 Crores is repayable in 14 equal quarterly installments of USD 0.01 Crores commencing from 31 December 2019, company has entered in to partial hedge contract for principal repayment.<br>b) Rate of interest - 3 months MCLR + 2% spread, company has taken a interest rate swap contract to fixed interest liabilities @ 6.61% P.A. on outstanding USD principal amount.<br>The principal amount of USD 0.14 Crores is repayable in 9 equal quarterly installments of USD 0.01 Crores commencing from 31 December 2019 and last payment for USD 0.05 Crores will be paid on 28th Feb 2022. The Company has entered in to partial hedge contract for principal repayment. | 17.94 | 19.21 |

# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| S. No | Nature of security (including current portion of term loan): | Terms of repayment and rate of interest | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| 12 | Rupee loan from yes Bank by Minda Kosei Aluminum Wheel Private Limited is secured by:<br>- First pari passu charge on all movable property, plant and equipment (PPE) (both present and future) and immovable PPE of Bawal plant.<br>- Second pari passu charge on all current assets. | a) Rate of interest - 11% for first year and thereafter floating @ Yes Bank base rate plus 0.50% per annum. Currently 9.55% at 31 March 2020 (31 March 2019: 9.80%)<br>Maximum tenure of loan is for 96 months from the date of first disbursement.<br>Principal amount is repayable in 24 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2015-16.<br>b) Rate of interest - floating @ Yes Bank base rate 6 month MCLR plus 0.25% per annum currently 9.45% at 31 March 2020 (31 March 2019: 9.95%)<br>Maximum tenure of loan is for 72 months including moratorium period of 12 months from date of first disbursement. Principal amount is repayable in 20 quarterly instalments after a moratorium period of 12 months from the date of first disbursement. First disbursement of the loan was in year 2018-19. | - | 41.75 |
| 13 | Rupee loan from IndusInd bank by Minda Kosei Aluminum Wheel Private Limited is secured by:<br>- First pari passu charge by way of equitable mortgage on immovable property (land and building) located at Bawal, Haryana and by way of hypothecation on all present and future moveable PPE.<br>- Second pari passu charge by way of hypothecation on all the present and future current assets. | a) Rate of interest - floating @ IndusInd Bank base rate 6 month MCLR. Currently 8.95% at 31 March 2020 (31 March 2019: 9.75%)<br>Maximum tenure of loan is for 96 months from the date of first disbursement. Principal amount is repayable in 24 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2018-19.<br>b) Rate of interest - floating @ IndusInd Bank base rate 6 month MCLR. Currently 8.95% at 31 March 2020 (31 March 2019: 10.00%)<br>Maximum tenure of loan is for 96 months from the date of first disbursement. Principal amount is repayable in 24 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2015-16. | 25.91 | 49.81 |

# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| S. No | Nature of security (including current portion of term loan): | Terms of repayment and rate of interest | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| 14 | Foreign currency loan from SCB bank by Minda Kosei Aluminum Wheel Private Limited is secured by:<br>- First pari passu charge on all movable PPE (both present and future) of Gujarat plant.<br>- Second pari passu charge on current assets. | Cost of funds + Bank's margin of 1.50%. Currently 8.55% at 31 March 2020 (31 March 2019: 8.55%)<br>Maximum tenure of loan shall not exceed 7 years from the date of first disbursement. Principal amount is repayable in 20 equal quarterly installments after a moratorium period of 24 months from the date of first disbursement, with first repayment date to not go beyond 31 December 2019. | 40.71 | 41.50 |
| 15 | Rupee loan from HDFC banks by M/s Minda Kosei Aluminum Wheel Private Limited is secured by:<br>- First pari passu charge on equitable mortgage over immovable PPE (land and building of Gujarat Plant) and movable PPE (plant and equipment of Gujarat plant and Bawal Phase 1 plant)<br>- Second pari passu charge on stock and book debts | a) Rate of interest - floating @ HDFC Bank base rate 6 month MCLR. Currently 8.45% as at 31 March 2020 (31 March 2019: 9.10%)<br>Maximum tenure of loan is for 84 months from the date of first disbursement. Principal amount is repayable in 20 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2017-18.<br>b) Rate of interest - floating @ HDFC Bank base rate 6 month MCLR Currently 8.45% as at 31 March 2020 (31 March 2019: 9.05%)<br>Maximum tenure of loan is for 84 months from the date of first disbursement. Principal amount is repayable in 20 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2018-19. | 42.50 | 72.76 |
| 16 | from Axis Bank is secured by way of first paripassu charge on present and future movable<br>assets of the erstwhile subsidiary Minda Rinder Private Limited .<br>(Primary Security) and equitable mortgage of land and building situated at Chakan.<br>(Pune), Second charge by way of hypothecation of entire current assets of erstwhile subsidiary Minda Rinder Private Limited (also refer note 57) (Collateral Security) | Loan 1- Total loan sanctioned amounting to ₹ 30 Crores of which loan of ₹ 15 Crores was availed in current year repayable in 24 quarterly instalments of ₹ 1.25 crores each starting after 12 months from the date of first disbursement (from December 2017).<br>Rate of interest : MCLR +1% , currently 8.8% p.a.<br>Loan 2- Total loan sanctioned amounting to ₹ 22 Crores repayable in 20 quarterly instalment of ₹ 1.10 crores each starting after 6 months from the date of first disbursement (from March 2019)<br>Rate of interest : MCLR +1% , currently 8.8% p.a. | 36.09 | 43.40 |

# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| S. No | Nature of security (including current portion of term loan): | Terms of repayment and rate of interest | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| 17 | "External commercial borrowing from Standard Chartered Bank is secured by first exclusive charge by way of equitable mortgage of immovable property and all present and future movable property, plant and equipment located at Pimpri plant of subsidiary erstwhile subsidiary Minda Rinder Private Limited (also refer note 57)." | Secured external commercial borrowings from Standard Chartered Bank is repayable in 4 half yearly instalments of Euro 0.01 Crores each starting from 20 Nov 2016 upto 20 March 2018 and 1 Half yearly instalment of Euro 0.01 Crores as at 20 May 2019.<br>Rate of interest : SOFR +2.30 % ( 31 March 2019 SOFR+ 2.30% ) | - | 0.39 |
| 18 | Term loan from Bajaj Finance Limited is secured by exclusive charge by way of equitable mortgage of land and building located at Bahadurgarh (Haryana) of the erstwhile subsidiary Minda Rinder Private Limited (also refer note 57). | Loan sanctioned amounting to ₹28 crores, repayable in 22 quarterly instalments of ₹1.27 crores starting from March 2020.<br>Rate of interest : 9% p.a. | 26.73 | - |
| 19 | Rupee term loan from HDFC Bank by Minda Katolec Electronics Services Private Limited: Secured by exclusive hypothecation on stock in trade, book debts and receivables, plant and machinery, fixed deposits and movable assets (both present & future). | Capex loan sanctioned amounting to INR 15.07 Crors having tenure of 5 years including moratorium of 6 months.<br>Rate of interest at 9.45% as on 31 March 2020 | 14.65 | - |
| 20 | ECB loan from Standard Chartered Bank by Mindarika Private limited:<br>Secured by:<br>- First exclusive mortgage of the Land/Building situated at Chennai.<br>- First exclusive charge on assets financed out of external commercial borrowing (ECB). | Sanctioned amount $ 0.40 Crores<br>Rate of interest - 2.25%+Libor<br>Repayable in 17 equal quarterly instalments starting from Mar'16 and Apr'16 (i.e. 12 months after first instalment of the loan)<br>Last instalment due in April 2020 | 0.89 | 7.32 |
| 21 | Term loan from HSBC bank by Mindarika Private limited Secured by: First charge on the movable property, plant and equipment of Gujarat plant with minimum asset cover of 1.25x | Sanctioned amount ₹ 32.50 Crore<br>Rate of interest - 3 month MCLR +0.05%<br>Repayable in 16 quarterly equal instalments starting from Apr'19 (i.e. 12 months from the date of first disbursement). Last instalment due in Apr 2023. | 16.87 | 32.50 |
| 22 | Term loan from Bajaj Finance Limited is secured by exclusive charge by way of equitable mortgage of land and building located at Bahadurgarh (Haryana) of erstwhile subsidiary Minda Rinder Private Limited (also refer note 57). | Rate of interest : 10.00% p.a. | - | 1.30 |
| 23 | Vehicle loans from banks are secured against hypothecation of respective vehicles financed by them | | - | 0.05 |
| 24 | - External commercial borrowings from Banco Balbao Vijcaya Argentaria S.A. by the Parent Company (unsecured) | Total loan sanctioned amounting to EUR 0.45 crore , repayable in 20 quarterly instalments from July, 2016.<br>Rate of interest- 1.79% p.a. | 10.63 | 19.85 |

# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| S. No | Nature of security (including current portion of term loan): | Terms of repayment and rate of interest | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| 25 | External Commercial Borrowings from Bank of Tokyo Mitsubishi (Unsecured) of Minda TG Rubber Private Limited | USD 0.07 Crores equivalent to INR 2.94 Crores (31 March 2019: USD 0.10 Crores equivalent to INR 6.59Crores) at an interest rate of 8.95%<br>Quarterly instalments of ₹ 0.50 Crores each starting from September 2016 upto June, 2021.<br>USD 0.07Crores equivalent to INR 3.03Crores (31 March 2019: USD 0.10 Crores equivalent to INR 6.79 Crores) at an interest rate of 9.30%<br>20 Quarterly instalments of INR 0.50 Crores each starting from September 2016 upto June, 2021.<br>USD 0.11 Crores equivalent to INR 4.46Crores (31 March 2019: USD 0.15 Crores equivalent to INR 10.01 Crores) at an interest rate of 8.98%<br>20 Quarterly instalments of INR 0.75 Crores each starting from Sep 2016 upto June, 2021.<br>USD 0.4 Crores equivalent to INR 1.86 Crores (31 March 2019: USD 0.06 Crores equivalent to INR 3.44 Crores) at an interest rate of 9.05%<br>16 Quarterly instalments of INR 0.23 Crores each and 1 installment of ₹0.23Crores starting from Dec 2017 upto Sep 2021 and 1 quarterly installment of INR 0.24 Lacs in Dec 2021.<br>USD 0.06 Crores equivalent to INR 3.35 Crores (31 March 2019: USD 0.06 Crores equivalent to INR 4.06 Crores) at an interest rate of 7.87%<br>4 Quarterly instalments of INR 0.18 Crores from Dec 2018 to Sep 2019, 4 Quarterly instalments of INR 0.22 Crores from Dec 2019 to Sep 2020 4 Quarterly instalments of INR 0.33 Crores from Dec 2020 to Sep 2021 & 4 Quarterly instalments of INR 0.28 Crores from Dec 2021 to Sep 2022 | 23.07 | 30.96 |

# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| S. No | Nature of security (including current portion of term loan): | Terms of repayment and rate of interest | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| | | USD 0.10 Crores equivalent to INR 7.42 Crores (31 March 2019: Nil) at an interest rate of 9.15%<br>5 Quarterly instalments of INR 0.16 Crores from Dec 2019 to Dec 2020, 5 Quarterly instalments of INR 0.50 Crores from Mar 2021 to Mar 2022 & 5 Quarterly instalments of INR 0.83 Crores from Jun 2022 to Jun 2023 | | |
| 26 | Loan from La Caixa Bank is secured by the corporate guarantee given by Clarton, Spain (Unsecured) | "Repayable in 20 equal quarterly instalments. Rate of Interest 1.50% (31 March 2019: 2.10%)" | 9.55 | 25.34 |
| 27 | Unsecured loan from Bankinter Bank by Light & Systems Technical Center S.L., Spain | Term loan for acquisition of fixed assets amounting to Euro 0.03 Crores | 1.39 | - |
| 28 | Unsecured loan from Santander Bank by Light & Systems Technical Center S.L., Spain | Term loan for acquisition of fixed assets amounting to Euro 0.03 Crores | 2.02 | - |
| 29 | Deferred payment credit from HSIIDC (Haryana State Industrial and Infrastructure Development Corporation Ltd.) by erstwhile subsidiary MJ Casting Limited (Unsecured) (also refer note 57). | Repayable in 10 half yearly of ₹ 0.16 crore instalments. Rate of interest- 12% p.a. | - | 6.31 |
| 30 | Subsidised loan received from Ministry of Industry, Government of Spain by Clarton Horn, S.A. (Unsecured) | Total loan sanctioned amounting to Euro 0.05 crores is repayable in 7 equal annual instalments from year 2016-17. | 2.54 | 3.11 |
| 31 | Subsidised loan received from Ministry of Industry, Government of Spain by Clarton Horn, S.A. (Unsecured) | Total loan sanctioned amounting to Euro 0.06 Crore repayable in 10 equal annual instalments from year 2017-18. | 1.96 | 2.55 |
| 32 | Subsidised loan received from Center for Industrial Technology Development by Clarton Horn, S.A. (Unsecured) | Total loan sanctioned amounting to Eur 0.08 Crores and 50% amount has been received during the year and balance amount will be receieved at the end of FY 2020-21 | 3.23 | - |
| 33 | Loan from Indusind Bank by Minda Germany Gmbh is secured by Corporate guarantee given by the Parent Company | Total loan sanctioned amounting to Eur 1.91 Crores (31 March 2019 Nil) repayable in 17 equal quarterly instalments. Rate of interest - 1.96% p.a. | 136.88 | - |
| | **Total** | | **958.88** | **729.08** |

*Debt portion of compound financial instruments

# Notes forming part of the Financial Statements

The erstwhile subsidiary company issued 22,004,000 8% Non-cumulative Redeemable Preference Shares of ₹10 each for ₹ 22.04 Crores during the year ended March 31, 2015. These shares are redeemable at par at the expiry of 20 years from the date of allotment. However, the Company shall have an option to redeem the same on or before this period of 20 years in view of the availability of the profits/surplus funds. These preference shares are presented in the balance sheet as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Face value of preference shares issued | 21.29 | 21.29 |
| Equity component of preference shares # | 5.64 | 5.64 |
| Liability component | 15.65 | 15.65 |
| Interest expense* | 0.03 | 1.57 |
| Interest paid | - | - |
| Redemption of preference shares | (3.00) | (18.29) |
| **Closing balance** | **-** | **3.00** |

*Interest expense is calculated by applying the effective interest rate of 8% to the liability component considering the redemption is expected to happen in the fifth year from the year of allotment.
# The equity component of these preference shares has been presented in other equity.

## 19 Other financial liabilities (non-current )

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Deferred government grant | 69.30 | 66.26 |
| Deferred payment liabilities | | |
| - Deferred liability (unsecured) | 5.55 | 1.37 |
| - Less: Current maturities of deferred payment liability (refer note 23) | 3.06 | 1.37 |
| | **2.49** | **-** |
| Others | 3.35 | 9.32 |
| | **75.14** | **75.58** |

| Nature of security (including current portion of term loan): | Terms of repayment and rate of interest | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| Sales tax incentive from the State Government of Maharashtra, received in 2003-04 | Sales tax payable amounting to ₹ 14.27 crores repayable in 8 annual instalments starting from 2011-12.<br>Rate of interest- Interest free | - | 1.37 |
| Deferred payment credit from HSIIDC (Haryana State Industrial and Infrastructure Development Corporation Ltd.) by erstwhile subsidiary MJ Casting Limited (Unsecured) | Repayable in 10 half yearly of ₹ 0.16 crore.<br>Rate of interest- 12% p.a. | 5.55 | - |
| **Total** | | **5.55** | **1.37** |

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# Notes forming part of the Financial Statements

## 20 Long-term provisions

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (refer note 42) | 61.07 | 45.17 |
| Compensated absences | 17.65 | 21.40 |
| | **78.72** | **66.57** |
| **Others** | | |
| Provision for warranty (refer note 45) | 6.79 | 3.27 |
| Others* (refer movement below) | 31.94 | 29.80 |
| | **117.45** | **99.64** |

| Movement | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Opening balance | 29.80 | 44.62 |
| Add: provision made / (reversed) during the year | 2.14 | (14.82) |
| **Closing balance** | **31.94** | **29.80** |

*Amount represents provision for non-export of goods under EPCG scheme, including interest payable on the same.

## 21 Short-term borrowings

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Loans repayable on demand | | |
| from banks (secured)* | 84.46 | 172.14 |
| from banks (unsecured)** | 92.58 | 91.43 |
| from a related party (unsecured)*** | 5.10 | 38.00 |
| from others (unsecured)**** | 35.00 | 47.58 |
| | **217.14** | **349.15** |

| S. No. | Bank Name (facility)<br>Nature of security | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| | ***Secured loan from Banks:** | | |
| 1. | HDFC Bank (Cash Credit) by the Parent Company is secured by:<br>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.<br>Second pari passu charge on property, plant and equipments of the Company as per detailed below:<br>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat<br>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram<br>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>Negative lien on the following properties:<br>f) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.<br>g) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune. | 31.24 | 17.13 |

# Notes forming part of the Financial Statements

## 21 Short-term borrowings (Contd.)

| S. No. | Bank Name (facility)<br>Nature of security | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| 2. | Citibank (Cash Credit) by the Parent Company is secured by:<br>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.<br>Second pari passu charge on property, plant and equipments of the Company as per detailed below:<br>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat<br>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram<br>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttarakhand.<br>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttarakhand.<br>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>Negative lien on the following properties:<br>f) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.<br>g) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune. | - | 4.00 |
| 3. | State Bank of India (Cash Credit) by the Parent Company is secured by:<br>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.<br>Second pari passu charge on property, plant and equipments of the Company as per detailed below:<br>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat<br>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram<br>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttarakhand.<br>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttarakhand.<br>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>Negative lien on the following properties:<br>f) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.<br>g) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune. | 24.84 | 24.68 |
| 4. | Canara Bank (Cash Credit) by the Parent Company is secured by:<br>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.<br>Second pari passu charge on property, plant and equipments of the Company as per detailed below:<br>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat<br>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram<br>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttarakhand.<br>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttarakhand.<br>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>Negative lien on the following properties:<br>f) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.<br>g) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune. | 4.54 | 7.56 |

# Notes forming part of the Financial Statements

## 21 Short-term borrowings (Contd.)

| S. No. | Bank Name (facility)<br>Nature of security | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| 5. | Standard Chartered Bank (Cash Credit) by the Parent Company is secured by:<br>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.<br>Second pari passu charge on property, plant and equipments of the Company as per detailed below:<br>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat<br>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram<br>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttarakhand.<br>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttarakhand.<br>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>Negative lien on the following properties:<br>f) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.<br>g) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune. | 0.50 | 0.07 |
| 6. | Axis Bank rate of interest : MCLR (3M) + 100 bps i.e. 9.50% pa.- by erstwhile subsidiary MJ Casting Ltd (also refer note 57) by secured by:<br>a) First charge by the way of hypothecation on the entire current assets of the company (Bawal & Hosur) both present ' & future.<br>b) First charge by the way of hypothecation on the entire moveable fixed assets of the company (Bawal & Hosur) both 'present & future.<br>c) Equitable mortgage on land and building both present & future of Hosur Plant situated at Upparapalli, Mathagondapalli, thally Road, Hosur, Tamilnadu,India.<br>d) Equitable mortgage on land and building both present & future of Bawal Plant situated at 323, Phase II/IV, Sector-3, 'Industrial Growth Centre, Bawal Distt. Rewari, Haryana, India.<br>e) Hypothecation on all movable fixed assets (except vehicles) of the borrower both present & future. Further secured by way of hypothecation on borrower's entire stocks of raw materials, semi-finished and finished goods, consumable, stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables both present and future. | 3.70 | 1.37 |
| 7. | ICICI Bank rate of interest : MCLR (6M) + 100 bps i.e. 9.50% pa.) by erstwhile subsidiary MJ Casting Ltd (also refer note 57) secured by:<br>a) First charge by the way of hypothecation on the entire current assets of the company (Bawal & Hosur) both present ' & future.<br>b) First charge by the way of hypothecation on the entire moveable fixed assets of the company (Bawal & Hosur) both 'present & future.<br>c) Equitable mortgage on land and building both present & future of Hosur Plant situated at Upparapalli, Mathagondapalli, thally Road, Hosur, Tamilnadu,India.<br>d) Equitable mortgage on land and building both present & future of Bawal Plant situated at 323, Phase II/IV, Sector-3, 'Industrial Growth Centre, Bawal Distt. Rewari, Haryana, India.<br>e) Hypothecation on all movable fixed assets (except vehicles) of the borrower both present & future. Further secured by way of hypothecation on borrower's entire stocks of raw materials, semi-finished and finished goods, consumable, stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables both present and future. | - | 12.53 |

# Notes forming part of the Financial Statements

## 21 Short-term borrowings (Contd.)

| S. No. | Bank Name (facility)<br>Nature of security | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| 8. | Working capital loan from Kotak Mahindra Bank amounting to ₹ Nil Crores (31 March 2019: 2.64 Crores) is by Minda Kyoraku Limited secured by:<br>- 1st PP hypothecation charge on all existing and future current assets<br>- 2nd PP hypothecation charge on all existing and future movable fixed assets<br>- 2nd PP mortgage charge on immovable properties being land and building situated at Industrial Plot No.327, sector-3, Phase-II, IMT Bawal, Haryana owned by borrower<br>- 2nd PP mortgage charge on immovable properties being land and building situated at Industrial Plot No.28F, Bidadi Industrial Area, Comprised in Survey No 7,8,and 12 within the village limits of -Abbanakuppe Hobli, Bidadi Talik, Ramanagaram District, Bangalore, Karnataka owned by borrower<br>- Release of charge/ security interest on property at Bangalore is allowed subject to no other bank having a charge on the said property<br>Rate of interest - 3 months MCLR + 1.10% spread currently at 10.20% | - | 2.64 |
| 9. | Working capital loan from banks amounting to ₹ 0.24 Crores (31 March 2019: ₹ Nil) is secured by: Minda Kyoraku Limited secured by<br>- First pari passu charge on all the current assets of the borrower (both present and future)<br>- Second pari passu charge on all the movable fixed assets (both present and future)<br>- Second pari passu charge on all the immovable fixed assets of the borrower located at Bawal Plant.<br>Rate of interest - 3 months MCLR + 1.50% spread currently at 10.65% on 31st March 2020.<br>Working capital loan sanction amounting to ₹ 8.50 Crores for fund based and ₹ 1.50 Crores for non fund based. | 0.24 | - |
| 10. | Outstanding buyer's credit from Indusind Bank is as below:<br>Buyer's credit is secured by:<br>- First pari passu charge on all movable fixed assets (both present and future) including all the underlying assets acquired from the proceeds of the term loan facility and charge by way of equitable mortgage on immovable property (Land and Building) located at Bawal, Haryana of Minda Kosei Aluminum Wheel Private Limited<br>- Second pari passu charge by way of hypothecation on all the present and future current assets of Minda Kosei Aluminum Wheel Private Limited. | - | 15.25 |
| 11. | Rupee cash credit from Axis Bank by Minda Storage Batteries Private Limited amounting to INR 1.45 Crores (31 March 2019: INR 2.91 Crores) is secured by:<br>First pari passu charge on all movable and immovable fixed assets (both present and future).<br>Floating @ MCLR rate plus 75 bps. Currently 8.75% (31 March 2019: 9.30%)<br>Maximum tenure of loan is for 1 Year from the date of first disbursement. Principal amount is repayable on demand. | 1.45 | 2.91 |
| 12 | Rupee cash credit from HDFC Bank by Minda Storage Batteries Private Limited amounting to INR Nil (31March 2019: INR 9.94 Crores) is secured by:<br>- First pari passu charge on entire current assets of the Company, both present and future.<br>- Second Pari Passu charge on entire movable fixed assets of the Company, both present and future.<br>Interest rate is 9.20% (31 March 2019: 9.20%). There is no outstanding amount as on 31 March 2020 and principal amount is repayable on demand. | - | 9.94 |

# Notes forming part of the Financial Statements

## 21 Short-term borrowings (Contd.)

| S. No. | Bank Name (facility)<br>Nature of security | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| 13. | Working capital and PCFC credit from Citi Bank N.A. by earstwhile Minda Rinder Private Limited (also refer note 57) is secured by<br>Exclusive charge on all present and future stock and book debts of the Company. (PCFC Loan in foreign currency ₹ 4.60 crores., Working capital loan Nil, Buyers credit₹. 3.19 crores.)<br>(31 March 2019- PCFC Loan in foreign currency ₹ 17.64 crores., Working capital loan ₹ 3.77 crores. Buyers credit ₹. 0.50 crore.) | 7.79 | 21.89 |
| 14 | Borrowings from Standard Chartered Bank are secured by first Pari passu charge over current assets of the erstwhile subsidiary Minda Rinder Private Limited (also refer note 57) | - | 28.00 |
| 15 | Short term loan from Bank of Tokyo by Mindarika Private Limited:<br>Secured by first pari passu charge on inventories & book debts. Second charge on movable property, plant and equipment of Mindarika Private Limited, both present & future. Rate of interest 8.25% as on 31 March 2020 (31 March 2019: 9.35%) | - | 4.00 |
| 16 | Short term loan from Mizuho Bank by Mindarika Private Limited:<br>Secured by first pari passu charge on current assets of Mindarika Private Limited. Second charge on movable property, plant and equipment of the Company, both present & future. Rate of interest 7.10% on 31 March 2020 (31 March 2019 : 8.89%) | - | 5.52 |
| 17 | Short term loan from Standard Chartered Bank by Mindarika Private Limited: Secured by first pari passu charge on inventories, book debts of Mindarika Private Limited. Second charge on movable fixed assets of the Company, both present & future. Rate of interest 8.00% on 31 March 2020 (31 March 2019 : 11.25%) | - | 0.37 |
| 18 | Short term loan from HSBC Bank by Mindarika Private Limited:<br>Secured by first pari passu charge on current assets of Mindarika Private Limited. Second charge on movable property, plant and equipment of the Company, both Present & future. Rate of interest 11.45% on 31 March 2020 (31 March 2019: 8.30%) | 0.05 | 5.00 |
| 19 | Working Capital Loan from ICICI Bank by MI Torica India Private Limited is secured by Hypothecation of Stock, Trade Receivable and exclusive charge on the entire movable and immovable fixed assets both present and future of the company. It is further guaranteed by Minda Investments Ltd, India and Tokai Rika Create Corporation , Japan to the extent of sixty and forty percent respectively. | - | 4.83 |
| 20 | Working capital loan from HDFC Bank carries interest rate of 9.4% by Minda Katolec Electronics Services Private Limited Secured by exclusive hypothecation on stock in trade, book debts and receivables, plant and machinery, fixed deposits and movable assets (both present & future). | - | 4.45 |
| 21 | Buyers credit from HDFC Bank carries interest rate at LIBOR +250 basis points by Minda Katolec Electronics Services Private Limited Secured by exclusive hypothecation on stock in trade, book debts and receivables, plant and machinery, fixed deposits and movable assets (both present & future). | 5.24 | - |
| 22 | Bills payable outstanding from HDFC Bank carries interest rate of 8.50% by Minda Katolec Electronics Services Private Limited Secured by exclusive hypothecation on stock in trade, book debts and receivables, plant and machinery, fixed deposits and movable assets (both present & future). | 4.87 | - |
| ****Unsecured Loan from banks:** | | | |
| 1 | Working capital demand loan availed by Minda TG Rubber Private Limited of INR 9.45 Crores at interest rate of 7.25% (31 March 2019: INR 13.40 Crores at interest rate 8.90%) | 9.45 | 13.40 |

# Notes forming part of the Financial Statements

## 21 Short-term borrowings (Contd.)

| S. No. | Bank Name (facility) Nature of security | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| 2 | Short term Loan from-Tokyo -Mitsubishi UFJ,Ltd by MI Torica India Private Limited | 15.75 | 19.41 |
| 3 | From BBVA Bank to subsidiaries of Global Mazinkert, S.L | 13.20 | 19.38 |
| 4 | From La Caixa Bank to subsidiaries of Global Mazinkert, S.L | 42.62 | 29.37 |
| 5 | From Santader Bank to Global Mazinkert, S.L | - | 9.87 |
| 6 | Working Capital loan from BBVA Bank taken by iSYS RTS GmbH | 11.56 | - |
| ***Unsecured Loan from related party: | | | |
| 1 | From Singhal Fin Cap Limited to erstwhile subsidiary Minda Rinder Private Limted (also refer note 57) which is repayable on demand carries interest rate of 8.50%p.a. ( 31 Mar 2019, 8.50%) | - | 28.00 |
| 2 | From Singhal Fin Cap Limited to Minda Katolec Electronics Services Private Limited which is repayable on demand carries interest rate of 8.50%p.a. | 5.10 | 10.00 |
| ****Unsecured Loan from Others: | | | |
| 1 | Bajaj Finance Ltd, Loan taken by erstwhile subsidiary M.J Casting Limited (also refer note 57) | - | 6.50 |
| 2 | Suppliers credit is from Bajaj Finance Limited and erstwhile subsidiary Minda Rinder Private Limited has entered into tripartite agreement with Bajaj Auto Ltd. | - | 6.00 |
| 3 | Working capital loan from Bajaj Finance Limited by the Parent Company, is repayable maximum within 60 days in case of purchase order discounting and 180 days in case of short term loan, respectively. | 35.00 | 35.08 |
| **Total** | | **217.14** | **349.15** |

## 22 Trade payables

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Trade payables | | |
| (a) Total outstanding dues of micro and small enterprises (refer note 44) | 87.97 | 64.61 |
| (b) Total outstanding dues of creditors other than micro and small enterprises | 874.82 | 733.21 |
| | **962.79** | **797.82** |

The Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in Note 50.

## 23 Other financial liabilities (current)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Current maturities of non-current borrowings (refer note 18) | 178.55 | 125.74 |
| Current portion of deferred payment liabilities (refer note 19) | 3.06 | 1.37 |
| Interest accrued but not due on non-current borrowings | 5.25 | 2.37 |
| Unpaid dividend | 0.37 | 0.28 |
| Capital creditors | 44.97 | 51.86 |
| Others | | |
| - Payable to employees | 32.25 | 46.27 |
| - Current portion of deferred Government grants | 1.31 | 1.31 |
| - Forward contract payable | 6.78 | 1.95 |
| - Payable for acquisition (refer note 55) | 34.32 | - |
| - Payable for other purchase | 5.27 | - |
| | **312.13** | **231.15** |

# Notes forming part of the Financial Statements

## 24 Other liabilities (current)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Advance from customers | 49.46 | 30.64 |
| Accrued liabilities for expenses | 10.74 | - |
| Others | | |
| - Mark to market loss derivative contract | 0.04 | 0.03 |
| - Statutory dues | 47.51 | 47.23 |
| - Others | 1.08 | - |
| | **108.83** | **77.90** |

## 25 Short-term provisions

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (refer note 42) | 3.88 | 3.00 |
| Compensated absences | 15.02 | 3.75 |
| | **18.90** | **6.75** |
| **Others** | | |
| Provision for warranty (refer note 45) | 9.74 | 14.28 |
| Others | 3.75 | 0.53 |
| | **13.49** | **14.81** |
| | **32.39** | **21.56** |

## 26 Asset held for sale

The erstwhile subsidiary Minda Rinder Private Limited is having a land under lease hold arrangement with Maharashtra Industrial Development Corporation for a period of 99 years. The Company has entered into sale agreement for disposal of said land as per the term and condition agreed.

Pursuant to the above, the said buildings have been reclassified from "Property, plant and equipment" to "Non-current assets held for sale" amounting to ₹ 0.75 crore and the said land has been reclassified from "Right-of-use assets" to "Non-current assets" held for sale amounting to ₹ 6.74 crores at an agreeed sale value of ₹ 8 Crores. Also, the Company has received advance amounting to ₹ 4.34 crores which is disclosed separately in balance sheet as "Liabilities related to assets held for sale". Appropriate accounting for Gain on sale of fixed assets will be carried out at the time of completion of sale transaction.

## 27 Revenue from operations *

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|---|---|---|
| **Revenue from contract with customers** | | |
| Sale of products | 5,255.36 | 5,774.83 |
| Sale of services | 145.81 | 78.46 |
| Other operating revenues | 63.97 | 54.80 |
| | **5,465.14** | **5,908.09** |

* Also refer note 41 for revenue based on geographical location

# Notes forming part of the Financial Statements

## 28 Other income

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|---|---|---|
| Interest income on fixed deposits | 9.35 | 5.35 |
| Net gain on foreign currency fluctuations | 6.04 | 12.17 |
| Net profit on sale of property, plant and equipment (net) | 7.87 | 1.95 |
| Income under Package Scheme of Incentives | 0.21 | 0.49 |
| Other non-operating income | | |
| - Liabilities / provisions no longer required written back | 1.40 | 1.45 |
| -Insurance Claim | 0.02 | 1.04 |
| - Mark to market gain on forward contract | 7.08 | 1.19 |
| - Miscellaneous income | 7.28 | 3.39 |
| | **39.25** | **27.03** |

## 29 Cost of materials consumed

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|---|---|---|
| Raw materials (including purchased components and packing material consumed) | | |
| Opening balance | 274.94 | 212.83 |
| Add: Inventories acquired as part of acquisition of subsidiaries | - | 0.53 |
| Add: Purchases | 2,681.85 | 3,163.07 |
| Less: Closing inventories | (261.94) | (274.94) |
| Less: Foreign currency translation adjustment | (1.59) | (1.46) |
| | **2,693.26** | **3,100.03** |

## 30 Purchases of stock in trade

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Purchases of stock in trade | 605.06 | 558.72 |
| | **605.06** | **558.72** |

## 31 Changes in inventories of finished goods, work in progress and stock in trade

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|---|---|---|
| **Inventories at the end of the year:** | | |
| Work-in-progress | 72.67 | 61.34 |
| Finished goods | 86.60 | 103.89 |
| Stock-in-trade | 85.91 | 65.77 |
| | **245.18** | **231.00** |
| **Inventories at the beginning of the year:** | | |
| Work-in-progress | 61.34 | 46.82 |
| Finished goods | 103.89 | 93.67 |
| Stock-in-trade | 65.77 | 54.24 |
| | **231.00** | **194.73** |
| **Net (increase) / decrease in inventories** | **(14.18)** | **(36.27)** |

# Notes forming part of the Financial Statements

## 32 Employee benefits expense

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|---|---|---|
| Salaries and wages | 737.04 | 680.84 |
| Expense on employee stock option schemes (refer note 47) | 1.20 | - |
| Contribution to provident and other funds | 68.35 | 67.09 |
| Staff welfare expense | 40.18 | 43.36 |
| | **846.77** | **791.29** |

## 33 Finance costs

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|---|---|---|
| Interest expense on borrowings | 77.52 | 56.92 |
| Interest expense on lease liabilities | 7.52 | - |
| Other borrowing costs | 5.17 | 6.23 |
| | **90.21** | **63.15** |

## 34 Depreciation and amortisation expense

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|---|---|---|
| Depreciation on property, plant and equipment | 257.84 | 219.39 |
| Amortisation on intangible fixed assets | 29.38 | 14.99 |
| Depreciation on right-of-use assets | 14.68 | - |
| | **301.90** | **234.38** |

## 35 Other expenses

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|---|---|---|
| Consumption of stores and spare parts | 102.81 | 116.46 |
| Job work charges | 61.47 | 76.76 |
| Power and fuel | 136.62 | 149.09 |
| Rent (refer note 46) | 27.15 | 39.38 |
| Repairs and maintenance: | | |
| -Buildings | 11.62 | 11.89 |
| -Machinery | 34.38 | 34.80 |
| -Others | 10.51 | 14.07 |
| Insurance | 9.05 | 5.99 |
| Rates and taxes | 3.25 | 3.42 |
| Travelling and conveyance | 55.97 | 62.32 |
| Director's sitting fee | 0.53 | 0.54 |
| Legal and professional charges * | 31.90 | 35.79 |
| Fixed assets scrapped/ written off | 0.86 | 0.87 |
| Advertisement and sales promotion | 10.05 | 11.62 |

# Notes forming part of the Financial Statements

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|---|---|---|
| Provision/write off for doubtful trade and other receivables, loans and advances (net) | 4.05 | 1.71 |
| Doubtful trade and other receivables, loans and advances written off | 0.46 | 0.06 |
| Royalty expenses | 14.20 | 10.14 |
| Freight and other distribution overheads | 84.34 | 94.15 |
| Warranty (refer note 45) | 13.92 | 14.23 |
| Printing and stationery | 4.06 | 4.07 |
| Corporate social responsibility expense and donations | 7.00 | 4.43 |
| Net loss on foreign currency fluctuations (other than considered as finance cost) | 37.94 | 12.78 |
| Miscellaneous expenses | 52.92 | 64.57 |
| | **715.06** | **769.14** |
| Note: | | |
| *Includes payments to the Auditors (excluding taxes) | | |
| Statutory audit | 2.32 | 1.79 |
| Limited review | 0.65 | 0.60 |
| Certification | 0.39 | 0.38 |
| Reimbursement of expenses | 0.45 | 0.25 |
| | **3.81** | **3.02** |

## 36 Exceptional Items

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|---|---|---|
| Acquisition / amalgamation related expenses * | 12.97 | - |
| Impairment of land | 1.10 | - |
| | **14.07** | **-** |

*Acquisition related costs of ₹ 5.17 Crores and stamp duty payable on transfer of the assets amounting to ₹ 7.80 Crores had been charged to the Statement of Profit and Loss.

## 37 Earnings per share

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|---|---|---|
| Net profit after tax as per Consolidated Statement of Profit and loss | 154.95 | 285.62 |
| Weighted average number of Equity Shares (in Nos.): | | |
| - Basic | 26,22,16,965 | 26,19,71,018 |
| - Diluted | 26,22,59,799 | 26,19,71,018 |
| Basic earnings per share in rupees (Face value ₹ 2 per share) (In rupees) | 5.91 | 10.90 |
| Diluted earnings per share in rupees (Face value ₹ 2 per share) (In rupees) | 5.91 | 10.90 |
| **Calculation of weighted average number of shares** | | |
| For basic earnings per share | | |
| Opening balance of Equity Shares | 26,22,16,965 | 26,11,23,465 |
| Closing balance of equity shares | 26,22,16,965 | 26,22,16,965 |
| **Weighted average number of equity share** | **26,22,16,965** | **26,19,71,018** |
| For diluted earnings per share | | |
| Add: Weighted average number of potential shares on account of employee stock options scheme | 42,834 | - |
| **Weighted average number of equity share** | **26,22,59,799** | **26,19,71,018** |

# Notes forming part of the Financial Statements

## 38 Contingent liabilities

(a) Claims made against the Group not acknowledged as debts (including interest, wherever applicable):

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Income tax matter * | 11.27 | 4.57 |
| Excise / Sales tax / Service tax / GST matter | 9.87 | 0.71 |
| Others | 1.67 | 2.86 |
| Bank guarantee given to custom authorities and others | 0.51 | 0.87 |
| **Total** | **23.32** | **9.01** |

* The Group has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, the tax treatment of certain expenses claimed by the Group as deductions and the computation of, or eligibility of, the Group's use of certain tax incentives or allowances. The Group has a right of appeal to the Commissioner of Income Tax (Appeals), or CIT (A), the Dispute Resolution Panel, or DRP, and to the Income Tax Appellate Tribunal, or ITAT, against adverse decisions by the assessing officer, DRP or CIT (A), as applicable. The income tax authorities have similar rights of appeal to the ITAT against adverse decisions by the CIT (A) or DRP. The Group has a further right of appeal to the High Court or the Hon'ble Supreme Court against adverse decisions by the appellate authorities for matters involving substantial question of law. The income tax authorities have similar rights of appeal. As at 31 March 2020, there are matters and/or disputes pending amounting to Rs 32.06 Crores (Previous year 4.57 Crores).

Future cash outflows in respect of the above would be determinable on finalization of judgments /decisions pending with various forums / authorities.

(b) Group Companies have made sales to various customers against C-form issued under Central Sales Tax Act on account of which the Group Companies have paid 2% sales tax in place of respective higher rates. Total outstanding forms amounting to ₹ 0.53 crore (₹ 2.49 crores as on 31 March 2019). If the Group Companies do not collect the forms in prescribed time, then the Group Companies may have to pay differential tax, including interest and penalty thereon which is not quantifiable.

(c) As per the EPCG terms and conditions, the respective companies within the Group needs to export ₹ 84.47 crores (₹ 49.17 crores as on 31 March 2019) i.e. 6 times of duty saved on import of Capital goods on FOB basis within a period of 6 years. If the respective companies do not export goods in prescribed time, they may have to pay interest and penalty thereon.

(d) An entity in group has availed MSIP incentive from the Ministry of Electronics amounting to ₹ 5.21 crore ( 31 March 2019 ₹3.42crores). In accordance with the MSIP guidelines, the amount may be refundable to the government if the specified conditions are not fulfilled within prescribed time.

(e) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively.

Pending the outcome of the review petition and directions from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the consolidated financial statements.

## 39 Capital and other commitments (net of advance)

a) Estimated amount of contracts remaining to be executed on account of capital and other commitments (net of advance) and not provided for as at 31 March 2020 aggregates to ₹ 78.17 crores (31 March 2019: ₹ 148.98 crores).

b) Estimated amount of investment to be made as per government incentive scheme is ₹ 318.94 (₹ 488.58 crores as at 31 March 2019).

# Notes forming part of the Financial Statements

**40** During the year 2002-03, the Director, Town and Country Planning, Chandigarh issued a demand notice on the Parent Company amounting to ₹ 0.39 crore towards revised CLU (change of land use) charges for the land situated at Village Nawada Fatehpur, P.O. Sikanderpur Badda, Gurugram, and Haryana (Manesar land). The Parent Company paid ₹ 0.02 crore and had also filed a Special Leave Petition (SLP) with the Hon'ble Supreme Court of India, basis which a leave had been granted. Further, the Parent Company had deposited ₹ 0.09 crore as under protest with the authorities. During the previous years, the Parent Company had filed a writ petition with the High Court of Punjab and Haryana in order to cancel the demand notice and obtain a stay on the balance demand. Further, the Parent Company had withdrawn the petition and accordingly had asked Town and Country Planning, Chandigarh to review and waive of the liability of remaining balance of ₹ 0.28 crore and the interest thereon amounting to ₹ 0.50 crore (previous year ₹ 0.47 crore) towards revised CLU charges after adjusting the amount of ₹ 0.11 crore paid earlier.

The Parent Company had applied for grant of license under 'Affordable Housing Policy- 2013' on the land measuring 5 acres in Manesar land and paid scrutiny fee (non-refundable) amounting to ₹ 0.03 crore in this respect, which was received during the previous year. The Parent Company had paid ₹ 0.43 crore towards CLU charges during the year. The Parent Company has further applied for grant of similar license on additional land measuring 5 acres in Manesar land.

During the year, the Parent Company has applied for migration of license received under 'Affordable Housing Policy- 2013' admeasuring 5 acres to "Deen Dayal Awas Yojna Scheme" of the Government and withdrawn other pending applications. Further the Parent Company has applied for Manesar land admeasuring 10 acres (including share of a subsidiary "Mindarika Private Limited") under "Deen Dayal Awas Yojna Scheme" and paid application money of INR 0.92 Crores.

The Parent Company has considered the options of re-locating the manufacturing units from Sector 81, Gurgaon to Bawal, Dharuhera, IMT Manesar, Farrukhnagar. The Parent Company considered factors such as price, distance and convenience of employees and other stake holders' and is of the view that shifting to Farrukhnagar will be a suitable option. In this respect, the Parent Company has approached certain related parties who have land admeasuring 14.37 acres in Farrukhnagar, Haryana (which is close to existing Manesar plant) and have taken land on lease for 99 years at a lump-sum rent of ₹ 0.05 Crores for entire tenure. The Parent Company has applied CLU (change of land use from agricultural to industrial) for Farrukhnagar land. Post approval of CLU, the Parent Company will cancel the lease and purchase the land at fair market price as determined by registered valuer.

## 41 Segment information

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

As the Group's business activity primarily falls within a single business segment i.e. auto components including electrical parts and its accessories and ancillary services as primary segment, thus there are no additional disclosures to be provided under Ind AS 108 – 'Operating Segments'. The management considers that the various goods and services provided by the Group constitutes single business segment, since the risk and rewards from these services are not different from one another.

**Information about geographical areas**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|
| Revenue from operations* | Within India | 4,466.20 | 4,885.54 |
| | Outside India | 998.94 | 1,022.55 |
| Non-current assets** | Within India | 2,309.16 | 2,005.75 |
| | Outside India | 336.97 | 105.69 |

* on the basis of location of customers.

** on the basis of location of the assets.

Assets used in the Group's business and liabilities contracted in respect of its business activities, are not identifiable in line with the above geographies as the assets and liabilities contracted are used interchangeably between the geographies.

# Notes forming part of the Financial Statements

## 42 Disclosure pursuant to Ind AS 19 on "Employee Benefits"

**A. Defined benefit plan (Gratuity)**

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

### (i) Risk exposure

**Inherent risk**

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

**Salary inflation risk**

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

**Demographic risk**

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

### (ii) Changes in present value of obligation:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Present value of obligation as at the beginning of the year | 58.85 | 44.84 |
| Current service cost | 9.44 | 8.20 |
| Interest cost | 4.46 | 3.88 |
| **Re-measurement (or Actuarial) (gain) / loss arising from:** | | |
| - change in demographic assumptions (gain) / loss | (0.01) | (0.16) |
| - change in financial assumptions | 6.93 | (0.12) |
| - experience variance | 0.01 | (0.32) |
| Benefits paid | (4.12) | (3.18) |
| Others | 0.56 | 5.71 |
| **Present value of obligation as at the end of year** | **76.12** | **58.85** |
| - Long term | 72.24 | 55.85 |
| - Short term | 3.88 | 3.00 |

*The Parent Company and its subsidiary is maintaining its gratuity fund with L.I.C. through Gratuity Trust.

### (iii) Changes in the fair value of plan assets:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Fair value of plan assets at the beginning of the year | 10.68 | 6.16 |
| Expected return on plan assets | - | 0.25 |
| Return on plan assets | 0.79 | 0.73 |
| Benefits paid | (0.30) | (0.18) |
| Others | - | 3.72 |
| Fair value of plan assets at the end of the year | 11.17 | 10.68 |

# Notes forming part of the Financial Statements

## 42 Disclosure pursuant to Ind AS 19 on "Employee Benefits" (Contd.)

### (iv) The amounts recognized in the consolidated balance sheet are as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Present value of obligation as at the end of the year | (76.12) | (58.85) |
| Fair value of plan assets as at the end of the year | 11.17 | 10.68 |
| Unfunded status | (64.95) | (48.17) |
| Net asset/(liability) recognized in consolidated balance sheet | (64.95) | (48.17) |

### (v) Expenses recognized in the consolidated statement of profit and loss:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Current service cost | 9.44 | 8.20 |
| Interest cost | 4.46 | 3.88 |
| Return on plan assets | (0.79) | (0.98) |
| Expenses recognized in the consolidated statement of profit and loss | 13.11 | 11.10 |

### (vi) Re-measurements recognised in other comprehensive income (OCI):

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Actuarial (gains) / losses | | |
| - change in demographic assumptions | (0.01) | (0.16) |
| - change in financial assumptions | 6.93 | (0.12) |
| - experience variance (i.e. Actual experience vs assumptions) | 0.01 | (0.32) |
| **Components of defined benefit costs recognised in other comprehensive income** | **6.93** | **(0.60)** |

### (vii) Maturity profile of defined benefit obligation:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Expected cash flows over the next (valued on undiscounted basis) | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Within 1 year | 5.24 | 4.13 |
| 2 to 5 years | 14.41 | 12.65 |
| 6 to 10 years | 26.17 | 21.89 |
| More than 10 years | 164.06 | 138.35 |

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

#### a) Economic assumptions:

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

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Discount rate | 6.85% | 7.35% - 7.85% |
| Future salary increase | 6.00% - 8.00% | 6.5% - 9.00% |
| Expected return on plant assets | 8.00% | 8.00% |

# Notes forming part of the Financial Statements

## 42 Disclosure pursuant to Ind AS 19 on "Employee Benefits" (Contd.)

### b) Demographic assumptions:

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| i) Retirement Age (Years) | 55-60 | 55-60 |
| ii) Mortality Table | IALM (2006-08); IALM (2012-14) | IALM (2006-08) |
| iii) Ages | Withdrawal Rate (%) | |
| Up to 30 years | 3.00% to 25.00% | 3.00% |
| From 31 to 44 years | 2.00% | 2.00% |

### (ix) Sensitivity analysis for significant assumptions:

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

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| 1% increase in discount rate | (63.40) | (46.75) |
| 1% decrease in discount rate | 81.51 | 59.26 |
| 1% increase in salary escalation rate | 80.28 | 58.46 |
| 1% decrease in salary escalation rate | (64.14) | (47.24) |
| 50% increase in attrition rate | (70.72) | (52.18) |
| 50% decrease in attrition rate | 72.81 | 52.72 |
| 10% increase in mortality rate | (71.60) | (52.44) |
| 10% decrease in mortality rate | 71.61 | 52.42 |

## 43 Income taxes

### Reconciliation of effective tax rate:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Profit before income tax expense (inclusive of other comprehensive income excluding share of profit in associates and joint ventures) | 248.11 | 454.22 |
| Tax at India's tax rate of 34.944% (previous year 34.608%) | 86.70 | 158.72 |
| Tax effect of amounts which are not deductible in calculating taxable income (net off exempt income) | 12.75 | 1.37 |
| Tax on foreign dividend | (3.80) | (3.29) |
| Weighted deduction for expenditure incurred on research and development | (11.48) | (13.53) |
| Difference of tax rate due to subsidiaries having lower tax rate | (7.76) | (6.39) |
| Unabsorbed losses where deferred tax not recognised | 9.20 | 0.07 |
| Change in tax rates | (7.73) | (3.54) |
| Other adjustments | (2.95) | 0.87 |
| **Income tax expense (inclusive of other comprehensive income tax component)** | **74.93** | **134.29** |

# Notes forming part of the Financial Statements

**44** The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the said Memorandum. Accordingly, the disclosures in below respect of the amounts payable to such enterprises as at the year-end has been made based on information received and available with the Group.

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| The amounts remaining unpaid to micro and small suppliers as at the end of the year | | |
| - Principal | 87.97 | 64.61 |
| - Interest | 0.30 | 0.31 |
| The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006) | 0.04 | - |
| The Amounts of the payments made to micro and small suppliers beyond the appointed day during the year | 245.49 | 251.81 |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006 | 1.67 | 1.06 |
| The amount of interest accrued and remaining unpaid at the end of the year | 1.97 | 1.37 |
| 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 MSMED Act 2006 | - | - |

## 45 Provision for contingencies

**Warranty**

The Group has made 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-utilized provision is reversed on expiry of the warranty period. The movement of the provision is as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Balance as at beginning of the year | 17.55 | 11.85 |
| Add: Provision made during the year | 13.92 | 14.23 |
| Less: Utilized/ reversed during the year | (14.94) | (8.53) |
| **Balance as at the end of the year** | **16.53** | **17.55** |
| Non-current | 6.79 | 3.27 |
| Current | 9.74 | 14.28 |

## 46 Lease

(i) Effective 01 April 2019, the Group adopted Ind AS 116 "Leases", applied to all lease contracts existing on 01 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings as on the date of initial application. Accordingly, the Group is not required to restate the comparative information.

On 01 April 2019, the Group has recognised a lease liability measured at the present value of the remaining lease payments and Right-of-Use (ROU) assets at its carrying amount as if the standard had been applied since the lease commencement date, but discounted using the lessee's incremental borrowing rate as at 01 April 2019. This has resulted in recognizing a "Right of use assets" of ₹ 95.77 Crores and a corresponding "Lease liability" of ₹ 110.62 Crores by adjusting retained earnings net of taxes of ₹ 10.10 Crores as on 01 April 2019. In respect of leases that were classified as finance leases, on applying Ind AS 17, ₹ 26.22 Crores have been reclassified from "Property, plant & equipment" to "Right of use asset".

# Notes forming part of the Financial Statements

Consequently, in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from "Rent" in previous period to "Depreciation and amortisation expense" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent", "Depreciation and amortisation expense" and "Finance cost" of the current period is not comparable to the earlier periods.

To the extent the performance of the current period is not comparable with earlier period results, the reconciliation of above effect on consolidated statement of profit and loss for the quarter and year ended 31 March 2020 is as under:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Adjustments to increase / (decrease) in net profit | Year ended 31 March 2020 comparable basis | Changes due to Ind AS 116 | Year ended 31 March 2020 as reported |
|---|---|---|---|
| Rent | 44.85 | (17.70) | 27.15 |
| Depreciation and amortisation expenses | 287.55 | 14.35 | 301.90 |
| Finance Cost | 82.63 | 7.58 | 90.21 |
| **Profit before tax** | **256.47** | **(4.23)** | **252.24** |
| Less: Tax expense | (78.43) | 0.93 | (77.50) |
| **Profit after tax** | **178.04** | **(3.30)** | **174.74** |

(ii) The following is the break-up of current and non-current lease liabilities:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Current lease liabilities | 18.29 | - |
| Non-current lease liabilities | 97.93 | - |
| **Total** | **116.22** | **-** |

The maturity analysis of lease liabilities are disclosed in note 50

(iii) Lease commitments are the undiscounted future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases with term less than twelve months and leases of low value assets.

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 |
|---|---|
| Payable within one year | 15.91 |
| Payable between one to five years | 1.44 |
| Payable after five years | - |
| **Total** | **17.35** |

## 47 Share based payments

**(a) UNO Minda Employee Stock Option Scheme – 2019**

The shareholders of the Parent Company had approved the UNO Minda Employee Stock Option Scheme – 2019 (herein referred as UNOMINDA ESOS-2019) through postal ballot resolution dated March 25, 2019.

During the year, the NRC has approved and granted options to Eligible Employees of the Parent Company and its Subsidiaries. The plan envisaged grant of stock options to eligible employees at market price in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

This scheme provided for conditional grant of stock options at nominal value to eligible employees as determined by the Nomination and Remuneration Committee from time to time. The vesting conditions under this scheme include the Company achieving the target market capitalisation. The maximum number of equity shares to be allotted under the scheme against the options granted till date are 1,012,259 at an exercise price of ₹ 325/- each. The scheme is monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from

# Notes forming part of the Financial Statements

## 47 Share based payments (Contd.)

time to time.

| Particulars | Scheme Name |
|---|---|
| Scheme | Minda Employee Stock Option Scheme 2019 |
| Year | 2019-20 |
| Date of Grant | 16-May-19 |
| No. of options granted | 10,12,259 |
| Vesting conditions | Achieving target of market capitalization of the Company on or before 31 May 2022 |
| Exercise period | 2 Year from the date of Vesting |
| Exercise price (₹) per share | 325/- |
| Fair value of the option on the date of grant (₹) per share | 41.31/- |

### No. of Share outstanding at year end for Minda Employee Stock Option Scheme 2019

| Particulars | For Year ended 31 March 2020 |
|---|---|
| Outstanding at the beginning of the year | - |
| Granted during the year | 10,12,259 |
| Forfeited/ Expired during the year | - |
| Exercised during the year* | - |
| Exercisable at the end of the year | - |
| Outstanding at the end of the year | 10,12,259 |
| Weighted average exercise price during the year (₹) per share | NA |

### Fair valuation

The fair value of options has been done by an independent merchant banker on the date of grant using the Binomial Model.

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

| Particulars | As at 31 March 2020 |
|---|---|
| Risk-free interest rate (%) | 7.13% |
| Expected life of options (years) [(year to vesting) + (contractual option term)/2] | 4 years |
| Expected volatility (%) | 41% |
| Dividend yield | 0.63% |

The Risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities or 10 years Government bonds. Volatility calculation is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure volatility is used in option- pricing model is the annualized standard deviation of the continuously compounded rate of the return of the stock over a period of time. The dividend yield for the year is derived by dividing the dividend for the period with the current market price.

**(b) Minda Employee Stock Option Scheme 2016**

The members of the Company had approved 'Minda Employee Stock Option Scheme 2016' at the Annual General Meeting held on 11 August 2016.The plan envisaged grant of stock options to eligible employees at market price in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

This scheme provided for conditional grant of Performance Shares at nominal value to eligible management employees as determined by the Compensation Committee of the Board of Directors from time to time. The performance measures under this scheme include Group achieving the target market capitalisation. The maximum number of equity shares to be allotted under the scheme are 1,500,000. The number of options granted under the 2016 Performance Share Schemes are 888,000 equity shares at an exercise price of ₹ 180/- each and 98,750 equity shares at an exercise price of ₹ 392/- each.

# Notes forming part of the Financial Statements

## 47 Share based payments (Contd.)

The scheme is monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors 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.

During the year, the Company has issued bonus shares in the proportion of two equity shares for every one existing equity shares of ₹ 2 per share. Accordingly, the number of options granted to eligible employees is adjusted in the same proportion for the unexcercised options as on the date of issue of bonus shares.

| Particulars | Scheme Name | Scheme Name |
|---|---|---|
| **Scheme** | **Minda Employee Stock Option Scheme 2016** | **Minda Employee Stock Option Scheme 2016** |
| Year | 2016-17 | 2016-17 |
| Date of Grant | 23-Nov-16 | 21-Mar-17 |
| No. of options granted | 8,88,000 | 98,750 |
| Vesting conditions | Achieving target of market capitalization of the Company on or before 31 March 2018 | Achieving target of market capitalization of the Company on or before 31 March 2018 |
| Exercise period | 1 Year from the date of vesting | 1 Year from the date of vesting |
| Exercise price (₹) per share | 180/- | 392/- |
| Fair value of the option on the date of grant (₹) per share | 99.11/- | 71.75/- |

### No. of Share outstanding at year end for Minda Employee Stock Option Scheme 2016

| Particulars | As at 31 March 2019 |
|---|---|
| Outstanding at the beginning of the year | 3,64,500 |
| Granted during the year | - |
| Forfeited/ Expired during the year | - |
| Exercised during the year* | 3,64,500 |
| Exercisable at the end of the year | - |
| Outstanding at the end of the year | - |
| Weighted average exercise price during the year (₹) per share | 222/- |

The Employee Stock Option Plan includes employees of Minda Industries Limited and its subsidiaries.

| | Pre Bonus | Post Bonus |
|---|---|---|
| * The number of shares issued during the year ended 31 March 2019. | 1,30,000 | 7,03,500 |

### Fair valuation

The fair value of options has been done by an independent merchant banker 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 2019 |
|---|---|
| Risk-free interest rate (%) | 6.13% - 6.51% |
| Expected life of options (years) [(year to vesting) + (contractual option term)/2] | 1.53 years - 1.85 years |
| Expected volatility (%) | 27.92% - 43.62% |
| Dividend yield | 4.61% - 6.90% |

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

# Notes forming part of the Financial Statements

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

**49** On 14 February, 2019, the board of directors of the Company approved composite scheme of amalgamation (the Scheme) of Harita Limited ("Transferor Company 1") and Harita Venu Private Limited ("Transferor Company 2") and Harita Cheema Private Limited ("Transferor Company 3") and Harita Financial Services Limited ("Transferor Company 4") and Harita Seating Systems Limited ("Transferor Company 5") and Minda Industries Limited ("Transferee Company") subject to necessary approvals of shareholders, creditors, SEBI, Stock Exchanges, the Reserve Bank of India, other governmental authorities and third parties as may be required.

The scheme provides for

(i) Amalgamation of the Transferor Company 1, the Transferor Company 2, the Transferor Company 3 and the Transferor Company 4 with the Transferee Company, and the consequent issue of equity shares or non-convertible redeemable preference shares by the Transferee Company in the manner set out in the Scheme; and

(ii) Amalgamation of Transferor Company 5 with the Transferee Company, and the consequent issue of equity shares or non-convertible redeemable preference shares by the Transferee Company in the manner set out in this scheme.

On the Scheme of amalgamation becoming effective, the Company may issue

(i) 125,27,570 equity shares having face value of ₹ 2 each (after considering cancellation of shares on account of cross holding) if all the shareholders of Transferor Companies (1 to 4) and Transferor Company 5 opt for equity shares of Transferee Company

Or

(ii) 336,81,738 preference shares having face value of ₹ 100/- each (after considering cancellation of shares on account of cross holding) if all the shareholders of Transferor Companies (1 to 4) and Transferor Company 5 opt for preference shares of Transferee Company.

The appointed date of the amalgamation as per scheme is 01 April 2019. During the year, the Parent Company filed Application before NCLT, New Delhi and the process of NCLT approval is under progress. Appropriate accounting treatment of the Scheme will be done post receipt of NCLT approval.

## 50 Financial risk management objectives

The Group, as an active supplier for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The Group's decentralised management structure with the main activities in the plants 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 Group is exposed to and how it manages the risks:

### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and price risks, such as equity price risk and commodity price risk. The sensitivity analyses in the following sections relate to the position as at 31 March 2020. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

# Notes forming part of the Financial Statements

## 50 Financial Risk Management (Contd.)

### (i) Foreign currency risk

The Group's risk management policy is to hedge a part of its estimated foreign currency exposure in respect of forecast sales and purchases. The Group uses forward exchange contracts and currency options to hedge its currency risk.

| Nature of Contracts | Currency Hedged | Outstanding Foreign Currency amount as at 31 March 2020* | Amount (₹) | Outstanding Foreign Currency amount as at 31 March 2019* | Amount (₹) |
|---|---|---|---|---|---|
| Forward exchange contracts ( Trade Receivables) | USD | 9,50,000 | 7.16 | 3,00,000 | 2.08 |
| Forward exchange contracts (Trade Receivables) | EURO | 5,50,000 | 4.57 | - | - |
| Cross currency and interest rate swaps (to hedge the foreign currency loan) | USD | 53,97,097 | 40.69 | 65,00,000 | 44.96 |
| Forward exchange contracts (Trade Payables) | JPY | 6,53,74,000 | 4.55 | - | - |
| Forward exchange contracts (Trade Payables) | USD | 10,73,480 | 8.09 | - | - |
| Currency options (to hedge the ECB loan) | EURO | 1,74,72,109 | 145.11 | 18,90,275 | 14.69 |
| Currency options (to hedge the ECB loan) | USD | 1,49,45,140 | 112.67 | - | - |

* Foreign currency figures in absolute

**Particulars of un-hedged foreign currency exposure**

| Currency | As at 31 March 2020 | | | As at 31 March 2019 | | |
|---|---|---|---|---|---|---|
| | Foreign currency Amount in crores | Exchange rate (in ₹) | Amount | Foreign currency Amount in crores | Exchange rate (in ₹) | Amount |
| **Trade receivables** | | | | | | |
| USD | 0.50 | 75.39 | 37.45 | 1.10 | 69.17 | 76.31 |
| EUR | 0.26 | 83.05 | 21.88 | 0.22 | 77.70 | 17.25 |
| JPY | 3.02 | 0.70 | 2.10 | 13.47 | 0.63 | 8.42 |
| GBP | 0.00 | 93.08 | 0.10 | 0.00 | 90.48 | 0.03 |
| **Trade payable & Capital creditors** | | | | | | |
| USD | 1.91 | 75.39 | 143.99 | 1.23 | 69.17 | 85.38 |
| JPY | 21.76 | 0.70 | 15.16 | 62.84 | 0.63 | 39.29 |
| EUR | 0.13 | 83.05 | 10.66 | 0.10 | 77.70 | 7.75 |
| TWD | 0.05 | 2.24 | 0.12 | 0.03 | 2.24 | 0.07 |
| SGD | - | 52.97 | - | 0.01 | 51.08 | 0.41 |
| THB | 0.50 | 2.31 | 1.14 | 0.34 | 2.24 | 0.77 |
| CNY | - | 10.73 | - | 0.05 | 10.35 | 0.55 |
| **Advance to vendors** | | | | | | |
| CHF | - | - | - | 0.00 | 68.52 | 0.07 |
| EUR | 0.00 | 83.05 | 0.04 | 0.00 | 77.70 | 0.27 |
| USD | 0.26 | 75.39 | 19.60 | 0.14 | 69.17 | 9.61 |
| GBP | - | 93.08 | - | 0.00 | 90.48 | 0.01 |
| JPY | 1.21 | 0.70 | 0.84 | 1.12 | 0.63 | 0.70 |
| SGD | - | 52.97 | - | 0.02 | 51.08 | 1.03 |
| **Advance from customers** | | | | | | |
| USD | 0.01 | 75.39 | 0.75 | 0.00 | 69.17 | 0.20 |
| EUR | 0.00 | 83.05 | 0.01 | 0.00 | 77.70 | 0.00 |
| **Bank balances** | | | | | | |
| TWD | 0.00 | 2.24 | 0.01 | 0.07 | 2.24 | 0.16 |
| USD | 0.11 | 75.39 | 8.29 | 0.15 | 69.17 | 10.35 |
| JPY | 3.30 | 0.70 | 2.30 | 3.79 | 0.63 | 2.37 |
| EUR | 0.03 | 83.05 | 2.49 | 0.04 | 77.70 | 3.16 |
| **Borrowings** | | | | | | |
| USD | 3.54 | 75.39 | 266.87 | 2.16 | 69.17 | 149.75 |
| USD | 0.42 | 83.05 | 34.88 | 0.14 | 77.70 | 10.81 |

# Notes forming part of the Financial Statements

## 50 Financial Risk Management (Contd.)

**Foreign currency risk sensitivity**

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

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Exposure gain/(loss) | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| **Particulars** | **Change +1%** | **Change -1%** | **Change +1%** | **Change -1%** |
| **Trade receivables** | | | | |
| USD | 0.37 | (0.37) | 0.76 | (0.76) |
| EUR | 0.22 | (0.22) | 0.17 | (0.17) |
| JPY | 0.02 | (0.02) | 0.08 | (0.08) |
| GBP | 0.00 | (0.00) | 0.00 | (0.00) |
| **Trade payables** | | | | |
| USD | (1.44) | 1.44 | (0.85) | 0.85 |
| JPY | (0.15) | 0.15 | (0.39) | 0.39 |
| EUR | (0.11) | 0.11 | (0.08) | 0.08 |
| TWD | (0.00) | 0.00 | (0.00) | 0.00 |
| SGD | - | - | (0.00) | 0.00 |
| THB | (0.01) | 0.01 | (0.01) | 0.01 |
| CNY | - | - | (0.01) | 0.01 |
| **Advance to vendors** | | | | |
| CHF | - | - | 0.00 | (0.00) |
| EUR | 0.00 | (0.00) | 0.00 | (0.00) |
| USD | 0.20 | (0.20) | 0.10 | (0.10) |
| GBP | - | - | 0.00 | (0.00) |
| JPY | 0.01 | (0.01) | 0.01 | (0.01) |
| SGD | - | - | 0.01 | (0.01) |
| **Advance from customers** | | | | |
| USD | (0.01) | 0.01 | (0.00) | 0.00 |
| EUR | (0.00) | 0.00 | (0.00) | 0.00 |
| **Bank balances** | | | | |
| TWD | 0.00 | (0.00) | 0.00 | - |
| USD | 0.08 | (0.08) | 0.10 | (0.10) |
| JPY | 0.02 | (0.02) | 0.02 | (0.02) |
| EUR | 0.02 | (0.02) | 0.03 | (0.03) |
| **Borrowings** | | | | |
| USD | (2.67) | 2.67 | (1.50) | 1.50 |
| EUR | (0.35) | 0.35 | (0.11) | 0.11 |

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. During 31 March 2020 and 31 March 2019, the Group's borrowings at variable rate were mainly denominated in INR, EURO and USD.

The Group's fixed rate borrowings are carried at amortised cost.

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

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Variable rate borrowings | 1,036.07 | 929.29 |
| Fixed rate borrowings | 139.95 | 151.93 |
| **Total** | **1,176.02** | **1,081.23** |

# Notes forming part of the Financial Statements

## 50 Financial Risk Management (Contd.)

**Sensitivity analysis**

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

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Impact on profit before tax For the year ended 31 March 2020 | Impact on profit before tax For the year ended 31 March 2019 |
|---|---|---|
| Increase by 0.5% | (5.18) | (4.65) |
| Decrease by 0.5% | 5.18 | 4.65 |

**(iii) Commodity price risks**

Fluctuation in commodity price in market affects directly or indirectly the price of raw material and components used by the Group. The Group sells its products mainly to auto makers (Original Equipment Manufacturer) whereby there is a regular negotiation / adjustment of prices on the basis of changes in commodity prices.

**b) Liquidity risk**

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

**(i) The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| As at 31 March 2020 | 0-1 Years | 1-5 Years | More than 5 Years | Total |
|---|---|---|---|---|
| Borrowings | 395.69 | 653.65 | 126.68 | 1,176.02 |
| Lease liabilities | 18.29 | 45.04 | 52.89 | 116.22 |
| Trade payable | 962.79 | - | - | 962.79 |
| Other financial liabilities | 133.58 | 75.14 | - | 208.72 |
| **As at 31 March 2019** | | | | |
| Borrowings | 474.89 | 581.94 | 24.40 | 1,081.23 |
| Lease liabilities | - | - | - | - |
| Trade payable | 797.82 | - | - | 797.82 |
| Other financial liabilities | 105.41 | 75.58 | - | 180.99 |

**(ii) Financing arrangements**

The Group had access to the following undrawn borrowing facilities at the end of the reporting period.

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Floating rate | As per Note 21 | As per Note 21 |
| - Expiring within one year (cash credit and other facilities) | 224.89 | 54.98 |

**c) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Group and arises principally from the Group's receivables from customers and deposits with banking institutions. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

The Group has developed guidelines for the management of credit risk from trade receivables. The Group's primary customers are major automobile manufacturers (OEMs) with good credit ratings. All 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 Group has deposited liquid funds at various banking institutions. No impairment loss is considered necessary in respect of fixed deposits that are with recognised commercial banks and are not past due over past years.

# Notes forming part of the Financial Statements

51 (i) The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations

(All amounts in Indian ₹ Crore, unless otherwise stated)

| As at 31 March 2020 | Minda Kyoraku Limited | Minda Kosei Aluminum Wheel Private Limited | Mindarika Private Limited |
|---|---|---|---|
| **NCI percentage** | **32.40%** | **30.01%** | **49.00%** |
| Non-current assets | 108.97 | 507.52 | 219.88 |
| Current assets | 62.28 | 159.62 | 171.82 |
| Non-current liabilities | 28.49 | 164.46 | 54.11 |
| Current liabilities | 40.79 | 136.50 | 120.47 |
| Net assets | 101.97 | 366.18 | 217.12 |
| **Net assets attributable to NCI** | **33.04** | **109.89** | **106.39** |
| Revenue | 158.83 | 533.91 | 711.35 |
| Profit/(Loss) | 6.22 | 65.54 | 26.16 |
| OCI | (0.29) | (0.42) | (0.42) |
| Total comprehensive income | 5.93 | 65.12 | 25.74 |
| **Profit/(Loss) allocated to NCI** | **2.02** | **19.67** | **12.82** |
| **OCI allocated to NCI** | **(0.09)** | **(0.13)** | **(0.21)** |
| **Total comprehensive income allocated to NCI** | **1.92** | **19.54** | **12.61** |
| Cash flows from (used in) operating activities | 42.44 | 219.41 | 102.59 |
| Cash flows from (used in) investing activities | (3.95) | (81.38) | (25.58) |
| Cash flows from (used in) financing activities | (9.36) | (130.75) | (57.86) |
| **Net increase (decrease) in cash and cash equivalents** | **29.13** | **7.28** | **19.15** |

(All amounts in Indian ₹ Crore, unless otherwise stated)

| As at 31 March 2019 | Minda Kyoraku Limited | Minda Kosei Aluminum Wheel Private Limited | Mindarika Private Limited |
|---|---|---|---|
| **NCI percentage** | **32.40%** | **30.01%** | **49.00%** |
| Non-current assets | 115.36 | 515.33 | 212.86 |
| Current assets | 51.82 | 187.41 | 194.37 |
| Non-current liabilities | 34.33 | 264.36 | 46.32 |
| Current liabilities | 33.90 | 137.33 | 146.96 |
| Net assets | 98.95 | 301.05 | 213.95 |
| **Net assets attributable to NCI** | **32.06** | **90.35** | **104.84** |
| Revenue | 157.76 | 599.74 | 801.36 |
| Profit/(Loss) | 11.91 | 56.33 | 48.75 |
| OCI | 0.10 | (0.07) | 0.25 |
| Total comprehensive income | 12.01 | 56.26 | 49.00 |
| **Profit/(Loss) allocated to NCI** | **3.86** | **16.90** | **23.89** |
| **OCI allocated to NCI** | **0.03** | **(0.02)** | **0.12** |
| **Total comprehensive income allocated to NCI** | **3.89** | **16.88** | **24.01** |
| Cash flows from (used in) operating activities | 9.31 | 97.42 | 59.13 |
| Cash flows from (used in) investing activities | (62.81) | (125.92) | (57.55) |
| Cash flows from (used in) financing activities | 28.22 | 15.19 | (24.08) |
| **Net increase (decrease) in cash and cash equivalents** | **(25.28)** | **(13.31)** | **(22.50)** |

# Notes forming part of the Financial Statements

**(ii) Details of subsidiaries which have been consolidated are as follows:**

| Name of Company | Country of Incorporation | Ownership interest held by Group | | Non Controlling Interest | Non Controlling Interest | Reporting date used for consolidation |
|---|---|---|---|---|---|---|
| | | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2020 | As at 31 March 2019 | |
| **Subsidiaries** | | | | | | |
| Minda Kyoraku Limited | India | 67.60% | 67.60% | 32.40% | 32.40% | 31 March 2020 |
| Minda Kosei Aluminum Wheel Private Limited | India | 69.99% | 69.99% | 30.01% | 30.01% | 31 March 2020 |
| Minda TG Rubber Private Ltd. | India | 51.00% | 51.00% | 49.00% | 49.00% | 31 March 2020 |
| Minda Storage Batteries Private Limited | India | 100.00% | 100.00% | - | - | 31 March 2020 |
| YA Auto Industries (partnership firm) | India | 51.00% | 51.00% | 49.00% | 49.00% | 31 March 2020 |
| Minda Katolec Electronic Services Private Limited | India | 51.00% | 51.00% | 49.00% | 49.00% | 31 March 2020 |
| Mindarika Private Limited | India | 51.00% | 51.00% | 49.00% | 49.00% | 31 March 2020 |
| iSYS RTS GmbH | Germany | 80.00% | 80.00% | 20.00% | 20.00% | 31 March 2020 |
| MI Torica India Private Limited | India | 60.00% | 60.00% | 40.00% | 40.00% | 31 March 2020 |
| Downstream subsidiary of MI Torica India Private Limited | | | | | | |
| MITIL Polymer Private Limited | India | 57.00% | 57.00% | 43.00% | 43.00% | 31 March 2020 |
| Global Mazinkert S.L. | Spain | 100.00% | 100.00% | - | - | 31 March 2020 |
| Downstream subsidiaries of Global Mazinkert, S.L. | | | | | | |
| Clarton Horn, Spain | Spain | 100.00% | 100.00% | - | - | 31 March 2020 |
| Clarton Horn, Morocco | Morocco | 100.00% | 100.00% | - | - | 31 March 2020 |
| Clarton Horn, Signalkoustic | Germany | 100.00% | 100.00% | - | - | 31 March 2020 |
| Clarton Horn, Mexico | Mexico | 100.00% | 100.00% | - | - | 31 March 2020 |
| Light & Systems Technical Centre, S.L. Spain | Spain | 100.00% | 100.00% | - | - | 31 March 2020 |
| PT Minda Asean Automotive | Indonesia | 100.00% | 100.00% | - | - | 31 March 2020 |
| Downstream subsidiary of PT Minda Asean Automotive | | | | | | |
| PT Minda Trading | Indonesia | 100.00% | 100.00% | - | - | 31 March 2020 |
| Sam Global Pte Ltd. | Singapore | 100.00% | 100.00% | - | - | 31 March 2020 |
| Downstream subsidiaries of Sam Global Pte Ltd. | | | | | | |
| Minda Industries Vietnam Company Limited | Vietnam | 100.00% | 100.00% | - | - | 31 March 2020 |
| Minda Germany GmbH | Germany | 100.00% | - | - | - | 31 March 2020 |
| Downstream subsidiary of Minda Germany GmbH | | | | | | |
| Delvis GmbH | Germany | 100.00% | - | - | - | 31 March 2020 |
| Downstream subsidiaries of Delvis GmbH | | | | | | |
| Delvis Products GmbH | Germany | 100.00% | - | - | - | 31 March 2020 |
| Delvis Solutions GmbH | Germany | 100.00% | - | - | - | 31 March 2020 |

# Notes forming part of the Financial Statements

**(iii) Details of joint ventures and associates which have been accounted as per equity method are as follows:**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Name of Company | Country of incorporation | % of Ownership interest at 31.03.2020 | Quoted fair value as at # | | Carrying amount as at | |
|---|---|---|---|---|---|---|
| | | | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| **Interest in joint ventures consolidating using equity method of accounting** | | | | | | |
| Minda Emer Technologies Limited | India | 49.10% | - | - | 5.07 | 3.26 |
| Rinder Riduco, S.A.S. Columbia | Columbia (USA) | 50.00% | - | - | 8.88 | 7.17 |
| ROKI Minda Co. Pvt. Ltd. | India | 49.00% | - | - | 92.11 | 73.54 |
| Minda TTE DAPS Private Limited | India | 50.00% | - | - | 3.38 | 3.47 |
| Minda Onkyo India Private Limited | India | 50.00% | - | - | - | 0.72 |
| Denso ten Minda India Private Limited | India | 49.00% | - | - | 45.51 | 41.07 |
| Minda D-ten India Private Limited | India | 51.00% | - | - | 7.33 | 6.55 |
| Toyoda Gosei Minda India Pvt. Ltd. | India | 47.80% | | | 193.05 | 193.22 |
| Kosei Minda Mould Private Limited | India | 49.90% | | | 4.61 | 6.26 |
| **Interest in associates consolidating using equity method of accounting** | | | **31 March 2020** | **31 March 2019** | **31 March 2020** | **31 March 2019** |
| Minda NexGenTech Limited | India | 26.00% | - | - | 0.99 | 0.83 |
| Yogendra Engineering (partnership firm) | India | 48.90% | - | - | 0.08 | 0.01 |
| Auto Components (partnership firm) | India | 48.90% | - | - | 2.91 | 3.42 |
| Kosei Minda Aluminum Company Pvt. Ltd. | India | 30.00% | - | - | 8.20 | 15.96 |

# As all entities are unlisted therefore there is no quoted price.

# Notes forming part of the Financial Statements

(iv) Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III

**For the year ended 31 March 2020**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount in ₹ crore | As % of consolidated profit or loss | Amount in ₹ crore | As % of consolidated other comprehensive income | Amount in ₹ crore | As % consolidated of total comprehensive income | Amount in ₹ crore |
| **Holding Company** | | | | | | | | |
| Minda Industries Limited | 72.43% | 1,315.07 | 69.09% | 107.05 | 252.28% | (3.43) | 67.47% | 103.62 |
| **Subsidiary Companies** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Kyoraku Limited | 5.62% | 101.97 | 4.01% | 6.22 | 21.33% | (0.29) | 3.86% | 5.93 |
| Minda Kosei Aluminum Wheel Private Limited | 20.17% | 366.18 | 42.30% | 65.54 | 30.89% | (0.42) | 42.40% | 65.12 |
| Minda TG Rubber Private Ltd. | 2.29% | 41.53 | -1.77% | (2.75) | -0.74% | 0.01 | -1.78% | (2.74) |
| Minda Storage Batteries Private Limited | 6.31% | 114.55 | -9.24% | (14.31) | 18.39% | (0.25) | -9.48% | (14.56) |
| YA Auto Industries (partnership firm) | 0.30% | 5.53 | 5.18% | 8.03 | 0.00% | - | 5.23% | 8.03 |
| Minda Katolec Electronic Services Private Limited | -0.25% | (4.54) | -7.83% | (12.13) | -3.68% | 0.05 | -7.87% | (12.08) |
| Mindarika Private Limited | 11.96% | 217.12 | 16.88% | 26.16 | 30.89% | (0.42) | 16.76% | 25.74 |
| MI Torica India Private Limited | 1.23% | 22.37 | 1.92% | 2.97 | 5.15% | (0.07) | 1.89% | 2.90 |
| **Foreign** | | | | | | | | |
| Global Mazinkert S.L. | 2.99% | 54.29 | -11.46% | (17.75) | -617.83% | 8.40 | -6.09% | (9.35) |
| PT Minda Asean Automotive | 4.88% | 88.65 | 20.17% | 31.26 | 425.13% | (5.78) | 16.59% | 25.48 |
| Sam Global Pte Ltd. | 1.37% | 24.83 | 3.94% | 6.11 | 35.30% | (0.48) | 3.67% | 5.63 |
| iSYS RTS GmbH | 0.93% | 16.91 | 0.88% | 1.37 | -82.38% | 1.12 | 1.62% | 2.49 |
| **Minority interest in all subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Kyoraku Limited | -1.82% | (33.04) | -1.30% | (2.02) | -6.91% | 0.09 | -1.25% | (1.92) |
| Minda Kosei Aluminum Wheel Private Limited | -6.05% | (109.89) | -12.69% | (19.67) | -9.27% | 0.13 | -12.72% | (19.54) |
| Minda TG Rubber Private Ltd. | -1.12% | (20.35) | 0.87% | 1.35 | 0.36% | (0.00) | 0.87% | 1.34 |
| YA Auto (partnership firm) | -0.15% | (2.71) | -2.54% | (3.93) | 0.00% | - | -2.56% | (3.93) |
| Minda Katolec Electronic Services Private Limited | 0.12% | 2.22 | 3.84% | 5.94 | 1.80% | (0.02) | 3.85% | 5.92 |
| Mindarika Private Limited | -5.86% | (106.39) | -8.27% | (12.82) | -15.14% | 0.21 | -8.21% | (12.61) |
| MI Torica India Private Limited | -0.51% | (9.31) | -0.84% | (1.30) | -2.06% | 0.03 | -0.83% | (1.27) |

# Notes forming part of the Financial Statements

**(iv) Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III (Contd.)**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount in ₹ crore | As % of consolidated profit or loss | Amount in ₹ crore | As % of consolidated other comprehensive income | Amount in ₹ crore | As % consolidated of total comprehensive income | Amount in ₹ crore |
| **Foreign** | | | | | | | | |
| iSYS RTS GmbH | -0.19% | (3.38) | -0.18% | (0.27) | 16.48% | (0.22) | -0.32% | (0.50) |
| **Associate Companies (Investment as per Equity method)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda NexGenTech Limited | - | - | 0.11% | 0.17 | - | - | 0.11% | 0.17 |
| Yogendra Engineering (partnership firm) | - | - | 0.00% | - | - | - | 0.00% | - |
| Auto Components (partnership firm) | - | - | 1.73% | 2.68 | - | - | 1.74% | 2.68 |
| Kosei Minda Aluminum Company Private Limited | - | - | -5.01% | (7.76) | - | - | -5.05% | (7.76) |
| **Joint venture companies (As per equity method)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Emer Technologies Limited | - | - | 1.12% | 1.74 | - | - | 1.13% | 1.74 |
| Rinder Riduco S.A.S. | - | - | 1.10% | 1.70 | - | - | 1.11% | 1.70 |
| ROKI Minda Co. Pvt. Ltd. | - | - | 11.98% | 18.57 | - | - | 12.09% | 18.57 |
| Minda TTE DAPS Private Limited | - | - | -0.01% | (0.02) | - | - | -0.01% | (0.02) |
| Minda Onkyo Private Limited | - | - | -6.61% | (10.24) | - | - | -6.67% | (10.24) |
| Denso Ten Minda India Private Limited | - | - | 4.34% | 6.72 | - | - | 4.38% | 6.72 |
| Minda D-Ten India Private Limited | - | - | 0.79% | 1.23 | - | - | 0.80% | 1.23 |
| Toyoda Gosei Minda India Pvt. Ltd | - | - | -0.11% | (0.17) | - | - | -0.11% | (0.17) |
| Kosei Minda Mould Private Limited | - | - | -1.06% | (1.65) | - | - | -1.07% | (1.65) |
| **Total eliminations** | **-14.64%** | **(265.90)** | **-21.35%** | **(33.08)** | **-** | **-** | **-21.54%** | **(33.08)** |
| **TOTAL** | **100.00%** | **1,815.72** | **100.00%** | **154.95** | **100.00%** | **(1.36)** | **100.00%** | **153.59** |

# Notes forming part of the Financial Statements

**(iv) Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III (Contd.)**

**For the year ended 31 March 2019**

| Particulars | Net assets (Total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount in ₹ crore | As % of consolidated profit or loss | Amount in ₹ crore | As % of consolidated other comprehensive income | Amount in ₹ crore | As % consolidated of total comprehensive income | Amount in ₹ crore |
| **Holding Company** | | | | | | | | |
| Minda Industries Limited | 72.90% | 1,242.26 | 65.75% | 187.81 | 1.41% | (0.01) | 65.91% | 187.80 |
| **Subsidiary Companies** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Kyoraku Limited | 5.81% | 98.95 | 4.17% | 11.91 | -14.15% | 0.10 | 4.21% | 12.01 |
| Minda Kosei Aluminum Wheel Private Limited | 17.67% | 301.05 | 19.72% | 56.33 | 9.31% | (0.07) | 19.75% | 56.26 |
| Minda TG Rubber Private Ltd. | 2.60% | 44.28 | 4.34% | 12.39 | 12.70% | (0.09) | 4.32% | 12.30 |
| Minda Storage Batteries Private Limited | 7.58% | 129.11 | -5.79% | (16.53) | 1.89% | (0.01) | -5.81% | (16.55) |
| YA Auto Industries (partnership firm) | 0.25% | 4.20 | 2.70% | 7.71 | - | - | 2.71% | 7.71 |
| Minda Katolec Electronic Services Private Limited | 0.50% | 8.57 | -2.11% | (6.03) | - | - | -2.12% | (6.03) |
| Mindarika Private Limited | 12.55% | 213.95 | 17.07% | 48.75 | -35.15% | 0.25 | 17.20% | 49.00 |
| MI Torica India Private Limited | 1.20% | 20.47 | 1.54% | 4.40 | -4.23% | 0.03 | 1.55% | 4.43 |
| **Foreign** | | | | | | | | |
| Global Mazinkert S.L. | 3.67% | 62.57 | 4.00% | 11.43 | 567.27% | (4.02) | 2.60% | 7.41 |
| PT Minda Asean Automotive | 4.42% | 75.33 | 7.28% | 20.78 | -324.56% | 2.30 | 8.10% | 23.08 |
| Sam Global Pte Ltd. | 2.19% | 37.31 | 5.32% | 15.19 | -172.16% | 1.22 | 5.76% | 16.41 |
| iSYS RTS GmbH | 0.89% | 15.18 | 0.64% | 1.84 | 52.21% | (0.37) | 0.52% | 1.47 |
| **Minority interest in all subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Kyoraku Limited | -1.88% | (32.06) | -1.35% | (3.86) | 4.59% | (0.03) | -1.37% | (3.89) |
| Minda Kosei Aluminum Wheel Private Limited | -5.30% | (90.35) | -5.92% | (16.90) | -2.79% | 0.02 | -5.93% | (16.88) |
| Minda TG Rubber Private Ltd. | -1.27% | (21.70) | -2.13% | (6.07) | -6.22% | 0.04 | -2.12% | (6.03) |
| YA Auto (partnership firm) | -0.12% | (2.06) | -1.39% | (3.97) | - | - | -1.39% | (3.97) |
| Minda Katolec Electronic Services Private Limited | -0.25% | (4.20) | 1.03% | 2.95 | - | - | 1.04% | 2.95 |
| Mindarika Private Limited | -6.15% | (104.84) | -8.36% | (23.89) | 17.22% | (0.12) | -8.43% | (24.01) |
| MI Torica India Private Limited | -0.50% | (8.48) | -0.62% | (1.76) | 1.69% | (0.01) | -0.62% | (1.77) |
| **Foreign** | | | | | | | | |
| iSYS RTS GmbH | -0.18% | (3.04) | -0.13% | (0.37) | -10.44% | 0.07 | -0.10% | (0.29) |

# Notes forming part of the Financial Statements

(iv) Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III (Contd.)

| Particulars | Net assets (Total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount in ₹ crore | As % of consolidated profit or loss | Amount in ₹ crore | As % of consolidated other comprehensive income | Amount in ₹ crore | As % consolidated of total comprehensive income | Amount in ₹ crore |
| **Associate companies (Investment as per equity method)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda NexGenTech Limited | - | - | 0.12% | 0.34 | - | - | 0.12% | 0.34 |
| Yogendra Engineering (partnership firm) | - | - | 0.00% | (0.00) | - | - | 0.00% | (0.00) |
| Auto Components (partnership firm) | - | - | 0.93% | 2.67 | - | - | 0.94% | 2.67 |
| Kosei Minda Aluminum Company Private Limited | - | - | -1.07% | (3.07) | - | - | -1.08% | (3.07) |
| **Joint venture companies (As per equity method)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Emer Technologies Limited | - | - | 0.30% | 0.87 | - | - | 0.31% | 0.87 |
| Rinder Riduco S.A.S. | - | - | 0.42% | 1.19 | - | - | 0.42% | 1.19 |
| ROKI Minda Co. Pvt. Ltd. | - | - | 4.32% | 12.35 | - | - | 4.33% | 12.35 |
| Minda TTE DAPS Private Limited | - | - | -0.27% | (0.76) | - | - | -0.27% | (0.76) |
| Minda Onkyo Private Limited | - | - | -2.21% | (6.32) | - | - | -2.22% | (6.32) |
| "Denso Ten Minda India Private Limited (Formerly Fujitsu Ten Minda India Private Limited)" | - | - | 3.18% | 9.08 | - | - | 3.19% | 9.08 |
| Minda D-Ten India Private Limited | - | - | 0.63% | 1.80 | - | - | 0.63% | 1.80 |
| Toyoda Gosei Minda India Pvt. Ltd | - | - | 0.28% | 0.80 | - | - | 0.28% | 0.80 |
| Kosei Minda Mould Private Limited | - | - | -0.03% | (0.08) | - | - | -0.03% | (0.08) |
| **Total eliminations** | **-16.57%** | **(282.36)** | **-12.38%** | **(35.35)** | **1.41%** | **(0.01)** | **-12.41%** | **(35.36)** |
| **TOTAL** | **100.00%** | **1,704.16** | **100.00%** | **285.62** | **100.00%** | **(0.71)** | **100.00%** | **284.92** |

# Notes forming part of the Financial Statements

### (v) Summarised Balance Sheet and Statement of profit and loss of Material joint ventures and associates

(All amounts in Indian ₹ Crore, unless otherwise stated)

| 31 March 2020 | Joint Venture | | | | Associates |
|---|---|---|---|---|---|
| **Particulars** | **ROKI Minda Co. Pvt. Ltd.** | **Denso ten Minda India Private Limited** | **Toyoda Gosei Minda India Pvt. Ltd.** | **Minda Onkyo India Private Limited** | **Kosei Minda Aluminum Company Pvt. Ltd.** |
| Total non-current assets | 204.39 | 93.08 | 395.21 | 20.18 | 142.90 |
| Total current assets | 114.43 | 123.61 | 112.44 | 48.12 | 35.34 |
| Total non-current liabilities | 19.14 | 50.68 | 34.06 | 20.73 | 38.09 |
| Total current liabilities | 111.70 | 73.13 | 69.71 | 51.54 | 112.81 |
| **Net assets** | **187.98** | **92.88** | **403.88** | **(3.97)** | **27.34** |
| **Proportion of Group's ownership** | **49.00%** | **49.00%** | **47.80%** | **50.00%** | **30.00%** |
| **Carrying amount of investment** | **92.11** | **45.51** | **193.05** | **-** | **8.20** |
| Revenue | 419.61 | 321.65 | 415.20 | 59.85 | 115.41 |
| Interest income | 0.61 | 0.41 | 1.34 | 0.01 | 0.94 |
| Finance costs | 5.18 | 5.17 | 5.21 | 1.83 | 8.52 |
| Depreciation and amortisation | 30.03 | 10.35 | 42.77 | 2.62 | 13.15 |
| Income tax expense | 10.95 | 4.68 | 0.26 | 0.31 | - |
| **Total comprehensive income** | **38.12** | **14.66** | **(0.08)** | **(20.46)** | **(25.87)** |
| **Groups share of total comprehensive income** | **18.68** | **7.19** | **(0.04)** | **(10.23)** | **(7.76)** |

(All amounts in Indian ₹ Crore, unless otherwise stated)

| 31 March 2019 | Joint Venture | | | | Associates |
|---|---|---|---|---|---|
| **Particulars** | **ROKI Minda Co. Pvt. Ltd.** | **Denso ten Minda India Private Limited** | **Toyoda Gosei Minda India Pvt. Ltd.** | **Minda Onkyo India Private Limited** | **Kosei Minda Aluminum Company Pvt. Ltd.** |
| Total non-current assets | 206.62 | 89.63 | 415.64 | 20.36 | 156.87 |
| Total current assets | 95.88 | 122.83 | 136.99 | 28.99 | 70.02 |
| Total non-current liabilities | 54.78 | 44.64 | 47.51 | 17.51 | 40.42 |
| Total current liabilities | 97.64 | 84.00 | 100.89 | 30.40 | 133.27 |
| **Net assets** | **150.08** | **83.82** | **404.23** | **1.44** | **53.20** |
| **Proportion of Group's ownership** | **49.00%** | **49.00%** | **47.80%** | **50.00%** | **30.00%** |
| **Carrying amount of investment** | **73.54** | **41.07** | **193.22** | **0.72** | **15.96** |
| Revenue | 394.19 | 418.59 | 495.85 | 21.48 | 202.77 |
| Interest income | 0.82 | 0.72 | 3.64 | 0.01 | 0.11 |
| Finance costs | 8.37 | 0.99 | 3.58 | 0.99 | 8.30 |
| Depreciation and amortisation | 26.89 | 9.57 | 20.13 | 1.87 | 12.77 |
| Income tax expense | 14.53 | 9.35 | 2.62 | (2.02) | - |
| **Total comprehensive income** | **25.21** | **18.54** | **1.67** | **(13.60)** | **(10.23)** |
| **Groups share of total comprehensive income** | **12.35** | **9.08** | **0.80** | **(6.80)** | **(3.07)** |

# Notes forming part of the Financial Statements

### (vi) Commitment and contingent Liabilities in respect of associates and Joint ventures

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Share of Joint Venture's contingent liabilities in respect of following | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Income tax matter | 0.28 | 0.12 |
| Liabilities of customs duty towards export obligation undertaken by the Group under EPCG schemes | 0.46 | 1.23 |
| Claim against the company not acknowledged as debt | - | 0.72 |
| Bank guarantee given to custom authorities and others | 0.00 | 0.07 |
| Indirect Tax | 6.61 | 0.54 |
| **Commitments-joint ventures** | | |
| Estimated amount of contracts remaining to be executed on capital and other account (Net of advances) | 89.62 | 31.41 |

| Share of associate's contingent liabilities in respect of following | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Bank guarantee given to custom authorities and others | - | 0.71 |
| Indirect Tax | 0.42 | 1.61 |
| Liabilities of customs duty towards export obligation undertaken by the Group under EPCG schemes | 2.09 | 2.09 |
| **Commitments-associate** | | |
| Estimated amount of contracts remaining to be executed on capital and other account (Net of advances) | - | 0.08 |

As per the EPCG terms and conditions, Associates/ Joint Venture needs to export ₹ 47.40 crores (₹ 56.78 crores as on 31 March 2019) i.e. 6 times of duty saved on import of Capital goods on FOB basis within a period of 6-8 years. If the Associates/ Joint Venture does not export goods in prescribed time, then the Associates/ Joint Venture may have to pay interest and penalty thereon.

## 52 Related Party Disclosures

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

| Nature of related party transaction | Name of related party |
|---|---|
| **Associates** | |
| | Minda NexGenTech Limited |
| | Kosei Minda Aluminum Company Private Limited |
| **Partnership firms** | |
| | Auto Component (Firm) |
| | Yogendra Engineering (Firm) |
| **Joint ventures (jointly controlled entities)** | |
| | Minda Emer Technologies Limited |
| | Roki Minda Co. Private Limited |
| | Rinder Riduco, S.A.S. Columbia |
| | Minda TTE Daps Private Limited (Formerly as Minda Daps Private Limited) |
| | Minda Onkyo India Private Limited |
| | Minda D-Ten India Private Limited |
| | Denso Ten Minda India Private Limited |
| | Toyoda Gosei Minda India Pvt. Ltd. (w.e.f 28 September 2018) |
| | Kosei Minda Mould Private Limited |
| **Key management personnel (KMP)** | |
| | Mr. Nirmal K. Minda {Chairman and Managing Director('CMD')} |
| | Mr. Anand K. Minda (Director) |
| | Mr. Alok Dutta (Independent Director) |
| | Mr. Satish Sekhri (Independent Director) |
| | Ms. Renu Challu (Independent Director) (Upto 19 December 2018) |

# Notes forming part of the Financial Statements

## 52 Related Party Disclosures (Contd.)

| | |
|---|---|
| | Ms. Praveen Tripathi (Independent Director) (w.e.f 6 February 2019)<br>Ms. Paridhi Minda (Executive Director ) (w.e.f 29 March 2019)<br>Mr. Sudhir Jain (CFO) (Upto 30 September 2018)<br>Mr. Sunil Bohra (CFO) (w.e.f 1 October 2018)<br>Mr. Tarun Kumar Srivastava ( Company Secretary) (w.e.f 22 May 2018) |
| **Relatives of key management personnel** | |
| | Mrs. Suman Minda (wife of CMD)<br>Ms. Paridhi Minda (daughter of CMD)<br>Ms. Pallak Minda (daughter of CMD)<br>Mr. Vivek Jindal (son-in-law of CMD)<br>Mr. Amit Minda (Son of KMP) |
| **Other entities over which key management personnel and their relatives are able to exercise significant influence** | |
| | Minda Investments Limited<br>Minda International Limited<br>Minda Industries Firm<br>Minda Finance Limited<br>Singhal Fincap Ltd<br>Pioneer Finest Ltd<br>Samaira Engineering (Firm)<br>S.M.Auto Industries (Firm)<br>Shankar Moulding Ltd.<br>Minda Nabtesco Automotive Private Limited<br>Minda I Connect Private Limited<br>Minda Projects Limited<br>SN Castings Limited<br>Jindal Mectec Private Limited<br>Minda Industries Ltd Gratuity Scheme Trust<br>Minda Industries Ltd Managerial Superannuation Scheme Trust<br>Minda Spectrum Advisory Limited<br>Minda Mindpro Limited<br>Moga Devi Charitable Trust<br>Suman Nirmal Minda Charitable Trust<br>Shree Aumji Habitation Pvt. Ltd<br>Shree Aumji Real Estate SEZ Pvt. Ltd<br>Shree Aumji Construction Pvt. Ltd<br>Spectrum Techno Construction Pvt. Ltd<br>Shree Aumji Buildwell Pvt. Ltd<br>Shree Aumji Promoters & Builders Pvt. Ltd<br>Shree Aumji Buildtech Pvt. Ltd<br>Midway Infrastructure Pvt. Ltd |

# Notes forming part of the Financial Statements

## 52 Related Party Disclosures (Contd.)

### (ii) Transactions / balances with related parties

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Associates (including partnership firms where Group has significant influence) | | Joint venture companies | | Entities over which key management personnel and their relatives are able to exercise significant influence | | Key management personnel and relatives | |
|---|---|---|---|---|---|---|---|---|
| **Transactions during the year** | **31 March 2020** | **31 March 2019** | **31 March 2020** | **31 March 2019** | **31 March 2020** | **31 March 2019** | **31 March 2020** | **31 March 2019** |
| Sale of products | 0.70 | 2.53 | 61.95 | 39.09 | 19.31 | 22.05 | - | - |
| Purchase of products | 68.12 | 67.36 | 6.78 | 0.91 | 200.60 | 208.65 | - | - |
| Sale of Property, plant & equipment | - | - | 0.02 | - | 0.01 | - | - | - |
| Purchase of Property, plant & equipment | - | 2.16 | - | 0.08 | 135.12 | 137.25 | - | - |
| Expenses recovered | - | - | - | 0.43 | - | - | - | - |
| Services Rendered | 0.27 | 1.95 | 10.32 | 9.09 | 1.85 | 1.63 | - | - |
| Services received | 0.08 | - | 0.71 | - | 26.29 | 15.89 | 2.00 | 1.66 |
| Remuneration* | - | - | - | - | - | - | 8.06 | 13.50 |
| Dividend received | - | - | 2.72 | - | - | - | - | - |
| Interest paid | - | - | - | 0.03 | 0.96 | 5.90 | - | - |
| Unsecured Loan Given/ Repayment | - | - | - | - | 36.00 | 66.00 | - | - |
| Unsecured Loan Received | - | - | - | 0.98 | 3.00 | 76.00 | - | - |
| Share of profits | 3.30 | 2.67 | - | - | - | - | - | - |
| Royalty received | 0.25 | 0.34 | - | - | - | - | - | - |
| Dividend paid on equity share capital | - | - | - | - | 7.88 | 7.38 | 11.58 | 10.84 |
| Donation | - | - | - | - | 4.24 | 2.60 | - | - |
| Investment in shares / partnership firm | (3.19) | (2.93) | 7.50 | 5.75 | - | - | - | - |

*The above figures do not include provisions for encashment leave, provision for gratuity as separate actuarial valuation are not available.

### (iii) Balances with related parties

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Summary of balances with related parties | Associates | | Joint venture companies | | Entities over which key management personnel and their relatives are able to exercise significant influence | | Key management personnel and relatives | |
|---|---|---|---|---|---|---|---|---|
| **Balance as at year end** | **31 March 2020** | **31 March 2019** | **31 March 2020** | **31 March 2019** | **31 March 2020** | **31 March 2019** | **31 March 2020** | **31 March 2019** |
| Balance outstanding-Receivable | 0.17 | 2.46 | 12.58 | 13.84 | 14.91 | 10.49 | - | - |
| Balance outstanding-Payable | 8.94 | 6.52 | 1.74 | 0.54 | 46.59 | 40.20 | 0.23 | 3.29 |
| Loan Outstanding | - | - | - | - | 5.10 | 38.00 | - | - |

# Notes forming part of the Financial Statements

## 52 Related Party Disclosures (Contd.)

### (iv) Material transactions with related parties during the year ended 31 March 2020

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Related party | Nature of transaction | Amount |
|---|---|---|
| **Transactions during the year** | | |
| Samaira Engineering | Purchase of goods | 128.34 |
| Auto Components | Purchase of goods | 68.11 |
| SN Castings Limited | Purchase of goods | 30.96 |
| Shankar Moulding Limited | Purchase of goods | 22.79 |
| Minda I Connect Private Limited | Sale of goods | 15.09 |
| Toyoda Gosei Minda India Private Limited | Sale of goods | 51.19 |
| Minda Projects Limited | Purchase of FA | 53.21 |
| Minda Infrastructure LLP | Purchase of FA | 81.76 |
| Roki Minda Co. Private Limited | Services rendered | 1.81 |
| Minda D-Ten India Private Limited | Services rendered | 0.93 |
| Kosei Minda Aluminum Company Private Limited | Services rendered | 0.01 |
| Minda Emer Technologies Limited | Services rendered | 0.67 |
| Denso Ten Minda India Private Limited | Services rendered | 1.42 |
| Toyoda Gosei Minda India Private Limited | Services rendered | 3.76 |
| Minda Investments Limited | Services received | 21.46 |
| Minda Projects Limited | Services received | 3.47 |
| Singhal Fincap Limited | Interest Paid | 0.96 |
| Pallak Minda | Remuneration | 0.60 |
| Paridhi Minda | Remuneration | 0.60 |
| Mr Nirmal K Minda | Dividend paid | 6.86 |
| Mrs Suman Minda | Dividend paid | 4.05 |
| Minda Investments Limited | Dividend paid | 6.70 |
| Singhal Fincap Limited | Unsecured loan repaid | 36.00 |
| Singhal Fincap Limited | Unsecured loan received | 3.00 |
| Suman Nirmal Minda Charitable Trust | Donation | 4.24 |
| **Balance as at year end** | | |
| Samaira Engineering | Payable | 19.29 |
| Minda Projects Limited | Payable | 5.32 |
| Auto Components | Payable | 8.94 |
| Shankar Moulding Ltd. | Payable | 6.12 |
| Minda Infrastructure LLP | Payable | 9.16 |
| Roki Minda Co. Private Limited | Receivables | 0.46 |
| Rinder Riduco, S.A.S. Columbia | Receivables | 2.30 |
| Toyoda Gosei Minda India Private Limited | Receivables | 4.47 |
| Minda I Connect Private Limited | Receivables | 12.64 |
| Singhal Fincap Ltd | Loan payable | 5.10 |

# Notes forming part of the Financial Statements

## 52 Related Party Disclosures (Contd.)

### Material transactions with related parties during the year ended 31 March 2019

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Related party | Nature of transaction | Amount |
|---|---|---|
| **Transactions during the year** | | |
| Samaira Engineering | Purchase of goods | 113.95 |
| Auto Components | Purchase of goods | 67.36 |
| Shankar Moulding Limited | Purchase of goods | 32.84 |
| SN Castings Limited | Purchase of goods | 40.11 |
| SN Castings Limited | Sale of goods | 17.21 |
| Toyoda Gosei Minda India Private Limited | Sale of goods | 28.49 |
| Minda Projects Limited | Purchase of FA | 137.17 |
| Kosei Minda Aluminum Company Private Limited | Services rendered | 1.95 |
| Minda Emer Technologies Limited | Services rendered | 2.04 |
| Roki Minda Co. Private Limited | Services rendered | 1.79 |
| Denso Ten Minda India Private Limited | Services rendered | 1.54 |
| Minda D-Ten India Private Limited | Services rendered | 1.29 |
| Toyoda Gosei Minda India Private Limited | Services rendered | 2.00 |
| Minda Investments Limited | Services received | 12.64 |
| Minda Projects Limited | Services received | 2.97 |
| Pioneer Finest Limited | Interest Paid | 3.12 |
| Singhal Fincap Limited | Interest Paid | 2.78 |
| Auto Components | Royalty Received | 0.34 |
| Pallak Minda | Remuneration | 0.54 |
| Paridhi Minda | Remuneration | 0.52 |
| Mr Nirmal K Minda | Dividend paid | 6.43 |
| Mrs Suman Minda | Dividend paid | 3.79 |
| Minda Investments Limited | Dividend paid | 6.28 |
| Pioneer Finest Ltd | Unsecured loan repaid | 66.00 |
| Pioneer Finest Ltd | Unsecured loan received | 66.00 |
| Singhal Fincap Limited | Unsecured loan received | 10.00 |
| Suman Nirmal Minda Charitable Trust | Donation | 2.60 |
| **Balance as at year end** | | |
| Samaira Engineering | Payable | 15.67 |
| Minda Projects Limited | Payable | 15.55 |
| Auto Components | Payable | 6.52 |
| Roki Minda Co. Private Limited | Receivables | 3.40 |
| Rinder Riduco, S.A.S. Columbia | Receivables | 2.71 |
| Toyoda Gosei Minda India Private Limited | Receivables | 4.28 |
| Minda I Connect Private Limited | Receivables | 4.06 |
| SN Castings Limited | Receivables | 3.33 |
| Singhal Fincap Ltd | Loan payable | 38.00 |

**Note:** Remuneration to key managerial personnel given in note (v) below

# Notes forming part of the Financial Statements

## 52 Related Party Disclosures (Contd.)

### (v) Key managerial personnel remuneration

**Remuneration to Chairman & Managing Director (i.e. Mr. Nirmal K Minda)***

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Short Term Benefit | 2.30 | 2.49 |
| Commission | 0.40 | 5.60 |
| Others - Allowances | 0.24 | 0.33 |
| **Total** | **2.94** | **8.42** |

### Remuneration to Independent Directors

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| Sitting Fees | | |
| Mr. Alok Dutta | 0.01 | 0.11 |
| Mr. Satish Sekhri | 0.09 | 0.11 |
| Ms. Renu Challu | - | 0.06 |
| Ms. Praveen Tripathi | 0.08 | 0.03 |
| Mr. Krishan Kumar Jalan | 0.08 | - |
| Mr. Chandan Chowdhury | 0.02 | - |
| **Total** | **0.28** | **0.31** |

### Remuneration to Key Managerial Personnel other than Managing Director and Independent Directors

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **Short Term Benefit** | | |
| Mr. Sudhir Jain (Chief Financial Officer) | - | 1.43 |
| Mr. Sunil Bohra (Chief Financial Officer) | 3.78 | 1.20 |
| Mr. Tarun Kumar Srivastava (Company Secretary) | 0.24 | 0.21 |
| Ms. Paridhi Minda | 0.57 | - |
| **Stock Option** | | |
| Mr. Sudhir Jain (Chief Financial Officer) | - | 1.76 |
| **Others - Allowances** | | |
| Mr. Sudhir Jain (Chief Financial Officer) | - | 0.08 |
| Mr. Sunil Bohra (Chief Financial Officer) | 0.20 | 0.10 |
| Mr. Tarun Kumar Srivastava (Company Secretary) | 0.02 | 0.01 |
| Ms. Paridhi Minda | 0.04 | - |
| **Total** | **4.85** | **4.79** |

*The above remuneration excludes provision for gratuity and leave benefits as separate actuarial valuation is not available.

# Notes forming part of the Financial Statements

## 53 Capital management

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

Consistent with others in the industry, the Group monitors Net Debt to EBITDA ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax and exceptional items plus depreciation and amortization expense excluding share of profit/ loss of associates/ joint venture plus finance costs minus other income). The Group's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Net Debt | 925.04 | 988.46 |
| EBITDA | 619.17 | 725.18 |
| **Net Debt to EBITDA** | **1.49** | **1.36** |

## 54 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Category | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **1) Financial assets at amortized cost** | | | | |
| Investments in associates and joint ventures | 372.16 | 372.16 | 355.48 | 355.48 |
| Loans (current / non current) | 19.04 | 19.04 | 23.22 | 23.22 |
| Trade receivables | 726.41 | 726.41 | 899.22 | 899.22 |
| Cash and cash equivalents | 250.98 | 250.98 | 92.77 | 92.77 |
| Other bank balances | 76.86 | 76.86 | 17.29 | 17.29 |
| Other financial assets (current / non current) | 45.16 | 45.16 | 31.66 | 31.66 |
| **Total** | **1,490.61** | **1,490.61** | **1,419.64** | **1,419.64** |
| **2) Financial liabilities at amortized cost** | | | | |
| Borrowings (current / non current) (including current maturity) | 1,176.02 | 1,176.02 | 1,081.23 | 1,081.23 |
| Lease liabilities (current / non current) | 116.22 | 116.22 | - | - |
| Trade payables | 962.79 | 962.79 | 797.82 | 797.82 |
| Other financial liabilities (current / non current) | 208.72 | 208.72 | 180.99 | 180.99 |
| **Total** | **2,463.75** | **2,463.75** | **2,060.04** | **2,060.04** |

* Management has assessed that investments, loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, lease liabilities trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**Discount rate used in determing fair value**

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

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

Investment in unquoted equity shares amount to ₹ 0.10 crores (₹ 0.10 crores 31 March 2019) is valued at fair value (level 3). There is no movement in valuation of such investment during the year and previous year. Further, provision for impairment on investment has been created during the year amounting to ₹ 0.07 crores (refer note 4).

# Notes forming part of the Financial Statements

## 55 Business Combination

### Acquisitions during the year ended 31 March 2020

**(i)A.** The Group has acquired the control in the following entities during the year. Business combination is accounted on fair value basis.

| Name of entity | Relationship | Date of acquisition | Exisiting stake (%) | Post acquisition stake (%) |
|---|---|---|---|---|
| Delvis GmbH and its two subsidiaries: Delvis solution Gmbh and Delvis Products GmbH | Step down Subsidiary of Minda Germany GmbH | 12-Dec-19 | 0.00% | 100.00% |

**B.** Total consideration for business combinations was Euro 2.07 Crores which includes contingent consideration amounting to Euro 0.42 Crores. Contingent Consideration is payable if Consolidated EBITDA of the acquired Companies exceeds Euro 0.25 Crores for the calendar year 2019. The Company has recorded Contingent Consideration under other financial liabilities (refer note 23) amounting to INR 34.32 Crores i.e, Euro 0.42 Crores as it is probable that condition for EBITDA would meet.

**C. Identifiable assets acquired and liabilities assumed**

Fair value of the assets and liabilities recognised as a results of acquisitions are as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Delvis GmbH |
|---|---|
| Non Current asset | 154.26 |
| Current assets | 79.26 |
| Borrowing | 2.43 |
| Other non current liabilities | 46.73 |
| Current liabilities | 49.88 |
| **Total net identifiable assets acquired** | **134.48** |
| **% Holding by the Group** | **100.00%** |
| **Net worth allocated to the Group** | **134.48** |
| **Cost of Investment** | **171.62** |
| **Capital Reserve/(Goodwill)** | **(37.14)** |

**D. Revenue and profit or loss of the acquiree since the acquisition date**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Delvis GmbH |
|---|---|
| Revenue from Operation | 66.66 |
| **Total comprehensive income** | **(1.86)** |

Disclosure as per B64(q)(ii) of Ind AS 103 has not been presented as it is impracticable due to different accourting periods.

**(ii)** The Parent Company has acquired Telematics Hardware business from KPIT Technologies Limited (KPIT) and Impact Automotive Solutions Limited (Impact) during the year on 31 May 2019. Business combination is accounted on fair value basis.

**A.** Purchase consideration for the business combinations was ₹ 22.13 Crores. The Parent Company is supposed to pay additional consideration amounting to ₹ 3.00 Crores on signing of contracts with customers and 20% of additional revenue generated over ₹ 130.00 Crores in earn out period. The Parent Company has not recorded the Contingent Consideration as there are remote chances of meeting the above conditions.

# Notes forming part of the Financial Statements

## 55 Business Combination (Contd.)

**B. Identifiable assets acquired**

Fair value of the assets and liabilities recognised as a results of acquisitions are as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Amount |
|---|---|
| Non Current asset | 17.66 |
| Current assets | 4.47 |
| **Total net identifiable assets acquired** | **22.13** |
| **Purchase Consideration** | **22.13** |
| **Capital Reserve/(Goodwill)** | **-** |

**C. Revenue and profit or loss of the acquiree since the acquisition date**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Amount |
|---|---|
| Revenue from Operation | 15.19 |
| Total comprehensive income | (9.48) |

Disclosure as per B64(q)(ii) of Ind AS 103 has not been presented, as it is impracticable to collate information prior to acquisition date.

### Acquisitions during the year ended 31 March 2019

A. The Group has acquired the control / joint control in the following entities during the year. Business combination is accounted on fair value basis.

| Name of entity | Relationship | Date of acquisition | Exisiting stake (%) | Post acquisition stake (%) |
|---|---|---|---|---|
| MI Torica India Private Limited | Subsidiary | 01-Apr-18 | 0.00% | 60.00% |
| iSYS RTS, GmbH | Subsidiary | 12-Sep-18 | 0.00% | 80.00% |
| Toyoda Gosei Minda India Private Limited | Joint Venture | 28-Sep-18 | 6.13% | 47.80% |

B. Total consideration for business combinations were paid in cash.

**C. Identifiable assets acquired and liabilities assumed**

Fair value of the assets and liabilities recognised as a results of acquisitions are as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Subsidiary | | Joint Ventures |
|---|---|---|---|
| | MI Torica India Private Limited | iSYS RTS, GmbH | Toyoda Gosei Minda India Private Limited |
| Non Current asset | 0.49 | 3.00 | 419.20 |
| Current assets | 99.81 | 14.01 | 126.37 |
| Borrowing | - | 0.28 | 22.59 |
| Other non current liabilities | 0.51 | - | 2.41 |
| Current liabilities | 83.34 | 14.73 | 117.99 |
| **Total net identifiable assets acquired** | **16.45** | **2.00** | **402.58** |
| **% Holding by the Group** | **60.00%** | **80.00%** | **47.80%** |
| **Net worth allocated to the Group** | **9.87** | **1.60** | **192.44** |
| **Cost of Investment** | **8.44** | **41.92** | **156.95** |
| **Capital Reserve/(Goodwill)** | **1.43** | **(40.31)** | **35.49** |

# Notes forming part of the Financial Statements

56 Goodwill amounting to ₹ 155.85 crores allocated to two subsidiaries, Mindarika Private Limited and iSYS RTS GmbH is evaluated for impairment. The recoverable amount of these cash generating units have been determined based on value in use model. Value in use has been determined based on future sales estimates, margins, growth rate, discount rate, etc. As at 31 March 2020, the estimated cash flows for a period of 5 years were developed using internal forecasts, and weighted average cost of capital of 11.50% to 18.00%. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

The remaining goodwill (related to different cash generating units individually immaterial) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amounts.

57 Pursuant to the Scheme of Amalgamation ('Scheme') under the provisions of Section 230 to 232 of the Companies Act, 2013, for amalgamation of wholly owned subsidiaries i.e. MJ Casting Limited, Minda Distribution and Services Limited, Minda Auto Components Limited and Minda Rinder Private Limited (together referred to as "transferor companies"), with Minda Industries Limited ("Transferee Company" or "the Parent Company") as approved by the Hon'ble National Company Law Tribunal vide its order dated 01 June 2020 with the appointed date of 1 April 2019, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company with effect from this date at their carrying values. The Company is in the process of obtaining the certified copy of the Order by NCLT in this regard and shall file the order copy with ROC, Delhi in due course. The Parent Company has given effect to the scheme in the financial statements for the year 2019-20 as per the requirements of Appendix C to Ind AS 103 "Business Combination".

58 The Board of directors of the Parent Company in its meeting held on 6 February 2020, accorded its consent for the scheme of amalgamation of Minda I Connect Private Limited (Transferor Company) with Minda Industries Limited (Transferee Company) subject to necessary approval(s) of shareholders, Creditors and other approvals and sanctions by the National Company Law Tribunal (NCLT), New Delhi. Appropriate accounting treatment of the Scheme will be done post receipt of NCLT approval.

59 Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended, the Board of Directors of the Parent Company in its meeting held on 29 June 2020, approved the fund raising of up to ₹ 250 Crores through issue of equity shares of face value of ₹ 2 each via right issue and up to ₹ 300 Crores through issue of Non-convertible Debentures on a Private Placement basis.

## 60 Impact of Covid-19 on Consolidated Financial Statements:

In view of the pandemic relating to COVID-19, the Group has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of investments, property plant and equipment, right-of-use assets, Goodwill, trade receivables, other current and financial assets, for any possible impact on the Consolidated Financial Statements. The Group has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting controls etc. and is of the view that based on its present assessment this situation does not materially impact the consolidated financial statements. Further, Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institutions. This will largely mitigate any stress on cash flows.

However, the actual impact of COVID19 on the consolidated financial statement may differ from that estimated due to unforeseen circumstances and the Group will continue to closely monitor any material changes to future economic conditions.

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

As per our report of even date attached

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

**Rajiv Goyal**
Partner
Membership No. 094549

Place : Gurugram
Date : 29 June 2020

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**
Chairman and Managing Director
DIN No. 00014942

Place : Gurugram
Date : 29 June 2020

**Anand Kumar Minda**
Director
DIN No. 00007964

Place : Gurugram
Date : 29 June 2020

**Sunil Bohra**
Group CFO

Place : Gurugram
Date : 29 June 2020

**Tarun Kumar Srivastava**
Company Secretary
Membership No. - A11994

Place : Gurugram
Date : 29 June 2020

# Independent Auditor's Report

**To the Members of Minda Industries Limited**

## Report on the Audit of Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Minda Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Description of Key Audit Matter

1. Revenue recognition

**See note 27 to the consolidated financial statements**

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms and conditions.<br><br>Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts/ rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Customer acceptance is used to estimate the provision for price increase/decrease. Revenue is only recognised to the extent that is highly probable a significant reversal will not occur.<br><br>The timing of revenue recognition is relevant to the reported performance of the Group. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred. | Our audit procedures included:<br>- Assessing the appropriateness of the revenue recognition accounting policies, including those relating to price increase/decrease by comparing with applicable accounting standards.<br>- Evaluating the integrity of the information and technology general control environment and testing the operating effectiveness of key IT application controls.<br>- Evaluating the design and implementation of Group's controls in respect of revenue recognition.<br>- Testing the effectiveness of such controls over revenue cut off at year-end.<br>- Testing by selecting samples of revenue transactions recorded during the year by verification of underlying documents.<br>- Inspecting on a sample basis, key customer contracts/ purchase order to identify terms and conditions relating to goods acceptance and price adjustments and assessing the Group's revenue recognition policies with reference to the requirements of the applicable accounting standards. |

# Independent Auditor's Report (Contd.)

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| | - Testing on a sample basis, the supporting documents for sales transactions recorded during the period closer to the year end and subsequent to the year end to determine whether revenue was recognised in the correct period.<br>- Performing analytical procedures on current year revenue based on trends and where appropriate, conducting further enquiries and testing. |

2. Evaluation of impairment indicators in investments in associates and joint ventures

**See note 4 to the consolidated financial statements**

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| **Investments in associates and joint ventures**<br>The Group carries its investments in associates and joint ventures at cost (net of provision) at an aggregate amount of ₹ 355.48 Crores as at 31 March 2019.<br>The amount being significant to the consolidated financial statements, the determination of impairment charge required the application of significant judgments by management, in particular with respect to determination of recoverable/fair value amount of these investments which in aggregate is significant to the consolidated financial statements. | Our audit procedures include:<br>- Comparing the carrying amount of investments with audited financial statements of investee companies to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount.<br>- Obtaining and reviewing recoverable amounts as determined by the management for each investment. |

3. Impairment of goodwill

**See note 56 to the consolidated financial statements**

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| The Group has goodwill on consolidation of ₹ 164.92 crores as at 31 March 2019.<br>The majority of goodwill has been allocated to Mindarika Private Limited cash-generating unit (CGU) and the iSYS RTS GmbH (CGU).<br>The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions used to estimate the recoverable amount. The recoverable amount of the CGUs has been derived from discounted forecast cash flow model. This model use several key assumptions, including estimates of future sales volumes, and prices, operating margin, growth rates and the weighted-average cost of capital (discount rate). | Besides obtaining an understanding of the information included in the impairment model through our knowledge of the business gained through reviewing the plans, strategic initiative and meeting with key stakeholders our procedures included the following:<br>- We understood the methodology applied by management in performing its impairment test for the CGU, underlying assumptions for sales growth, margins and discounting rate and walked through the procedure followed by the management.<br>- We discussed with key stakeholders future forecasts and key parameters including growth rate and discount rate.<br>- We performed our own sensitivity analysis, which includes assessing the effect of reasonably possible reductions in key parameters to evaluate the impact on the currently estimated headroom for both the CGUs; and<br>- Based on above evidence and discussions with management, we found management's assumptions in relation to the calculation of the value in use of the cash generating unit to be reasonable. However, value in use arrived solely depends upon the achievement of the CGUs projections. |

# Independent Auditor's Report (Contd.)

### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company 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.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures is responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

# Independent Auditor's Report (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) as well as associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements of eighteen subsidiaries, whose financial statements reflect total assets of ₹956.22 crores as at 31 March 2019, total revenues of ₹2,453 crores and net cash flows amounting to ₹8.48 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹18.84 crores for the year ended 31 March 2019, in respect of ten associates/joint ventures, whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures/associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the audit reports of the other auditors.

Certain of these subsidiaries and a joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and a joint venture located outside India from

# Independent Auditor's Report (Contd.)

accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and a joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies, and joint venture companies incorporated in India is disqualified as on 31 March 2019 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 Holding Company, its subsidiary companies, associate companies and joint venture companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 38 to the consolidated financial statements;

ii. The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019;

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, associate companies and joint venture companies incorporated in India during the year ended 31 March 2019; and

iv. The disclosures in the consolidated 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 in the financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies,

# Independent Auditor's Report (Contd.)

associate companies and joint venture companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, associate companies and joint venture companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, associate companies and joint venture companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

**Rajiv Goyal**
Partner
Membership number. 094549

Place: Gurugram
Date: 16 May 2019

# Annexure-A

**Annexure A to the Independent Auditor's report on the consolidated financial statements of Minda Industries Limited for the year ended 31 March 2019**

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Opinion**

In conjunction with our audit of the consolidated financial statements of Minda Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, its associate companies and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate companies and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, associate companies and joint venture companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

**Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

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

**Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

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

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to six subsidiary companies and six associate / joint venture companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

**Rajiv Goyal**
Partner
Membership number. 094549

Place: Gurugram
Date: 16 May 2019

# Consolidated Balance Sheet as at 31 March 2019

(All amounts in Indian ₹ crore, unless otherwise stated)

| Particulars | Note | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3A | 1,629.40 | 1,199.39 |
| Capital work-in-progress | 3B | 131.52 | 192.11 |
| Intangible assets | 3C | 66.84 | 39.32 |
| Intangible assets under development | 3D | 18.61 | 18.68 |
| Goodwill on Consolidation | | 164.92 | 111.79 |
| **Financial assets** | | | |
| (i) Investments | 4 | 355.58 | 155.23 |
| (ii) Loans | 5 | 21.21 | 14.49 |
| (iii) Other non-current financial assets | 6 | 9.66 | 16.79 |
| Deferred tax assets (net) | 7 | - | 18.61 |
| Other tax assets | 8 | 33.05 | 31.18 |
| Other non-current assets | 9 | 67.10 | 40.43 |
| **Total non-current assets** | | **2,497.89** | **1,838.02** |
| **Current assets** | | | |
| Inventories | 10 | 560.97 | 417.52 |
| **Financial assets** | | | |
| (i) Trade receivables | 11 | 899.22 | 789.73 |
| (ii) Cash and cash equivalents | 12 | 92.77 | 125.56 |
| (iii) Bank balances other than those included under cash and cash equivalents above | 13 | 17.29 | 33.91 |
| (iv) Loans | 14 | 2.01 | 1.59 |
| (v) Other current financial assets | 15 | 22.00 | 18.04 |
| Other current assets | 16 | 138.48 | 140.74 |
| **Total current assets** | | **1,732.74** | **1,527.09** |
| **Total assets** | | **4,230.63** | **3,365.11** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 17 (a) | 52.44 | 17.41 |
| Other equity | 17 (b) | 1,651.72 | 1,374.28 |
| **Equity attributable to owners of the Company** | | **1,704.16** | **1,391.69** |
| Non-Controlling Interest | 17 (c) | 266.71 | 211.01 |
| **Total equity** | | **1,970.87** | **1,602.70** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 18 | 606.34 | 240.04 |
| (ii) Other financial liabilities | 19 | 75.58 | 51.46 |
| Provisions | 20 | 99.64 | 103.78 |
| Deferred tax liabilities (net) | 7 | 0.62 | - |
| **Total non-current liabilities** | | **782.18** | **395.28** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 21 | 349.15 | 302.81 |
| (ii) Trade payables | 22 | | |
| (a) total outstanding dues of micro and small enterprises | | 64.61 | 6.08 |
| (b) total outstanding dues of creditors other than micro and small enterprises | | 733.21 | 792.33 |
| (iii) Other financial liabilities | 23 | 231.15 | 155.41 |
| Other current liabilities | 24 | 77.90 | 91.84 |
| Provisions | 25 | 21.56 | 14.83 |
| Current tax liabilities (net) | 26 | - | 3.83 |
| **Total current liabilities** | | **1,477.58** | **1,367.13** |
| **Total Equity and Liabilities** | | **4,230.63** | **3,365.11** |

Significant accounting policies 2 (b)

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

**Rajiv Goyal**
Partner
Membership No. 094549

Place : Gurugram
Date : 16 May 2019

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**
Chairman and Managing Director
DIN No. 00014942

**Anand Kumar Minda**
Director
DIN No. 00007964

**Sunil Bohra**
Group CFO

**Tarun Kumar Srivastava**
Company Secretary
Membership No. - A11994

UNO MINDA

# Consolidated Statement of Profit and Loss for the year ended 31 March 2019

(All amounts in Indian ₹ crore, unless otherwise stated)

| Particulars | Note | For the Year ended 31 March 2019 | For the Year ended 31 March 2018 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 27 | 5,908.09 | 4,548.29 |
| Other income | 28 | 27.03 | 33.35 |
| **Total income** | | **5,935.12** | **4,581.64** |
| **Expenses** | | | |
| Cost of materials consumed | 29 | 3,100.03 | 2,342.02 |
| Purchase of stock in trade | 30 | 558.72 | 454.21 |
| Changes in inventory of finished goods, stock in trade and work-in-progress | 31 | (36.27) | (33.05) |
| Excise duty | | - | 77.73 |
| Employee benefit expenses | 32 | 791.29 | 586.80 |
| Finance costs | 33 | 63.15 | 35.09 |
| Depreciation and amortization expense | 34 | 234.38 | 164.85 |
| Other expenses | 35 | 769.14 | 586.76 |
| **Total expenses** | | **5,480.44** | **4,214.41** |
| **Profit for the year before exceptional items and tax** | | **454.68** | **367.23** |
| Exceptional items | 36 | - | 38.24 |
| **Profit for the year before tax** | | **454.68** | **405.47** |
| **Tax expense** | | | |
| Current tax | 8 | 115.47 | 84.58 |
| Deferred tax charge | 7 | 18.60 | 13.11 |
| **Tax expense** | | **134.07** | **97.69** |
| **Profit for the year after tax** | | 320.61 | 307.78 |
| **Add:- Share of profit of associates and joint ventures** | | 18.87 | 23.08 |
| **Total profit after share of profit of associates and joint ventures (A)** | | **339.48** | **330.86** |
| Other comprehensive income | | | |
| **Items that will not be reclassified subsequently to profit or loss (B)** | | | |
| Remeasurements of defined benefit liability | | 0.60 | 2.92 |
| Income tax relating to items that will not be reclassified to profit or loss | | (0.22) | (0.93) |
| | | **0.38** | **1.99** |
| **Items that will be reclassified to profit or loss (C )** | | | |
| Foreign currency translation reserve | | (1.06) | 3.32 |
| Income tax relating to items that will be reclassified to profit or loss | | - | - |
| | | **(1.06)** | **3.32** |
| **Other comprehensive income for the year, net of tax (D=B+C)** | | **(0.68)** | **5.31** |
| **Total comprehensive income for the year (A+D)** | | **338.80** | **336.17** |
| **Profit for the year attributable to:** | | | |
| Owners of Minda Industries Limited | | 285.62 | 310.19 |
| Non-controlling interest | | 53.86 | 20.67 |
| | | **339.48** | **330.86** |
| **Other comprehensive income attributable to:** | | | |
| Owners of Minda Industries Limited | | (0.71) | 4.80 |
| Non-controlling interest | | 0.03 | 0.51 |
| | | **(0.68)** | **5.31** |
| **Total comprehensive income attributable to:** | | | |
| Owners of Minda Industries Limited | | 284.91 | 314.99 |
| Non-controlling interest | | 53.89 | 21.18 |
| | | **338.80** | **336.17** |
| **Earnings per equity share [nominal value of share ₹2 (Previous year ₹2)]** | 37 | | |
| Basic | | 10.90 | 11.96 |
| Diluted | | 10.90 | 11.93 |

Significant accounting policies 2 (b)

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

**Rajiv Goyal**
Partner
Membership No. 094549

Place : Gurugram
Date : 16 May 2019

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**
Chairman and Managing Director
DIN No. 00014942

**Anand Kumar Minda**
Director
DIN No. 00007964

**Sunil Bohra**
Group CFO

**Tarun Kumar Srivastava**
Company Secretary
Membership No. - A11994

# Consolidated Cash Flow Statement for the year ended 31 March 2019

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2019 | For the Year ended 31 March 2018 |
|---|---|---|
| **A. Cash flows from operating activities :** | | |
| Profit before tax | 454.68 | 405.47 |
| **Adjustments for:** | | |
| Depreciation and amortisation | 234.38 | 164.85 |
| Finance costs | 63.15 | 35.09 |
| Interest income on fixed deposits | (5.35) | (12.85) |
| Liabilities / provisions no longer required written back | (1.45) | (12.96) |
| Exceptional items | - | (38.24) |
| Expenses incurred for share allotment under equity settled share based payments | - | 6.38 |
| Unrealised (gain)/ loss on Foreign currency fluctuations (net) | (6.35) | - |
| Doubtful trade and other receivables provided for | 1.71 | 1.29 |
| Doubtful trade and other receivables, loans and advances written off | 0.06 | 1.02 |
| MTM gain on forward contract | (1.19) | - |
| Provision for warranty | 14.23 | - |
| Profit on sale of property, plant and equipments | (1.08) | (0.32) |
| | **298.11** | **144.26** |
| Operating profit before working capital changes | 752.79 | 549.72 |
| Adjustments for working capital changes: | | |
| Decrease/ (increase) in inventories | (113.98) | (104.41) |
| Decrease/ (increase) in trade and other receivables | (47.22) | (199.87) |
| Decrease/ (increase) in other current financial assets | (6.67) | (12.59) |
| Decrease/ (increase) in other non-current financial assets | 5.03 | (8.47) |
| Decrease/ (increase) in other non-current assets | (1.17) | 18.80 |
| Decrease/ (increase) in other current assets | 3.85 | (55.25) |
| Increase/ (decrease) in trade payables | (69.96) | 197.58 |
| Increase/ (decrease) in other financial liabilities | 9.83 | 32.57 |
| Increase/(decrease) in other current liabilities | (14.95) | 23.44 |
| Increase/(decrease) in short-term provisions | (8.24) | (2.51) |
| Increase/(decrease) in other non current financial liabilities | 24.12 | (6.80) |
| Increase in long-term provisions | (4.05) | 14.43 |
| | **(223.41)** | **(103.08)** |
| Cash generated from operations | 529.38 | 446.64 |
| Income tax paid | (115.41) | (84.58) |
| **Net Cash flows from operating activities (A)** | **413.97** | **362.06** |
| **B. Cash flows from investing activities** | | |
| Payment for acquisition of subsidiaries and jointly controlled entities | (191.68) | (137.64) |
| Purchase of Property, Plant and Equipment | (670.06) | (516.53) |
| Proceeds from sale of property, plant and equipments | 8.30 | 21.51 |
| Interest received on fixed deposits | 7.57 | 15.27 |
| Decrease in deposits (with original maturity more than three months) | 20.40 | (23.21) |
| **Net cash used in investing activities (B)** | **(825.47)** | **(640.50)** |
| **C. Cash flows from financing activities** | | |
| Proceeds from issue of equity share capital | 0.17 | 0.12 |
| Share premium on exercise of ESOP | 7.97 | 11.58 |
| Proceeds from issue of equity shares to non-controlling interest | | 38.69 |
| Acquisition of non-controlling interest | - | (30.53) |
| Proceeds from/ (repayment of) short term borrowings | 20.16 | 18.26 |
| Proceeds from/ (repayment of) long term borrowings | 437.29 | 65.91 |
| Interest paid on borrowings | (61.75) | (35.00) |
| Dividend paid (including corporate dividend tax) | (35.36) | (22.89) |
| **Net cash used in financing activities (C)** | **368.48** | **46.15** |
| **Net increase/ (decrease) in cash and cash equivalents (A+B+C)** | **(43.02)** | **(232.27)** |

# Consolidated Cash Flow Statement for the year ended 31 March 2019 (Contd.)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2019 | For the Year ended 31 March 2018 |
|---|---|---|
| Foreign currency translation adjustment | 0.80 | 0.07 |
| Cash and cash equivalents pursuant to acquisition | 9.43 | - |
| Cash and cash equivalents as at beginning | 125.56 | 357.76 |
| **Cash and cash equivalents as at closing** | **92.77** | **125.56** |
| Cash on hand | 1.69 | 0.74 |
| Balances with banks: | | |
| - on current accounts | 81.83 | 58.61 |
| - on deposit accounts | 9.25 | 66.21 |
| **Cash and cash equivalents at the end of the year** | **92.77** | **125.56** |

The accompanying notes form an integral part of the consolidated financial statements

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

2 Purchase of Property, Plant and Equipment includes movement of Capital work-in-progress (including capital advances) during the year.

3 Changes in liabilities arising from financing activities

| Particulars | For the Year ended 31 March 2019 | For the Year ended 31 March 2018 |
|---|---|---|
| **Opening balance of secured loans** | | |
| Indian currency term loan (including current maturities) | 178.59 | 117.71 |
| Local currency term loan (including current maturities) | 31.86 | 32.13 |
| Foreign currency term loan (including current maturities) | 75.94 | 72.11 |
| Short term borrowings | 302.81 | 261.20 |
| **Cash flows** | | |
| Repayment of long term secured loan (Net of foreign fluctuation) | (69.57) | (29.49) |
| Proceeds from long term secured loan (Net of foreign fluctuation) | 512.26 | 93.92 |
| Increase in short term borrowings (Net) | 20.16 | 18.26 |
| Pursuant to acquisition | 26.18 | 23.35 |
| **Closing balance of secured loans** | | |
| Indian currency term loan (including current maturities) | 442.93 | 178.59 |
| Local currency term loan (including current maturities) | 31.00 | 31.86 |
| Foreign currency term loan (including current maturities) | 255.15 | 75.94 |
| Short term borrowings | 349.15 | 302.81 |

As per our report of even date attached

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

**Rajiv Goyal**
Partner
Membership No. 094549

Place : Gurugram
Date : 16 May 2019

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**
Chairman and Managing Director
DIN No. 00014942

**Anand Kumar Minda**
Director
DIN No. 00007964

**Sunil Bohra**
Group CFO

**Tarun Kumar Srivastava**
Company Secretary
Membership No. - A11994

# Consolidated Statement of changes in equity for the year ended 31 March 2019

## a) Equity share capital

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Amount |
|---|---|
| Balance as at 1 April 2017 | 15.87 |
| Changes in equity share capital during 2017-18 | 1.54 |
| **Balance as at the 31 March 2018** | **17.41** |
| Changes in equity share capital during 2018-19* | 35.03 |
| **Balance as at 31 March 2019** | **52.44** |

* Includes ₹34.86 crore towards issue of bonus shares (Refer Note 17)

## b) Other equity attributable to owners of Minda Industries Limited

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Other comprehensive income | | Equity component of other financial instruments | Securities premium | Capital redemption reserve | Capital reserves | Capital reserves arising on consolidation | General reserves | Employee stock options reserve | Retained earnings | Total other equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Remeasurements of Defined Benefits obligations | Foreign currency translation reserve | | | | | | | | | |
| **Balance as at 1 April 2018** | **1.21** | **3.78** | **6.55** | **371.59** | **6.50** | **3.41** | **139.11** | **70.64** | **3.61** | **767.88** | **1,374.28** |
| Profit for the year | - | - | - | - | - | - | - | - | - | 285.62 | 285.62 |
| Other comprehensive income (net of tax) | 0.27 | (0.98) | - | - | - | - | - | - | - | - | (0.71) |
| Additional tax benefit on employee stock options exercised during the year | - | - | - | 5.90 | - | - | - | - | - | - | 5.90 |
| Reserve utilised on exercise of employee stock options | - | - | - | 3.41 | - | - | - | - | (3.41) | - | - |
| Utilised During the Year | - | - | - | - | - | (0.09) | - | - | - | - | (0.09) |
| Utilization of Reserves for issue of bonus shares | - | - | - | (28.36) | (6.50) | - | - | - | - | - | (34.86) |
| Addition on redemption of preference shares | - | - | - | - | 18.29 | - | - | - | - | (18.29) | - |
| Addition during the year (including pursuant to acquisition) | - | - | - | - | - | - | 36.92 | - | - | - | 36.92 |
| Final dividend for the year ended 31 March 2018 | - | - | - | - | - | - | - | - | - | (13.98) | (13.98) |
| Interim dividend for the year ended 31 March 2019 | - | - | - | - | - | - | - | - | - | (11.80) | (11.80) |
| Dividend distribution tax* | - | - | - | - | - | - | - | - | - | (5.10) | (5.10) |
| Disposal/ Adjustment | - | - | - | - | - | - | 0.98 | - | (0.20) | 6.79 | 7.57 |
| Premium on ESOP | - | - | - | 7.97 | - | - | - | - | - | - | 7.97 |
| **Balance as at 31 March 2019** | **1.48** | **2.80** | **6.55** | **360.51** | **18.29** | **3.32** | **177.01** | **70.64** | **-** | **1,011.12** | **1,651.72** |

# Consolidated Statement of changes in Equity for the year ended 31 March 2019 (Contd.)

## b) Other equity attributable to owners of Minda Industries Limited (Contd.)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Other comprehensive income | | Equity component of other financial instruments | Securities premium | Capital redemption reserve | Capital reserves | Capital reserves arising on consolidation | General reserves | Employee stock options reserve | Retained earnings | Total other equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Remeasurements of Defined Benefits obligations | Foreign currency translation reserve | | | | | | | | | |
| **Balance as at 1 April 2017** | **(0.27)** | **0.46** | **6.55** | **44.61** | **6.50** | **3.41** | **134.50** | **70.64** | **2.32** | **474.86** | **743.58** |
| Profit for the year | - | - | - | - | - | - | - | - | - | 310.19 | 310.19 |
| Other comprehensive income (net of tax) | 1.48 | 3.32 | - | - | - | - | - | - | - | - | 4.80 |
| Addition during the year (including pursuant to acquisition) | - | - | - | - | - | - | 4.61 | - | | | 4.61 |
| Additional tax benefit on employee stock options exercised during the year | - | - | - | 15.90 | - | - | - | - | - | - | 15.90 |
| Reserve utilised on exercise of employee stock options | - | - | - | 6.10 | | - | - | - | (6.10) | - | - |
| Final dividend for the year ended 31 March 2017 | - | - | - | - | | - | - | - | - | (8.64) | (8.64) |
| Interim dividend for the year ended 31 March 2018 | - | - | - | - | | - | - | - | - | (10.37) | (10.37) |
| Dividend distribution tax* | - | - | - | - | | - | - | - | - | (3.17) | (3.17) |
| Issuance of equity share capital to QIBs | - | - | - | 298.53 | - | - | - | - | | - | 298.53 |
| Amount utilised towards expenses relating to QIP | - | - | - | (5.23) | - | - | - | - | | - | (5.23) |
| Amount received on issue of shares against employee stock options | - | - | - | 11.68 | | - | - | - | - | - | 11.68 |
| Increase in reserves due to reduction in non-controlling interest on purchase of further shares in subsidiaries | - | - | - | - | | - | - | - | - | 5.01 | 5.01 |
| Cost of employee stock options | - | - | - | - | | - | - | - | 7.39 | - | 7.39 |
| **Balance as at 31 March 2018** | **1.21** | **3.78** | **6.55** | **371.59** | **6.50** | **3.41** | **139.11** | **70.64** | **3.61** | **767.88** | **1,374.28** |

* Tax on dividend paid is net of credit of ₹5.10 Crores (₹3.17 Crores for the year ended 31 March 2018). Credit is on account of dividend distribution tax on dividend received from subsidiary companies.

# Consolidated Statement of changes in Equity for the year ended 31 March 2019 (Contd.)

## c) Non Controlling Interest

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Amount |
|---|---|
| **Balance as at 1 April 2017** | **117.01** |
| Profit for the year | 20.67 |
| Pursuant to acquisition/additional investment (Net) during the year | 117.82 |
| Reduction in non-controlling interest on purchase of further shares in subsidiaries | (44.29) |
| Dividend paid during the year | (0.71) |
| Other comprehensive income (net of tax) | 0.51 |
| **Balance as at 31 March 2018** | **211.01** |
| Profit for the year | 53.86 |
| Pursuant to acquisition/additional investment (net) during the year | 6.98 |
| Addition in non-controlling interest due to renouncing of right issue | 2.51 |
| Dividend paid/ Drawings during the year | (13.71) |
| Other comprehensive income (net of tax) | 0.03 |
| Adjustment | 6.03 |
| **Balance as at 31 March 2019** | **266.71** |

Significant accounting policies 2 (b)

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

**Rajiv Goyal**
Partner
Membership No. 094549

Place : Gurugram
Date : 16 May 2019

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**
Chairman and Managing Director
DIN No. 00014942

**Anand Kumar Minda**
Director
DIN No. 00007964

**Sunil Bohra**
Group CFO

**Tarun Kumar Srivastava**
Company Secretary
Membership No. - A11994

# Notes forming part of the consolidated financial statements for the year ended 31 March 2019

## 1 Corporate information

Minda Industries Limited is a public company domiciled and headquartered in India. It was incorporated on 16 September 1992 under the Companies Act, 1956 and its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

The consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates and joint ventures. The Group is engaged in the business of manufacturing of auto components including auto electrical parts and its accessories and ancillary services and caters to both domestic and international markets.

## 2 (a) Basis of preparation

### A. Statement of compliance

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

The consolidated financial statements were authorised for issue by the Parent Company's Board of Directors on 16 May 2019.

Details of the Group's accounting policies are included in Note 2 (b).

### B. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee, which is Minda Industries Limited's functional and presentation currency. All amounts have been rounded-off to the nearest crores, unless otherwise indicated.

### C. Basis of measurement

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

| | |
|---|---|
| (a) Certain financial assets and liabilities (including derivative financial instruments) | Fair value |
| (b) Net defined benefit (asset)/ liability | Fair value of plan assets less present value of defined benefit obligations |

### D. Use of estimates and judgements

In preparing the consolidated 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.

Critical estimates and judgements

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.

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

Areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note 43
- Estimation of fair value of unlisted securities – Note 54
- Estimation of defined benefit obligation – Note 42
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 38 and 45
- Leases; whether as arrangement contains a lease.
- Lease classification. - Note 46
- Consolidation: whether the Group has de facto control over an investee
- Business combinations: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis – Note 55
- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used – Note 7
- Impairment of financial assets

### E. Measurement of fair values

A number of the Group's 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).

When measuring the fair value of an asset or a liability, the Group 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 Group 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 is included in the following notes:

- Note 47 - share-based payment
- Note 54 - fair value measurements
- Note 55 - acquisition of subsidiaries, associates and jointly controlled entities

## F. Principles of consolidation

The consolidated financial statements (CFS) are prepared on the following basis in accordance with Ind AS on "Consolidated Financial Statements" (Ind AS – 110), "Investments in Associates and Joint Ventures" (Ind AS – 28) and "Disclosure of interest in other entities" (Ind AS – 112), specified under Section 133 of the Companies Act, 2013.

### i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

### ii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### iii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

### iv. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

### v. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### vi. Business combination

*Business combination (other than common control business combinations)*

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business

# Notes forming part of the Financial Statements

combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

The consolidated financial statements are comprised of the financial statements of the members of the Group as under:

| Name of subsidiaries / Joint ventures / Associates | Country of incorporation | % of Interest | |
|---|---|---|---|
| | | As at 31 March 2019 | As at 31 March 2018 |
| **Subsidiaries** | | | |
| Minda Auto Components Limited | India | 100 | 100 |
| Minda Kyoraku Limited | India | 67.60 | 71.66 |
| Minda Distribution and Services Limited | India | 100 | 100 |
| MI Torica India Pvt Ltd | India | 60 | - |
| **Downstream subsidiaries of MI Torica India Pvt Ltd** | | | |
| MI Torica Polymer Pvt Ltd | India | 57 | - |
| ISYS RTS, GmbH, Germany | Germany | 80 | - |
| Global Mazinkert S.L. | Spain | 100 | 100 |
| **Downstream subsidiaries of Global Mazinkert, S.L.** | | | |
| Clarton Horn, Spain | Spain | 100 | 100 |
| Clarton Horn, Morocco | Morocco | 100 | 100 |
| Clarton Horn, Signalkoustic | Germany | 100 | 100 |
| Clarton Horn, Mexico | Mexico | 100 | 100 |
| Light & Systems Technical Centre, S.L. Spain | Spain | 100 | 100 |
| Minda TG Rubber Private Ltd. | India | 51 | 51 |
| Minda Kosei Aluminum Wheel Private Limited | India | 69.99 | 69.99 |
| MJ Casting Limited | India | 100 | 100 |
| PT Minda Asean Automotive | Indonesia | 100 | 100 |
| **Downstream subsidiaries of PT Minda Asean Automotive** | | | |
| PT Minda Trading | Indonesia | 100 | 100 |
| Sam Global Pte Ltd. | Singapore | 100 | 100 |
| **Downstream subsidiaries of Sam Global Pte Ltd.** | | | |
| Minda Industries Vietnam Company Limited | Vietnam | 100 | 100 |
| Minda Rinder Private Limited | India | 100 | 100 |
| Minda Storage Batteries Private Limited | India | 100 | 100 |
| YA Auto Industries (partnership firm) | India | 51 | 51 |
| Mindarika Private Limited | India | 51 | 51 |
| Minda Katolec Electronics Services Private Limited | India | 51 | 51 |
| **Joint ventures** | | | |
| Minda Emer Technologies Limited | India | 49.10 | 49.10 |
| Rinder Riduco, S.A.S. Columbia | Columbia (USA) | 50 | 50 |
| ROKI Minda Co. Private Limited | India | 49 | 49 |
| Minda TTE DAPS Private Limited | India | 50 | 50 |
| Minda Onkyo Private Limited | India | 50 | 50 |
| Densoten Minda Private Limited | India | 49 | 49 |
| Minda D Ten Private Limited | India | 51 | 51 |
| Toyoda Gosei Minda India Private Limited | India | 47.80 | - |
| Kosei Minda Mould India Private Limited | India | 49.90 | - |
| **Associates** | | | |
| Minda NexGenTech Limited | India | 26 | 26 |
| Yogendra Engineering (partnership firm) | India | 48.90 | 48.90 |
| Auto Components (partnership firm) | India | 48.90 | 48.90 |
| Kosei Minda Aluminum Company Pvt. Ltd. | India | 30 | 30 |

## 2 (b) Significant accounting policies

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

### a. Foreign currency transactions

Transactions in foreign currencies are initially recorded into the respective functional currencies of the Group's entities at 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.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI);

#### Foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint ventures) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at 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 currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

### b. Financial instruments

#### i. Initial Recognition and Measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group 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

| | |
|---|---|
| Financial Assets at FVPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. |
| Financial Assets at amortised cost | These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gains or loss or derecognition is are recognized in profit or loss. |
| Debt investments at FVOCI | These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other income and net gains and losses accumulated in OCI are reclassified to profit or loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Dividend income are recognized in profit or loss unless dividend clearly represents a recovery of part of cost of investment. Other income and net gains and losses are recognized in OCI and are not reclassified to profit or loss. |

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group 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

# Notes forming part of the Financial Statements

- 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.

  A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 profit or loss.

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 profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI : These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI : These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or 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 profit or 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 profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

*Financial assets*

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group 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 profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group 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 and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

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

vi. Financial guarantee contracts

The Group on a case to case basis elects to account for financial guarantee contracts as a financial instrument or as an insurance contract, as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance Contracts. The Group has regarded all its financial guarantee contracts as insurance contracts. At the end of each reporting period the Group performs a liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognized in profit or loss.

vii. Compound Financial instruments

Compound financial instruments issued by the Group comprise cumulative redeemable preference shares denominated in INR that are mandatorily redeemable at a fixed or determinable amount at a fixed or future date and the payment of dividends is discretionary.

The liability component of a compound financial instrument is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

Interest related to the financial liability is recognized in profit or loss (unless it qualifies for inclusion in the cost of an asset).

**c. Current versus non-current classification**

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

(a) expected to be realised in, or is intended to be sold or consumed in Group's normal operating cycle;

(b) held primarily for the purpose of being traded;

(c) expected to be realised within twelve months after the reporting date; 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 date.

All other assets are classified as non-current.

*A Liability is current when:*

(a) it is expected to be settled in Group's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within twelve months after the reporting date; or

(d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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 Group has identified twelve months as its operating cycle.

**d. Property, plant and equipment**

i. Initial 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.

# Notes forming part of the Financial Statements

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 and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation on plant and machinery, tools and dies and on other tangible property, plant and equipment is provided on SLM/WDV basis, based on the rates as per useful life prescribed in Schedule II to the Companies Act, 2013 except in the case of tools and dies, the useful life based on technical advice is 3 to 6 years.

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

Depreciation 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. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life.

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

**e. Goodwill**

For measurement of goodwill that arises on a business combination see note 2(a)(F)(vi). Subsequent measurement is at cost less any accumulated impairment losses. Goodwill is not amortised and is tested for impairment annually.

**f. Other intangible assets**

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

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

Intangible assets are amortised in the Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis. Intangible assets are amortised over the best estimate of their respective useful lives as under:

i) Technical know-how: Amortized over the period of agreement.

ii) Computer software: Amortized over the period of 6 years.

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

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

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

**Internally generated: Research and development**

a) Expenditure on research activities is recognised in profit or loss as incurred.

b) Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

g. **Impairment**

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost

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

The Group measures loss allowances 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. In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group 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 Group 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 Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when the financial asset is 90 days or more past due.

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 Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

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 Group 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 Group's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a *pro rata* basis.

# Notes forming part of the Financial Statements

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. 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.

## h. Borrowing cost

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

## i. Leases

### i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

### ii. Assets held under leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's consolidated Balance Sheet.

### iii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

## j. Inventories

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

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

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

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

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

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

Inventories in transit are valued at cost.

## k. Revenue recognition

### (i) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of goods (including moulds and scrap)

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any). Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers except for sales till June 30, 2017 where excise duty is included in the revenue

Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customers. Where customers are provided with discounts, rebates, etc., such discounts and rebates will give rise to variable consideration. The Group follows the most likely amount method in estimating the amount of variable consideration.

(ii) Management fees, designing fees and service revenue is recognized on an accrual basis as and when the services are rendered in accordance with the terms of the underlying contract.

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

(iv) Dividend income is recognized when the right to receive dividend is established.

(v) Royalty income is recognized based on the terms of the underlying agreement.

(vi) Claims lodged with insurance companies are accounted for on an accrual basis, to the extent these are measurable and the ultimate collection is reasonably certain.

(vii) Export entitlement under Duty Entitlement Pass Book Scheme ('DEPB') is recognized on accrual basis and when the right to entitlement has been established.

**Contract balances**

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (b) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

### l. Government grants

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

When the Group receives grants of non-monetary assets, the assets and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as Government grant. The loan or

# Notes forming part of the Financial Statements

assistance is initially recognized and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## m. Provisions (other than employee benefits)

### *(i) General*

A provision is recognized if, as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of time value of money is material provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects the risks specific to the liability. When discounting is used , the increase in the provision due to the passage of time is recognized as a finance cost.

### (ii) Warranties

Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods and is included in the statement of profit and loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made, as and when required.

## n. Retirement and other 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 Group 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* (Equity settled)

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in employee stock option (ESO) reserves in other equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

### (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 Group makes specified monthly contributions towards employee provident fund, employee state insurance corporation and superannuation funds which is a defined contribution plan. The Group's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

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

### (iv) Defined benefit plans

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest), are recognised immediately in the balance sheet with a corresponding debit or credit to other equity through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent period.

The Group 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 profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group 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 to such extent is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

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

**(vi) Termination benefits**

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

**o. Income taxes**

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

(i) 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.

Tax benefits of deductions earned on exercise of employee stock options in excess of compensation charged to income are credited to securities premium.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of 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 is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable 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 a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary

# Notes forming part of the Financial Statements

differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. 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 benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised 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 Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset 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 authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

## p. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue and share split that have changed the numbers of equity share outstanding, without a corresponding changes in resources.

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

## 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, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## r. Cash dividend to equity holders

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

## s. Application of new and revised standards

The Group has adopted Ind AS 115 Revenue from contracts with customers with effect from April 1, 2018 which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard replaces most of the current revenue recognition guidance. The core principle of the new standard is to recognise revenue when the control of the goods and services is transferred to the customer as against the transfer of risk and rewards. As per the Group's current revenue recognition practices, transfer of control happens at the same point as transfer of risk and rewards thus not effecting the revenue recognition. As per the result of evaluation of contracts of the relevant revenue streams, it is concluded that the impact of this change is immaterial to the Group and hence no accounting changes have been done.

The Group has adopted the modified transitional approach as permitted by the standard under which the comparative financial information is not restated. The accounting changes required by the standard are not having material effect on the Group's consolidated financial statements and no transitional adjustment is recognised in retained earnings at April 1, 2018.

### t. Recently issued accounting pronouncements

#### Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard.

#### Ind AS 116, Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will lease payments recognise a liability to make (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt these standards from 1 April 2019. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

#### Transition to Ind AS 116

The Group is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The Group has elected certain available practical expedients on transition.

The Group is currently evaluating the implication of Ind AS 116 on Financial statement.

#### Other Recently issued accounting pronouncement

There are some amendments in other existing standards which are effective from April 1, 2019. The Group is evaluating impact of such amendments.

# Notes forming part of the Financial Statements

## 3 A. Property, plant and equipment

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Land-Freehold | Land-Leasehold | Buildings | Plant and equip-ment | Furniture and Fixtures | Vehicles | Office Equip-ment | Computers | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | | |
| Balance as at 1 April 2017 | 103.07 | 21.63 | 178.86 | 631.68 | 15.94 | 9.18 | 6.19 | 11.89 | 978.44 |
| Additions (pursuant to acquisition) | 24.13 | 3.08 | 36.19 | 59.97 | 0.74 | 1.53 | 0.38 | 0.84 | 126.86 |
| Additions during the year | 5.97 | 2.22 | 88.43 | 280.40 | 9.33 | 5.52 | 3.65 | 4.89 | 400.42 |
| Foreign currency translation impact | 0.02 | - | 0.12 | 0.50 | 1.33 | (0.06) | (0.01) | 0.05 | 1.95 |
| Deductions/ Adjustments | - | 2.24 | 11.35 | 6.69 | 0.00 | 0.81 | 0.21 | 0.11 | 21.41 |
| **Balance as at 31 March 2018** | **133.19** | **24.68** | **292.26** | **965.86** | **27.34** | **15.36** | **10.01** | **17.55** | **1,486.26** |
| Additions (pursuant to acquisition) | - | - | - | 0.14 | 1.47 | 0.14 | 0.79 | 0.39 | 2.93 |
| Additions during the year | 70.30 | - | 75.32 | 467.20 | 17.62 | 3.53 | 5.42 | 12.60 | 651.99 |
| Foreign currency translation impact | - | - | 0.01 | 0.96 | 0.14 | - | - | 0.03 | 1.14 |
| Deductions/ Adjustments | - | - | 0.02 | 15.01 | 1.48 | 1.67 | 0.48 | 0.93 | 19.59 |
| **Balance as at 31 March 2019** | **203.49** | **24.68** | **367.57** | **1,419.15** | **45.09** | **17.36** | **15.74** | **29.64** | **2,122.73** |
| **Accumulated depreciation and impairment losses** | | | | | | | | | |
| Balance as at 1 April 2017 | (0.01) | 0.11 | 7.50 | 108.31 | 9.35 | 2.28 | 1.48 | 1.95 | 130.99 |
| Foreign currency translation impact | - | - | (0.05) | 0.05 | 0.26 | 0.03 | - | 0.02 | 0.32 |
| Depreciation for the year | 0.05 | 0.16 | 9.84 | 128.21 | 8.86 | 3.05 | 1.49 | 3.91 | 155.58 |
| Disposals | - | - | - | - | - | - | - | - | - |
| **Balance as at 31 March 2018** | **0.04** | **0.27** | **17.30** | **236.57** | **18.47** | **5.37** | **2.97** | **5.89** | **286.87** |
| Foreign currency translation impact | - | - | 0.01 | 0.13 | (0.04) | - | - | 0.02 | 0.12 |
| Depreciation for the year | - | 0.13 | 14.66 | 180.35 | 11.78 | 2.88 | 2.67 | 6.92 | 219.39 |
| Disposals/Adjustment | - | - | 0.01 | 11.18 | 0.30 | 0.64 | 0.20 | 0.73 | 13.05 |
| **Balance as at 31 March 2019** | **0.04** | **0.40** | **31.96** | **405.87** | **29.91** | **7.61** | **5.44** | **12.10** | **493.33** |
| **Carrying amounts (net)** | | | | | | | | | |
| **As at 31 March 2018** | **133.15** | **24.41** | **274.96** | **729.30** | **8.88** | **9.99** | **7.04** | **11.67** | **1,199.39** |
| **As at 31 March 2019** | **203.45** | **24.28** | **335.61** | **1,013.28** | **15.18** | **9.75** | **10.31** | **17.54** | **1,629.40** |

## 3 B. Capital work-in-progress:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Furniture and fixtures | 0.11 | 0.13 |
| Building | 34.19 | 3.70 |
| Office equipment | 0.61 | 0.19 |
| Plant and equipment | 96.61 | 188.09 |
| **Total** | **131.52** | **192.11** |

# Notes forming part of the Financial Statements

## 3 C. Intangible assets

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Goodwill | Other intangible assets | | | | Total |
|---|---|---|---|---|---|---|
| | | Trade Mark | Design Fees | Technical Knowhow | Computer Software | |
| **Cost or deemed cost (gross carrying amount)** | | | | | | |
| Balance as at 1 April 2017 | 0.20 | 3.07 | 19.31 | 1.15 | 9.99 | 33.73 |
| Additions (pursuant to acquisition) | - | - | - | 0.16 | 3.27 | 3.43 |
| Additions during the year | 0.36 | - | - | 21.97 | 11.39 | 33.71 |
| Foreign currency translation impact | - | - | - | 0.74 | - | 0.74 |
| Disposal | - | - | 16.82 | - | 0.10 | 16.92 |
| **Balance as at 31 March 2018** | **0.56** | **3.07** | **2.49** | **24.02** | **24.56** | **54.70** |
| Additions (pursuant to acquisition) | - | - | - | - | 0.44 | 0.44 |
| Additions during the year | - | 0.02 | - | 25.49 | 17.20 | 42.71 |
| Foreign currency translation impact | - | - | - | - | 0.07 | 0.07 |
| Disposal | - | - | - | 1.17 | 0.20 | 1.37 |
| **Balance as at 31 March 2019** | **0.56** | **3.09** | **2.49** | **48.34** | **42.07** | **96.55** |
| **Accumulated amortisation and impairment losses at 1 April 2017** | **0.05** | **0.66** | **2.49** | **0.32** | **1.85** | **5.37** |
| Amortisation for the year | 0.09 | 0.61 | - | 5.74 | 2.83 | 9.27 |
| Foreign currency translation impact | - | - | - | 0.74 | - | 0.74 |
| Disposal | - | - | - | - | - | - |
| **Balance as at 31 March 2018** | **0.14** | **1.27** | **2.49** | **6.80** | **4.68** | **15.38** |
| Amortisation for the year | 0.09 | 0.46 | - | 7.42 | 7.02 | 14.99 |
| Foreign currency translation impact | - | - | - | - | 0.02 | 0.02 |
| Disposal | - | - | - | 0.60 | 0.08 | 0.68 |
| **Balance as at 31 March 2019** | **0.23** | **1.73** | **2.49** | **13.62** | **11.64** | **29.71** |
| **Carrying amount (net)** | | | | | | |
| **As at 31 March 2018** | **0.42** | **1.80** | **-** | **17.22** | **19.88** | **39.32** |
| **As at 31 March 2019** | **0.33** | **1.36** | **-** | **34.72** | **30.43** | **66.84** |

## 3 D. Intangible asset under development:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Design and Technical know how | 18.61 | 18.68 |

1. Carrying amount of assets (included in above) pledged as securities for borrowings Refer Note 18 and Note 21

2. The amount of borrowing costs capitalised during the year ended 31 March 2019 was ₹ 4.24 crore (31 March 2018: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was 8%, which is the effective interest rate of the specific borrowing.

# Notes forming part of the Financial Statements

## 4 Investments

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| **Investments measured at cost** | | |
| Equity instruments | | |
| **(i) Investments in partnership firms**** | | |
| - Auto Component | 3.42 | 3.17 |
| - Yogendra Engineering | 0.01 | 0.02 |
| **(ii) Associates** | | |
| Minda NexGenTech Limited<br>- 3,120,000 equity shares (previous year 3,120,000 equity shares as on 31 March 2018) of ₹10/- each, fully paid up | 3.95 | 3.61 |
| Kosei Minda Aluminum Company Private Limited<br>- 28,737,371 equity shares (previous year 28,737,371 equity shares as on 31 March 2018) of ₹10/- each, fully paid up | 15.96 | 19.03 |
| **(iii) Joint ventures** | | |
| Minda Emer Technologies Limited<br>- 2,725,000 equity shares (previous year 2,725,000 equity shares as on 31 March 2018) of ₹10/- each, fully paid up | 3.26 | 2.39 |
| Roki Minda Co. Private Limited<br>- 40,924,800 equity shares (previous year 40,924,800 equity shares as on 31 March 2018) of ₹10/- each, fully paid up | 73.54 | 61.19 |
| Minda TTE Daps Private Limited (formerly Minda Daps Private Limited)<br>- 4,990,513 equity shares (previous year 2,990,513 equity shares as on 31 March 2018) of ₹10/- each, fully paid up | 3.47 | 2.23 |
| Minda Onkyo Private Limited<br>- 12,000,000 equity shares (previous year 8,250,000 equity shares as on 31 March 2018) of ₹10/- each, fully paid up | 0.72 | 3.81 |
| Minda D-Ten India Private Limited (Formerly Minda F-Ten Private Limited)<br>- 2,544,900 equity shares (previous year 2,544,900 equity shares as on 31 March 2018) of ₹10/- each, fully paid up | 6.55 | 4.74 |
| Denso Ten Minda India Private Limited (Formerly Fujitsu Ten Minda India Private Limited)<br>- 35,525,000 equity shares (previous year 35,525,000 equity shares as on 31 March 2018) of ₹10/- each, fully paid up | 41.07 | 31.98 |
| Rinder Riduco S.A.S.<br>- 850,000 equity shares (previous year 850,000 equity shares as on 31 March 2018) of COP1/- each, fully paid up | 7.17 | 5.91 |
| Kosei Minda Mould Private Limited<br>- 6,341,645 equity shares (previous year- NIL equity shares ) of ₹10/- each, fully paid up | 6.26 | - |
| Toyoda Gosei Minda India Private Limited<br>- 210,320,000 equity shares (previous year- 26,984,930 equity shares ) of ₹10/- each, fully paid up | 193.22 | - |
| **(iv) Investments measured at Fair value through profit and loss:** | | |
| **Equity instruments** | | |
| Minda Industria E Comerico De Autopecsa Ltd<br>- 25,000 equity shares (previous year 25,000 equity shares as on 31 March 2018) of Brazilian $ 1 each, fully paid up | 0.07 | 0.07 |
| Toyoda Gosei Minda India Private Limited (Joint venture w.e.f 28 September 2018)<br>- 210,320,000 equity shares (previous year- 26,984,930 equity shares ) of ₹10/- each, fully paid up | - | 20.18 |

# Notes forming part of the Financial Statements

## 4 Investments (Contd.)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| OPG Power Generation Private Limited<br>- 37,700 equity shares (previous year 33,700 equity shares as on 31 March 2018) of ₹10/- each, fully paid up | 0.03 | 0.03 |
| Less: Other than temporary diminution in value of investment in Minda NexGenTech Limited* | (3.12) | (3.12) |
| | **355.58** | **155.23** |
| Aggregate amount of unquoted investments | 355.58 | 155.23 |

* Aggregate provision for diminution of non current investment is ₹3.12 Crores (31 March, 2018 ₹3.12 Crores).

**Investment in Partnership Firms:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Partnership Firm | Name of the Partners | Share in Profit (%) As at 31 March 2019 | Share in Profit (%) As at 31 March 2018 |
|---|---|---|---|
| Auto Component | Minda Industries Limited | 48.90% | 48.90% |
| | Mr. Nirmal K Minda | 25.55% | 25.55% |
| | Ms. Pallak Minda | 25.55% | 25.55% |
| Yogendra Engineering | Minda Industries Limited | 48.90% | 48.90% |
| | Mr. Sanjeev Garg | 12.50% | 12.50% |
| | Mrs. Suman Minda | 38.60% | 38.60% |
| **Total Capital of the firm** | | **Amount** | **Amount** |
| Auto Component | | 7.75 | 6.48 |
| Yogendra Engineering | | 0.11 | 0.18 |

## 5 Loans (non-current)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| (Unsecured and considered good unless otherwise stated) | | |
| Security deposits # | 20.91 | 14.49 |
| Loan to Employees | 0.30 | - |
| | **21.21** | **14.49** |

# Includes an amount of ₹0.83 Crore (Previous year ₹0.75 Crore) given to a related party.

## 6 Other non-current financial assets

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| (Unsecured and considered good unless otherwise stated) | | |
| Bank deposits (due to mature after 12 months from the reporting date) | 4.85 | 8.63 |
| Loan to related parties and others | - | 5.05 |
| Interest accrued on fixed deposits | 0.64 | 0.15 |
| Retention money with customers | 1.65 | 1.65 |
| Forward contract receivable | 0.47 | 1.31 |
| Other receivable | 2.05 | - |
| | **9.66** | **16.79** |

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# Notes forming part of the Financial Statements

## 7 Deferred tax assets/ (liabilities)-Net

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| **Deferred tax liabilities** | | |
| Excess of depreciation/amortisation on fixed assets under Income tax laws over depreciation/amortisation provided in accounts | 77.91 | 45.20 |
| | **77.91** | **45.20** |
| **Deferred tax assets** | | |
| Provision for employee benefits | 28.83 | 25.07 |
| Others | 14.83 | 13.99 |
| Unabsorbed tax losses | 11.80 | 14.60 |
| | **55.46** | **53.66** |
| **Total (A)** | **(22.45)** | **8.46** |
| - MAT credit entitlement (B) | 21.83 | 10.15 |
| **Deferred tax assets/ (liabilities)- Net (A+B)** | **(0.62)** | **18.61** |

### Movement in deferred tax assets/ liabilities

| Particulars | Property, plant & equipments and intangible assets | Provision for employee benefits | Others | Unabsorbed Losses | Mat credit entitlement | Total |
|---|---|---|---|---|---|---|
| **As at April 01, 2017** | **(23.54)** | **17.34** | **0.20** | **27.97** | **7.67** | **29.64** |
| **(Charged)/credited:** | | | | | | |
| to profit or loss | (20.80) | 4.79 | 13.79 | (13.37) | 2.48 | (13.11) |
| to other comprehensive income | - | (0.93) | - | - | - | (0.93) |
| Pursuant to acquisition | (0.86) | 3.87 | - | - | - | 3.01 |
| **As at March 31, 2018** | **(45.20)** | **25.07** | **13.99** | **14.60** | **10.15** | **18.61** |
| **(Charged)/credited:** | | | | | | |
| to profit or loss | (32.73) | 3.96 | 0.84 | (2.80) | 12.13 | (18.60) |
| to other comprehensive income | - | (0.22) | - | - | - | (0.22) |
| Pursuant to acquisition | 0.02 | 0.02 | - | - | - | 0.04 |
| Utilisation | - | - | - | - | (4.42) | (4.42) |
| Other Equity | - | - | - | - | 3.97 | 3.97 |
| **As at March 31, 2019** | **(77.91)** | **28.83** | **14.83** | **11.80** | **21.83** | **(0.62)** |

## 8 Other tax assets (net)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Advance income tax | 33.05 | 31.18 |
| | **33.05** | **31.18** |

| | | |
|---|---|---|
| **Movement** | | |
| Opening balance | 31.18 | 15.28 |
| Less: Current tax payable for the year | (115.47) | (84.58) |
| Add: Additional tax benefit on employee stock options exercised | 1.93 | 15.90 |
| Add: Advance tax paid (Including tax deducted at source) | 115.41 | 84.58 |
| | **33.05** | **31.18** |

# Notes forming part of the Financial Statements

## 9 Other non-current assets

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| (Unsecured considered good unlesss otherwise reinstated) | | |
| Capital advances | 65.62 | 31.32 |
| Advance for investment in equity shares* | - | 8.80 |
| Prepaid Expense | 1.39 | - |
| Others | 0.09 | 0.31 |
| | **67.10** | **40.43** |

*Paid to related party

## 10 Inventories

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| (At lower of cost and net realisable value, unless otherwise stated) | | |
| Raw materials<br>[Goods in transit ₹44.62 Crores (₹16.91 Crores as on 31 March 2018)] | 274.94 | 212.83 |
| Work-in-progress | 61.34 | 38.76 |
| Finished goods<br>[Goods in transit ₹24.10 Crores (₹15.88 Crores as on 31 March 2018)] | 103.89 | 78.38 |
| Stock-in-trade<br>[Goods in transit ₹0.21 Crores (₹0.18 Crores as on 31 March 2018)] | 65.77 | 33.67 |
| Stores and spares | 36.47 | 29.55 |
| Loose tools | 18.56 | 24.33 |
| | 560.97 | 417.52 |
| Carrying amount of inventories (included in above) pledged as securities for borrowings and sanctioned limits | 560.97 | 417.52 |

## 11 Trade receivables *

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| (Unsecured, considered good unless otherwise stated) | | |
| Unsecured considered good | 899.22 | 789.73 |
| Doubtful | 4.77 | 4.91 |
| | **903.99** | **794.64** |
| Less: Provision for doubtful receivables | (4.77) | (4.91) |
| | **899.22** | **789.73** |

*The companies' exposure to currency and liquidity risks related to the above financial assets is disclosed in Note 50.

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# Notes forming part of the Financial Statements

## 12 Cash and cash equivalents

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| - Balances with banks | | |
| On current accounts | 81.83 | 58.61 |
| On deposit accounts (with original maturity of 3 months or less) | 9.25 | 66.21 |
| | **91.08** | **124.82** |
| - Cash on hand | 1.69 | 0.74 |
| | **92.77** | **125.56** |

## 13 Bank balances other than those included under cash and cash equivalents above

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Bank deposits (due for realisation within 12 months of the reporting date)* | 17.10 | 33.74 |
| Unpaid dividend accounts** | 0.19 | 0.17 |
| | **17.29** | **33.91** |

* Includes fixed deposit amounting to ₹0.90 crores pledged against cash credit facilities
** Does not include any amount payable to Invester Education and Protection Fund

## 14 Loans (current)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| (Unsecured and considered good unless otherwise stated) | | |
| Security deposits | 1.04 | 1.59 |
| Loan to related party | 0.97 | - |
| | **2.01** | **1.59** |

## 15 Other current financial assets

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| (Unsecured and considered good unless otherwise stated) | | |
| Forward contract receivable | 1.71 | - |
| Interest accrued on fixed deposits | 1.97 | 4.68 |
| Loans and advances to related party and others | 1.50 | 2.82 |
| Advances to employees | 4.22 | 5.23 |
| Incentive Receivable | 10.49 | 4.44 |
| Insurance claims receivable | 1.61 | 0.71 |
| Others | 0.50 | 0.16 |
| | **22.00** | **18.04** |

# Notes forming part of the Financial Statements

## 16 Other current assets

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| (Unsecured and considered good unless otherwise stated) | | |
| Prepaid expenses | 11.71 | 10.15 |
| Advance to suppliers | 35.16 | 46.83 |
| Balances with government authorities | | |
| - Considered good | 91.53 | 83.68 |
| - Cosidered doubtful | 0.02 | 0.18 |
| Less: Provision for loss allowance | (0.02) | (0.18) |
| Others | 0.08 | 0.08 |
| | **138.48** | **140.74** |

## 17 (a) Equity share capital

### (i) Authorised

(All amounts in Indian ₹ Crore, unless otherwise stated)

| | As at 31 March 2019 | | As at 31 March 2018 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| Equity shares of ₹2/- each with voting rights (previous year ₹2/- each) | 317,500,000 | 63.50 | 317,500,000 | 63.50 |
| Preference share capital | | | | |
| 9% Cumulative redeemable preference shares of ₹10/- each (Class 'A') | 3,000,000 | 3.00 | 3,000,000 | 3.00 |
| 3% Cumulative compulsorily convertible preference shares of ₹2,187/- each (Class 'B') | 183,500 | 40.13 | 183,500 | 40.13 |
| 3% Cumulative redeemable preference shares of ₹10/- each (Class 'C') | 3,500,000 | 3.50 | 3,500,000 | 3.50 |
| 1% Non-cumulative fully convertible preference shares of ₹10/- each (Class 'D') | 10,000,000 | 10.00 | 10,000,000 | 10.00 |
| | **334,183,500** | **120.13** | **334,183,500** | **120.13** |

### (ii) Issued, subscribed and fully paid up

(All amounts in Indian ₹ Crore, unless otherwise stated)

| | As at 31 March 2019 | | As at 31 March 2018 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **Equity share capital** | | | | |
| Equity shares of ₹2/- each with voting rights (previous year ₹2/- each) [Refer footnote (vii)] | 262,216,965 | 52.44 | 87,041,155 | 17.41 |
| | **262,216,965** | **52.44** | **87,041,155** | **17.41** |

# Notes forming part of the Financial Statements

## 17 Equity share capital (Contd.)

### (iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | | As at 31 March 2018 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| Equity shares | | | | |
| Opening balance | 87,041,155 | 17.41 | 79,326,780 | 15.87 |
| Add: Increase in number of shares on account of shares issued to QIBs | | - | 7,092,125 | 1.42 |
| Add: Increase in number of shares on account of ESOP exercised | 833,500 | 0.17 | 622,250 | 0.12 |
| Add: Increase in number of shares on account of issue of Bonus shares (Refer footnote vii) | 174,342,310 | 34.86 | - | - |
| **Closing balance** | **262,216,965** | **52.44** | **87,041,155** | **17.41** |

### (iv) Rights, preferences and restrictions attached to equity shares

The Parent Company has only one class of equity shares having par value of ₹2/- per share (31 March 2018 ₹2/- per share). Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors 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 assets, in proportion to their shareholding.

During the year, the Board, in its meeting held on 06 February, 2019 , declared an interim dividend of ₹0.45/- per equity share i.e. 22.50% (previous year ₹1.2/- per equity share) .

Further, the Board, in its meeting on 16 May 2019, has recommended a final dividend of ₹0.65/- per equity share i.e. 32.50% for the financial year ended 31 March 2019 (previous year ₹1.60/- per equity share). The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 06 August 2019 and, if approved, would result in a cash outflow of approximately ₹20.54 Crores including corporate dividend distribution tax.

### (v) Details of shareholders holding more than 5% shares in the Company:

| Particulars | As at 31 March 2019 | | As at 31 March 2018 | |
|---|---|---|---|---|
| Class of shares / Name of shareholder | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Mr. Nirmal K Minda | 65,371,530 | 24.93% | 19,489,055 | 22.39% |
| Mrs. Suman Minda | 38,572,140 | 14.71% | 12,857,380 | 14.77% |
| Minda Investments Limited | 63,850,140 | 24.35% | 21,283,380 | 24.45% |
| Matthews Asia Dividend Fund | 14,660,782 | 5.59% | - | - |

(vi) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash for the period of five years immediately preceding the balance sheet date is Nil.

(vii) The parent company has issued bonus shares in the ratio of two equity shares of `2 each for every one equity share of the Company held by the shareholders as on a record date pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot. Consequently earnings per share of previous year have been restated for such bonus shares issued.

## 17 (b) Other Equity attributable to owners of Minda Industries Limited

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Other comprehensive income | | Equity component of other financial instruments | Securities premium | Capital redemption reserve | Capital reserves | Capital reserves arising on consolidation | General reserves | Employee stock options reserve | Retained earnings | Total other equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Remeasurements of Defined Benefits obligations | Foreign currency translation reserve | | | | | | | | | |
| **Balance as at 1 April 2018** | **1.21** | **3.78** | **6.55** | **371.59** | **6.50** | **3.41** | **139.11** | **70.64** | **3.61** | **767.88** | **1,374.28** |
| Profit for the year | - | - | - | - | - | - | - | - | - | 285.62 | 285.62 |
| Other comprehensive income (net of tax) | 0.27 | (0.98) | - | - | - | - | - | - | - | - | (0.71) |
| Additional tax benefit on employee stock options exercised during the year | - | - | - | 5.90 | - | - | - | - | - | - | 5.90 |
| Reserve utilised on exercise of employee stock options | - | - | - | 3.41 | - | - | - | - | (3.41) | - | - |
| Utilised During the Year | - | - | - | - | - | (0.09) | - | - | - | - | (0.09) |
| Utilization of Reserves for issue of bonus shares | - | - | - | (28.36) | (6.50) | - | - | - | - | - | (34.86) |
| Addition on redemption of preference shares | - | - | - | - | 18.29 | - | - | - | - | (18.29) | - |
| Addition during the year (including pursuant to acquisition) | - | - | - | - | - | - | 36.92 | - | - | - | 36.92 |
| Final dividend for the year ended 31 March 2018 | - | - | - | - | - | - | - | - | - | (13.98) | (13.98) |
| Interim dividend for the year ended 31 March 2019 | - | - | - | - | - | - | - | - | - | (11.80) | (11.80) |
| Dividend distribution tax* | - | - | - | - | - | - | - | - | - | (5.10) | (5.10) |
| Transferred to Others reserves | - | - | - | - | - | - | - | - | - | - | - |
| Disposal/ Adjustment | - | - | - | - | - | - | 0.98 | - | (0.20) | 6.79 | 7.57 |
| Premium on ESOP | | | | 7.97 | | | | | | - | 7.97 |
| **Balance as at 31 March 2019** | **1.48** | **2.80** | **6.55** | **360.51** | **18.29** | **3.32** | **177.01** | **70.64** | **-** | **1,011.12** | **1,651.72** |

# Notes forming part of the Financial Statements

## 17 (b) Other Equity attributable to owners of Minda Industries Limited (Contd.)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Other comprehensive income | | Equity component of other financial instruments | Securities premium | Capital redemption reserve | Capital reserves | Capital reserves arising on consolidation | General reserves | Employee stock options reserve | Retained earnings | Total other equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Remeasurements of Defined Benefits obligations | Foreign currency translation reserve | | | | | | | | | |
| **Balance as at 1 April 2017** | **(0.27)** | **0.46** | **6.55** | **44.61** | **6.50** | **3.41** | **134.50** | **70.64** | **2.32** | **474.86** | **743.58** |
| Profit for the year | - | - | - | - | - | - | - | - | - | 310.19 | 310.19 |
| Other comprehensive income (net of tax) | 1.48 | 3.32 | - | - | - | - | - | - | - | - | 4.80 |
| Addition during the year (including pursuant to acquisition) | - | - | - | - | - | - | 4.61 | - | | | 4.61 |
| Additional tax benefit on employee stock options exercised during the year | - | - | - | 15.90 | - | - | - | - | - | - | 15.90 |
| Reserve utilised on exercise of employee stock options | - | - | - | 6.10 | | - | - | - | (6.10) | - | - |
| Final dividend for the year ended 31 March 2017 | - | - | - | - | | - | - | - | - | (8.64) | (8.64) |
| Interim dividend for the year ended 31 March 2018 | - | - | - | - | | - | - | - | - | (10.37) | (10.37) |
| Dividend distribution tax* | - | - | - | - | | - | - | - | - | (3.17) | (3.17) |
| Issuance of equity share capital to QIBs | - | - | - | 298.53 | - | - | - | - | | - | 298.53 |
| Amount utilised towards expenses relating to QIP | - | - | - | (5.23) | - | - | - | - | | - | (5.23) |
| Amount received on issue of shares against employee stock options | - | - | - | 11.68 | | - | - | - | - | - | 11.68 |
| Increase in reserves due to reduction in non-controlling interest on purchase of further shares in subsidiaries | - | - | - | - | | - | - | - | - | 5.01 | 5.01 |
| Cost of employee stock options | - | - | - | - | | - | - | - | 7.39 | - | 7.39 |
| **Balance as at 31 March 2018** | **1.21** | **3.78** | **6.55** | **371.59** | **6.50** | **3.41** | **139.11** | **70.64** | **3.61** | **767.88** | **1,374.28** |

* Tax on dividend paid is net of credit of ₹ 5.10 Crores (₹3.17 Crores for the year ended 31 March 2018). Credit is on account of dividend distribution tax on dividend received from subsidiary companies.

# Notes forming part of the Financial Statements

## 17 (b) Other Equity (Contd.)

**The Description of the nature and purpose of each reserve within other equity is as follows:**

a) **Securities premium:** Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Companies Act 2013, to issue bonus shares, to provide for premium on redemption of shares or debentures,write-off equity related expenses like underwriting costs, etc.

b) **Capital redemption reserve:** The capital redemption reserve is a non-distributable reserve and represents preference shares redeemed.

c) **General reserve:** The parent company appropriates apportion to general reserve out of profits voluntarily and the said reserve is available for payment of dividend to shareholders.

d) **Employee stock options reserve:** The Parent Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees. The reserve is used to recognise the value of equity settled stock options provided to employees, including key management personnel, as part of their remuneration. Refer to Note 47 for further details of these plans.

e) **Equity component of other financial intruments:**

Equity component of the compound financial instruments is credited to other equity.

f) **Capital reserve arising on consolidation:**

Capital Reserve arising on consolidation is the reserve created on acquisition of subsidiaries, joint ventures and associates.

g) **Foreign currency translation reserve:**

This reserve is created due to changes in historic rates and closing rates of assets and liabilities of foreign subsidiary entities.

h) Other comprehensive Income (OCI) amount pertaining to remeasurements of defined benefit liabilities (Asset) - comprises actuarial gain & losses.

**Distribution made**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| **Cash dividends on equity shares declared and paid:** | | |
| Final dividend for the year ended on 31 March, 2018 ₹1.60/- per share (31 March, 2017 ₹1 per Share) | 13.98 | 8.64 |
| Interim dividend for the year ended on 31 March, 2019 ₹0.45 per share (31 March, 2018 ₹1.20 per share) | 11.80 | 10.37 |
| Dividend distribution tax on above (DDT) | 5.10 | 3.17 |
| | **30.88** | **22.18** |
| **Proposed Dividends on equity shares:*** | | |
| Final dividend for the year ended on 31 March, 2019 @ ₹0.65 per share (31 March, 2018 @ ₹1.60 per share) | **17.04** | **13.98** |
| Dividend distribution tax on above (DDT) | **3.50** | **2.88** |
| | **20.54** | **16.86** |

* Proposed Dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as on 31 March 2019.

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# Notes forming part of the Financial Statements

## 17 c) Non Controlling Interest:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Amount |
|---|---|
| Balance as at 1 April 2017 | 117.01 |
| Profit for the year | 20.67 |
| Pursuant to acquisition/additional investment during the year | 117.82 |
| Reduction in non-controlling interest on purchase of further shares in subsidiaries | (44.29) |
| Dividend paid during the year | (0.71) |
| Other comprehensive income (net of tax) | 0.51 |
| **Balance as at 31 March 2018** | **211.01** |
| Profit for the year | 53.86 |
| Pursuant to acquisition/additional investment (net) during the year | 6.98 |
| Addition in non-controlling interest due to non exercising right issue | 2.51 |
| Dividend paid/ Drawings during the year | (13.71) |
| Other comprehensive income (net of tax) | 0.03 |
| Adjustment | 6.03 |
| **Balance as at 31 March 2019** | **266.71** |

## 18 Non-Current borrowings

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| **Term loans** | | |
| **Secured** | | |
| From banks | 639.66 | 249.87 |
| From Others | 1.30 | - |
| Less: Current maturities of long term borrowings (Refer note 23) | 96.25 | 54.46 |
| | **544.71** | **195.41** |
| **Term loans** | | |
| **Unsecured** | | |
| From banks | 76.15 | 36.52 |
| From others | 11.97 | - |
| Less: Current maturities of long term borrowings (Refer note 23) | 29.49 | 11.61 |
| | **58.63** | **24.91** |
| Debt portion of compound financial instruments (preference shares)* | 3.00 | 19.72 |
| | **606.34** | **240.04** |

# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| Nature of security (including current portion of term loan ): | Terms of repayment and rate of interest | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| - Rupee term loan from HDFC Bank by the parent company is secured by:<br>Movable Fixed assets ~First Pari passu charge on all movable fixed assets of the company<br>Immovable Fixed assets~ First Pari passu charge on Immovable fixed assets of the company. Collateral Details -<br>(I) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurgaon<br>(II) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana<br>(III) Plot No ME-I and ME-II, Sector- 2A, IMT Manesar<br>(IV) Land & Bldg at Plot no. B-3, SIPCOT Industrial Park at Pillaipakkam, Vengadu Taluk, Sriperumpudur<br>(V) Plot No 5, Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand and<br>(VI) Plot No 5(A),, Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand. Also,<br>Negative Lien of<br>(I) Property No. B-6, MIDC, Chakan Industrial Area, Mahalunge, Taluka Khed, measuring 9300 sq mt and 11970 sq mt<br>(II) Property No. B-1/5 MIDC, Chakan Industrial Area, Mahalunge, Taluka Khed, measuring 18022 sq mt. | Total loan sanctioned amounting to ₹100 Crore having Tenor of 60 Months including moratorium of 18 months and repayment in 7 equal semi-annual installments post moratorium<br>Rate of interest- HDFC 1Y MCLR | 100.00 | - |
| - Rupee term loan from Axis Bank by the parent company is secured by: :<br>First pari passu charge on the fixed Assets of the Company i.e. plant and machinery including land & building as mentioned below:<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana.<br>iii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar<br>iv) Plot No 5(A),, Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand.<br>v) Plot No ME-I and ME-II, Sector- 2A, IMT Manesar<br>Negative Lien on :<br>i) Plot No. B-1/5, Chakan Industrial Area, Nogoje, Taluka Khed, Pune | Total loan sanctioned amounting to ₹85 Crore having Tenor of 5 years including moratorium of 6 months and repayment in 20 equal quarterly installments post moratorium<br>Rate of interest- 3M MCLR + 10bps | 80.75 | - |

# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| Nature of security (including current portion of term loan ): | Terms of repayment and rate of interest | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| ii) B-6, MIDC Chakan Industrial Area, Village Mahalunge, Taluka Khed, Distt. Pune.<br>Second pari passu charge on the entire current assets of the Company both present and future. | | | |
| - External Commercial Borrowing from HSBC Bank by the parent company is secured by :<br>First pari passu charge on the fixed Assets of the Company i.e. plant and machinery including land & building as mentinoed below:<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana.<br>iii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar<br>iv) Plot No 5(A),, Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand.<br>v) Plot No ME-I and ME-II, Sector- 2A, IMT Manesar<br>vi) Plot no. B-3, SIPCOT Industrial Park at Pillaipakkam, Vengadu Taluk, Sriperumpudur<br>Negative Lien on :<br>i) Plot No. B-1/5, Chakan Industrial Area, Nogoje, Taluka Khed, Pune<br>ii) B-6, MIDC Chakan Industrial Area, Village Mahalunge, Taluka Khed, Distt. Pune. | Total loan sanctioned amounting to USD 1 crore having Tenor of 60 month including moratorium of 12 months and repayment in 16 equal quarterly installments post moratorium<br>Rate of interest- 3 M LIBOR + 105 bps | 69.17 | - |
| - External Commercial Borrowing from Citi Bank N.A. by the parent company is secured by:<br>First pari passu charge on the fixed Assets of the Company i.e. plant and machinery including land & building as mentioned below:<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana.<br>iii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar<br>iv) Plot No 5(A), Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttrakhand.<br>v) Plot No ME-I and ME-II, Sector- 2A, IMT Manesar | Total loan sanctioned amounting to USD 0.8 crore having Tenor of 5 Years including moratorium of 12 months and repayment in 17 equal quarterly installments post moratorium<br>Rate of interest- 3 M LIBOR + 90 bps | 52.03 | - |
| - Rupee term loan from HDFC Bank by the parent company is secured by :<br>Exclusive charge on current Assets of the Company arising out of the Chennai Plant.<br>Exclusive charge on movable and immovable property, plant and equipments of the Company arising out of the Chennai Plant. | Total loan sanctioned amounting to ₹6 crore which was availed in earlier years repayable in 15 equal quarterly instalments of ₹0.40 crore each. Repayment started from October 2015. | - | 2.00 |

# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| Nature of security (including current portion of term loan ): | Terms of repayment and rate of interest | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| Exclusive charge on land and building (Chennai) standing in the name of the Company. | Rate of interest- varies between HDFC base rate +1.70% p.a. and 9.5% p.a. | | |
| - Rupee term loan from HDFC Bank by the parent company is secured by :<br>First pari passu charge on all movable property, plant and equipments of the Company.<br>First pari passu charge on all immovable property, plant and equipments of the Company as below;<br>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.<br>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonepat, Haryana.<br>iii) Plot no. -5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal<br>iv) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>v) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>Second pari passu charge on all present and future current assets of the Company | Total loan sanctioned amounting to ₹15 crore of which loan of ₹10 crore was availed in earlier years repayable in 15 equal quarterly instalments of ₹0.67 crore each. Repayment started from October 2015.<br>Rate of interest- varies between HDFC base rate +1.70% p.a. and 9.5% p.a. | - | 3.32 |
| - From ICICI Bank by MJ Casting Limited is primary secured by:<br>i) Equitable mortgage over land and building both present and future of Hosur plant situated at Upparapalli, Mathagondapalli, Hosur, Tamil Nadu<br>ii) Equitable mortgage over land and building both present and future of Bawal plant situated at 323, Phase II/IV, Sector 3, Industrial Growth Centre, Bawal, Distt. Rewari, Haryana<br>iii) Hypothecation on all movable fixed assets (except vehicles) of the MJ Casting Limited, both present and future<br>iv) Further secured by way of hypothecation on MJ Casting Limited's entire stock and other such movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future. | Loan from ICICI Bank Ltd is repayable in 18 quarterly installments of ₹1.73 Cr each.<br>Rate of interest- ICICI Base rate + 0.95% | 13.85 | 20.78 |
| - Term loan from Yes Bank are secured by exclusive charge on all movable and immovable property, plant and equipment of M/s Minda Kyoraku Limited (both present and future) and second charge on all current assets (both present and future). | a) Rate of interest - 6 months MCLR + 1.15% spread currently at 10.20% on 31st March 2019<br>Term loan sanction amounting to ₹1200 Lakhs. The Principle | 0.45 | 3.55 |

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# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| Nature of security (including current portion of term loan ): | Terms of repayment and rate of interest | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| | amount of ₹97,574,004 is repayable in 18 equal quarterly installments of ₹5,420,778 commencing from 16 Aug 2014. Loan maturity date is 16 November 2018.<br>b) Rate of interest - 6 months MCLR + 1.15% spread currently at 10.55% on 31st March 2019<br>Term loan sanction amounting to ₹650 Lakhs. The principle amount of ₹44,700,000 is repayable in 20 equal quarterly installments of ₹2,235,000 commencing from 2 Dec 2014. Loan maturity date is 2 September 2019.<br>c) Rate of interest - 6 months MCLR + 1.15% spread currently at 10.20% on 31st March 2019<br>Term loan sanction amounting to ₹175 lakhs. The principle amount of ₹175 lakhs is repayable in 12 equal quarterly installments of ₹14.58 lakhs commencing from 4 June 2016. Loan maturity date is 4 March 2019. | | |
| FCNR loan from CITI Bank by M/s Minda Kyoraku Limited is secured by:<br>- First charge on fixed assets of the company situated at proposed Gujarat Unit (Both movable and immovable fixed assets) | Rate of interest - 3 months MCLR + 2% spread, Company has taken a interest rate swap contract to fixed interest liabilites @ 5.20% P.A. on outsanding principal amount<br>The principal amount of USD 2,128,263.34 is repayable in 20 equal quarterly installments of USD 106,413.17 commencing from 09 April 2020, company has entered in to partial hedge contract for principal repayment | 14.72 | - |
| FCNR Loan from ICICI Bank by M/s Minda Kyoraku Limited is secured by:<br>- First Pari Passu charge by way of mortgage over all the immovable fixed assets related Gujarat Project both present and future (Immovable Fixed Assets)<br>- First Pari Passu charge on all the movable fixed assets of the company's Gujarat Project both present and future (Movable Fixed Assets) | a) Rate of interest - 3 months MCLR + 2% spread, company has taken a interrest rate swap contract to fixed interest liabilites @ 6.68% P.A. on outsanding USD principal amount.<br>The principal amount of USD. 1,362,862.01 is repayable in 14 equal quarterly installments | 19.21 | |

## 18 Non-Current borrowings (Contd.)

| Nature of security (including current portion of term loan ): | Terms of repayment and rate of interest | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| - Second Pari Passu charge by way of hypothecation over current assets both present and future of the borrower (Current Assests) | of USD 97,347.29 commencing from 31 December 2019, company has entered in to partial hedge contract for principal repayment.<br>b) Rate of interest - 3 months MCLR + 2% spread, company has taken a interrest rate swap contract to fixed interest liabilites @ 6.61% P.A. on outsanding USD principal amount.<br>The principal amount of USD1,413,627.37.00 is repayable in 9 equal quarterly installments of USD 100,973.38 commencing from 31 December 2019 and last payment for USD 504866.95 will be paid on 28th Feb 2022. company has entered in to partial hedge contract for principal repayment. | | |
| Rupee loan from yes Bank by M/s Minda Kosei Aluminum Wheel Private Limited is secured by:<br>- First pari passu charge on all movable property, plant and equipment (PPE) (both present and future) and immovable PPE of Bawal plant.<br>- Second pari passu charge on all current assets. | a) Rate of interest - 11% for first year and thereafter floating @ Yes Bank base rate plus 0.50% per annum. Currently 9.80% at 31 March 2019. (31 March 2018: 8.75%)<br>Maximum tenor of loan is for 96 months from the date of first disbursement.<br>Principal amount is repayable in 24 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2015-16.<br>b) Rate of interest - floating @ Yes Bank base rate 6 month MCLR plus 0.25% per annum. Currently 9.95% at 31 March 2019. (31 March 2018: not applicable)<br>Maximum tenor of loan is for 72 months including moratorium period of 12 months from date of first disbursement. | 41.75 | 22.73 |

# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| Nature of security (including current portion of term loan ): | Terms of repayment and rate of interest | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| | Principal amount is repayable in 20 quarterly instalments after a moratorium period of 12 months from the date of first disbursement. First disbursement of the loan was in year 2018-19. | | |
| Rupee loan from IndusInd banks by M/s Minda Kosei Aluminum Wheel Private Limited is secured by:<br>- First pari passu charge by way of equitable mortgage on immovable property (land and building) located at Bawal, Haryana and by way of hypothecation on all present and future moveable PPE.<br>- Second pari passu charge by way of hypothecation on all the present and future current assets. | a) Rate of interest - floating @ IndusInd Bank base rate 6 month MCLR. Currently 9.75% at 31 March 2019. (31 March 2018: not applicable)<br>Maximum tenor of loan is for 96 months from the date of first disbursement.<br>Principal amount is repayable in 24 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2018-19.<br>b) Rate of interest - floating @ IndusInd Bank base rate 6 month MCLR. Currently 10.00% at 31 March 2019. (31 March 2018: 9.4%)<br>Maximum tenor of loan is for 96 months from the date of first disbursement.<br>Principal amount is repayable in 24 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2015-16. | 49.81 | 25.31 |
| Foreign currency loan from SCB bank by M/s Minda Kosei Aluminum Wheel Private Limited is secured by:<br>- First pari passu charge on all movable PPE (both present and future) of Gujarat plant.<br>- Second pari passu charge on current assets. | Cost of funds + Bank's margin of 1.50%. Currently 8.55% at 31 March 2019. (31 March 2018: 8.55%)<br>Maximum tenor of loan shall not exceed 7 years from the date of first disbursement. Principal amount is repayable in 20 equal quarterly installments after a moratorium period of 24 months from the date of first disbursement, with first repayment date to not go beyond 31 December 2019. | 41.50 | 13.01 |

## 18 Non-Current borrowings (Contd.)

| Nature of security (including current portion of term loan ): | Terms of repayment and rate of interest | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| Rupee loan from HDFC banks by M/s Minda Kosei Aluminum Wheel Private Limited is secured by:<br>- First pari passu charge on equitable mortgage over immovable PPE (land and building of Gujarat Plant) and movable PPE (plant and equipment of Gujarat plant and Bawal Phase 1 plant)<br>- Second pari passu charge on stock and book debts | a) Rate of interest - floating @ HDFC Bank base rate 6 month MCLR. Currently 9.3 % as at 31 March 2019<br>Maximum tenor of loan is for 84 months from the date of first disbursement. Principal amount is repayable in 20 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2017-18.<br>b) Rate of interest - floating @ HDFC Bank base rate 6 month MCLR. Currently 9.05 % as at 31 March 2019<br>Maximum tenor of loan is for 84 months from the date of first disbursement. Principal amount is repayable in 20 quarterly instalments after a moratorium period of 24 months from the date of first disbursement. First disbursement of the loan was in year 2018-19. | 72.76 | 23.70 |
| From Axis Bank is secured by way of first paripassu charge on present and future movable assets of the Minda Rinder Private Limited.<br>(Primary Security) and equitable mortgage of land and building situated at Chakan.<br>(Pune), Second charge by way of hypothecation of entire current assets of subsidiary Minda Rinder Private Limited (Collateral Security) | Loan 1- Total loan sanctioned amounting to ₹30 Crores of which loan of ₹15 Crores was availed in current year repayable in 24 quarterly instalments of ₹1.25 Crores each starting after 12 months from the date of first disbursement (from December 2017).<br>Rate of interest : MCLR +1%, currently 8.8% p.a.<br>Loan 2- Total loan sanctioned amounting to ₹22 Crores repayable in 20 quarterly instalment of ₹1.10 Crores each starting after 6 monhts from the date of first disbursement (from March 2019)<br>Rate of interest : MCLR +1%, currently 8.8% p.a. | 43.40 | 27.50 |

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# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| Nature of security (including current portion of term loan ): | Terms of repayment and rate of interest | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| External Commercial borrowing from Standard Chartered Bank is secured by first exclusive charge by way of equitable mortgage of immovable property and all present and future movable property, plant and equipment located at Pimpri plant of subsidiary Minda Rinder Private Limited. | Secured external commercial borrowings from Standard Chartered Bank is repayable in 4 half yearly instalments of Euro 100,000 each starting from 20 Nov 2016 upto 20 March 2018 and 1 Half yearly instalment of Euro 50000 as at 20 May 2019.<br>Rate of interest : SOFR +2.30 % ( 31 March 2019 SOFR+ 2.30% ) | 0.39 | 2.02 |
| ECB loan of Mindarika Private limited from Standard Chartered Bank<br>a) Sanctioned amount $ 4,000,000<br>b) Secured by:<br>- First exclusive mortgage of the Land/Building situated at Chennai.<br>- First exclusive charge on assets financed out of external commercial borrowing (ECB). | Rate of interest - 2.25%+ Libor<br>Repayable in 17 equal quarterly instalments Starting from Mar'16 and Apr'16 (i.e. 12 months after first instalment of the loan)<br>Last instalment due in Mar'20 and April '20 | 7.32 | 13.20 |
| Term loan from HSBC bank by Mindarika Private limited<br>Sanctioned amount ₹32.50 Crore<br>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%<br>Repayable in 16 quarterly equal instalments starting from Apr'19 (i.e. 12 months from the date of first disbursement). Last instalment due in Apr'23. | 32.50 | 32.50 |
| Term loan from Bajaj Finance Limited is secured by exclusive charge by way of equitable mortgage of land and building located at Bahadurgarh (Haryana) of subsidiary Minda Rinder Private Limited and it carries interest @ 10.00% p.a. | | 1.30 | 3.67 |
| Vehicle loans from banks are secured against hypothecation of respective vehicles financed by them | | 0.05 | 0.52 |
| - External commercial borrowings from Banco Balbao Vijcaya Argentaria S.A. by the parent company (unsecured) | Total loan sanctioned amounting to EUR 0.45 crore , repayable in 20 quarterly instalments from July, 2016.<br>Rate of interest- 1.79% p.a. | 19.85 | 29.83 |

# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| Nature of security (including current portion of term loan ): | Terms of repayment and rate of interest | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| External Commercial Borrowings from Bank of Tokyo Mitsubishi (Unsecured) of Minda TG Rubber Private Limited | Total loan sanctioned amounting to USD 7.01 lacs equivalent to ₹485.29 lacs (March 31, 2018 : USD 10.13 lacs equivalent to ₹659.16 lacs)<br>20 Quarterly instalments of ₹50 lacs each starting from September 2016 upto June, 2021.<br>Total loan sanctioned amounting to USD 7.22 lacs equivalent to ₹499.63 lacs (March 31, 2018 :USD 10.43 lacs equivalent to ₹678.62 lacs)<br>20 Quarterly instalments of ₹50 lacs each starting from September 2016 upto June, 2021.<br>Total loan sanctioned amounting to USD 10.65 lacs equivalent to ₹736.91 lacs (March 31, 2018 : USD 15.38 lacs equivalent to ₹1000.91 lacs)<br>20 Quarterly instalments of ₹75 lacs each starting from September 2016 upto June, 2021.<br>Total loan sanctioned amounting to USD 3.88 lacs equivalent to ₹268.43 lacs (March 31, 2018 : USD 5.8 lacs equivalent to ₹344.02 lacs) 16 Quarterly instalments of ₹23.25 lacs each and 1 installment of ₹23.50 Lacs starting from December 2017 upto September 2021 and 1 quarterly installment of ₹24 Lacs in December 2021<br>Total loan sanctioned amounting to USD 5.69 lacs equivalent to ₹394.18 lacs (March 31, 2018 : USD 6.24 lacs equivalent to ₹406.20 lacs)<br>4 Quarterly instalments of ₹17.5 Lacs from December 2018 to September 2019, 4 Quarterly instalments of ₹22.5 Lacs from December 2019 to September 2020 4 Quarterly instalments of ₹32.5 Lacs from December 2020 to September 2021 & 4 Quarterly instalments of ₹27.5 Lacs from December 2021 to September 2022 | 30.96 | 30.89 |

# Notes forming part of the Financial Statements

## 18 Non-Current borrowings (Contd.)

| Nature of security (including current portion of term loan ): | Terms of repayment and rate of interest | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| | Total loan sanctioned amounting to USD 10.29 lacs equivalent to ₹711.77 lacs (March 31, 2018: Nil)<br>5 Quarterly instalments of ₹16,05,240 from December 2019 to December 2020, 5 Quarterly instalments of ₹50,83,260 from March 2021 to March 2022 & 5 Quarterly instalments of ₹82,93,740 from June 2022 to June 2023 | | |
| Loan from La Caixa Bank is secured by the corporate guarantee given by Clarton, Spain (Unsecured) | Total loan sanctioned amounting to ₹37.02 crores (31 March 2018 ₹24.40 crores) repayable in 20 equal quarterly instalments.<br>Rate of Interest 2.10% | 25.34 | 22.59 |
| From Citi Bank of M/s Clarton Horn, S.A. secured by stand by letter of credit by Parent<br>Company. (Unsecured) | Total loan sanctioned amounting to 44.12 crores (31 March 2018 44.12 crores) repayable in 17 equal quarterly instalments.<br>Rate of interest - 2.75% p.a. | - | 2.98 |
| Deferred payment credit from HSIIDC (Haryana State Industrial and Infrastructure Development Corporation Ltd.) by MJCL (Unsecured) | Repayable in 10 half yearly of ₹15.56 lacs instalments starting from June 17.<br>Rate of interest- 12% p.a. | 6.31 | - |
| Subsidised loan received from Ministry of Industry, Government of Spain by M/s Clarton<br>Horn, S.A. (Unsecured) | Total loan sanctioned amounting to ₹4.69 crores (31 March 2018 ` ₹4.69 crores) repayable in 7 equal annual instalments of Euro 0.08 million from year 2016-17. Rate of interest - 3.95% p.a. | 3.11 | 3.16 |
| Subsidised loan received from Ministry of Industry, Government of Spain by M/s Clarton<br>Horn, S.A. (Unsecured) | Total loan sanctioned amounting to 3.99 crores (31 March 2018 ` 3.99 crores) repayable in 10 equal annual instalments of Euro 0.05 million from year 2017-18. Rate of interest - 0% p.a. | 2.55 | 3.13 |
| **Total** | | **729.08** | **286.39** |

*Debt portion of compound financial instruments

A subsidiary company issued 22,004,000 8%Non-cumulative Redeemable Preference Shares of ₹10 each for ₹22.04 Crores during the year ended March 31, 2015. These shares are redeemable at par at the expiry of 20 years from the date of allotment. However, the Company shall have an option to redeem the same on or before this period of 20 years in view of the availability of the profits/surplus funds. These preference shares are presented in the balance sheet as follows:

# Notes forming part of the Financial Statements

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Face value of preference shares issued | 21.29 | 21.29 |
| Equity component of preference shares # | 5.64 | 5.64 |
| Liability component | 15.65 | 15.65 |
| Interest expense* | 1.57 | 1.47 |
| Interest paid | - | - |
| Redemption of preference shares | (18.29) | - |
| **Closing balance** | **3.00** | **19.72** |

*Interest expense is calculated by applying the effective interest rate of 8% to the liability component considering the redemption is expected to happen in the fifth year from the year of allotment.

# The equity component of these preference shares has been presented in other equity.

## 19 Other financial liabilities (non-current)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Deferred Government Grant | 66.26 | 42.22 |
| Deferred payment liabilities | | |
| Deferred sales tax liability (unsecured) | 1.37 | 4.82 |
| Less: Current maturities of deferred payment liability (Refer note 23) | 1.37 | 2.67 |
| | **-** | **2.15** |
| Others | 9.32 | 7.09 |
| | **75.58** | **51.46** |

| Nature of security (including current portion of term loan) | Terms of repayment and rate of interest | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| - Sales tax incentive from the State Government of Maharashtra, received in 2003-04 | Sales tax payable amounting to ₹14.27 Crores repayable in 8 annual instalments starting from 2011-12.<br>Rate of interest- Interest free | 1.37 | 3.73 |
| - Deferred payment credit from HSIIDC (Haryana State Industrial and Infrasturcture Development Corporation Ltd) received in Feb 2016 | Repayable in 10 half yearly of ₹ 0.16 crore instalments starting from June 17.<br>Rate of interest- 12% p.a. | - | 1.09 |
| **Total** | | **1.37** | **4.82** |

# Notes forming part of the Financial Statements

## 20 Long-term provisions

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (Refer note 42) | 45.17 | 35.73 |
| Compensated absences | 21.40 | 20.32 |
| | **66.57** | **56.05** |
| **Others** | | |
| Warranties (Refer note 45) | 3.27 | 3.11 |
| Others* (Refer movement below) | 29.80 | 44.62 |
| | **99.64** | **103.78** |

| Movement | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Opening balance | 44.62 | 17.95 |
| Add: provision made / (reversed) during the year | (14.82) | 26.67 |
| **Closing balance** | **29.80** | **44.62** |

*Amount represents provision for non-export of goods under EPCG scheme, including interest payable on the same.

## 21 Short-term borrowings

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Loans repayable on demand | | |
| from banks (secured)* | 172.14 | 179.92 |
| from banks (unsecured)** | 91.43 | 65.87 |
| from a related party (unsecured)*** | 38.00 | 28.00 |
| from others (unsecured)**** | 47.58 | 29.02 |
| | **349.15** | **302.81** |

| S. No. | Bank Name (facility)<br>Nature of security | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| **Secured loan from Banks:*** | | | |
| 1. | HDFC Bank (Cash Credit) by the Parent Company is secured by:<br>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.<br>Second pari passu charge on property, plant and equipments of the Company as per detailed below:<br>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat<br>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram<br>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>Negative lien on the following properties:<br>f) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.<br>g) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune. | 17.13 | 2.29 |

# Notes forming part of the Financial Statements

## 21 Short-term borrowings (Contd.)

| S. No. | Bank Name (facility)<br>Nature of security | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| 2. | Axis Bank (Cash Credit) First pari passu charge by way of hypothecation of entire current assets of the Parent Company, both present and future. Second pari passu charge on entire property, plant and equipments of the Parent Company, both present and future | - | 1.19 |
| 3. | Citibank (Cash Credit) by the Parent Company is secured by:<br>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.<br>Second pari passu charge on property, plant and equipments of the Company as per detailed below:<br>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat<br>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram<br>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>Negative lien on the following properties:<br>f) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.<br>g) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune. | 4.00 | - |
| 4. | State Bank of India (Cash Credit) by the Parent Company is secured by:<br>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.<br>Second pari passu charge on property, plant and equipments of the Company as per detailed below:<br>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat<br>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram<br>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>Negative lien on the following properties:<br>f) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.<br>g) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune. | 24.68 | 21.33 |

# Notes forming part of the Financial Statements

## 21 Short-term borrowings (Contd.)

| S. No. | Bank Name (facility)<br>Nature of security | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| 5. | Canara Bank (Cash Credit) by the Parent Company is secured by:<br>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.<br>Second pari passu charge on property, plant and equipments of the Company as per detailed below:<br>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat<br>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram<br>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>Negative lien on the following properties:<br>f) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.<br>g) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune. | 7.56 | 10.89 |
| 6. | Standard Chartered Bank (Cash Credit) by the Parent Company is secured by:<br>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.<br>Second pari passu charge on property, plant and equipments of the Company as per detailed below:<br>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat<br>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram<br>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.<br>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.<br>Negative lien on the following properties:<br>f) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.<br>g) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune. | 0.07 | - |
| 7. | Axis Bank rate of interest : MCLR (3M) + 100 bps i.e. 9.50% pa.- by MJ Casting Ltd by secured by:<br>* First charge by the way of hypothecation on the entire current assets of the company (Bawal & Hosur) both present ' & future.<br>* First charge by the way of hypothecation on the entire moveable fixed assets of the company (Bawal & Hosur) both 'present & future.<br>* Equitable mortgage on land and building both present & future of Hosur Plant situated at Upparapalli, Mathagondapalli, thally Road, Hosur, Tamilnadu,India.<br>* Equitable mortgage on land and building both present & future of Bawal Plant situated at 323, Phase II/IV, Sector-3, 'Industrial Growth Centre, Bawal Distt. Rewari, Haryana, India.<br>* Hypothecation on all movable fixed assets (except vehicles) of the borrower both present & future. Further secured by way of hypothecation on borrower's entire stocks of raw materials, semi-finished and finished goods, consumable, stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables both present and future. | 1.37 | 0.42 |

## 21 Short-term borrowings (Contd.)

| S. No. | Bank Name (facility)<br>Nature of security | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| 8. | 'ICICI Bank rate of interest : MCLR (6M) + 100 bps i.e. 9.50% pa.) by MJ Casting Ltd secured by:<br>* First charge by the way of hypothecation on the entire current assets of the company (Bawal & Hosur) both present ' & future.<br>* First charge by the way of hypothecation on the entire moveable fixed assets of the company (Bawal & Hosur) both 'present & future.<br>* Equitable mortgage on land and building both present & future of Hosur Plant situated at Upparapalli, Mathagondapalli, thally Road, Hosur, Tamilnadu,India.<br>* Equitable mortgage on land and building both present & future of Bawal Plant situated at 323, Phase II/IV, Sector-3, 'Industrial Growth Centre, Bawal Distt. Rewari, Haryana, India.<br>* Hypothecation on all movable fixed assets (except vehicles) of the borrower both present & future. Further secured by way of hypothecation on borrower's entire stocks of raw materials, semi-finished and finished goods, consumable, stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables both present and future. | 12.53 | - |
| 9. | Working capital loan from Kotak Mahindra Bank amounting to ₹264.16 Lakhs (31 March 2018: Nil ) is by Minda Kyoraku Limited secured by:<br>- 1st PP hypothecation charge on all existing and future current assets<br>- 2nd PP hypothecation charge on all existing and future movable fixed assets<br>- 2nd PP mortgage charge on immovable properties being land and building situated at Industrial Plot No.327, sector-3, Phase-II, IMT Bawal, Haryana owned by borrower<br>- 2nd PP mortgage charge on immovable properties being land and building situated at Industrial Plot No.28F, Bidadi Industrial Area, Comprised in Survey No 7,8,and 12 within the village limits of -Abbanakuppe Hobli, Bidadi Talik, Ramanagaram District, Bangalore, Karnataka owned by borrower<br>- Release of charge/ security interest on property at Bangalore is allowed subject to no other bank having a charge on the said property<br>Rate of interest - 3 months MCLR + 1.10% spread currently at 10.20% on 31st March 2019 | 2.64 | - |
| 10. | Outstanding buyer's credit from Yes Bank is as below:<br>Buyer's credit is secured by:<br>- First pari passu charge on all movable and immovable fixed assets (both present and future) of Minda Kosei Aluminum Wheel Private Limited<br>- Second pari passu charge on all current assets (both present and future) of Minda Kosei Aluminum Wheel Private Limited | - | 66.18 |
| 11. | Outstanding buyer's credit from Indusind Bank is as below:<br>Buyer's credit is secured by:<br>- First pari passu charge on all movable fixed assets (both present and future) including all the underlying assets acquired from the proceeds of the term loan facility and charge by way of equitable mortgage on immovable property (Land and Building) located at Bawal, Haryana of Minda Kosei Aluminum Wheel Private Limited<br>- Second pari passu charge by way of hypothecation on all the present and future current assets of Minda Kosei Aluminum Wheel Private Limited. | 15.25 | 25.98 |

# Notes forming part of the Financial Statements

## 21 Short-term borrowings (Contd.)

| S. No. | Bank Name (facility)<br>Nature of security | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---|---|---|---|
| 12 | Outstanding buyer's credit from HDFC Bank is as below:<br>Buyer's credit is secured by:<br>- First pari passu charge on all movable fixed assets (both present and future) including all the underlying assets acquired from the proceeds of the term loan facility and charge by way of equitable mortgage on immovable property (Land and Building) located at Bawal, Haryana of Minda Kosei Aluminum Wheel Private Limited<br>- Second pari passu charge by way of hypothecation on all the present and future current assets of Minda Kosei Aluminum Wheel Private Limited. | - | 8.22 |
| 13. | Axis Bank<br>Rupee cash credit from banks amounting to ₹290.5 Lakhs (31 March 2018: ₹375.6 Lakhs) is secured by:<br>- First pari passu charge on all movable and immovable fixed assets (both present and future).<br>Floating @ MCLR rate plus 75 bps. Currently 9.30% as at 31 March 2019. Maximum tenor of loan is for 1 Year from the date of first disbursement. Principal amount is repayable on demand. | 2.91 | 3.76 |
| 14. | HDFC Bank<br>Rupee cash credit from banks amounting to ₹994.0 Lakhs is secured by:<br>Primary<br>- First pari passu charge on entire current assets of the Company, both present and future.<br>- Second Pari Passu charge on entire movable fixed assets of the Company, both present and future.<br>As mutually agreed. Currently 9.20% as at 31 March 2019. Principal amount is repayable on demand. | 9.94 | - |
| 15. | Working capital and PCFC credit from Citi Bank N.A. Minda Rinder Private Limited. is secured by<br>Exclusive charge on all present and future stock and book debts of the Company.( PCFC Loan in foreign currency ₹17.44 crores., Working capital loan ₹3.75 crores., Buyers credit ₹. 0.50 crores.)<br>(31 March 2018- PCFC Loan in foreign currency ₹15.68 crores., Working capital loan ₹4.84 crores.) | 21.89 | 20.52 |
| 16. | Borrowings from Standard Chartered Bank are secured by first Pari passu charge over current assets of the Minda Rinder Private Limited. | 28.00 | 7.46 |
| 17. | Short term loan from Bank of Tokyo by Mindarika Private Limited:<br>Secured by first pari passu charge on inventories & book debts. Second charge on movable property, plant and equipment of Mindarika Private Limited, both present & future<br>Rate of interest 9.35% as on 31 March 2019 (31 March 2018 : 8.75%) | 4.00 | 4.70 |
| 18. | Short term loan from Mizuho Bank by Mindarika Private Limited:<br>Secured by first pari passu charge on current assets of Mindarika Private Limited. Second charge on movable property, plant and equipment of the Company, both present & future.<br>Rate of interest 8.89% on 31 March 2019 (31 March 2018 : 7.95%) | 5.52 | 3.50 |

## 21 Short-term borrowings (Contd.)

| S. No. | Bank Name (facility)<br>Nature of security | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| 19. | Short term loan from HDFC Bank by Mindarika Private Limited:<br>Secured by first pari passu charge on current assets of Mindarika Private Limited. Second charge on movable property, plant and equipment of the Company, both Present & future.<br>Rate of interest 12.20% on 31 March 2018 | - | 0.78 |
| 20. | Short term loan from Standard Chartered Bank by Mindarika Private Limited:<br>Secured by first pari passu charge on inventories, book debts of Mindarika Private Limited. Second charge on movable fixed assets of the Company, both present & future.<br>Rate of interest 11.25% on 31 March 2019 (31 March 2018 : 10.50%) | 0.37 | 2.71 |
| 21. | Short term loan from HSBC Bank by Mindarika Private Limited:<br>Secured by first pari passu charge on current assets of Mindarika Private Limited. Second charge on movable property, plant and equipment of the Company, both Present & future.<br>Rate of interest 8.30% on 31 March 2019 | 5.00 | - |
| 22. | Working Capital Loan from ICICI Bank by MI Torica India Private Limited is secured by<br>Hypothecation of Stock, Trade Receivable and exclusive charge on the entire movable and immovable fixed assets both present and future of the company.<br>It is further guaranteed by Minda Investments Ltd, India and Tokai Rika Create Corporation , Japan to the extent of sixty and forty percent respectively. | 4.83 | - |
| 23. | Working capital demand loan from HDFC Bank carries interest rate of MCLR+0.7% by Minda Katolec Electronics Services Private Limited secured against all stock in trade, movable asset, both present and future, plant and machinery, book debts and receivables and fixed deposits of ₹0.90 crores | 4.45 | - |
| ****Unsecured Loan from banks:** | | | |
| 1 | Working capital demand loan availed by Minda TG Rubber Private Limited of ₹13.40 crores (Interest rate 8.90%) {March 31, 2018: ₹9.60 crores (Interest rate 8.40%) and ₹4.50 crores (Interest rate 11.80%)} | 13.40 | 14.10 |
| 2 | Short term Loan from-Tokyo -Mitsubishi UFJ,Ltd by MI Torica India Private Limited. | 19.41 | - |
| 3 | From BBVA Bank to Global Mazinkert, S.L | 19.38 | 14.06 |
| 4 | From La Caixa Bank to Global Mazinkert, S.L | 29.37 | 23.16 |
| 5 | From Santader Bank to Global Mazinkert, S.L | 9.87 | 14.55 |
| *****Unsecured Loan from related party:** | | | |
| 1 | From Singhal Fin Cap Limited to Minda Rinder Private Limted which is repayable on demand carries interest rate of 8.50%p.a. ( 31 March 2018, 8.50%) | 28.00 | 28.00 |
| 2 | From Singhal Fin Cap Limited to Minda Katolec Electronics Services Private Limited which is repayable on demand carries interest rate of 8.50%p.a. | 10.00 | - |
| ******Unsecured Loan from Others:** | | | |
| 1 | Bajaj Finance Ltd, Loan taken by M/s M.J Casting Limited | 6.50 | - |
| 2 | Suppliers credit is from Bajaj Finance Limited and Minda Rinder Private Limited has entered into tripartite agreement with Bajaj Auto Ltd. | 6.00 | 6.00 |
| 3 | Working capital loan from Bajaj Finance Limited by the Parent Company, is repayable maximum within 60 days in case of purchase order discounting and 180 days in case of short term loan, respectively. | 35.08 | 23.02 |
| **Total** | | **349.15** | **302.81** |

# Notes forming part of the Financial Statements

## 22 Trade payables

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Trade payables | | |
| (a) Total outstanding dues of micro and small enterprises (Refer note 44) | 64.61 | 6.08 |
| (b) Total outstanding dues of creditors other than micro and small enterprises | 733.21 | 792.33 |
| | **797.82** | **798.41** |

The group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in Note 50.

## 23 Other financial liabilities (current)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Current maturities of non-current borrowings | 125.74 | 66.07 |
| Current portion of deferred payment liabilities | 1.37 | 2.67 |
| Interest accrued but not due on non-current borrowings | 2.37 | 0.97 |
| Unpaid dividend | 0.28 | 0.28 |
| Capital creditors | 51.86 | 37.09 |
| Others | | |
| - Payable to employees | 46.27 | 41.18 |
| - Current portion of deferred Government grants | 1.31 | 6.82 |
| - Forward contract payable | 1.95 | 0.33 |
| | **231.15** | **155.41** |

## 24 Other current liabilities

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Advance from customers | 30.64 | 37.93 |
| Others | | |
| - Mark to market loss derivative contract | 0.03 | 0.30 |
| - Statutory dues | 47.23 | 53.61 |
| | **77.90** | **91.84** |

## 25 Short-term provisions

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (Refer note 42) | 3.00 | 2.95 |
| Compensated absences | 3.75 | 2.66 |
| | **6.75** | **5.61** |
| **Others** | | |
| Provision for warranty (Refer note 45) | 14.28 | 8.74 |
| Provison for Others | 0.53 | 0.48 |
| | **14.81** | **9.22** |
| | **21.56** | **14.83** |

# Notes forming part of the Financial Statements

## 26 Current tax liabilities (net)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Provision for Income tax (net) | - | 3.83 |
| | **-** | **3.83** |

## 27 Revenue from operations

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2019 | For the Year ended 31 March 2018 |
|---|---|---|
| Sale of products (including excise duty) | 5,774.83 | 4,464.49 |
| Sale of services | 78.46 | 50.74 |
| Other operating revenues | 54.80 | 33.05 |
| | **5,908.09** | **4,548.29** |

## 28 Other income

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2019 | For the Year ended 31 March 2018 |
|---|---|---|
| Interest income on fixed deposits | 5.35 | 12.85 |
| Net gain on foreign currency fluctuations | 12.17 | - |
| Profit on sale of property, plant and equipment (net) | 1.95 | 1.61 |
| Income under Package Scheme of Incentives | 0.49 | 3.96 |
| Other non-operating income | | |
| - Liabilities / provisions no longer required written back | 1.45 | 12.96 |
| - Insurance Claim | 1.04 | - |
| - MTM gain on forward contract | 1.19 | - |
| - Miscellaneous income | 3.39 | 1.97 |
| | **27.03** | **33.35** |

## 29 Cost of materials consumed

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2019 | For the Year ended 31 March 2018 |
|---|---|---|
| Raw materials (including purchased components and packing material consumed) | | |
| Opening inventories | 212.83 | 124.72 |
| Inventories acquired as part of acquisition of subsidiaries | 0.53 | 37.47 |
| Purchases | 3,163.07 | 2,388.51 |
| Closing inventories | 274.94 | 212.83 |
| Foreign currency translation adjustment | (1.46) | 4.16 |
| | **3,100.03** | **2,342.02** |

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# Notes forming part of the Financial Statements

## 30 Purchase of stock in trade

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Purchase of stock in trade | 558.72 | 454.21 |
| | **558.72** | **454.21** |

## 31 Changes in inventories of finished goods, work in progress and stock in trade

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2019 | For the Year ended 31 March 2018 |
|---|---|---|
| **Inventories at the end of the year:** | | |
| Work-in-progress | 61.34 | 38.76 |
| Finished goods (other than those acquired for trading) | 103.89 | 78.38 |
| Stock-in-trade (acquired for trading) | 65.77 | 33.67 |
| | **231.00** | **150.81** |
| **Inventories at the beginning of the year:*** | | |
| Work-in-progress | 46.82 | 31.19 |
| Finished goods (other than those acquired for trading) | 93.67 | 59.38 |
| Stock-in-trade (acquired for trading) | 54.24 | 27.19 |
| | **194.73** | **117.76** |
| **Net (increase) / decrease in stocks** | **(36.27)** | **(33.05)** |

* Includes inventory on account of acquisition made during 2018-19 is ₹43.92 ( Previous year ₹26.13)

## 32 Employee benefits expense

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2019 | For the Year ended 31 March 2018 |
|---|---|---|
| Salaries and wages | 672.97 | 497.50 |
| Compensated absence | 7.87 | 5.29 |
| Expense on employee stock option schemes (refer note 47) | - | 6.38 |
| Contribution to provident and other funds | 67.09 | 43.43 |
| Staff welfare expense | 43.36 | 34.20 |
| | **791.29** | **586.80** |

## 33 Finance costs

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2019 | For the Year ended 31 March 2018 |
|---|---|---|
| Interest expense on borrowings | 56.92 | 31.73 |
| Other finance costs | 6.23 | 3.36 |
| | **63.15** | **35.09** |

# Notes forming part of the Financial Statements

## 34 Depreciation and amortisation expense

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2019 | For the Year ended 31 March 2018 |
|---|---|---|
| Depreciation on property, plant and equipment | 219.39 | 155.58 |
| Amortisation on intangible fixed assets | 14.99 | 9.27 |
| | **234.38** | **164.85** |

## 35 Other expenses

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2019 | For the Year ended 31 March 2018 |
|---|---|---|
| Consumption of stores and spare parts | 116.46 | 89.87 |
| Job work charges | 76.76 | 70.91 |
| Power and fuel | 149.09 | 111.45 |
| Rent (Refer note 46) | 39.38 | 24.37 |
| Repairs and maintenance: | | |
| Buildings | 11.89 | 10.77 |
| Machinery | 34.80 | 24.98 |
| Others | 14.07 | 9.35 |
| Insurance | 5.99 | 3.56 |
| Rates and taxes | 3.42 | 4.13 |
| Travelling and conveyance | 62.32 | 47.96 |
| Directors' sitting fee | 0.54 | 0.30 |
| Legal and professional charges * | 35.79 | 26.68 |
| Fixed assets scrapped/ written off | 0.87 | 1.29 |
| Advertisement and sales promotion | 11.62 | 12.90 |
| Provision for doubtful trade and other receivables, loans and advances (net) | 1.71 | 1.29 |
| Doubtful trade and other receivables, loans and advances written off | 0.06 | 1.02 |
| Royalty expenses | 10.14 | 4.73 |
| Freight and other distribution overheads | 94.15 | 76.85 |
| Warranty (Refer Note 45) | 14.23 | 9.57 |
| Printing and stationery | 4.07 | 3.80 |
| CSR contribution and donations | 4.43 | 2.73 |
| Net loss on foreign currency fluctuations (other than considered as finance cost) | 12.78 | - |
| Miscellaneous expenses | 64.57 | 48.24 |
| | **769.14** | **586.76** |
| Note: | | |
| *Includes payments to the Auditors (excluding taxes) | | |
| Statutory audit | 1.79 | 1.91 |
| Limited review | 0.60 | 0.54 |
| Certification | 0.38 | 0.12 |
| Reimbursement of expenses | 0.25 | 0.19 |
| | **3.02** | **2.76** |

# Notes forming part of the Financial Statements

## 36 Exceptional Item

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2019 | For the Year ended 31 March 2018 |
|---|---|---|
| Gain on fair valuation of pre-existing shareholding of an associate on conversion into subsidiary persuant to Ind AS 103 | - | 70.12 |
| Provision for contigencies relating to export obligations in respect of a subsidiary company* | - | (31.88) |
| | **-** | **38.24** |

* Deferred tax asset of ₹8.46 Crores has been netted off from deferred tax liability for the year ended 31 March 2018.

## 37 Earnings per share

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the Year ended 31 March 2019 | For the Year ended 31 March 2018 |
|---|---|---|
| Net profit after tax as per Statement of Profit and loss | 285.62 | 310.19 |
| Weighted average number of Equity Shares (in Nos.): | | |
| for Basic EPS | 261,971,018 | 259,255,363 |
| for Diluted EPS | 261,971,018 | 260,072,166 |
| Basic earnings per share in rupees (Face value ₹2 per share) (In rupees) | 10.90 | 11.96 |
| Diluted earnings per share in rupees (Face value ₹2 per share) (In rupees) | 10.90 | 11.93 |
| Calculation of weighted average number of shares for basic/diluted earnings per share* | | |
| For basic earnings per share | | |
| Opening balance of Equity Shares | 261,123,465 | 237,980,340 |
| Closing balance of equity shares | 262,216,965 | 261,123,465 |
| Weighted average number of basic earnings per share | 261,971,018 | 259,255,363 |
| | **261,971,018** | **259,255,363** |
| For diluted earnings per share | | |
| Add: Weighted average number of potential shares on account of employee stock options/ performance shares scheme | - | 816,803 |
| Weighted average number of diluted earnings per share | 261,971,018 | 260,072,166 |

*Earnings per share of comparative period is restated for bonus share issued during the year ended March 2019

## 38 Contingent liabilities

(a) Claims made against the Group not acknowledged as debts (including interest, wherever applicable):

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Income tax matter | 4.57 | 4.67 |
| Service tax matter | 0.71 | 0.51 |
| Excise / Sales tax matter | - | 0.81 |
| Others | 2.86 | 0.04 |
| Bank guarantee given to custom authorities and others | 0.87 | 1.11 |

Future cash outflows in respect of the above would be determinable on finalization of judgments /decisions pending with various forums / authorities.

(b) Group Companies have made sales to various customers against C-form issued under Central Sales Tax Act on account of which the Group Companies have paid 2% sales tax in place of respective higher rates. Total outstanding forms amounting to ₹2.49 crore (₹204.38 crores as on 31 March 2018). If the Group Companies do not collect the forms in prescribed time, then the Group Companies may have to pay differential tax, including interest and penalty thereon which is not quantifiable.

## 38 Contingent liabilities (Contd.)

(c) As per the EPCG terms and conditions, the respective companies within the Group needs to export ₹49.17 crores (₹418 crores as on 31 March 2018) i.e. 6 times of duty saved on import of Capital goods on FOB basis within a period of 6 years. If the respective companies do not export goods in prescribed time, they may have to pay interest and penalty thereon.

(d) An entity in group has availed MSIP incentive from the Ministry of Electronics amounting of ₹3.42 crore ( 31 March 2018 Nil). In accordance with the MSIP guidelines, the amount may be refundable to the government if the specified conditions are not fulfilled within prescribed time.

(e) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively.

Pending the outcome of the review petition and directions from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the consolidated financial statements.

## 39 Capital and other commitments (net of advance)

a) Estimated amount of contracts remaining to be executed on account of capital and other commitments and not provided for as at 31 March 2019 aggregates to ₹148.98 crores (31 March 2018: ₹106.27 crores).

b) Estimated amount of investment to be made as per government incentive scheme is ₹488.58 crores (Nil as at 31 March 2018).

**40** During the year 2002-03, the Director, Town and Country Planning, Chandigarh issued a demand notice on the Parent Company amounting to ₹0.39 crore towards revised CLU (change of land use) charges for the land situated at Village Nawada Fatehpur, P.O. Sikanderpur Badda, Gurugram, and Haryana. The Parent Company paid ₹0.02 crore and had also filed a Special Leave Petition (SLP) with the Hon'ble Supreme Court of India, basis which a leave had been granted. Further, the Parent Company had deposited ₹0.09 crore as under protest with the authorities. During the previous years, the Parent Company had filed a writ petition with the High Court of Punjab and Haryana in order to cancel the demand notice and obtain a stay on the balance demand. Further, the Parent Company had withdrawn the petition and accordingly had asked Town and Country Planning, Chandigarh to review and waive of the liability of remaining balance of ₹0.28 crore and the interest thereon amounting to ₹0.47 crore (previous year ₹0.44 crore) towards revised CLU charges after adjusting the amount of ₹0.11 crore paid earlier.

During the previous year, the Parent Company had applied for grant of license under 'Affordable Housing Policy- 2013' on the land measuring 5 acres in revenue estate of Village Nawada, Fatehpur Sector-81, Gurugram and paid scrutiny fee (non-refundable) amounting to ₹0.03 crore in this respect, which was received during the year. The Parent Company has paid ₹0.43 crore towards CLU charges during the year. The Parent Company has further applied for grant of similar license on additional land measuring 5 acres in revenue estate of Village Nawada, Fatehpur Sector-81, Gurugram.

On issue of license either under 'Residential Group Housing Colony scheme' or under 'Affordable Housing Policy 2013', CLU charges would be payable as per terms and conditions of the scheme.

## 41 Segment information

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

As the Group's business activity primarily falls within a single business segment i.e. auto components including electrical parts and its accessories and ancillary services as primary segment, thus there are no additional disclosures to be provided under Ind AS 108 – 'Operating Segments'. The management considers that the various goods and services provided by the Group constitutes single business segment, since the risk and rewards from these services are not different from one another.

**Information about geographical areas**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| Revenue from operations* | Within India | 4,885.54 | 3,680.89 |
| | Outside India | 1,022.55 | 867.40 |
| Non-current assets** | Within India | 2,005.75 | 1,495.42 |
| | Outside India | 105.69 | 97.06 |

* on the basis of location of customers.
** on the basis of location of the assets.

Assets used in the Group's business and liabilities contracted in respect of its business activities, are not identifiable in line with the above geographies as the assets and liabilities contracted are used interchangeably between the geographies.

## 42 Disclosure pursuant to Ind AS 19 on "Employee Benefits"

### Defined benefit plan (Gratuity)

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

### Inherent risk

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

### Salary inflation risk

Higher than expected increase 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.

# Notes forming part of the Financial Statements

## 42 Disclosure pursuant to Ind AS 19 on "Employee Benefits" (Contd.)

### (i) Changes in present value of obligation:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended | |
|---|---|---|
| | 31 March 2019 | 31 March 2018 |
| Present value of obligation as at the beginning of the year | 44.84 | 33.51 |
| Current service cost | 8.20 | 6.06 |
| Interest cost | 3.88 | 2.81 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | |
| - change in demographic assumptions (gain) / loss | (0.16) | (0.10) |
| - change in financial assumptions | (0.12) | (2.60) |
| - experience variance | (0.32) | (0.24) |
| Past service cost | - | 8.02 |
| Benefits paid | (3.18) | (2.68) |
| Others | 5.71 | 0.06 |
| **Present value of obligation as at the end of year** | **58.85** | **44.84** |
| - Long term | 55.85 | 41.89 |
| - Short term | 3.00 | 2.95 |

The Parent Company and its subsidiary is maintaining its gratuity fund with L.I.C. through Gratuity Trust.

### (ii) Changes in the fair value of plan assets:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended | |
|---|---|---|
| | 31 March 2019 | 31 March 2018 |
| Fair value of plan assets at the beginning of the year | 6.16 | 5.53 |
| Expected return on plan assets | 0.25 | 0.02 |
| Return on plan assets | 0.73 | 0.67 |
| Actuarial gain/loss for the year | - | (0.02) |
| Employer contributions | - | 0.04 |
| Benefits paid | (0.18) | (0.08) |
| Others | 3.72 | - |
| Fair value of plan assets at the end of the year | 10.68 | 6.16 |

### (iii) The amounts recognized in the balance sheet are as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Present value of obligation as at the end of the year | (58.85) | (44.84) |
| Fair value of plan assets as at the end of the year | 10.68 | 6.16 |
| Unfunded status | (48.17) | (38.68) |
| Net asset/(liability) recognized in balance sheet | (48.17) | (38.68) |

### (iv) Expenses recognized in the statement of profit and loss:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Current service cost | 8.20 | 6.06 |
| Past service cost | - | 8.02 |
| Interest cost | 3.88 | 2.81 |
| Return on plan assets | (0.98) | (0.69) |
| Expenses recognized in the consolidated statement of profit and loss | 11.10 | 16.20 |

# Notes forming part of the Financial Statements

## 42 Disclosure pursuant to Ind AS 19 on "Employee Benefits" (Contd.)

### (v) Re-measurements recognised in other comprehensive income (OCI):

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Actuarial (gains) / losses | | |
| - change in demographic assumptions | (0.16) | (0.10) |
| - change in financial assumptions | (0.12) | (2.60) |
| - experience variance (i.e. Actual experience vs assumptions) | (0.32) | (0.24) |
| Return on plan assets, excluding amount recognised in net interest expense | - | 0.02 |
| **Components of defined benefit costs recognised in other comprehensive income** | **(0.60)** | **(2.92)** |

### (vi) Maturity profile of defined benefit obligation:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Expected cash flows over the next (valued on undiscounted basis) | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Within next 12 Months | 4.13 | 3.71 |
| Between 1 and 5 years | 12.65 | 10.62 |
| Between 5 and 10 years | 21.89 | 17.69 |
| More than 10 years | 138.35 | 120.56 |

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

a) Economic assumptions:

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

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Discount rate | 7.35% - 7.85% | 7.60% - 7.80% |
| Future salary increase | 6.00% - 9.00% | 6.5% - 9.00% |
| Expected return on plant assets | 8.00% | 8.00% |

b) Demographic assumptions:

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| i) Retirement Age (Years) | 55-60 | 58.00 |
| ii) Mortality Table | IALM (2006-08) | IALM (2006-08) |
| iii) Ages | Withdrawal Rate (%) | Withdrawal Rate (%) |
| Up to 30 years | 3.00 | 3.00 |
| From 31 to 44 years | 2.00 | 2.00 |

### (viii) Sensitivity analysis for significant assumptions:

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

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| 1% increase in discount rate | 46.75 | 43.09 |
| 1% decrease in discount rate | 59.26 | 54.71 |
| 1% increase in salary escalation rate | 58.46 | 53.95 |
| 1% decrease in salary escalation rate | 47.24 | 43.54 |
| 50% increase in attrition rate | 52.18 | 48.04 |
| 50% decrease in attrition rate | 52.72 | 48.75 |
| 10% increase in mortality rate | 52.44 | 48.31 |
| 10% decrease in mortality rate | 52.42 | 48.30 |

# Notes forming part of the Financial Statements

## 43 Income taxes

### Reconciliation of effective tax rate:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Profit before income tax expense (inclusive of other comprehensive income excluding share of profit in associates and joint ventures) | 454.22 | 411.71 |
| Tax at India's tax rate of 34.944% (previous year 34.608%) | 158.72 | 142.48 |
| Tax effect of amounts which are not deductible in calculating taxable income (net off exempt income) | 1.37 | (2.53) |
| Other tax allowances | (2.91) | (3.78) |
| Tax on foreign dividend | (3.29) | (6.35) |
| Weighted deduction for expenditure incurred on research and development | (13.53) | (8.29) |
| Difference of tax rate due to foreign subsidiaries | (6.39) | (5.86) |
| Deferred tax created on account of reasonable certainty of income in future years | 0.07 | (7.82) |
| Change in tax rates | (3.54) | 2.43 |
| Adjustment on account of EPCG | 0.02 | (2.30) |
| Other adjustments | 3.76 | (9.37) |
| **Income tax expense (inclusive of other comprehensive income tax component)** | **134.29** | **98.62** |

44 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the said Memorandum. Accordingly, the disclosures in below respect of the amounts payable to such enterprises as at the year-end has been made based on information received and available with the Group.

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| The amounts remaining unpaid to micro and small suppliers as at the end of the year | | |
| - Principal | 64.61 | 6.08 |
| - Interest | 0.31 | 0.01 |
| The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006) | - | - |
| The Amounts of the payments made to micro and small suppliers beyond the appointed day during the year | 251.81 | 154.31 |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006 | 1.06 | 1.25 |
| The amount of interest accrued and remaining unpaid at the end of the year | 1.37 | 1.31 |
| 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 MSMED Act 2006 | - | - |

# Notes forming part of the Financial Statements

## 45 Provision for contingencies

**Warranty**

The Group has made 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-utilized provision is reversed on expiry of the warranty period. The movement of the provision is as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Balance as at beginning of the year | 11.85 | 6.72 |
| Add: Provision made during the year | 14.23 | 9.57 |
| Less: Utilized during the year | (8.53) | (4.44) |
| Balance as at the end of the year | 17.55 | 11.85 |
| Non-current | 3.27 | 3.11 |
| Current | 14.28 | 8.74 |

## 46 Operating lease

The Group has taken certain premises and machineries on cancellable operating leases.

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Payable within one year | 12.18 | 5.45 |
| Payable between one to five years | 38.62 | 10.93 |
| Payable after five years | 23.39 | 59.77 |
| **Total** | **74.19** | **76.15** |

Amounts recognised in profit or loss (All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Lease expense (Refer note 35) | 39.38 | 24.37 |

## 47 Share based payments

**(a) Minda Employee Stock Option Scheme 2016**

The members of the Parent Company had approved 'Minda Employee Stock Option Scheme 2016' at the Annual General Meeting held on 11 August 2016. The plan envisaged grant of stock options to eligible employees at market price in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

This scheme provided for conditional grant of Performance Shares at nominal value to eligible management employees as determined by the Compensation Committee of the Board of Directors from time to time. The performance measures under this scheme include Group achieving the target market capitalisation. The maximum number of equity shares to be allotted under the scheme are 1,500,000. The number of options granted under the 2016 Performance Share Schemes are 888,000 equity shares at an exercise price of ₹ 180/- each and 98,750 equity shares at an exercise price of ₹392/- each. The scheme is monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors 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.

During the year, the Parent Company has issued bonus shares in the proportion of two equity shares for every one existing equity shares of ₹2 per share. Accordingly, the number of options granted to eligible employees is adjusted in the same proportion for the unexcercised options as on the date of issue of bonus shares.

| Particulars | Scheme Name | Scheme Name |
|---|---|---|
| **Scheme** | **Minda Employee Stock Option Scheme 2016** | **Minda Employee Stock Option Scheme 2016** |
| Year | 2016-17 | 2016-17 |
| Date of Grant | 23-Nov-16 | 21-Mar-17 |
| No. of options granted | 888,000 | 98,750 |
| Vesting conditions | Achieving target of market capitalization of the Company on or before 31 March 2018 | Achieving target of market capitalization of the Company on or before 31 March 2018 |
| Exercise period | 1 Year from the date of vesting | 1 Year from the date of vesting |
| Exercise price (₹) per share | 180/- | 392/- |
| Fair value of the option on the date of grant (₹) per share | 99.11/- | 71.75/- |

## 47 Share based payments (Contd.)

### No. of Share outstanding at year end for Minda Employee Stock Option Scheme 2016

| Particulars | For Year ended 31 March 2019 | For Year ended 31 March 2018 |
|---|---|---|
| Outstanding at the beginning of the year | 364,500 | 986,750 |
| Granted during the year | - | 986,750 |
| Forfeited/ Expired during the year | - | - |
| Exercised during the year* | 364,500 | 622,250 |
| Exercisable at the end of the year | - | 364,500 |
| Outstanding at the end of the year | - | - |
| Weighted average exercise price during the year (₹) per share | 222/- | 189/- |

The Employee Stock Option Plan includes employees of Minda Industries Limited and its subsidiaries.

| | Pre Bonus | Post Bonus |
|---|---|---|
| * The number of shares issued during the year ended 31 March 2019. | 130,000 | 703,500 |

| | | |
|---|---|---|
| Amount charged to the statement of profit and loss account | - | 6.38 |

### Fair valuation

The fair value of options has been done by an independent merchant banker 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 2019 | As at 31st March 2018 |
|---|---|---|
| Risk-free interest rate (%) | 6.13% - 6.51% | 6.13% - 6.51% |
| Expected life of options (years) [(year to vesting) + (contractual option term)/2] | 1.53 years - 1.85 years | 1.53 years - 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.

**(b) UNO Minda Employee Stock Option Scheme – 2019**

During the current financial year, the shareholders of the Parent Company have approved the UNO Minda Employee Stock Option Scheme – 2019 (herein referred as UNOMINDA ESOS-2019) through postal ballot resolution dated March 25, 2019. According to UNOMINDA ESOS-2019, the Nomination and Remuneration Committee of the Parent Company ('NRC') decides upon the employees who qualify under the Plan and the number of Options to be issued to such employees.

Subsequent to the year end, the NRC has approved and granted 1,012,259 number of options to Eligible Employees of the Parent Company and its Subsidiaries at a price of ₹325 per option. Relevant accounting treatment and disclosure of the UNOMINDA ESOS-2019 scheme will be done in the year 2019-20.

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

49 On February 14, 2019, the board of directors of the Company approved composite scheme of amalgamation (the Scheme) of Harita Limited ("Transferor Company 1") and Harita Venu Private Limited ("Transferor Company 2") and Harita Cheema Private Limited ("Transferor Company 3") and Harita Financial Services Limited ("Transferor Company 4") and Harita Seating Systems Limited ("Transferor Company 5") and Minda Industries Limited ("Transferee Company") subject to necessary approvals of shareholders, creditors, SEBI, Stock Exchanges, the Reserve Bank of India, other governmental authorities and third parties as may be required.

The scheme provides for

(i) Amalgamation of the Transferor Company 1, the Transferor Company 2, the Transferor Company 3 and the Transferor Company 4 with the Transferee Company, and the consequent issue of equity shares or non-convertible redeemable preference shares by the Transferee Company in the manner set out in the Scheme; and

(ii) Amalgamation of Transferor Company 5 with the Transferee Company, and the consequent issue of equity shares or non-convertible redeemable preference shares by the Transferee Company in the manner set out in this scheme.

On the Scheme of amalgamation becoming effective, the Company may issue

(i) 125,27,570 equity shares having face value of ₹2 each (after considering cancellation of shares on account of cross holding) if all the shareholders of Transferor Companies (1 to 4) and Transferor Company 5 opt for equity shares of Transferee Company

Or

(ii) 336,81,738 preference shares having face value of ₹100/- each (after considering cancellation of shares on account of cross holding) if all the shareholders of Transferor Companies (1 to 4) and Transferor Company 5 opt for preference shares of Transferee Company.

The appointed date of the amalgamation as per scheme is 1 April 2019. Appropriate accounting treatment of the Scheme will be done in the financial statements once the requisite approvals as aforementioned are obtained.

## 50 Financial risk management

The Group, as an active supplier for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The Group's decentralised management structure with the main activities in the plants 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 Group is exposed to and how it manages the risks:

### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and price risks, such as equity price risk and commodity price risk. The sensitivity analyses in the following sections relate to the position as at March 31 2019. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

**(i) Foreign currency risk**

The Group's risk management policy is to hedge a part of its estimated foreign currency exposure in respect of forecast sales and purchases. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

| Nature of Contracts | Currency Hedged | Outstanding Foreign Currency amount as at 31 March 2019* | Rupees in Crores | Outstanding Foreign Currency amount as at 31 March 2018* | Rupees in Crores |
|---|---|---|---|---|---|
| Forward exchange contracts ( Debtors) | USD | 300,000 | 2.08 | 500,000 | 3.25 |
| Forward exchange contracts (Debtors) | EURO | - | - | 1,050,000 | 8.47 |
| Cross currency and interest rate swaps (to hedge the foreign currency loan) | USD | 6,500,000 | 44.96 | 5,739,177 | 37.33 |
| Forward exchange contracts (Creditors) | JPY | - | - | 65,944,973 | 4.06 |
| Currency options (to hedge the ECB loan) | EURO | 1,890,275 | 14.69 | 1,850,000 | 14.92 |

* Foreign currency figures in absolute

**Particulars of un-hedged foreign currency exposure**

| Currency | As at 31 March 2019 | | | As at 31 March 2018 | | |
|---|---|---|---|---|---|---|
| | Foreign currency Amount in Crores | Exchange rate (in ₹) | Rupees in Crores | Foreign currency Amount in Crores | Exchange rate (in ₹) | Rupees in Crores |
| **Trade receivables** | | | | | | |
| USD | 1.10 | 69.17 | 76.31 | 0.91 | 65.04 | 59.00 |
| EUR | 0.22 | 77.70 | 17.25 | 0.51 | 80.62 | 41.26 |
| JPY | 13.47 | 0.63 | 8.42 | 8.27 | 0.62 | 5.09 |
| GBP | 0.00 | 90.48 | 0.03 | 0.00 | 92.28 | 0.11 |
| **Trade payable & Capital creditors** | | | | | | |
| USD | 1.23 | 69.17 | 85.38 | 1.18 | 65.04 | 76.69 |
| JPY | 62.84 | 0.63 | 39.29 | 57.57 | 0.62 | 35.43 |
| EUR | 0.10 | 77.70 | 7.75 | 0.18 | 80.62 | 14.16 |
| GBP | - | 90.48 | - | 0.04 | 92.28 | 3.43 |
| TWD | 0.03 | 2.24 | 0.07 | 0.00 | 2.23 | 0.00 |
| SGD | 0.01 | 51.08 | 0.41 | 0.00 | 49.82 | 0.03 |
| THB | 0.34 | 2.24 | 0.77 | - | - | - |
| CNY | 0.05 | 10.35 | 0.55 | - | - | - |

# Notes forming part of the Financial Statements

## 50 Financial Risk Management (Contd.)

| Currency | As at 31 March 2019 | | | As at 31 March 2018 | | |
|---|---|---|---|---|---|---|
| | Foreign currency Amount in Crores | Exchange rate (in ₹) | Rupees in Crores | Foreign currency Amount in Crores | Exchange rate (in ₹) | Rupees in Crores |
| **Advance to vendors** | | | | | | |
| CHF | 0.00 | 68.52 | 0.07 | 0.01 | 68.50 | 0.70 |
| EUR | 0.00 | 77.70 | 0.27 | 0.00 | 80.62 | 0.02 |
| USD | 0.14 | 69.17 | 9.61 | 0.03 | 65.04 | 1.77 |
| GBP | 0.00 | 90.48 | 0.01 | 0.01 | 92.28 | 1.08 |
| JPY | 1.12 | 0.63 | 0.70 | 8.80 | 0.62 | 5.45 |
| SGD | 0.02 | 51.08 | 1.03 | - | - | - |
| **Advance from customers** | | | | | | |
| USD | 0.00 | 69.17 | 0.20 | 0.00 | 65.04 | 0.27 |
| EUR | 0.00 | 77.70 | 0.00 | - | 80.62 | - |
| **Bank balances** | | | | | | |
| TWD | 0.07 | 2.24 | 0.16 | - | 2.23 | - |
| USD | 0.15 | 69.17 | 10.35 | 0.07 | 65.04 | 4.72 |
| JPY | 3.79 | 0.63 | 2.37 | 1.28 | 0.62 | 0.79 |
| EUR | 0.04 | 77.70 | 3.16 | 0.01 | 80.62 | 1.17 |
| **Borrowings** | | | | | | |
| USD | 2.16 | 69.17 | 149.75 | 0.48 | 65.04 | 31.42 |
| JPY | - | 0.63 | - | 142.50 | 0.62 | 88.35 |
| EUR | 0.14 | 77.70 | 10.81 | 0.67 | 80.62 | 54.20 |
| **Other current liabilities** | | | | | | |
| USD | - | 69.17 | - | 0.02 | 65.04 | 1.44 |

### Foreign currency risk sensitivity

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

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Exposure gain/(loss) | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| **Particulars** | **Change +1%** | **Change -1%** | **Change +1%** | **Change -1%** |
| **Trade receivables** | | | | |
| USD | 0.76 | (0.76) | 0.59 | (0.59) |
| EUR | 0.17 | (0.17) | 0.41 | (0.41) |
| JPY | 0.08 | (0.08) | 0.05 | (0.05) |
| GBP | 0.00 | (0.00) | 0.00 | (0.00) |
| **Trade payables** | | | | |
| USD | (0.85) | 0.85 | (0.77) | 0.77 |
| JPY | (0.39) | 0.39 | (0.35) | 0.35 |
| EUR | (0.08) | 0.08 | (0.14) | 0.14 |
| GBP | - | - | (0.03) | 0.03 |
| TWD | (0.00) | 0.00 | (0.00) | 0.00 |
| SGD | (0.00) | 0.00 | (0.00) | 0.00 |
| THB | (0.01) | 0.01 | - | - |
| CNY | (0.01) | 0.01 | - | - |

## 50 Financial Risk Management (Contd.)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Exposure gain/(loss) | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| **Particulars** | **Change +1%** | **Change -1%** | **Change +1%** | **Change -1%** |
| **Advance to vendors** | | | | |
| CHF | 0.00 | (0.00) | 0.01 | (0.01) |
| EUR | 0.00 | (0.00) | 0.00 | (0.00) |
| USD | 0.10 | (0.10) | 0.02 | (0.02) |
| GBP | 0.00 | (0.00) | 0.01 | (0.01) |
| JPY | 0.01 | (0.01) | 0.05 | (0.05) |
| SGD | 0.01 | (0.01) | - | - |
| **Advance from customers** | | | | |
| USD | (0.00) | 0.00 | (0.00) | 0.00 |
| EUR | (0.00) | 0.00 | - | - |
| **Bank balances** | | | | |
| TWD | 0.00 | (0.00) | - | - |
| USD | 0.10 | (0.10) | 0.05 | (0.05) |
| JPY | 0.02 | (0.02) | 0.01 | (0.01) |
| EUR | 0.03 | (0.03) | 0.01 | (0.01) |
| **Borrowings** | | | | |
| USD | (1.50) | 1.50 | (0.31) | 0.31 |
| JPY | - | - | (0.88) | 0.88 |
| EUR | (0.11) | 0.11 | (0.54) | 0.54 |
| **Other Current Liabilities** | | | | |
| USD | - | - | (0.00) | 0.00 |

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. During 31 March 2019 and 31 March 2018, the Group's borrowings at variable rate were mainly denominated in INR, EURO, JPY and USD.

The Group's fixed rate borrowings are carried at amortised cost.

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

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Variable rate borrowings | 929.29 | 451.07 |
| Fixed rate borrowings | 151.93 | 157.85 |
| **Total** | **1,081.23** | **608.92** |

**Sensitivity analysis**

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

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Impact on profit after tax | |
|---|---|---|
| | **31 March 2019** | **31 March 2018** |
| Increase by 0.5% | (4.65) | (2.26) |
| Decrease by 0.5% | 4.65 | 2.26 |

# Notes forming part of the Financial Statements

## 50 Financial Risk Management (Contd.)

**(iii) Commodity price risks**

Fluctuation in commodity price in market affects directly or indirectly the price of raw material and components used by the Group. The Group sells its products mainly to auto makers (Original Equipment Manufacturer) whereby there is a regular negotiation / adjustment of prices on the basis of changes in commodity prices.

### b) Liquidity risk

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

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

(All amounts in Indian ₹ Crore, unless otherwise stated)

| As at 31 March 2019 | 0-1 Years | 1-5 Years | More than 5 Years | Total |
|---|---|---|---|---|
| Borrowings | 474.89 | 581.94 | 24.40 | 1,081.23 |
| Trade payable | 797.82 | - | - | 797.82 |
| Other financial liabilities | 105.41 | 75.58 | - | 180.99 |
| **As at March 31, 2018** | | | | |
| Borrowings | 368.89 | 230.22 | 9.82 | 608.92 |
| Trade payable | 798.41 | - | - | 798.41 |
| Other financial liabilities | 89.34 | 51.46 | - | 140.80 |

**(ii) Financing arrangements**

The Group had access to the following undrawn borrowing facilities at the end of the reporting period.

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Floating rate | As per Note 21 | As per Note 21 |
| - Expiring within one year (cash credit and other facilities) | 54.98 | 102.80 |

### c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Group and arises principally from the Group's receivables from customers and deposits with banking institutions. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

The Group has developed guidelines for the management of credit risk from trade receivables. The Group's primary customers are major automobile manufacturers (OEMs) with good credit ratings. All 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 Group has deposited liquid funds at various banking institutions. No impairment loss is considered necessary in respect of fixed deposits that are with recognised commercial banks and are not past due over past years.

51 **(i) The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations**

(All amounts in Indian ₹ Crore, unless otherwise stated)

| As at 31 March 2019 | Minda Kyoraku Limited | Minda Kosei Aluminum Wheel Private Limited | Mindarika Private Limited |
|---|---|---|---|
| **NCI percentage** | **32.40%** | **30.01%** | **49.00%** |
| Non-current assets | 115.36 | 515.33 | 212.86 |
| Current assets | 51.82 | 187.41 | 194.37 |
| Non-current liabilities | 34.33 | 264.36 | 46.32 |
| Current liabilities | 33.90 | 137.33 | 146.96 |
| Net assets | 98.95 | 301.05 | 213.95 |
| **Net assets attributable to NCI** | **32.06** | **90.35** | **104.84** |
| Revenue | 157.76 | 599.74 | 801.36 |
| Profit/(Loss) | 11.91 | 56.33 | 48.75 |
| OCI | 0.10 | (0.07) | 0.25 |
| Total comprehensive income | 12.01 | 56.26 | 49.00 |
| **Profit/(Loss) allocated to NCI** | **3.86** | **16.90** | **23.89** |
| **OCI allocated to NCI** | **0.03** | **(0.02)** | **0.12** |
| **Total comprehensive income allocated to NCI** | **3.89** | **16.88** | **24.01** |
| Cash flows from (used in) operating activities | 9.31 | 97.42 | 59.13 |
| Cash flows from (used in) investing activities | (62.81) | (125.92) | (57.55) |
| Cash flows from (used in) financing activities | 28.22 | 15.19 | (24.08) |
| **Net increase (decrease) in cash and cash equivalents** | **(25.28)** | **(13.31)** | **(22.50)** |

(All amounts in Indian ₹ Crore, unless otherwise stated)

| As at 31 March 2018 | Minda Kyoraku Limited | Minda Kosei Aluminum Wheel Private Limited | Mindarika Private Limited |
|---|---|---|---|
| **NCI percentage** | **28.34%** | **30.01%** | **49.00%** |
| Non-current assets | 52.28 | 446.73 | 144.44 |
| Current assets | 67.77 | 174.56 | 208.26 |
| Non-current liabilities | 2.20 | 138.02 | 47.87 |
| Current liabilities | 29.02 | 239.35 | 146.08 |
| Shares application money | 27.00 | - | - |
| Net assets | 88.83 | 243.92 | 158.75 |
| **Net assets attributable to NCI** | **36.10** | **73.23** | **77.79** |
| Revenue | 139.87 | 458.26 | 205.52 |
| Profit/(Loss) | 11.00 | 31.65 | 14.22 |
| OCI | 0.15 | 0.04 | 0.80 |
| Total comprehensive income | 11.15 | 31.69 | 15.02 |
| **Profit/(Loss) allocated to NCI** | **3.12** | **9.50** | **6.97** |
| **OCI allocated to NCI** | **0.04** | **0.01** | **0.39** |
| **Total comprehensive income allocated to NCI** | **3.17** | **9.51** | **7.36** |
| Cash flows from (used in) operating activities | 4.05 | 19.07 | 32.73 |
| Cash flows from (used in) investing activities | (3.06) | (60.64) | (26.49) |
| Cash flows from (used in) financing activities | 5.86 | 43.32 | 5.57 |
| **Net increase (decrease) in cash and cash equivalents** | **6.84** | **1.75** | **11.81** |

# Notes forming part of the Financial Statements

(ii) Details of subsidiaries which have been consolidated are as follows:

| Name of Company | Country of Incorporation | Ownership interest held by Group | | Non Controlling Interest | Non Controlling Interest | Reporting date used for consolidation |
|---|---|---|---|---|---|---|
| | | As at 31 March 2019 | As at 31 March 2018 | As at 31 March 2019 | As at 31 March 2018 | |
| **Subsidiaries** | | | | | | |
| Minda Auto Components Limited | India | 100% | 100% | - | - | 31 March 2019 |
| Minda Distribution and Services Limited | India | 100% | 100% | - | - | 31 March 2019 |
| MJ Casting Limited | India | 100% | 100% | - | - | 31 March 2019 |
| Minda Kyoraku Limited | India | 67.60% | 71.66% | 32.40% | 28.34% | 31 March 2019 |
| Minda Kosei Aluminum Wheel Private Limited | India | 69.99% | 69.99% | 30.01% | 30.01% | 31 March 2019 |
| Minda TG Rubber Private Ltd. | India | 51% | 51% | 49.00% | 49.00% | 31 March 2019 |
| Minda Storage Batteries Private Limited | India | 100% | 100% | - | - | 31 March 2019 |
| Minda Rinder Private Limited | India | 100% | 100% | - | - | 31 March 2019 |
| YA Auto Industries (partnership firm) | India | 51% | 51% | 49.00% | 49.00% | 31 March 2019 |
| Minda Katolec Electronics Services Private Limited | India | 51% | 51% | 49.00% | 49.00% | 31 March 2019 |
| Mindarika Private Limited | India | 51% | 51% | 49.00% | 49.00% | 31 March 2019 |
| MI Torica India Private Limited | India | 60% | - | 40.00% | - | 31 March 2019 |
| Downstream subsidiaries of MI Torica India Private Limited | | | | | | |
| MITIL Polymer Private Limited | India | 57% | - | 43.00% | - | 31 March 2019 |
| Global Mazinkert S.L. | Spain | 100% | 100% | - | - | 31 March 2019 |
| Downstream subsidiaries of Global Mazinkert, S.L. | | | | | | |
| Clarton Horn, Spain | Spain | 100% | 100% | - | - | 31 March 2019 |
| Clarton Horn, Morocco | Morocco | 100% | 100% | - | - | 31 March 2019 |
| Clarton Horn, Signalkoustic | Germany | 100% | 100% | - | - | 31 March 2019 |
| Clarton Horn, Mexico | Mexico | 100% | 100% | - | - | 31 March 2019 |
| Light & Systems Technical Centre, S.L. Spain | Spain | 100% | 100% | - | - | 31 March 2019 |
| PT Minda Asean Automotive | Indonesia | 100% | 100% | - | - | 31 March 2019 |
| Downstream subsidiaries of PT Minda Asean Automotive | | | | | | |
| PT Minda Trading | Indonesia | 100% | 100% | - | - | 31 March 2019 |
| Sam Global Pte Ltd. | Singapore | 100% | 100% | - | - | 31 March 2019 |
| Downstream subsidiaries of Sam Global Pte Ltd. | | | | | | |
| Minda Industries Vietnam Company Limited | Vietnam | 100% | 100% | - | - | 31 March 2019 |
| iSYS RTS GmbH | Germany | 80% | - | 20.00% | - | 31 March 2019 |

### (iii) Details of joint ventures and associates which have been accounted as per equity method are as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Name of Company | Country of incorporation | % of Ownership interest at 31.03.2019 | Quoted fair value as at # | | Carrying amount as at | |
|---|---|---|---|---|---|---|
| | | | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| **Interest in joint ventures consolidating using equity method of accounting** | | | | | | |
| Minda Emer Technologies Limited | India | 49.10% | - | - | 3.26 | 2.39 |
| Rinder Riduco, S.A.S. Columbia | Columbia (USA) | 50% | - | - | 7.17 | 5.91 |
| ROKI Minda Co. Pvt. Ltd. | India | 49% | - | - | 73.54 | 61.19 |
| Minda TTE DAPS Private Limited | India | 50% | - | - | 3.47 | 2.23 |
| Minda Onkyo Private Limited | India | 50% | - | - | 0.72 | 3.81 |
| Densoten Minda India Private Limited | India | 49% | - | - | 41.07 | 31.98 |
| Minda D-ten India Private Limited | India | 51% | - | - | 6.55 | 4.74 |
| Toyoda Gosei Minda India Pvt. Ltd. | India | 47.80% | - | - | 193.23 | - |
| Kosei Minda Mould Private Limited | India | 49.90% | - | - | 6.26 | - |
| **Interest in associates consolidating using equity method of accounting** | | | | | | |
| Minda NexGenTech Limited | India | 26% | - | - | 0.83 | 0.49 |
| Yogendra Engineering (partnership firm) | India | 48.90% | - | - | 0.01 | 0.09 |
| Auto Components (partnership firm) | India | 48.90% | - | - | 3.42 | 3.17 |
| Kosei Minda Aluminum Company Pvt. Ltd. | India | 30% | - | - | 15.96 | 19.03 |

# As all entities are unlisted therefore there is no quoted price.

# Notes forming part of the Financial Statements

**(iv) Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III**

**For the year ended 31 March 2019**

| Particulars | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount in ₹ crore | As % of consolidated profit or loss | Amount in ₹ crore | As % of consolidated other comprehensive income | Amount in ₹ crore | As % consolidated of total comprehensive income | Amount in ₹ crore |
| **Holding Company** | | | | | | | | |
| Minda Industries Limited | 64.43% | 1,097.95 | 50.86% | 145.28 | 12.70% | (0.09) | 50.96% | 145.19 |
| **Subsidiary Companies** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Auto Components Limited | 1.41% | 24.08 | 1.42% | 4.06 | 26.81% | (0.19) | 1.36% | 3.87 |
| Minda Distribution and Services Limited | 1.38% | 23.55 | 2.94% | 8.40 | -2.82% | 0.02 | 2.96% | 8.42 |
| MJ Casting Limited | 4.78% | 81.43 | 6.38% | 18.23 | 2.82% | (0.02) | 6.39% | 18.21 |
| Minda Kyoraku Limited | 5.81% | 98.95 | 4.17% | 11.91 | -14.15% | 0.10 | 4.21% | 12.01 |
| Minda Kosei Aluminum Wheel Private Limited | 17.67% | 301.05 | 19.72% | 56.33 | 9.31% | (0.07) | 19.75% | 56.26 |
| Minda TG Rubber Private Ltd. | 2.60% | 44.28 | 4.34% | 12.39 | 12.70% | (0.09) | 4.32% | 12.30 |
| Minda Storage Batteries Private Limited | 7.58% | 129.11 | -5.79% | (16.53) | 1.89% | (0.01) | -5.81% | (16.55) |
| Minda Rinder Private Limited | 4.90% | 83.54 | 5.27% | 15.04 | -36.69% | 0.26 | 5.37% | 15.30 |
| YA Auto Industries (partnership firm) | 0.25% | 4.20 | 2.70% | 7.71 | 0.00% | - | 2.71% | 7.71 |
| Minda Katolec Electronics Services Private Limited | 0.50% | 8.57 | -2.11% | (6.03) | 0.00% | - | -2.12% | (6.03) |
| Mindarika Private Limited | 12.55% | 213.95 | 17.07% | 48.75 | -35.15% | 0.25 | 17.20% | 49.00 |
| MI Torica India Private Limited | 1.20% | 20.47 | 1.54% | 4.40 | -4.23% | 0.03 | 1.55% | 4.43 |
| **Foreign** | | | | | | | | |
| Global Mazinkert S.L. | 3.67% | 62.57 | 4.00% | 11.43 | 567.27% | (4.02) | 2.60% | 7.41 |
| PT Minda Asean Automotive | 4.42% | 75.33 | 7.28% | 20.78 | -324.56% | 2.30 | 8.10% | 23.08 |
| Sam Global Pte Ltd. | 2.19% | 37.31 | 5.32% | 15.19 | -172.16% | 1.22 | 5.76% | 16.41 |
| iSYS RTS GmbH | 0.89% | 15.18 | 0.64% | 1.84 | 52.21% | (0.37) | 0.52% | 1.47 |
| **Minority interest in all subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Kyoraku Limited | -1.88% | (32.06) | -1.35% | (3.86) | 4.59% | (0.03) | -1.37% | (3.89) |
| Minda Kosei Aluminum Wheel Private Limited | -5.30% | (90.35) | -5.92% | (16.90) | -2.79% | 0.02 | -5.93% | (16.88) |
| Minda TG Rubber Private Ltd. | -1.27% | (21.70) | -2.13% | (6.07) | -6.22% | 0.04 | -2.12% | (6.03) |
| YA Auto (partnership firm) | -0.12% | (2.06) | -1.39% | (3.97) | 0.00% | - | -1.39% | (3.97) |

(iv) Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III (Contd.)

| Particulars | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount in ₹ crore | As % of consolidated profit or loss | Amount in ₹ crore | As % of consolidated other comprehensive income | Amount in ₹ crore | As % consolidated of total comprehensive income | Amount in ₹ crore |
| Minda Katolec Electronics Services Private Limited | -0.25% | (4.20) | 1.03% | 2.95 | 0.00% | - | 1.04% | 2.95 |
| Mindarika Private Limited | -6.15% | (104.84) | -8.36% | (23.89) | 17.22% | (0.12) | -8.43% | (24.01) |
| MI Torica India Private Limited | -0.50% | (8.48) | -0.62% | (1.76) | 1.69% | (0.01) | -0.62% | (1.77) |
| **Foreign** | | | | | | | | |
| iSYS RTS GmbH | -0.18% | (3.04) | -0.13% | (0.37) | -10.44% | 0.07 | -0.10% | (0.29) |
| **Associate Companies (Investment as per Equity method)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda NexGenTech Limited | - | - | 0.12% | 0.34 | - | - | 0.12% | 0.34 |
| Yogendra Engineering (partnership firm) | - | - | 0.00% | (0.00) | - | - | 0.00% | (0.00) |
| Auto Components (partnership firm) | - | - | 0.93% | 2.67 | - | - | 0.94% | 2.67 |
| Kosei Minda Aluminum Company Private Limited | - | - | -1.07% | (3.07) | - | - | -1.08% | (3.07) |
| **Joint venture companies (As per equity method)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Emer Technologies Limited | - | - | 0.30% | 0.87 | - | - | 0.31% | 0.87 |
| Rinder Riduco S.A.S. | - | - | 0.42% | 1.19 | - | - | 0.42% | 1.19 |
| ROKI Minda Co. Pvt. Ltd. | - | - | 4.32% | 12.35 | - | - | 4.33% | 12.35 |
| Minda TTE DAPS Private Limited | - | - | -0.27% | (0.76) | - | - | -0.27% | (0.76) |
| Minda Onkyo Private Limited | - | - | -2.21% | (6.32) | - | - | -2.22% | (6.32) |
| Denso Ten Minda India Private Limited (Formerly Fujitsu Ten Minda India Private Limited) | - | - | 3.18% | 9.08 | - | - | 3.19% | 9.08 |
| Minda D-Ten India Private Limited (Formerly Minda F-Ten Private Limited) | - | - | 0.63% | 1.80 | - | - | 0.63% | 1.80 |
| Toyoda Gosei Minda India Private Limited | | | 0.28% | 0.80 | - | - | 0.28% | 0.80 |
| Kosei Minda Mould Private Limited | | | -0.03% | (0.08) | | | -0.03% | (0.08) |
| **Total eliminations** | **-20.58%** | **(350.65)** | **-13.50%** | **(38.55)** | **0.00%** | | **-13.53%** | **(38.55)** |
| **TOTAL** | **100.00%** | **1,704.16** | **100.00%** | **285.62** | **100.00%** | **(0.71)** | **100.00%** | **284.91** |

# Notes forming part of the Financial Statements

**(iv) Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III (Contd.)**

**For the year ended 31 March 2018**

| Particulars | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount in ₹ crore | As % of consolidated profit or loss | Amount in ₹ crore | As % of consolidated other comprehensive income | Amount in ₹ crore | As % consolidated of total comprehensive income | Amount in ₹ crore |
| **Holding Company** | | | | | | | | |
| Minda Industries Limited | 69.69% | 969.90 | 43.79% | 135.83 | 12.50% | 0.60 | 43.31% | 136.43 |
| **Subsidiary Companies** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Auto Components Limited | 1.45% | 20.20 | 1.57% | 4.88 | 0.83% | 0.04 | 1.56% | 4.92 |
| Minda Kyoraku Limited | 6.38% | 88.83 | 3.55% | 11.00 | 3.13% | 0.15 | 3.54% | 11.15 |
| Minda Distribution and Services Limited | 1.09% | 15.13 | 1.67% | 5.18 | -2.29% | (0.11) | 1.61% | 5.07 |
| Minda TG Rubber Private Ltd. | 2.30% | 31.98 | -1.29% | (4.00) | 2.71% | 0.13 | -1.23% | (3.87) |
| Minda Kosei Aluminum Wheel Private Limited | 17.53% | 243.92 | 10.20% | 31.65 | 0.83% | 0.04 | 10.06% | 31.69 |
| MJ Casting Limited | 4.53% | 63.11 | 4.46% | 13.82 | 1.88% | 0.09 | 4.42% | 13.91 |
| Minda Rinder Private Limited | 4.82% | 67.11 | 4.55% | 14.12 | -0.42% | (0.02) | 4.48% | 14.10 |
| Minda Storage Batteries Private Limited | 10.07% | 140.16 | -1.91% | (5.93) | 0.21% | 0.01 | -1.88% | (5.92) |
| YA Auto Industries (partnership firm) | 0.35% | 4.93 | 2.15% | 6.67 | 0.00% | - | 2.12% | 6.67 |
| Mindarika Private Limited | 11.41% | 158.75 | 4.58% | 14.22 | 16.67% | 0.80 | 4.77% | 15.02 |
| Minda Katolec Electronics Services Private Limited | 1.05% | 14.60 | -0.15% | (0.47) | 0.00% | - | -0.15% | (0.47) |
| **Foreign** | | | | | | | | |
| Global Mazinkert S.L. | 2.85% | 39.63 | 3.57% | 11.07 | 123.75% | 5.94 | 5.40% | 17.01 |
| PT Minda Asean Automotive | 4.31% | 59.93 | 5.67% | 17.58 | -31.67% | (1.52) | 5.10% | 16.06 |
| Sam Global Pte Ltd. | 2.66% | 37.01 | 4.24% | 13.15 | -0.63% | (0.03) | 4.17% | 13.12 |
| **Minority interest in all subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Kyoraku Limited | -2.59% | (36.10) | -1.01% | (3.12) | -1.04% | (0.05) | -1.01% | (3.17) |
| Minda TG Rubber Private Ltd. | -1.13% | (15.67) | 0.63% | 1.96 | -1.25% | (0.06) | 0.60% | 1.90 |
| Minda Kosei Aluminum Wheel Private Limited | -5.26% | (73.23) | -3.06% | (9.50) | -0.21% | (0.01) | -3.02% | (9.51) |
| MJ Casting Limited | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| YA Auto (partnership firm) | -0.17% | (2.42) | -1.05% | (3.27) | 0.00% | - | -1.04% | (3.27) |
| Mindarika Private Limited | -5.59% | (77.79) | -2.25% | (6.97) | -8.13% | (0.39) | -2.34% | (7.36) |
| Minda Katolec Electronics Services Private Limited | -0.42% | (5.82) | 0.07% | 0.23 | 0.00% | - | 0.07% | 0.23 |

# Notes forming part of the Financial Statements

(iv) Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III (Contd.)

| Particulars | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount in ₹ crore | As % of consolidated profit or loss | Amount in ₹ crore | As % of consolidated other comprehensive income | Amount in ₹ crore | As % consolidated of total comprehensive income | Amount in ₹ crore |
| **Associate companies (Investment as per equity method)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Mindarika Private Limited | - | - | 2.72% | 8.43 | - | - | 2.68% | 8.43 |
| Minda NexGenTech Limited | - | - | 0.01% | 0.04 | - | - | 0.01% | 0.04 |
| Yogendra Engineering (partnership firm) | - | - | -0.02% | (0.06) | - | - | -0.02% | (0.06) |
| Auto Components (partnership firm) | - | - | 0.68% | 2.11 | - | - | 0.67% | 2.11 |
| Kosei Minda Aluminum Company Private Limited | - | - | 0.58% | 1.79 | - | - | 0.57% | 1.79 |
| **Joint venture companies (As per equity method)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Minda Emer Technologies Limited | - | - | -0.17% | (0.52) | - | - | -0.17% | (0.52) |
| Rinder Riduco S.A.S. | - | - | 0.27% | 0.84 | - | - | 0.27% | 0.84 |
| ROKI Minda Co. Pvt. Ltd. | - | - | 3.77% | 11.70 | - | - | 3.71% | 11.70 |
| Minda TTE DAPS Private Limited | - | - | -0.25% | (0.76) | - | - | -0.24% | (0.76) |
| Minda Onkyo Private Limited | - | - | -1.43% | (4.44) | - | - | -1.41% | (4.44) |
| Denso Ten Minda India Private Limited (Formerly Fujitsu Ten Minda India Private Limited) | - | - | 1.03% | 3.21 | - | - | 1.02% | 3.21 |
| Minda D-Ten India Private Limited (Formerly Minda F-Ten Private Limited) | - | - | 0.24% | 0.74 | - | - | 0.23% | 0.74 |
| **Total eliminations** | **-25.33%** | **(352.50)** | **12.58%** | **39.01** | **-16.88%** | **(0.81)** | **12.13%** | **38.20** |
| **TOTAL** | **100.00%** | **1,391.69** | **100.00%** | **310.19** | **100.00%** | **4.80** | **100.00%** | **314.99** |

# Notes forming part of the Financial Statements

### (v) Summarised Balance Sheet and Statement of profit and loss of Material joint ventures and associates

(All amounts in Indian ₹ Crore, unless otherwise stated)

| 31 March 2019 | Joint Venture | | | Associates |
|---|---|---|---|---|
| **Particulars** | **ROKI Minda Co. Pvt. Ltd.** | **Densoten Minda India Private Limited** | **Toyoda Gosei Minda India Pvt. Ltd.** | **Kosei Minda Aluminum Company Pvt. Ltd.** |
| Total non-current assets | 206.62 | 89.63 | 415.64 | 156.87 |
| Total current assets | 95.88 | 122.83 | 136.99 | 70.02 |
| Total non-current liabilities | 54.78 | 44.64 | 47.51 | 40.42 |
| Total current liabilities | 97.64 | 84.00 | 100.89 | 133.27 |
| **Net assets** | **150.08** | **83.82** | **404.23** | **53.20** |
| **Proportion of Group's ownership** | **49.00%** | **49.00%** | **47.80%** | **30.00%** |
| **Carrying amount of investment** | **73.54** | **41.07** | **193.22** | **15.96** |
| Revenue | 394.19 | 418.59 | 495.85 | 202.77 |
| Interest income | 0.82 | 0.72 | 3.64 | 0.11 |
| Finance costs | 8.37 | 0.99 | 3.58 | 8.30 |
| Depreciation and amortisation | 26.89 | 9.57 | 20.13 | 12.77 |
| Income tax expense | 14.53 | 9.35 | 2.62 | - |
| **Total comprehensive income** | **25.21** | **18.54** | **1.67** | **(10.23)** |
| **Groups share of total comprehensive income** | **12.35** | **9.08** | **0.80** | **(3.07)** |

(All amounts in Indian ₹ Crore, unless otherwise stated)

| 31 March 2018 | Joint Venture | | Associates |
|---|---|---|---|
| **Particulars** | **ROKI Minda Co. Pvt. Ltd.** | **Densoten Minda India Private Limited** | **Kosei Minda Aluminum Company Pvt. Ltd.** |
| Total non-current assets | 218.64 | 83.49 | 160.99 |
| Total current assets | 85.60 | 107.47 | 52.13 |
| Total non-current liabilities | 82.64 | 43.55 | 49.76 |
| Total current liabilities | 96.72 | 82.12 | 99.92 |
| **Net assets** | **124.88** | **65.28** | **63.45** |
| **Proportion of Group's ownership** | **49.00%** | **49.00%** | **30.00%** |
| **Carrying amount of investment** | **61.19** | **31.99** | **19.03** |
| Revenue | 367.93 | 90.41 | 220.69 |
| Interest income | 0.41 | - | 0.25 |
| Finance costs | 7.01 | 2.38 | 8.31 |
| Depreciation and amortisation | 22.57 | 2.21 | 13.01 |
| Income tax expense | 14.21 | (0.30) | 0.04 |
| Total comprehensive income | 23.97 | 6.55 | 5.98 |
| **Groups share of total comprehensive income** | **11.70** | **3.21** | **1.79** |

# Notes forming part of the Financial Statements

### (vi) Commitment and contingent Liabilities in respect of associates and Joint ventures

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Share of Joint Venture's contingent liabilities in respect of following | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Income tax matter | 0.12 | 0.19 |
| Liabilities of customs duty towards export obligation undertaken by the Group under EPCG schemes | 1.23 | 0.46 |
| Claim against the company not acknowledged as debt | 0.72 | - |
| Bank guarantee given to custom authorities and others | 0.07 | - |
| Indirect Tax | 0.54 | - |
| **Commitments-joint ventures** | | |
| Estimated amount of contracts remaining to be executed on capital and other account (Net of advances) | 31.41 | 18.12 |

| Share of Associate's contingent liabilities in respect of following | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Bank guarantee given to custom authorities and others | 0.71 | 0.71 |
| Indirect Tax | 1.61 | - |
| Liabilities of customs duty towards export obligation undertaken by the Group under EPCG schemes | 2.09 | - |
| **Commitments-associate** | | |
| Estimated amount of contracts remaining to be executed on capital and other account (Net of advances) | 0.08 | 0.16 |

As per the EPCG terms and conditions, Associates/ Joint Venture needs to export ₹56.78 crores (₹18.44 crores as on 31 March 2018) i.e. 6 times of duty saved on import of Capital goods on FOB basis within a period of 6-8 years. If the Associates/ Joint Venture does not export goods in prescribed time, then the Associates/ Joint Venture may have to pay interest and penalty thereon.

## 52 Related Party Disclosures

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

| Nature of related party transaction | Name of related party |
|---|---|
| **Associates** | |
| | Mindarika Private Limited (Upto December 2017) |
| | Minda NexGenTech Limited |
| | Kosei Minda Aluminum Company Private Limited |
| **Partnership firms** | |
| | Auto Component (Firm) |
| | Yogendra Engineering (Firm) |
| **Joint ventures (jointly controlled entities)** | |
| | Minda Emer Techonologies Limited |
| | Roki Minda Co. Private Limited |
| | Rinder Riduco, S.A.S. Columbia |
| | Minda TTE Daps Private Limited (Formerly as Minda Daps Private Limited) |
| | Minda Onkyo India Private Limited |
| | Minda D-Ten India Private Limited (Formerly Minda F-Ten Private Limited) |
| | Denso Ten Minda India Private Limited (Formerly Fujitsu Ten Minda India Private Limited) |
| | Toyoda Gosei Minda India Pvt. Ltd. (w.e.f 28 September 2018) |
| **Key management personnel** | |
| | Mr. Nirmal K Minda {Chairman and Managing Director('CMD')} |
| | Mr. Anand K. Minda (Director) |
| | Mr. Alok Dutta (Independent Director) |
| | Mr. Satish Sekhri (Independent Director) |
| | Ms. Renu Challu (Independent Director) (Upto 19 December 2018) |
| | Ms. Praveen Tripathi (Independent Director) (w.e.f 6 February 2019) |

# Notes forming part of the Financial Statements

## 52 Related Party Disclosures (Contd.)

| | |
|---|---|
| | Ms. Paridhi Minda (Whole-time Director ) (w.e.f 29 March 2019)<br>Mr. Sudhir Jain (CFO) (Upto 30 September 2018)<br>Mr. Sunil Bohra (CFO) (w.e.f 1 October 2018)<br>Mr. Tarun Kumar Srivastava ( Company Secretary) (w.e.f 22 May 2018) |
| **Relatives of key management personnel** | |
| | Ms. Suman Minda (wife of CMD)<br>Ms. Paridhi Minda (daughter of CMD)<br>Ms. Pallak Minda (daughter of CMD)<br>Mr. Vivek Jindal (son-in-law of CMD)<br>Mr. Amit Minda (Son of KMP) |
| **Other entities over which key management personnel and their relatives are able to exercise significant influence** | |
| | Minda Investments Limited<br>Minda International Limited<br>Minda Industries Firm<br>Minda Finance Limited<br>Singhal Fincap Ltd<br>Pioneer Finest Ltd<br>Samaira Engineering (Firm)<br>MITIL Polymer Pvt Limited (Upto 31 March 2018)<br>S.M.Auto Industries (Firm)<br>Shankar Moulding Ltd.<br>Minda Nabtesco Automotive Private Limited<br>Minda I Connect Private Limited<br>Minda Projects Limited<br>SN Castings Limited<br>Jindal Mectec Private Limited<br>Minda Industries Ltd Gratuity Scheme Trust<br>Minda Industries Ltd Managerial Superannuation Scheme Trust<br>Minda Corporation Limited (upto 31 March 2018)<br>Minda Spectrum Advisory Limited<br>Minda Mindpro Limited<br>Moga Devi Charitable Trust<br>Suman Nirmal Minda Charitable Trust |

### (ii) Transactions / balances with related parties

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Associates (including partnership firms where Group has significant influence) | | Joint venture companies | | Entities over which key management personnel and their relatives are able to exercise significant influence | | Key management personnel and relatives | |
|---|---|---|---|---|---|---|---|---|
| **Transactions during the year** | **31March 2019** | **31March 2018** | **31March 2019** | **31March 2018** | **31March 2019** | **31March 2018** | **31March 2019** | **31March 2018** |
| Sale of products | 2.53 | 4.43 | 39.09 | 11.42 | 22.05 | 34.03 | - | - |
| Purchase of products | 67.36 | 91.92 | 0.91 | 0.02 | 208.65 | 365.37 | - | - |
| Sale of Property, plant & equipment | - | 0.02 | - | 0.38 | - | 62.08 | - | - |
| Purchase of Property, plant & equipment | 2.16 | 12.82 | 0.08 | - | 137.25 | 89.94 | - | - |
| Expenses recovered | - | 2.02 | 0.43 | - | - | - | - | - |
| Services rendered | 1.95 | 8.83 | 9.09 | 3.79 | 1.63 | 1.30 | - | - |
| Services received | - | - | - | 0.25 | 15.89 | 6.56 | 1.66 | 1.78 |
| Remuneration | - | - | - | - | - | - | 13.50 | 14.60 |
| Dividend received | - | 2.57 | - | - | - | - | - | - |

# Notes forming part of the Financial Statements

## 52 Related Party Disclosures (Contd.)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Associates (including partnership firms where Group has significant influence) | | Joint venture companies | | Entities over which key management personnel and their relatives are able to exercise significant influence | | Key management personnel and relatives | |
|---|---|---|---|---|---|---|---|---|
| **Transactions during the year** | **31March 2019** | **31March 2018** | **31March 2019** | **31March 2018** | **31March 2019** | **31March 2018** | **31March 2019** | **31March 2018** |
| Interest paid | - | - | 0.03 | - | 5.90 | - | - | - |
| Interest received | - | - | - | - | - | 0.05 | - | - |
| Unsecured Loan Given/ Repayment | - | - | - | - | 66.00 | 1.90 | - | - |
| Unsecured Loan received | - | - | 0.98 | - | 76.00 | - | - | - |
| Share of profits | 2.67 | 2.55 | - | - | - | - | - | - |
| Royalty received | 0.34 | 0.27 | - | - | - | 0.57 | - | - |
| Dividend paid on equity share capital | - | - | - | - | 7.38 | 4.68 | 10.84 | 7.48 |
| Donation | - | - | - | - | 2.60 | 1.99 | - | - |
| Investment in shares / partnership firm | (2.93) | (4.39) | 5.75 | 11.24 | - | 63.41 | - | 86.93 |

**Note:** The gratuity trust transactions are as per note 42 and contribution to Superannuation fund transaction for the year 31 March 2019 is ₹0.59

### (iii) Balances with related parties

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Summary of balances with related parties | Associates | | Joint venture companies | | Entities over which key management personnel and their relatives are able to exercise significant influence | | Key management personnel and relatives | |
|---|---|---|---|---|---|---|---|---|
| **Balance as at year end** | **31March 2019** | **31March 2018** | **31March 2019** | **31March 2018** | **31March 2019** | **31March 2018** | **31March 2019** | **31March 2018** |
| Balance outstanding-Receivable | 2.46 | 2.04 | 13.84 | 6.74 | 10.49 | 2.59 | - | - |
| Balance outstanding-Payable | 6.52 | 16.42 | 0.54 | 0.02 | 40.20 | 78.42 | 3.29 | 5.34 |
| Loan outstanding | - | - | - | - | 38.00 | - | - | - |

### (iv) Material transactions with related parties during the year ended 31 March 2019

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Related party | Nature of transaction | Amount |
|---|---|---|
| **Transactions during the year** | | |
| Samaira Engineering | Purchase of goods | 113.95 |
| Auto Components | Purchase of goods | 67.36 |
| Shankar Moulding Limited | Purchase of goods | 32.84 |
| SN Castings Limited | Purchase of goods | 40.11 |
| SN Castings Limited | Sale of goods | 17.21 |
| Toyoda Gosei Minda India Private Limited | Sale of goods | 28.49 |
| Minda Projects Limited | Purchase of fixed assets | 137.17 |
| Kosei Minda Aluminum Company Private Limited | Services rendered | 1.95 |
| Minda Emer Technologies Limited | Services rendered | 2.04 |
| Roki Minda Co. Private Limited | Services rendered | 1.79 |

# Notes forming part of the Financial Statements

## 52 Related Party Disclosures (Contd.)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Related party | Nature of transaction | Amount |
|---|---|---|
| Minda D-Ten India Private Limited | Services rendered | 1.29 |
| Denso Ten Minda India Private Limited | Services rendered | 1.54 |
| Toyoda Gosei Minda India Private Limited | Services rendered | 2.00 |
| Minda Investments Limited | Services received | 12.64 |
| Minda Projects Limited | Services received | 2.97 |
| Pioneer Finest Limited | Interest Paid | 3.12 |
| Singhal Fincap Limited | Interest Paid | 2.78 |
| Auto Components | Royalty Received | 0.34 |
| Ms. Pallak Minda | Remuneration | 0.54 |
| Ms. Paridhi Minda | Remuneration | 0.52 |
| Mr. Nirmal K Minda | Dividend paid | 6.43 |
| Mrs. Suman Minda | Dividend paid | 3.79 |
| Minda Investments Limited | Dividend paid | 6.28 |
| Pioneer Finest Ltd | Unsecured loan repaid | 66.00 |
| Pioneer Finest Ltd | Unsecured loan received | 66.00 |
| Singhal Fincap Limited | Unsecured loan received | 10.00 |
| Suman Nirmal Minda Charitable Trust | Donation | 2.60 |
| **Balance as at year end** | | |
| Samaira Engineering | Payable | 15.67 |
| Minda Projects Limited | Payable | 15.55 |
| Auto Components | Payable | 6.52 |
| Roki Minda Co. Private Limited | Receivable | 3.40 |
| Rinder Riduco, S.A.S. Columbia | Receivable | 2.71 |
| Toyoda Gosei Minda India Private Limited | Receivable | 4.28 |
| Minda I Connect Private Limited | Receivable | 4.06 |
| SN Castings Limited | Receivable | 3.33 |
| Singhal Fincap Ltd | Loan payable | 38.00 |

### Material transactions with related parties during the year ended 31 March 2018

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Related party | Nature of transaction | Amount |
|---|---|---|
| **Transactions during the year** | | |
| SM Auto | Purchase of goods | 22.52 |
| Samaira Engineering | Purchase of goods | 99.10 |
| Auto Components | Purchase of goods | 59.76 |
| MI Torica India Private Limited | Purchase of goods | 14.66 |
| MITIL Polymer Pvt. Ltd | Purchase of goods | 62.08 |
| Shankar Moulding Limited | Purchase of goods | 17.48 |
| Kosei Minda Aluminum Company Private Limited | Purchase of goods | 26.20 |
| SN Castings Limited | Purchase of goods | 24.60 |
| Minda Corporation Limited | Purchase of goods | 39.82 |
| SN Castings Limited | Sale of goods | 13.71 |
| Minda TTE Daps Private Limited | Sale of goods | 9.68 |
| Minda Projects Limited | Purchase of fixed assets | 87.39 |

## 52 Related Party Disclosures (Contd.)

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Related party | Nature of transaction | Amount |
|---|---|---|
| Minda NexGenTech Limited | Purchase of fixed assets | 12.80 |
| Kosei Minda Aluminum Company Private Limited | Services received | 2.35 |
| Minda Investments Limited | Services received | 4.71 |
| Mindarika Private Limited | Services rendered | 8.97 |
| Mindarika Private Limited | Dividend received | 2.57 |
| Minda Investments Limited | Interest Paid | 0.05 |
| Minda Investments Limited | Purchase of shares | 20.18 |
| Ms. Pallak Minda | Remuneration | 0.48 |
| Ms. Paridhi Minda | Remuneration | 0.47 |
| Mr. Nirmal K Minda | Dividend paid | 4.29 |
| Mrs. Suman Minda | Dividend paid | 2.83 |
| Minda Investments Limited | Dividend paid | 4.68 |
| Moga Devi Charitable Trust | Donation | 1.13 |
| Suman Nirmal Minda Charitable Trust | Donation | 0.86 |
| **Balance as at year end** | | |
| Samaira Engineering | Payable | 19.16 |
| MI Torica India Private Limited | Payable | 0.06 |
| MITIL Polymer Pvt. Ltd | Payable | 35.53 |
| Minda Projects Limited | Payable | 7.84 |
| Auto Components | Payable | 8.65 |
| Kosei Minda Aluminum Company Private Limited | Payable | 6.55 |
| Shankar Moulding Limited | Payable | 3.69 |
| Minda Corporation Limited | Payable | 8.04 |
| Mindarika Private Limited | Receivable | 3.01 |
| Minda Emer Technologies Limited | Receivable | 0.02 |
| Minda TTE Daps Private Limited | Receivable | 0.97 |

**Note:** Remuneration to key managerial personnel given in note (v) below

### (v) Key managerial personnel remuneration

**Remuneration to Chairman & Managing Director (i.e. Mr. Nirmal K Minda)***

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Short Term Benefit | 2.49 | 2.16 |
| Commission | 5.60 | 5.31 |
| Others - Allowances | 0.33 | 0.26 |
| **Total** | **8.42** | **7.73** |

#### Remuneration to Independent Directors

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Sitting Fees | | |
| Mr. Alok Dutta | 0.11 | 0.09 |
| Mr. Satish Sekhri | 0.11 | 0.09 |
| Ms. Renu Challu | 0.06 | 0.08 |
| Ms. Praveen Tripathi | 0.03 | - |
| **Total** | **0.31** | **0.25** |

# Notes forming part of the Financial Statements

## 52 Related Party Disclosures (Contd.)

### Remuneration to Key Managerial Personnel other than Managing Director and Independent Directors

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Short Term Benefit** | | |
| Mr. Sudhir Jain (Chief Financial Officer) | 1.43 | 2.37 |
| Mr. Sunil Bohra (Chief Financial Officer) | 1.20 | - |
| Mr. H C Dhamija (Company Secretary) | - | 0.53 |
| Mr. Tarun Kumar Srivastava (Company Secretary) | 0.21 | - |
| Ms. Paridhi Minda (Whole-time Director) | - | - |
| **Stock Option** | | |
| Mr. Sudhir Jain (Chief Financial Officer) | 1.76 | 3.51 |
| **Others - Allowances** | | |
| Mr. Sudhir Jain (Chief Financial Officer) | 0.08 | 0.17 |
| Mr. Sunil Bohra (Chief Financial Officer) | 0.10 | - |
| Mr. H C Dhamija (Company Secretary) | - | 0.05 |
| Mr. Tarun Kumar Srivastava (Company Secretary) | 0.01 | - |
| Ms. Paridhi Minda (Whole-time Director) | - | - |
| **Total** | **4.79** | **6.63** |

*The above remuneration excludes provision for gratuity and leave benefits as separate actuarial valuation is not available.

## 53 Capital management

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

Consistent with others in the industry, the Group monitors Net Debt to EBITDA ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax and exceptional items plus depreciation and amortization expense excluding share of profit/ loss of associates/ joint venture plus finance costs minus other income). The Group's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Net Debt | 988.46 | 483.35 |
| EBITDA | 725.18 | 533.82 |
| **Net Debt to EBITDA** | **1.36** | **0.91** |

# Notes forming part of the Financial Statements

## 54 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Category | As at 31 March 2019 | | As at 31 March 2018 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **1) Financial assets at amortized cost** | | | | |
| Investments in associates and joint ventures | 355.48 | 355.48 | 134.92 | 134.92 |
| Loans (current / non current) | 23.22 | 23.22 | 16.08 | 16.08 |
| Trade receivables (current / non current) | 899.22 | 899.22 | 789.73 | 789.73 |
| Cash and cash equivalents | 92.77 | 92.77 | 125.56 | 125.56 |
| Other bank balances (current / non current) | 17.29 | 17.29 | 33.91 | 33.91 |
| Other financial assets (current / non current) | 31.66 | 31.66 | 34.83 | 34.83 |
| **Total** | **1,419.64** | **1,419.64** | **1,135.03** | **1,135.03** |
| **2) Financial liabilities at amortized cost** | | | | |
| Borrowings (current / non current) (including current maturity) | 1,081.23 | 1,081.23 | 608.92 | 608.92 |
| Trade payables | 797.82 | 797.82 | 798.41 | 798.41 |
| Other financial liabilities (current / non current) | 180.99 | 180.99 | 140.80 | 140.80 |
| **Total** | **2,060.04** | **2,060.04** | **1,548.13** | **1,548.13** |

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

**Discount rate used in determing fair value**

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

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

Investment in unquoted equity shares amount to ₹0.10 crores ( ₹20.21 crores 31 March 2018) is valued at fair value (level 3). There is no movement in valuation of such investment during the year and previous year.

# Notes forming part of the Financial Statements

## 55 Business Combination

### Acquisitions during the year ended March 31, 2019

**A.** The Group has acquired the control / joint control in the following entities during the year. Business combination is accounted on fair value basis.

| Name of entity | | Date of acquisition | Exisiting stake (%) | Post acquisition stake (%) |
|---|---|---|---|---|
| MI Torica India Private Limited | Subsidiary | 1-Apr-18 | 0.00% | 60.00% |
| iSYS RTS, GmbH | Subsidiary | 12-Sep-18 | 0.00% | 80.00% |
| Toyoda Gosei Minda India Private Limited | Joint Venture | 28-Sep-18 | 6.13% | 47.80% |

**B.** Total consideration for business combinations were paid in cash.

**C.** **Identifiable assets acquired and liabilities assumed**

Fair value of the assets and liabilities recognised as a results of acquisitions are as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Subsidiary | | Joint Ventures |
|---|---|---|---|
| | MI Torica India Private Limited Amounts (₹) | iSYS RTS, GmbH Amounts (₹) | Toyoda Gosei Minda India Private Limited Amounts (₹) |
| Non Current asset | 0.49 | 3.00 | 419.20 |
| Current assets | 99.81 | 14.01 | 126.37 |
| Borrowing | - | 0.28 | 22.59 |
| Other non current liabilities | 0.51 | - | 2.41 |
| Current liabilities | 83.34 | 14.73 | 117.99 |
| **Total net identifiable assets acquired** | **16.45** | **2.00** | **402.58** |
| **% Holding by the Group** | **60.00%** | **80.00%** | **47.80%** |
| **Net worth allocated to the Group** | **9.87** | **1.60** | **192.44** |
| **Cost of Investment** | **8.44** | **41.92** | **156.95** |
| **Capital Reserve/(Goodwill)** | **1.43** | **(40.31)** | **35.49** |

### Acquisitions during the year ended March 31, 2018

**A.** The Group has acquired the control / joint control in the following entities during the year. Business combination is accounted on fair value basis.

| Name of entity | | Date of acquisition | Exisiting stake (%) | Post acquisition stake (%) |
|---|---|---|---|---|
| Mindarika Private Limited | Subsidiary | 1-Jan-18 | 27.08% | 51.00% |
| Denso Ten Minda India Private Limited (Formerly Fujitsu Ten Minda India Private Limited) | Joint Venture | 1-Jan-18 | - | 49.00% |
| Minda D-Ten India Private Limited (formerly Minda F-Ten Private Limited) | Joint Venture | 1-Jan-18 | - | 51.00% |

**B.** Total consideration for business combinations were paid in cash.

## 55 Business Combination (Contd.)

**C. Identifiable assets acquired and liabilities assumed**

Fair value of the assets and liabilities recognised as a results of acquisitions are as follows:

(All amounts in Indian ₹ Crore, unless otherwise stated)

| Particulars | Joint ventures | | Subsidiary |
|---|---|---|---|
| | Denso Ten Minda India Private Limited | Minda D-Ten India Private Limited | Mindarika Private Limited |
| Non Current asset | 79.21 | 2.31 | 173.43 |
| Current assets | 93.87 | 37.96 | 161.55 |
| Other Current assets | 0.66 | 3.19 | 8.89 |
| Borrowing | (36.91) | - | (23.35) |
| Current liabilities | (78.11) | (35.61) | (121.64) |
| Other non current liabilities | - | - | (4.76) |
| Total net identifiable assets acquired | 58.72 | 7.85 | 194.11 |
| **% Holding by the Group** | **49%** | **51%** | **51%** |
| **Net worth allocated to the Group** | **28.77** | **4.00** | **99.00** |
| **Cost of Investment** | **22.29** | **3.81** | **101.89** |
| **Fair value of existing share in associates** | **-** | **-** | **99.86** |
| **Capital Reserve/(Goodwill)** | **6.48** | **0.19** | **(102.75)** |

**56** Goodwill allocated to Mindarika Private Limited and iSYS RTS GmbH is evaluated for impairment. The recoverable amount of these cash generating units have been determined based on value in use model. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions. As at March 31, 2019, the estimated cash flows for a period of 6 years were developed using internal forecasts, and a pre-tax discount rate of 9%. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

The remaining goodwill related to different cash generating units individually immaterial) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amounts.

## 57 Recently issued accounting pronouncements

***Standards issued but not yet effective***

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard.

**Ind AS 116, Leases**

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will lease payments recognise a liability to make (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

# Notes forming part of the Financial Statements

## 57 Recently issued accounting pronouncements (Contd.)

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt these standards from 1 April 2019. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

**Transition to Ind AS 116**

The Group is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The Group has elected certain available practical expedients on transition.

The Group is currently evaluating the implication of Ind AS 116 on Consolidated Financial statement.

***Other Recently issued accounting pronouncement***

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes- Appendix C on uncertainty over income tax treatments
2. Ind AS 12, Income Taxes- Accounting for Dividend Distribution Taxes
3. Ind AS 19, Employee benefits
4. Ind AS 23, Borrowing costs
5. Ind AS 28, Investment in associates and joint ventures
6. Ind AS 103 and Ind AS 111, Business combinations and joint arrangements
7. Ind AS 109, Financial instruments

The Group is in the process of evaluating the impact of such amendments.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

**Rajiv Goyal**
Partner
Membership No. 094549

Place : Gurugram
Date : 16 May 2019

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**
Chairman and Managing Director
DIN No. 00014942

**Anand Kumar Minda**
Director
DIN No. 00007964

**Sunil Bohra**
Group CFO

**Tarun Kumar Srivastava**
Company Secretary
Membership No. - A11994

## PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue share capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

| S. No. | Name of the proposed Allottees | Percentage of the post-Issue share capital held (%)^* |
|---|---|---|
| 1. | [●] | [●] |
| 2. | [●] | [●] |

^ *Based on beneficiary position as on [●], 2021 (adjusted for Equity Shares Allocated in the Issue).*
** The details of the proposed Allottees have been intentionally left blank and will be filled in before filing of the Placement Document with the Stock Exchanges and issuing of the Placement Document to such proposed Allottees.*

## DECLARATION

The Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

**Signed by:**

**Ravi Mehra**
Designation - Deputy Managing Director
DIN – 01651911
Date: August 2, 2021
Place: Gurugram

## DECLARATION

We, the Board of Directors of our Company certify that:

(i) our Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in the Preliminary Placement Document.

**For and on behalf of the Board, signed by:**

**Ravi Mehra**
Designation - Deputy Managing Director
DIN – 01651911

Date: August 2, 2021
Place: Gurugram

I am authorized by the Board of Directors of our Company, vide resolution number 6 dated August 2, 2021 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

**Signed by:**

**Ravi Mehra**
Designation - Deputy Managing Director
DIN – 01651911

Date: August 2, 2021
Place: Gurugram

**MINDA INDUSTRIES LIMITED**

**Registered Office**
B-64/1,
Wazirpur Industrial Area,
Delhi 110 052, India
Website: www.unominda.com
CIN: L74899DL1992PLC050333

**Corporate office**
Village - Nawada,
Fatehpur P.O. Sikanderpur Badda,
IMT Manesar, District-Gurugram 122 004,
Haryana, India

**Compliance Officer:** Tarun Kumar Srivastava
Village-Nawada, Fatehpur
P.O. Sikanderpur Badda, IMT Manesar
Gurugram 122 004
Haryana, India
Telephone: 011-49373931, 0124-2291604
E-mail: tksrivastava@mindagroup.com

**BOOK RUNNING LEAD MANAGERS**

**Equirus Capital Private Limited**
12th Floor, C Wing, Marathon Futurex,
NM Joshi Marg,
Lower Parel,
Mumbai 400 013
Maharashtra, India

**Nomura Financial Advisory & Securities (India) Private Limited**
Ceejay House, Level - 11,
Dr. Annie Besant Road,
Worli, Mumbai 400 018
Maharashtra, India

**STATUTORY AUDITORS OF OUR COMPANY**
**BSR & Co. LLP**
Building No. 10, 8th Floor, Tower-B
DLF Cyber City, Phase II
Gurugram – 122 002, India

**LEGAL ADVISER TO OUR COMPANY**
*As to Indian law*
**L&L Partners***
1st & 9th Floors, Ashoka Estate,
Barakhamba Road, New Delhi 110 001
India
*(Formerly known as Luthra & Luthra Law Offices)*

**LEGAL ADVISERS TO THE BOOK RUNNING LEAD MANAGERS**

*As to Indian law*

**M/s. Crawford Bayley & Co.**
State Bank Buildings, 4th Floor
N.G.N. Vaidya Marg, Fort
Mumbai 400 023

*International Legal Counsel to the Book Running Lead Managers with respect to Selling and Transfer Restrictions*

**Hogan Lovells Lee & Lee**
50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049 321

**SAMPLE APPLICATION FORM**

**APPLICATION FORM**

| UNO MINDA — THINK. INSPIRE. FLOURISH<br>**MINDA INDUSTRIES LIMITED** | **APPLICATION FORM**<br>Name of the Bidder: ___________________________<br>Form No.: ___________ |
|---|---|
| *Our Company was incorporated as a public company under the Companies Act, 1956 pursuant to a certificate of incorporation dated September 16, 1992 issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana at New Delhi ("RoC"). Our Company commenced its business on November 3, 1992, pursuant to a certificate of commencement of business issued by RoC.*<br><br>**CIN:** L74899DL1992PLC050333<br>**Registered Office:** B-64/1, Wazirpur Industrial Area, Delhi 110 052, India<br>**Corporate Office:** Village – Nawada Fatehpur, P.O. – Sikanderpur Badda, IMT Manesar, District- Gurugram 122 004, Haryana, India<br>**Telephone:** 011-49373931**;**<br>**E-mail:** investor@mindagroup.com**;**<br>**Website:** www.unominda.com**;** | **Date: _______________** |

**QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 2 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO APPROXIMATELY ₹ [●] CRORE UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY MINDA INDUSTRIES LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 734.84 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.**

**Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined hereinbelow) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"); can submit this Application Form.**

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' (as defined in Regulation S under the U.S. Securities Act) in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions*" in the accompanying preliminary placement document dated August 2, 2021 (the "PPD").**

**ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF THE FOREIGN EXCHANGE MANAGEMENT (NONDEBT INSTRUMENTS) RULES, 2019 ("FEMA RULES") IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020,**

**ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA AND RULE 6 OF FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.**

To,

**The Board of Directors**
**MINDA INDUSTRIES LIMITED**
**Registered Office:** B-64/1, Wazirpur Industrial Area, Delhi 110 052, India

| **STATUS (Please tick for applicable category)** | | | |
|---|---|---|---|
| **FI** | Scheduled Commercial Bank and Financial Institutions | **IC** | Insurance Companies |
| **MF** | Mutual Funds | **VCF** | Venture Capital Funds** |
| **NIF** | National Investment Fund | **FPI** | Foreign Portfolio Investor* |
| **IF** | Insurance Funds | **AIF** | Alternative Investment Funds |
| **SI-NBFC** | Systematically Important Non – Banking Financial Companies | **OTH** | Others ________________ (Please specify) |

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*

*** Sponsor and Manager should be Indian owned and controlled.*

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are not an FVCI. We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with Equirus Capital Private Limited and Nomura Financial Advisory &

Securities (India) Private Limited (the "**BRLMs**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; and; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the Preliminary Placement Document and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8)

the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLMs. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the Preliminary Placement Document and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

**We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and are acquiring the Equity Shares in an "offshore transaction" as defined in, and pursuant to, Regulation S under the U.S. Securities Act.**

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We confirm that we are eligible to invest and hold the Equity Shares of our Bank in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

| **BIDDER DETAILS (In Block Letters)** | | | |
|---|---|---|---|
| **NAME OF BIDDER*** | | | |
| **NATIONALITY** | | | |
| **REGISTERED ADDRESS** | | | |
| **CITY AND CODE** | | | |
| **COUNTRY** | | | |
| **PHONE NO.** | | **FAX NO.** | |
| **MOBILE NO.** | | | |
| **EMAIL ID** | | | |
| **LEGAL ENTITY IDENTIFIER** | | | |
| **FOR ELIGIBLE FPIs**** | SEBI FPI REGISTRATION NO. ______________________ | | |

| | |
|---|---|
| **FOR MF** | SEBI MF REGISTRATION NO |
| **FOR AIFs*** ** | SEBI AIF REGISTRATION NO. |
| **FOR VCFs*** ** | SEBI VCF REGISTRATION NO. |
| **FOR SI-NBFC** | RBI REGISTRATION DETAILS |
| **FOR INSURANCE COMPANIES** | IRDAI REGISTRATION DETAILS. ________________________________________________________________________________________ |

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of our Company and the BRLMs.*
*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares held by us in the Company, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules.. For such information, the BRLMs have relied on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

| **NO. OF EQUITY SHARES BID FOR** | | **PRICE PER EQUITY SHARE (RUPEES)** | |
|---|---|---|---|
| (In Figures) | (In Words) | (In Figures) | (In Words) |
| | | | |

| **DEPOSITORY ACCOUNT DETAILS** | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Depository Name | National Securities Depository Limited | | | | | | | | | Central Depository Services (India) Limited |
| Depository Participant Name | | | | | | | | | | |
| DP – ID | I | N | | | | | | | | |
| Beneficiary Account Number | | | | | | | | | | (16-digit beneficiary A/c. No. to be mentioned above) |

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Bid Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

| **PAYMENT DETAILS** |
|---|
| **REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER** |
| **By [●] p.m. (IST), [●], 2021, [●] (“Issue Closing Date”)** |

| **BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER** | | | |
|---|---|---|---|
| **Name of the Account** | **Minda Industries Limited - QIP Escrow Account 2021-22** | **Account Type** | **Escrow Account** |
| **Name of Bank** | **Kotak Mahindra Bank Limited** | **Address of the Branch of the Bank** | **JMD Regent Square,Mehrauli Gurgaon Road,Opposite Bristol Hotel, Gurgaon, Haryana - 122 002** |
| **Account No.** | **7745097418** | **IFSC** | **KKBK0000261** |

The demographic details like address, bank account details, etc. will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Bid Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

The Bid Amount should be transferred pursuant to this Application Form only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Bid Amount should be made along with this Application Form on or before the closure of the Issue Period i.e., prior to or on the Bid/Issue Closing Date. All payments must be made in favor of "*Minda Industries Limited - QIP Escrow Account 2021-22*". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form.

You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

| **RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)** | | | |
|---|---|---|---|
| Bank Account Number | | IFSC | |
| Bank Name | | Bank Branch Address | |

| **DETAILS OF CONTACT PERSON** | | | |
|---|---|---|---|
| Name: | | | |
| Address: | | | |
| | | | |
| Tel. No: | | Fax No: | |
| | | Email: | |
| Mobile No. | | | |

| **OTHER DETAILS** | |
|---|---|
| PAN | |
| Date of Application | |
| Signature of Authorised Signatory (may be signed either physically of digitally) | |

| **ENCLOSURES ATTACHED** |
|---|
| ☐ Copy of PAN Card or PAN allotment letter** |
| ☐ FIRC |
| ☐ Copy of the SEBI registration certificate as a Mutual Fund |
| ☐ Copy of the SEBI registration certificate as an Eligible FPI |
| ☐ Copy of the SEBI registration certificate as an AIF |
| ☐ Copy of the SEBI registration certificate as a VCF |
| ☐ Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank |
| ☐ Copy of the IRDA registration certificate |
| ☐ Copy of notification as a public financial institution |
| ☐ Certified true copy of the power of attorney |
| ☐ Other, please specify ___________________ |

***It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

*Note: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein. This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents*

The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. Our Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format above. The application form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLMs.