

Minda Autoelektrik Limited
Audited Financial Statements

Statutory Audit

For the year ended 31 March 2018

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To The Members of Minda Autoelektrik Limited (Formerly Known as Panalfa Autoelektrik Limited)

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Minda Autoelektrik Limited (Formerly Known as Panalfa Autoelektrik Limited) ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Ind AS financial statements').

Management's Responsibility for the Ind AS Financial Statements

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

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

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

Auditor's Responsibility

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

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

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



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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;



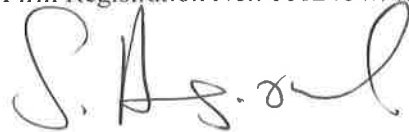
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- e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company did not have any pending litigation which would impact its financial position;
 - ii. The Company did not have any long term contracts including derivate contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited financial statements for the period ended 31 March 2017 have been disclosed.

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022



Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurugram
Date: 18 May 2018

Annexure A to the Auditor's Report

With reference to the Annexure A referred to in our Independent Auditor's Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2018, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets (property, plant and equipment) are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, the discrepancies noticed on such verification were not material and have been properly adjusted in the books of account.
- (c) According to the information and explanations given to us the title deeds of the immovable properties are held in the name of the Company.
- (ii) The inventories, except stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year end, written confirmations have been obtained. According to the information and explanations given to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Further, there are no Firms or Limited Liability Partnership covered in the register required under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made any investments or provided any guarantees or security to the pmlies covered under Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, para 3(v) of the order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the activities performed by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income- tax, Sales tax, Goods and Service Tax ('GST'), Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues



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have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in a few cases.

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

- (b) According to the information and explanations given to us, there are no dues in respect Income-tax, Sales-tax, Goods and Service Tax Service tax, Duty of custom, Duty of excise and Value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. Further, the Company had no loans or borrowing from government and financial institutions at any time during the year and had not issued any debentures during the year or outstanding as at 31 March 2018.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans were applied for the purposes for which those were raised to the extent utilised during the year.
- (x) According to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not paid or provided for any managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Companies Act, 2013. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no transactions with the related parties which are not in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements, as required, by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.



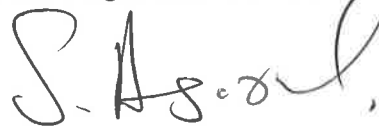
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- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For BSR & Co. LLP

Chartered Accountants

Firm's registration no.: 101248W/W-100022



Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurugram

Date: 18 May 2018

Annexure B to the Independent Auditor's Report of even date on the Ind AS financial statements of Minda Autoelektrik Limited (formerly known as Panalfa Autoelektrik Limited) for the year ended 31 March 2018

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls with reference to Ind AS financial statements

A company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

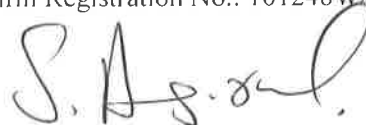
Opinion

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

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022



Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurgaon
Date: 18 May 2018

Minda Autoelektrik Limited
(Formerly known as Panalfa Autoelektrik Limited upto 2 June 2016)

Balance Sheet as at 31 March 2018

(Rs. in million)				
Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
ASSETS				
Non-current assets				
Property, plant and equipments	2.1	228	234	242
Capital work-in-progress		5	-	-
Intangible assets	2.1a	1	2	1
Financial assets				
i. Loans	2.2	-	-	-
ii. Other financial assets	2.3	-	-	-
Income tax assets	2.4	-	-	-
Deferred tax assets (net)	2.15	10	10	-
Other non-current assets	2.5	15	1	1
Total Non Current Assets		259	247	244
Current assets				
Inventories	2.6	59	50	42
Financial assets				
i. Trade receivables	2.7	254	159	152
ii. Cash and cash equivalents	2.8	7	3	5
iii. Other bank balances		-	-	-
iv. Loans	2.9	-	-	-
v. Other financial assets	2.10	1	-	-
Other current assets	2.11	37	36	30
Total Current Assets		358	248	229
TOTAL ASSETS		617	495	473
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	2.12	85	85	58
Other Equity	2.13	148	130	13
Total equity		233	215	71
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings	2.14	15	32	34
Deferred tax liabilities (Net)	2.15	-	-	2
Provisions	2.16	11	9	8
Total Non-current liabilities		26	41	44
Current liabilities				
Financial liabilities				
i. Borrowings	2.17	133	58	98
ii. Trade payables	2.18	194	146	203
iii. Other financial liabilities	2.19	25	26	45
Other current liabilities	2.20	4	7	10
Provisions	2.16	2	2	2
Total current liabilities		358	239	358
Total liabilities		384	280	402
TOTAL EQUITY AND LIABILITIES		617	495	473

Significant accounting policies

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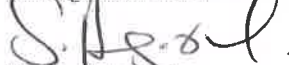
The accompanying notes from 1 to 2.35 form an integral part of the financial statements

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022



Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurgaon

Date: 18 May 2018


Priyanka Sharma
Company Secretary
Membership No.- 51720

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


Sudhir Kashyap
Director
(DIN: 06573561)

Place: Gurgaon

Date: 18 May 2018



A. P. Gandhi

Director

(DIN: 00161107)

Place: Gurgaon

Date: 18 May 2018

Minda Autoelektrik Limited
(Formerly known as Panalfa Autoelektrik Limited upto 2 June 2016)
Statement of Profit and Loss for the year ended 31 March 2018

(Rs. in million)

Income	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	2.21	1,026	1,020
Other income	2.22	1	1
Total income		1,027	1,021
Expenses			
Cost of materials consumed	2.23	776	702
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.24	(1)	(5)
Excise duty on sales		28	106
Employee benefits expense	2.25	103	110
Finance costs	2.26	12	16
Depreciation and amortisation expense	2.27	13	13
Other expenses	2.28	79	74
Total expenses		1,010	1,017
Profit before tax		17	4
Deferred tax	2.15	(1)	(11)
Profit for the year		18	15
Other comprehensive income			
<i>Item that will not be reclassified reclassified subsequent to profit or loss</i>			
Remeasurement of defined benefit liabilities		(1)	(2)
Income tax relating to items that will not be reclassified to profit or loss		-	1
Other comprehensive income for the year (net of tax)		(1)	(1)
Total comprehensive income for the year		17	14
Earnings per equity share			
[Face value of Rs.10 (previous year Rs. 10) each]	2.13.1		
Earnings per equity share (Rs.) (Basic)		2.05	1.55
Earnings per equity share (Rs.) (Diluted)		2.05	1.55

Significant accounting policies

The accompanying notes from 1 to 2.35 form an integral part of the financial statements

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101246W/W-100022



Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurgaon

Date: 18 May 2018

For and on behalf of the Board of Directors of

Minda Autoelektrik Limited



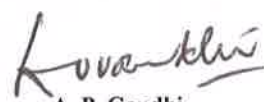
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Minda Autoelektrik Limited
(Formerly known as Panalfa Autoelektrik Limited upto 2 June 2016)

Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

Particulars	Amount
Balance as at April 1, 2016	58
Changes in equity share capital during the year ended March 31, 2017	27
Balance as at March 31, 2017	85
Changes in equity share capital during the year ended March 31, 2018	-
Balance as at March 31, 2018	85

B. Other equity

Particulars	Other equity			Items of Other Comprehensive Income	Total
	Capital reserve	Securities premium reserve	Retained earnings	Remeasurement of defined benefit obligations	
As at 1 April 2016	-	-	13	-	13
Profit/(loss) for the year	-	-	15	-	15
Other comprehensive income	-	-	-	(2)	(2)
Total comprehensive income for the year	-	-	15	(2)	13
Financial assistance fees	1	-	-	-	1
Amount transferred to securities premium during the year on issue of shares	-	103	-	-	103
As at 31 March 2017	1	103	28	(2)	130
As at 1 April 2017	1	103	28	(2)	130
Profit/(loss) for the year	-	-	18	-	18
Other comprehensive income	-	-	-	(1)	(1)
Total comprehensive income for the year	-	-	18	(1)	17
Financial assistance fees	1	-	-	-	1
As at 31 March 2018	2	103	46	(3)	148

Notes:

(1) Refer note 2.13.2 for nature and purpose of other equity.

Significant accounting policies

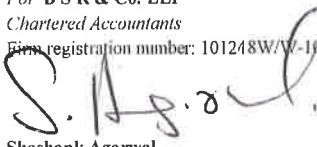
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As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants

Firm registration number: 101248W/W-100022



Shashank Agarwal
Partner
Membership No.: 095109

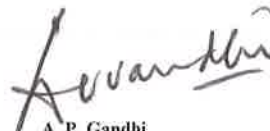
Place: Gurgaon
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For and on behalf of the Board of Directors of
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Sudhir Kashyap
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Date: 18 May 2018


Priyanka Sharma
Company Secretary
Membership No.- 51720

Minda Autoelektrik Limited
(Formerly known as Panalfa Autoelektrik Limited upto 2 June 2016)

Cash Flow Statement for the year ended 31 March 2018

Particulars	(Rs. in million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Cash flows from operating activities		
Profit / (Loss) before tax	17	13
Adjustments for:		
Unrealised foreign exchange differences	-	(1)
Depreciation and amortisation expense	13	13
Loss on sale of fixed asset	-	1
Interest income	-	-
Provision for warranty	8	2
Other comprehensive income for the year	(1)	(2)
Liabilities for previous year	-	-
Excise duty provision on closing stock of finished goods	-	-
Finance costs	11	15
Other borrowing costs	1	1
	<u>49</u>	<u>42</u>
Operating profit before working capital changes		
(Increase) in trade receivables	(96)	(6)
Decrease/ (Increase) in inventory	(10)	(6)
(Increase) in loans and advances	(21)	5
(Increase) in other assets	(1)	-
Increase in trade payables, other liabilities and provisions	49	(71)
Cash used in operations	<u>(30)</u>	<u>(36)</u>
Income-tax refund (paid), net	-	-
Net cash used in operating activities (A)	<u>(30)</u>	<u>(36)</u>
B Cash flows from investing activities		
Purchase of fixed assets	(14)	(3)
Sale of fixed assets	-	1
Investment made in bank deposits (held for initial maturity of more than 3 months or more)	1	-
Interest received	-	-
Net cash used in operating activities (B)	<u>(13)</u>	<u>(2)</u>
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	-	60
Repayment of long-term borrowings #	(17)	(64)
Proceeds from loan taken from Director/ Group Companies	23	27
Proceeds from increase in share capital	-	130
Repayment of loan taken from Director	-	(130)
Proceeds/ (repayment) of cash credit (net of repayments)	53	40
Finance costs paid	(11)	(25)
Other borrowing costs	(1)	(1)
Net cash provided by financing activities (B)	<u>47</u>	<u>37</u>
Net decrease in cash and cash equivalents (A+B+C)	<u>4</u>	<u>(1)</u>
Cash and cash equivalents at the beginning of the year	<u>3</u>	<u>4</u>
Effect of exchange differences on cash and cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the end of the year:	<u><u>7</u></u>	<u><u>3</u></u>
Components of cash and cash equivalents (Refer to Note 2.8) :		
Cash in hand	-	-
Balance with banks - On current account	<u>7</u>	<u>3</u>
	<u><u>7</u></u>	<u><u>3</u></u>

Refer note 2.14.1 for change in liabilities arising from financing activities.

Notes to Cash Flow Statement:

- The Statement of Cash Flow has been prepared in accordance with 'Indirect method' as set out in the Ind AS-7 on 'Statements of Cash Flow' as specified in the section 133 of the Companies Act 2013 read with relevant rules issued thereunder.
- Cash and cash equivalents consists of cash in hand and balances with scheduled banks. (Refer to Note 2.8)

Significant accounting policies

1

The accompanying notes from 1 to 2.35 form an integral part of the financial statements

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants

Firm registration number: 101248W/V-100022

Shashank Agarwal
Partner

Membership No.: 095109

Place: Gurgaon
Date: 18 May 2018

Priyanka Sharma
Company Secretary
Membership No.- 51720

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

Sudhir Kashyap
Director
DIN: 06573561

Place: Gurgaon
Date: 18 May 2018

A. P. Gandhi

A. P. Gandhi
Director
DIN: 00161107

Place: Gurgaon
Date: 18 May 2018

Minda Autoelektrik Limited
(Formerly known as Panalfa Autoelektrik Limited upto 2 June 2016)
Notes to financial statements for the year ended 31 March 2018

1. Company Overview

Minda Autoelektrik Limited (formerly known as Panalfa Autoelektrik Limited upto 2 June 2016) (“the Company”) was formed as an Indo Czech joint venture promoted by Panalfa Automotive Private Limited) and Magneton a.s. (a Czech Company) as a limited liability Company incorporated on 15 March 2007.

The Company is primarily engaged in the business of manufacture of automotive components primarily “starter motors” and “alternators”.

2. Significant Accounting Policies

(i) Basis of accounting

These financial statements have been prepared and presented on a going concern basis, under the historical cost convention on an accrual basis of accounting and comply with the Indian Generally Accepted Accounting Principles (GAAP) and comply with the accounting standards, as prescribed by the Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013 as adopted consistently by the Company. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at the date of the financial statements, and reported amounts of income and expenses during the reporting period. Examples of estimates include useful life of fixed assets, retirement benefits, provision for warranties, provision for inventory obsolescence, provision for doubtful debts and loans and advances. Actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in current and future periods.

(iii) Current–non-current classification

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

Assets

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

1. it is expected to be realised in, or is intended for sale or consumption in, the Company’s normal operating cycle;
2. it is held primarily for the purpose of being traded;
3. it is expected to be realised within 12 months after the reporting date; or
4. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.



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Notes to financial statements for the year ended 31 March 2018

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

Liabilities

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

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

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

Operating cycle

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

(iv) Fixed Assets

Tangible fixed assets

Tangible fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation, less accumulated depreciation and impairment losses, if any. Cost is inclusive of freight, duties (except for refundable duties), taxes and other directly attributable costs incurred to bring the assets to their working condition for intended use. Fixed assets under construction are disclosed as capital work in progress.

Intangible fixed assets

Intangible assets are recognized only if acquired and it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

(v) Depreciation and amortisation

Depreciation on fixed assets is provided on the straight-line method at rates based on estimated useful lives, as determined by the management.

Based on internal technical evaluation, the management has estimated below useful lives which differs from useful lives specified in the Act. Management believes that the useful



Minda Autoelektrik Limited

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Notes to financial statements for the year ended 31 March 2018

lives as considered for arriving at depreciation rates, best represent the period over which management expects to use these assets.

Block of Assets	Estimated life (Years)
Plant and machinery	21
Factory Building	40
Furniture	16
Vehicles	11
Office equipment	21
Electrical installations and fittings	21
Computers	6

Leasehold improvements are amortized on the straight-line basis over the lower of primary period of lease and the estimated useful life of such assets.

Depreciation on addition to fixed assets is provided on pro-rata basis from the first day of month when the assets are put to use. Depreciation on sale/deduction from fixed assets is provided for up to the date of sale or deduction as the case may be.

Intangible fixed assets (computer software) are amortized on a straight line basis over its estimated useful life of 3 years.

The appropriateness of depreciation/amortization period and depreciation/amortization method is reviewed by the management each financial year.

(vi) Inventories

Inventories are valued as follows:

Raw materials, stores and spares and packing material:

Lower of cost and net realisable value. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished goods in which they will be used are expected to be sold at or above cost. Cost is determined on First in First out basis (FIFO basis).

Work-in-progress and finished goods:

Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

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

(vii) Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.



(viii) **Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

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

Export Incentives

Export incentives available under the prevalent scheme are accrued in the year when the right to receive credit as per the terms of the scheme is established and these are accounted to the extent there is no significant uncertainty about the measurability and ultimate utilization of such duty credit.

Interest

Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(ix) **Foreign exchange transactions**

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of respective transactions. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date. All exchange differences are recognized in the Statement of Profit and Loss.

The Company uses forward contracts to hedge its foreign currency risk exposures relating to firm commitments and highly probable transactions.

Exchange difference on a forward exchange contract is the difference between:

- (a) the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period; and
- (b) the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date.

These exchange differences are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

At the balance sheet date the forward contracts are mark to market. Keeping in view the principle of prudence as enunciated by Accounting Standard 1 "Disclosure of Accounting Policies", a provision (with a corresponding debit to the Statement of Profit and Loss) is



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Notes to financial statements for the year ended 31 March 2018

recognized for the overall loss on the portfolio of open forward contracts. If there is an overall profit, it is not recognized.

(x) **Employee benefits**

Short - term employee benefits

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

Defined benefit plan

Defined benefit plan of the Company comprises of gratuity.

The Company has an obligation towards gratuity, a defined benefit plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

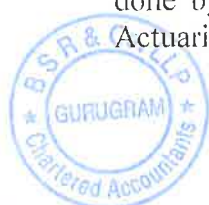
The liability in respect of defined benefit plan is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. The gratuity plan of the Company is unfunded.

Defined contribution plan

Under the provident fund, a defined contribution plan, the Company pays fixed contributions to the appropriate government authorities and has no obligation to pay further amounts. Such fixed contributions are recognised in the Statement of Profit and Loss on accrual basis in the financial year to which they relate.

Other long term benefits

Benefits under compensated absences constitute other long-term employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year-end using the Projected Unit Credit Method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.



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Notes to financial statements for the year ended 31 March 2018

(xi) Impairment of assets

The carrying value of assets is reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the amount recoverable towards such assets is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there is a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent the carrying amount of the asset does not exceed the carrying amount that would have been determined net off depreciation or amortisation, if no impairment loss had been recognised.

(xii) Provisions, contingent liabilities and contingent assets

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(xiii) Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the Income-tax law) and deferred tax charge or credit. Income taxes are accrued in the same period the related revenues and expenses arise.

The differences that result between the income considered for income taxes and the income as per the financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on tax rates that have been enacted or substantially enacted by the Balance Sheet date.

Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only to the extent there is virtual certainty of realisation of such assets. In other situations, deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

(xiv) Earnings per Share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year.



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Notes to financial statements for the year ended 31 March 2018

(xv) **Borrowing Cost**

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing cost directly attributable to acquisition of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Other borrowing costs are recognized as an expense in the statement of profit and loss in the year in which they are incurred.



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

2.1 Property, plant and equipment

Particulars	Gross Block					Accumulated Depreciation				Net Block
	As at 1 April 2017 (a)	Additions (b)	Disposals (c)	As at 31 March 2018 (d) = (a+b+c)	As at 1 April 2017 (e)	For the year (f)	On disposals (g)	As at 31 March 2018 (h) = (e+f+g)	As at 31 March 2018 (I) = (d-h)	
Freehold Land	15	-	-	15	-	-	-	-	15	
Building	100	-	-	100	2	3	-	5	95	
Leasehold improvements	-	-	-	-	-	-	-	-	-	
Plant and machinery	109	5	-	114	8	8	-	16	98	
Electrical installations and fittings	9	-	-	9	1	-	-	1	8	
Office equipment	3	-	-	3	-	-	-	-	3	
Computers	2	1	-	3	1	1	-	2	1	
Furniture and fixtures	7	-	-	7	-	-	-	-	7	
Vehicles	1	-	-	1	-	-	-	-	1	
Total (A)	246	6	-	252	12	12	-	24	228	
Capital work-in-progress	-	5	-	5	-	-	-	-	5	
Total (B)	-	5	-	5	-	-	-	-	5	
Total (A+B)	246	11	-	257	12	12	-	24	233	

Particulars	Gross Block					Accumulated Depreciation				Net Block
	Deemed cost as at 1 April 2016 (a)	Additions (b)	Disposals (c)	As at 31 March 2017 (d) = (a+b+c)	As at 1 April 2016 (e)	For the year (f)	On disposals (g)	As at 31 March 2017 (h) = (e+f+g)	As at 31 March 2017 (I) = (d-h)	
Freehold Land	15	-	-	15	-	-	-	-	15	
Building	100	-	-	100	-	2	-	2	98	
Leasehold improvements	-	-	-	-	-	-	-	-	-	
Plant and machinery	104	5	-	109	-	8	-	8	101	
Electrical installations and fittings	9	-	-	9	1	1	-	1	8	
Office equipment	3	-	-	3	-	-	-	-	3	
Computers	1	1	-	2	-	1	-	1	1	
Furniture and fixtures	7	-	-	7	-	-	-	-	7	
Vehicles	3	-	-	3	-	-	-	-	3	
Total (A)	242	6	2	246	-	12	-	12	234	
Capital work-in-progress	-	-	-	-	-	-	-	-	-	
Total (B)	-	-	-	-	-	-	-	-	-	
Total (A+B)	242	6	2	246	-	12	-	12	234	



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

2.1a Intangible Assets

Particulars	(Rs. in million)						Net Block As at 31 March 2018 (I) = (d-h)	
	As at 1 April 2017 (a)	Additions (b)	Disposals (c)	As at 31 March 2018 (d) = (a+b+c)	As at 1 April 2017 (e)	Accumulated amortisation For the year (f)		On disposals (g)
Computer software	3	-	-	3	1	1	-	2
Total	3	-	-	3	1	1	-	2

Particulars	(Rs. in million)						Net Block As at 31 March 2017 (I) = (d-h)	
	Deemed cost as at 1 April 2016 (a)	Additions (b)	Disposals (c)	As at 31 March 2017 (d) = (a+b+c)	As at 1 April 2016 (e)	Accumulated amortisation For the year (f)		On disposals (g)
Computer software	1	2	-	3	-	1	-	1
Total	1	2	-	3	-	1	-	1



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

2.2 Loans		(Rs. in million)		
Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	
Non Current				
Security deposits	-	-	-	
Total	<u>-</u>	<u>-</u>	<u>-</u>	
2.3 Other Financial assets		(Rs. in million)		
Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	
Non current assets				
<i>(Unsecured, considered good)</i>				
Bank deposit (due to mature after 12 months from reporting date)	-	-	-	
Interest accrued on fixed deposits	-	-	-	
Total	<u>-</u>	<u>-</u>	<u>-</u>	
*Bank deposits include Rs.Nil million (previous year ended 31/03/2018 Rs. - million and as at 01/04/2016 Rs - million) being fixed deposit placed as lien with Sales tax authorities.				
2.4 Income Tax Assets		(Rs. in million)		
Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	
Advance income tax (net of provisions for tax of Rs. - million; 31 march 2017 Rs. - million and 1 April 2016 Rs. - million)	-	-	-	
Total	<u>-</u>	<u>-</u>	<u>-</u>	
2.5 Other Non- Current Assets		(Rs. in million)		
Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	
Capital advances				
-Considered good	15	1	1	
-Considered doubtful	-	-	-	
Less: provision for doubtful advances	-	-	-	
Total	<u>15</u>	<u>1</u>	<u>1</u>	
2.6 Inventories		(Rs. in million)		
Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	
Raw materials	37	28	27	
Work-in-progress	17	6	9	
Finished goods	3	4	7	
Goods In Transit	-	10	-	
Packing materials	-	-	-	
Stores and spares	2	2	1	
Less : Provision for Slow moving inventory	-	-	(2)	
Total	<u>59</u>	<u>50</u>	<u>42</u>	
2.7 Trade Receivables		(Rs. in million)		
Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	
Unsecured				
- Considered good	238	146	152	
- Considered doubtful	-	-	-	
Receivable from related parties (refer note 2.33)	16	13	-	
Less: Provision for expected credit loss	-	-	-	
Total	<u>254</u>	<u>159</u>	<u>152</u>	



2.8 Cash and cash equivalents

(Rs. in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Cash and cash equivalents			
Cash in hand	-	-	-
Balance with banks			
- On current accounts	7	3	4
- Other bank balances	-	-	1
Total	7	3	5
Details of bank balance deposits			
Bank deposits (with original maturity of more than 3 months) due to mature within 12 months of the reporting date included under 'other bank balances'	-	1	1
Bank deposits due to mature after 12 months of the reporting date included under 'other non-current assets'. (refer note 2.3)	-	-	-
Total	-	1	1

Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of corporate affairs:

(Rs. in million)

Particulars	Specified Bank Notes	Other Denominations Note	Total
Closing cash in hand as on 8 November 2016	1	-	-
Permitted receipts	-	-	-
Permitted payments	-	-	-
Amount deposited in banks	1	-	-
Closing cash in hand as on 30 December 2016	-	-	-

Note:- For the purpose of this disclosure, the term "Specified bank notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O 3407(E), dated 8 November 2016.

2.9 Loans

(Rs. in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Current			
Security deposits	-	-	-
Total	-	-	-

2.10 Other Financial Assets

(Rs. in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Current			
Advance to employees	-	-	-
Interest accrued on bank deposits	-	-	-
Fixed Deposit with bank	1	-	-
Total	1	-	-

2.11 Other current assets

(Rs. in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advance to suppliers	-	-	1
Other advances			
- Considered good	2	2	-
- Considered doubtful	-	1	1
Less: provision for doubtful advances	-	(1)	(1)
Balance with government authorities	24	23	22
Prepaid expenses	-	-	1
Export incentives receivable	10	10	6
Others	1	1	-
Total	37	36	30



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

2.12 Equity		(Rs. in million)		
Particulars	As at		As at	
	31 March 2018	31 March 2017	As at 01 April 2016	
2.12.1. Authorised				
9,000,000 (March 31, 2017 : 9,000,000 ; April 1, 2016 : 6,000,000) equity Shares of Rs.10 each	90	90	60	
2.12.2. Issued, subscribed and fully paid up				
8,508,333 (March 31, 2017 : 8,508,333 ; April 1, 2016 : 5,800,000) equity Shares of Rs.10 each	85	85	58	
Total	85	85	58	

2.12.3. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at		As at		As at	
	31 March 2018		31 March 2017		01 April 2016	
	Number	Amount (Rs. in million)	Number	Amount (Rs. in million)	Number	Amount (Rs. in million)
Equity shares						
At the commencement of the year	85,08,333	85	58,00,000	58	58,00,000	58
Issued during the year	-	-	27,08,333	27	-	-
At the end of the year	85,08,333	85	85,08,333	85	58,00,000	58

2.12.4. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares having a par value of Rs.10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The voting rights of an equity shareholder are in proportion to its share of the paid up equity share capital of the Company.

2.12.5. Details of shareholders holding more than 5% shares in the Company

Particulars	As at		As at		As at	
	31 March 2018		31 March 2017		01 April 2016	
	Number of shares	% holding in the class	Number of shares	% holding in the class	Number of shares	% holding in the class
Minda Corporation Ltd	85,08,333	100%	85,08,333	100%	-	0%
Pankaj Raghbeer	-	0%	-	0%	14,68,000	25%
Panalfa Automotive Private Limited	-	0%	-	0%	14,85,000	26%
Pankaj Raghbeer Trust	-	0%	-	0%	28,42,000	49%
Total	85,08,333	100%	85,08,333	100%	57,95,000	100%

2.13 Other Equity

Particulars	(Rs. in million)	
	As at 31 March 2018	As at 31 March 2017
Share premium account		
Opening Balance	103	103
Closing Balance	103	103
Capital Reserve		
Opening Balance	1	-
Add: Amount Transfer from Surplus during the year	1	1
Closing Balance	2	1
Retained Earnings		
Opening Balance	28	13
Add: Profit / (Loss) for the year	18	15
Closing Balance	46	28
Other comprehensive income		
Opening Balance	(2)	-
Add/ (Less): Remeasurement of defined benefit liabilities	(1)	(2)
Closing Balance	(3)	(2)
Total	148	130

2.13.1 Earnings per share

Particulars	(Rs. in million)	
	As at 31 Mar 2018	As at 31 Mar 2017
Net Profit attributable to equity shareholders		
Net Profit after tax	17	15
Number of weighted average equity shares		
- Basic	85,08,333	85,08,333
- Diluted	85,08,333	85,08,333
Nominal Value of equity shares (Rs.)	10	10
Earnings per share (Rs.) (Basic)	2.11	1.75
Earnings per share (Rs.) (Diluted)	2.11	1.75

2.13.2 Nature and purpose of other equity

• Share premium reserve

The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

• Capital reserve

This represents appropriation of profit by the Company and is available for financial assistance fee expenses.



2.14 Long-term borrowings

Particulars	Long Term maturities					Current portion*		(Rs. in million)	
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 01 April 2016
<i>Secured</i>									
Term loan from bank**	15	32	34	17	17	17	17	17	19
Total	15	32	34	17	17	17	17	17	19

* Current portion of long-term borrowings is disclosed under the head "other current financials liabilities". Refer note 2.19

** Footnotes:

S. No.	Lender	Terms of repayment	Loan outstanding as at 31 March 2018	Loan outstanding as at 31 March 2017	Loan outstanding as at 01 April 2016	Details of security / guarantee
1	HDFC Bank	<ul style="list-style-type: none"> Repayment terms: Quarterly instalments Rate of interest: 10.80% in april and may 17 to mar'18 @ 9.50% Period / date of maturity: April 2019 Number of instalments: Total instalments: 12, Balance instalments: 5 Amount of instalments: Rs. 2 million 	10	19	-	<p>Exclusive charge on the entire current assets of the Company both present and future with value of Rs. 194.99 million as on FY 2014-15.</p> <p>Exclusive charge on the entire moveable and immovable fixed assets of the Company with WDV of Rs. 240.00 million as on FY 2014-15.</p> <p>Corporate guarantee of Minda Corporation Limited with Audited NTW of Rs. 3,14.79 million as on FY 2014-15.</p>
	HDFC Bank	<ul style="list-style-type: none"> Repayment terms: Quarterly instalments Rate of interest: 10.80% in april and may 17 to mar'18 @ 9.50% Period / date of maturity: August 2020 Number of instalments: Total instalments: 16, Balance instalments: 10 Amount of instalments: Rs. 2 million 	22	30	-	<p>Exclusive charge on the entire current assets of the Company both present and future with value of Rs. 194.99 million as on FY 2014-15.</p> <p>Exclusive charge on the entire moveable and immovable fixed assets of the Company with WDV of Rs. 240.00 million as on FY 2014-15.</p> <p>Corporate guarantee of Minda Corporation Limited with Audited NTW of Rs. 3,14.79 million as on FY 2014-15.</p>
	AXIS Bank	<ul style="list-style-type: none"> Repayment terms: Quarterly instalments Rate of interest (For INR loan): Base plus 3%. The Company has the option to convert INR loan into Foreign currency loan under which Rate of interest shall be LIBOR plus basis points as mutually agreed between the parties at the time of rollover of the loan. Period / date of maturity: December 2018 Number of instalments: Total instalments: 20 Amount of instalments: First 4 instalments at Rs. 4 million and next 16 instalments at Rs. 2 million <p>[Note:- The loan has been fully prepaid during the year]</p>	-	-	24	<p>Term Loan is secured by exclusive first hypothecation charge of the entire moveable fixed assets of the Company both present and future other than vehicles. Term loan is also secured by the collateral security of extension of exclusive first charge on the entire current assets of the Company both present and future.</p> <p>Further, the term loan is secured by the following collateral security:</p> <ol style="list-style-type: none"> Equitable mortgage of land and building at Industrial Plot at Bawal measuring 8000 sq meters, belonging to Minda Autoelektrik Limited (formerly known as Panalifa Autoelektrik Limited) (Industrial Plot No. 355, Sector-3, Phase-II, at Growth Centre, Bawal of 7875 sq mtrs allotted by HSIDC at Bawal) Corporate guarantee of Panalifa Automotive Private Limited Pledge of shares of Minda Autoelektrik Limited (formerly known as Panalifa Autoelektrik Limited) held by Panalifa Automotive Private Limited and its affiliates equivalent to 30% of total holding of 1st phase of project i.e. share value of Rs. 17 million. <p>During the year end, pursuant to the acquisition by Minda Corporation Limited, the Company has repaid the entire loan and therefore the above security / guarantee terms stands cancelled.</p>
	AXIS Bank	<ul style="list-style-type: none"> Repayment terms: Monthly instalments Rate of interest: Base plus 3% Period / date of maturity: February 2019 Number of instalments: Total instalments: 36 Amount of instalments: First 35 instalment at Rs. 1 million, Last instalment at Rs. 1 million <p>[Note:- The loan has been fully prepaid during the year]</p>	-	-	29	<p>Term Loan is secured by exclusive first hypothecation charge of the entire moveable fixed assets of the Company both present and future other than vehicles. Term loan is also secured by the collateral security of extension of exclusive first charge on the entire current assets of the Company both present and future.</p> <p>Further, the term loan is secured by the following collateral security:</p> <ol style="list-style-type: none"> Equitable mortgage of land and building at Industrial Plot at Bawal measuring 8000 sq meters, belonging to Minda Autoelektrik Limited (formerly known as Panalifa Autoelektrik Limited) (Industrial Plot No. 355, Sector-3, Phase-II, at Growth Centre, Bawal of 7875 sq mtrs allotted by HSIDC at Bawal) Corporate guarantee of Panalifa Automotive Private Limited Pledge of shares of Minda Autoelektrik Limited (formerly known as Panalifa Autoelektrik Limited) held by Panalifa Automotive Private Limited and its affiliates equivalent to 30% of total holding of 1st phase of project i.e. share value of Rs. 17 million. <p>During the year end, pursuant to the acquisition by Minda Corporation Limited, the Company has repaid the entire loan and therefore the above security / guarantee terms stands cancelled.</p>

2.14.1

Movement in current and non-current borrowings

Particulars	(Rs. in million)
Borrowings at the beginning of the year	49
Movement due to cash transactions per the statement of cash flows	(17)
Borrowings at the end of the year	32



2.15 Deferred tax liabilities (net)

A. Amount recognised in statement of profit and loss		(Rs. In million)	
Particulars	As at 31 March 2018	As at 31 March 2017	
Current tax	-	-	
Deferred tax			
Origination and reversal of temporary differences	(1)	-	
	(1)	-	
Income tax expense reported in the statement of profit and loss	(1)	-	

B. Amount recognised in other comprehensive income / (expense)		(Rs. In million)	
Particulars	As at 31 March 2018	As at 31 March 2017	
Remeasurement of post employment benefit obligation	-	-	
Income tax recognised in other comprehensive income / (expense)	-	-	

C. Reconciliation of effective tax rate

Reconciliation of tax expense and accounting profit / (loss) multiplied by India's domestic tax rate for the year ended March 31, 2018 and March 31, 2017: (Rs. In million)				
Particulars	As at 31 March 2018		As at 31 March 2017	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operation		17		4
Tax using the Company's domestic tax rate	34.61%	6	34.61%	1
Tax effect of:				
Unabsorbed depreciation	-34.61%	(6)	-34.61%	(1)
Effective Tax Rate	0.00%	-	0.00%	-

D. Movement of temporary differences

Particulars	As at 01 April 2016	Recognised in Profit & Loss A/c during 2016-17	Recognised in OCI during 2016-17	As at 31 March 2017	Recognised in Profit & Loss A/c during 2017-18	Recognised in OCI during 2017-18	(Rs. In million) As at 31 March 2018
	Deferred tax liability						
Difference between book and tax depreciation	17	7	-	23	(23)	-	1
(A)	17	7	-	23	(23)	-	1
Deferred tax assets							
Provision for gratuity and compensated absences	3	-	1	3	(3)	-	-
Provision for doubtful receivables and loans and advances	1	(1)	-	-	-	-	-
Unabsorbed business losses and depreciation	11	19	-	30	(19)	-	11
MAT credit entitlement	-	-	-	-	-	-	-
(B)	15	18	1	33	(22)	-	11
Net Deferred tax liabilities/(assets) (A) - (B)	2	(11)	(1)	(10)	(1)	-	(19)

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

Expire Year	(Rs. In million)					
	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016	As at April 1, 2016
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Business Loss						
2014-2015	-	-	-	-	21	7
2015-2016	-	-	-	-	-	-
2016-2017	-	-	-	-	-	-
Unabsorbed depreciation (never expired)						
2014-2015	8	3	8	3	8	3
2015-2016	27	9	27	9	-	-
2016-2017	8	3	-	-	-	-
	43	15	35	12	29	10

2.16. Provisions

Particulars	Non Current Provisions			Current Provisions			(Rs. in million)
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	
	Provision for employee benefits						
Gratuity (refer note 36)	8	8	5	1	-	1	
Compensated absences	3	1	3	-	-	-	
Other provisions							
Provision for warranty	-	-	-	1	2	1	
Total	11	9	8	2	2	2	

2.16.1. Movement in warranty cost provision

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
	Opening Balance	2	1
Provision made during the year	8	2	1
Provision utilised during the year	9	1	-
Closing Balance	1	2	1

The Company provides warranty on the sales made during the year for a period of 12 months from the date of sale for manufacturing defects



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

2.17 Short-term borrowings

Particulars	(Rs. in million)			
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	
Secured				
- Cash credit from bank	111	58	18	
Unsecured				
- Loan from Directors	-	-	80	
- Loan from Others	22	-	-	
Total	133	58	98	

**** Footnotes :**

S. No.	Lender	Terms of repayment	Loan outstanding as at 31 March 2018	Loan outstanding as at 31 March 2017	Loan outstanding as at 01 April 2016	Details of security / guarantee
1	HDFC Bank	<ul style="list-style-type: none"> Repayment term: On demand Rate of interest : 9.50% 	80	58	-	<p>The cash credit is secured by exclusive first charge on the entire current assets of the Company, both present and future. Further, cash credit is secured by the collateral security of exclusive first hypothecation charge of the entire moveable fixed assets of the Company both present and future other than vehicles.</p> <p>Further, cash credit is secured by the following collateral security:</p> <ol style="list-style-type: none"> Equitable mortgage of land and building at Industrial Plot at Bawal measuring 8000 sq meters, belonging to Minda Autoelektrik Limited (formerly known as Panalfa Autoelektrik Ltd) (Industrial Plot No. 355, Sector-3, Phase-II, at Growth Centre, Bawal of 7875 sq mtrs allotted by HSIIDC at Bawal). Corporate guarantee of Panalfa Automotive Private Limited. Pledge of shares of Minda Autoelektrik Limited (formerly known as Panalfa Autoelektrik Limited) held by Panalfa Automotive Private Limited and its affiliates equivalent to 30% of total holding of 1st phase of project i.e. share value of Rs. 17 million.
	Kotak Mahindra Bank	<ul style="list-style-type: none"> Repayment term: On demand Rate of interest : 9.50% 	31	-	-	<p>Exclusive charge on the entire current assets of the company both present and future with value of Rs 194.99 Mn as on FY 2014-15.</p> <p>Exclusive charge on the entire moveable and immovable fixed assets of the company with WDV of Rs 240.00 Mn</p> <p>CG of Minda Corporation Limited with Audited NTW of Rs 3,314.79 Mn as on FY 2014-15.</p>



Lender	Lender	Terms of repayment	Loan outstanding as at 31 March 2018	Loan outstanding as at 31 March 2017	Loan outstanding as at 01 April 2016	Details of security / guarantee
1	Axis Bank	<ul style="list-style-type: none"> ● Repayment term: On demand ● Rate of interest : Bank base rate plus 3.0% 	-	-	18	<p>The cash credit is secured by exclusive first charge on the entire current assets of the Company, both present and future. Further, cash credit is secured by the collateral security of exclusive first hypothecation charge of the entire moveable fixed assets of the Company both present and future other than vehicles.</p> <p>Further, cash credit is secured by the following collateral security:</p> <ol style="list-style-type: none"> 1. Equitable mortgage of land and building at Industrial Plot at Bawal measuring 8000 sq meters, belonging to Minda Autoelektrik Limited (formerly known as Panalfa Autoelektrik Ltd) (Industrial Plot No. 355, Sector-3, Phase-II, at Growth Centre, Bawal of 7875 sq mtrs allotted by HSIIDC at Bawal). 2. Corporate guarantee of Panalfa Automotive Private Limited. 3. Pledge of shares of Minda Autoelektrik Limited (formerly known as Panalfa Autoelektrik Limited) held by Panalfa Automotive Private Limited and its affiliates equivalent to 30% of total holding of 1st phase of project i.e. share value of Rs. 17 million.
2	Loan from Directors	<ul style="list-style-type: none"> ● Repayment term: On demand ● Rate of interest : Bank base rate plus 3.0% 	-	-	81	<p>During the year end, pursuant to the acquisition by Minda Corporation Limited the Company has repaid the entire loan from Director</p>
3	Loan from Other	<ul style="list-style-type: none"> ● Repayment term: On demand ● Rate of interest : 12.0% 	22	-	-	<p>Unsecured Short term demand loan against supplies, re-paid in 12 monthly instalments from sale proceeds.</p>



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Notes to the financial statements for the year ended 31st March 2018**2.18 Trade payables**

(Rs. in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
- Total outstanding dues to micro and small enterprises, registered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED")*	-	-	-
- Total outstanding dues to creditors other than micro and small enterprises	194	146	203
- Trade Payables to related parties	-	-	-
- Acceptances	-	-	-
Total	194	146	203

* 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 its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, there are no dues outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not received any claim for interest from any supplier under the said Act.

(Rs. in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year	-	-	-
- Principal amount	-	-	-
- Interest thereon	-	-	-
(ii) the amount of interest paid in terms of section 16, along with the amounts of the payment made to the suppliers beyond the appointed day:	-	-	-
- Principal amount	-	-	-
- Interest thereon	-	-	-
(iii) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
(iv) the amount of interest accrued and remaining unpaid.	-	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act	-	-	-

2.19 Other current financial liabilities

(Rs. in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Current maturities of long-term borrowings (refer note 2.14)	17	17	19
Interest accrued but not due on long-term borrowings	-	-	-
Interest accrued and due on borrowings	5	5	13
Salary, wages & bonus payable	2	2	6
Creditors for capital items	1	2	7
Total	25	26	45

2.20 Other current liabilities

(Rs. in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advance from customers	1	1	1
Retention monies payable	2	3	5
Security deposits	-	-	2
Statutory dues payable	1	3	2
Total	4	7	10



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

2.21 Revenue from Operations		(Rs. in million)	
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	
A. Sale of products			
- Manufactured Goods	1,016	1,008	
B. Other operating revenue			
- Export incentives	9	11	
- Scrap Sale	1	1	
Revenue from Operations	1,026	1,020	

2.22 Other income		(Rs. in million)	
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	
Interest on fixed deposits	-	-	
Miscellaneous income	1	1	
Total	1	1	



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Notes to the financial statements for the year ended 31st March 2018**2.23 Cost of Materials Consumed****(Rs. in million)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventory at the beginning of the year	29	25
Purchases	784	705
Inventory at the end of the year	37	28
Total	776	702

2.24 Changes in inventory of finished goods and work in progress**(Rs. in million)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Work-in-progress		
Closing stock	17	7
Less: Opening stock	6	9
	(11)	2
Finished goods		
Closing stock	4	14
Less: Opening stock	14	7
	10	(7)
Impact of excise duty on (decrease) in finished goods		
Total	(1)	(5)



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

2.25 Employee Benefits Expenses

(Rs. in million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages	94	101
Contribution to Provident and other funds	5	5
Staff welfare expenses	4	4
Total	103	110

2.26 Finance Cost

(Rs. in million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense on :		
- On borrowings from bank	10	10
- On borrowings from others	1	5
Other borrowing costs	1	1
Total	12	16

2.27 Depreciation and Amortisation

(Rs. in million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant and equipments	12	12
Amortisation of intangible assets	1	1
Total	13	13



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

2.28 Other expenses

(Rs. in million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Consumption of stores and spare parts	5	3
Power and fuel	10	13
Other manufacturing expenses	4	6
Repairs and maintenance :		
- Plant and machinery	4	3
- Building	0	0
- Others	3	5
Rent	0	0
Management Consultancy Services	10	9
Rates and taxes	0	1
Insurance	1	1
Travelling and conveyance	7	6
Advertisement and Business promotion expenses	1	0
Communication expenses	1	1
Legal and professional (refer note 2.29.2)	6	3
Net loss on account of foreign exchange fluctuations	1	1
Loss on sale of Assets	0	1
Sales and distribution expenses	13	9
Warranty	8	6
Bank charges	1	2
Postage and telegram	1	2
Recruitment charges	0	0
Miscellaneous	3	2
	<u>79</u>	<u>74</u>

2.28.1 Payment to auditors

As auditor:

-Statutory audit	1	1
-Tax audit	0	0
-Internal Audit	0	0
Out of pocket expenses	0	0
Total	<u>1</u>	<u>1</u>



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Notes to the financial statements for the year ended 31 March 2018**2.29 Capital commitments****(Rs. in million)**

Particulars	As at 31 Mar 2018	As at 31 Mar 2017	As at 01 Apr 2016
Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of capital advance)	15	2	1
Total	15	2	1

- 2.30 The Company had taken and vacated office premises on cancellable operating leases. Minimum lease payments charged during the year to the Statement of Profit and Loss amounted to Rs. Nil (previous year Rs. 1 million).



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Notes to the financial statements for the year ended 31 March 2018**2.31 Segment information****Business segment**

As per Ind-AS 108, Operating segments have been defined based on the regular review by the Company's Chief Operating Decision Maker to assess the performance of each segment and to make decision about allocation of resources. The Company business activities fall within single primary business segment, viz, manufacturing of Automobile Components and Parts thereof. Accordingly, disclosures under Ind AS 108, Operating Segments are not required to be made.

Detail of revenue from operation at year end, property, plant and equipment and intangible assets are as follows:

a) Revenue from operation		(Rs. in million)	
Location	For the year ended 31 March 2018	For the year ended 31 March 2017	
Domestic	780	729	
Overseas			
Asia (excluding domestic)	-	-	
Europe	236	279	
Total	1,016	1,008	

b) Carrying amount of assets		(Rs. in million)	
Location	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Domestic	604	493	472
Overseas			
Asia (excluding domestic)	-	-	-
Europe	15	1	-
Total	619	494	472

c) Addition of Property, plant and equipment and intangible assets		(Rs. in million)	
Location	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Domestic			
- Property, plant and equipment	11	6	174
- Intangible fixed assets	-	2	-
	11	8	174
Overseas			
- Property, plant and equipment	-	-	-
- Intangible fixed assets	-	-	-
	-	-	-

Segment revenue in the geographical segments considered for disclosure is as follows:-

Revenue within India (Domestic) include sale to customers located within India, and

Revenue outside India (Overseas) include sale of products manufactured in india to customers located outside India

Segment assets in the geographical segments considered for disclosure represents assets locate outside India and sundry debtor balances against export sales from India operations



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

2.32 Employee benefits

a) Defined contribution plans:

The Company's employee provident fund and Employee's state insurance schemes are defined contribution plans. The following amounts have been recognised as expense for the year and shown under the Employee benefits expenses in note 2.26

Particulars	(Rs. in million)	
	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Contribution towards		
-Provident fund	5	5
-Employee state insurance	-	-
Total	5	5

b) Defined benefit plans:

Gratuity: The Company provides for gratuity, a defined benefit plan covering all employees of the Company. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service at the time of retirement / exit. Liability with regard to gratuity and compensated absences is accrued based on actuarial valuation at the balance sheet date, carried out by an independent actuary. The gratuity plan is an unfunded obligation, and accordingly disclosures with respect to the plan assets are not applicable.

The following table sets forth the status of the gratuity plan of the Company and the amounts recognized in the Balance Sheet and the Statement of Profit and Loss.

Particulars	(Rs. in million)	
	As at 31 March 2018	As at 31 March 2017
Present value of obligation as at the beginning of the year	8	6
Current service cost	1	2
Interest cost	1	-
Actuarial loss/ (gain) on obligation	1	2
Benefits paid	(3)	(1)
Present value of obligation as at the end of the year	8	9

Reconciliation of the present value of defined benefit obligation

Particulars	(Rs. in million)	
	As at 31 March 2018	As at 31 March 2017
Present value of obligation as at the end of the year	8	9
Fair value of plan assets	-	-
Unfunded liability / provision in Balance Sheet	8	9

Expense recognised in the Statement of Profit and Loss

Particulars	(Rs. in million)	
	As at 31 March 2018	As at 31 March 2017
Current service cost	1	2
Interest cost on benefit obligation	1	-
Transferred from other units	(2)	-
Expenses recognised in the statement of profit and loss	-	2

Remeasurements income recognised in other comprehensive income

Particulars	(Rs. in million)	
	As at 31 March 2018	As at 31 March 2017
Net Cumulative unrecognised actuarial gain / (loss) opening	-	-
Actuarial gain / (loss) for the year in PBO	1	2
Actuarial gain / (loss) for the year on assets	-	-
Unrecognised actuarial gain / (loss) for the year	1	2

Actuarial Assumptions

i) Economic assumptions (for gratuity and leave encashment)

Particulars	(Rs. in million)	
	As at 31 March 2018	As at 31 March 2017
Discount rate (p.a.)	7.80%	7.35%
Salary escalation rate (p.a.)	10.00%	10.00%

ii) Demographic assumptions

Particulars	(Rs. in million)	
	As at 31 March 2018	As at 31 March 2017
Retirement age	60 years	58 years
Mortality rate	IALM (2006-08) duly modified	IALM (2006-08) duly modified
Attrition rate		
- Upto 30 years of age	10.00%	10.00%
- From 31 years of age to 44 years of age	10.00%	10.00%
- Above 44 years of age	10.00%	10.00%

Note:

The estimates of future salary increases considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The discount rate is estimated based on the prevailing market yields of Indian Government securities as at the balance sheet date for estimated term of the obligation.



Sensitivity Analysis:

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

Particulars	(Rs. in million)			
	As at 31 March 2018		As at 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (+ / - 0.50%)	-	-	-	-
Future Salary Growth rate (+ / - 0.50%)	-	-	-	-

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown.

Sensitivities due to mortality & withdrawals are not material and hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable.

Maturity profile

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as

Particulars	(Rs. in million)	
	As at 31 March 2018	As at 31 March 2017
1 year	1	1
1 to 2 years	1	1
2 to 3 years	1	1
3 to 4 years	1	1
4 to 5 years	1	1
5 to 6 years	1	1
6 years onwards	4	4

Other long-term employee benefits**Compensated absences:**

The Company operates a compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service up to a maximum accumulation of leaves of 56 days. The salary for calculation of earned leave is last drawn basic salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

Changes in the present value of the defined benefit obligation during the year

Particulars	(Rs. in million)	
	As at 31 March 2018	As at 31 March 2017
Present value of obligation as at the beginning of the year	1	3
Current service cost	1	-
Interest cost	-	-
Actuarial loss/ (gain)	4	(1)
Benefits paid	(2)	(1)
Present value of obligation as at the end of the year	3	1

Sensitivity Analysis:

Reasonably possible change at the reporting date to one of the relevant actuarial assumptions, holding other assumption constant, would have affected the defined

Particulars	(Rs. in million)	
	As at 31 March 2018	
	Increase	Decrease
Discount rate (+ / - 0.50%)	-	-
Future Salary Growth rate (+ / - 0.50%)	-	-

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown.

Sensitivities due to mortality & withdrawals are not material and hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable.

Maturity profile

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as

Particulars	(Rs. in million)	
	As at 31 March 2018	As at 31 March 2017
1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
3 to 4 years	-	-
4 to 5 years	-	-
5 to 6 years	-	-
6 years onwards	2	2

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown.



c) Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

a) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimize risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The Company intends to maintain the above investment mix in the continuing years.

b) Changes in discount rate

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

c) Inflation risks

In the plans, the payment are not linked to the inflation so this is a less material risk.

d) Life expectancy

The plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.



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Notes to the financial statements for the year ended 31 March 2018**2.33 Related party transactions**

In accordance with the requirements of Ind AS 24 on related party disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by management are:-

a) Related parties and nature of related party relationship where control exists

Nature of the relationship	Name of the related party	Description of relationship
1 Significant shareholder	Minda Corporation Limited	Holding Company
	Minda Management Services Limited	Associates
	Minda Automotive System Ltd	Associates
2 Key managerial personnel and significant shareholder:	Minda Corporation Limited	Holding Company

b) Transactions with related parties:**(Rs. in million)**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Management fee		
Minda Management Services Limited	10	9
Loan received during the year		
Minda Automotive System Limited	30	-
Loan/share application received during the year		
Minda Corporation Limited	-	130
Finance costs		
Minda Corporation Limited	-	5
Minda Automotive Solution Limited - Interest on Loan	1	-
Minda Automotive Solution Limited- Bill Discounting	1	-
Other Expenses		
Minda Corporation Limited - Audit Fee	-	-
Minda Management Services Limited	-	-
Sales made		
Minda Automotive Solutions Limited	83	36

c) Balances outstanding:**(Rs. in million)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Trade payables			
Panalfa Automotive Private Limited.	-	-	7
Minda Corporation Limited (Interest payable)	4	4	-
Minda Corporation Limited (Current account)	5	1	-
Minda Management Services Limited	2	1	-
Short-term borrowings			
Minda Automotive System Limited	23	-	-
Interest accrued and due on short-term borrowings			
Pankaj Raghbeer	-	-	93
Trade Receivables			
Minda Automotive Solutions Limited	16	13	-



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

2.34 Financial instruments – Fair values and risk management

a. Financial instruments – by category and fair values hierarchy

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

i. As on March 31, 2018

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	(Rs. in million)		
					Level 1	Level 2	Level 3
Financial assets							
Non-current							
i. Loans	-	-	-	-	-	-	-
ii. Other financial assets	-	-	-	-	-	-	-
Current							
i. Trade receivables	-	-	254	254	-	-	-
ii. Cash and cash equivalents	-	-	7	7	-	-	-
iii. Other bank balances	-	-	-	-	-	-	-
iv. Loans	-	-	-	-	-	-	-
v. Other financial assets	-	-	1	1	-	-	-
Total	-	-	262	262			
Financial liabilities							
Non-current							
Borrowings	-	-	15	15	-	-	-
Current							
i. Borrowings	-	-	133	133	-	-	-
ii. Trade payables	-	-	194	194	-	-	-
iii. Other financial liabilities	-	-	25	25	-	-	-
Total	-	-	367	367			

ii. As on March 31, 2017

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	(Rs. in million)		
					Level 1	Level 2	Level 3
Financial assets							
Non-current							
i. Loans	-	-	-	-	-	-	-
ii. Other financial assets	-	-	-	-	-	-	-
Current							
i. Trade receivables	-	-	159	159	-	-	-
ii. Cash and cash equivalents	-	-	3	3	-	-	-
iii. Other bank balances	-	-	-	-	-	-	-
iv. Loans	-	-	-	-	-	-	-
v. Other financial assets	-	-	-	-	-	-	-
Total	-	-	162	162			
Financial liabilities							
Non-current							
Borrowings	-	-	32	32	-	-	-
Current							
i. Borrowings	-	-	58	58	-	-	-
ii. Trade payables	-	-	146	146	-	-	-
iii. Other financial liabilities	-	-	26	26	-	-	-
Total	-	-	262	262			

iii. As on April 1, 2016

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	(Rs. in million)		
					Level 1	Level 2	Level 3
Financial assets							
Non-current							
i. Loans	-	-	-	-	-	-	-
ii. Other financial assets	-	-	-	-	-	-	-
Current							
i. Trade receivables	-	-	152	152	-	-	-
ii. Cash and cash equivalents	-	-	5	5	-	-	-
iii. Other bank balances	-	-	-	-	-	-	-
iv. Loans	-	-	-	-	-	-	-
v. Other financial assets	-	-	-	-	-	-	-
Total	-	-	157	157			
Financial liabilities							
Non-current							
Borrowings	-	-	34	34	-	-	-
Current							
i. Borrowings	-	-	98	98	-	-	-
ii. Trade payables	-	-	203	203	-	-	-
iii. Other financial liabilities	-	-	45	45	-	-	-
Total	-	-	380	380			

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short-term maturities of these instruments. Accordingly, management has not disclosed fair values for financial instruments such as trade receivables, trade payables, cash and cash equivalents, other current assets, interest accrued on fixed deposits, other current liabilities etc.

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.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2018, March 31, 2017 and April 1, 2016.

Valuation technique used to determine fair value

Specific valuation techniques used to value non current financial assets and liabilities for whom the fair values have been determined based on present values and the appropriate discount rates of the Company at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Company at each balance sheet date.

Valuation processes

The Company has an established control framework with respect to the measurements of the fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports to Senior Management. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

b. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk - Foreign exchange
- Market risk - Interest rate

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have authorised senior management to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.



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

b. Financial risk management (continued)

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	(Rs. In million)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables	254	159	152
Cash and cash equivalents	7	3	5
Other bank balances	-	-	-
Loans	-	-	-
Other financial assets	-	-	-

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss (ECL) model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as Company's historical experience for customers. The reversal for lifetime expected credit loss on customer balances for the year ended March 31, 2018 was Rs. - million. The reversal for lifetime expected credit loss on customer balances for the year ended March 31, 2017 was Rs. - million.

a) Expected credit loss for loans and security deposits

As at 31 March 2018		(Rs. in million)				
Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision	
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition Loans to employee Security Deposits	-	0% 0%	-	-	
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit-impaired	NA	NA	NA	NA	
	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA	

As at 31 March 2017		(Rs. in million)				
Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision	
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition Loans to employee Security Deposits	-	0% 0%	-	-	
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit-impaired	NA	NA	NA	NA	
	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA	

b) Expected credit loss for trade receivables under simplified approach

The Company's exposure to credit risk for trade receivables is as follows:

Particulars	Gross carrying amount		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current (not past due)	176	116	96
1 to 30 days past due	51	22	30
31 to 60 days past due	8	11	2
61 to 90 days past due	5	6	1
More than 90 days past due #	14	4	23
Expected credit losses (Loss allowance provision)	-	-	-
	254	159	152



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

b. Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of Rs.7 millions as at March 31, 2018 (March 31, 2017 Rs.4 million, April 1, 2016 Rs.5 million), anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Company believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

I. Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(Rs. in million)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
From Banks - Short Term	4	2	42

II. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

As at March 31, 2018	Carrying amount	Contractual cash flows					Total
		6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	
Non-current liabilities							
Financial liabilities - Borrowings	15	-	-	15	-	-	15
Current liabilities							
Financial liabilities - Borrowings	-	-	-	-	-	-	-
Trade payables	133	133	-	-	-	-	133
Other financial liabilities	194	187	7	-	-	-	194
Total	367	337	15	15	-	-	367

As at March 31, 2017	Carrying amount	Contractual cash flows					Total
		6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	
Non-current liabilities							
Financial liabilities - Borrowings	32	-	-	17	15	-	32
Current liabilities							
Financial liabilities - Borrowings	-	-	-	-	-	-	-
Trade payables	58	58	-	-	-	-	58
Other financial liabilities	146	146	-	-	-	-	146
Total	261	221	8	17	15	-	261

As at April 1, 2016	Carrying amount	Contractual cash flows					Total
		6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	
Non-current liabilities							
Financial liabilities - Borrowings	34	-	-	17	17	-	34
Current liabilities							
Financial liabilities - Borrowings	98	98	-	-	-	-	98
Trade payables	203	203	-	-	-	-	203
Other financial liabilities	45	37	8	-	-	-	45
Total	380	338	8	17	17	-	380



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

b. Financial risk management (continued)

(iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at March 31, 2018, March 31, 2017 and April 1, 2016 are as below:

Particulars	(Rs. in million)	
	As at March 31, 2018	
	USD	EURO
Financial assets		
Trade receivables	-	-
	-	-
Financial liabilities		
Trade payables	5	-
	5	-

Particulars	(Rs. in million)	
	As at March 31, 2017	
	USD	EURO
Financial assets		
Trade receivables	-	1
	-	1
Financial liabilities		
Trade payables	4	-
	4	-

Particulars	(Rs. in million)	
	As at April 1, 2016	
	USD	EURO
Financial assets		
Trade receivables	1	1
	1	1
Financial liabilities		
Borrowings	-	-
Trade payables	5	24
	5	24

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2018 (previous year ended as on March 31, 2017) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	(Rs. in million)			
	Profit or loss		Equity, net of tax **	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
For the year ended March 31, 2018				
USD	-	-	-	-
EUR	-	-	-	-
	-	-	-	-
For the year ended March 31, 2017				
USD	-	-	-	-
EUR	-	-	-	-
	-	-	-	-

USD: United States Dollar, EUR: Euro

** Being Carried forward losses, no regular taxes due therefore taxes impact is nil



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b. Financial risk management (continued)

(iii) Market risk

Interest rate risk

Interest rate risk is the risk that the 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 expose the Company to cash flow interest rate risk.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	(Rs. in million)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non current borrowings	15	32	34
Current borrowings	111	58	18
Current maturities of non-current borrowings	17	17	19
Total	143	107	71

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps
Interest on term loans from banks				
For the year ended March 31, 2018	1	1	-	-
For the year ended March 31, 2017	1	1	-	-

1. Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Particulars	(Rs. in million)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current borrowings	133	58	18
Non current borrowings (including current maturity)	32	49	53
Less : Cash and cash equivalent	(7)	(3)	(5)
Adjusted net debt (A)	158	104	66
Total equity (B)	223	215	71
Adjusted net debt to adjusted equity ratio (A/B)	70.9%	48.4%	93.0%



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

2.35. Explanation of transition to Ind AS

As mentioned in note 2.1 (i), these financial statements for the year ended March 31, 2018, are the first financial statements of the Company prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with "previous GAAP", including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for periods ended on or after March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind-AS.

This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

According to Ind AS 101, the first Ind AS financial statements must use recognition and measurement principles that are based on standards and interpretations that are effective for the financial year ended March 31, 2018. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS financial statements. Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 1, 2016 compared with those presented in the previous GAAP Balance Sheet as of March 31, 2016, were recognised in equity within the Ind AS Balance Sheet.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Transition elections

Explanation of the Ind AS 101 exceptions and exemptions to the full retrospective application of Ind AS applied by the Company.

In the Ind AS opening Balance Sheet as at April 1, 2016, the carrying amounts of assets and liabilities from the previous GAAP as at March 31, 2016 are generally recognized and measured according to Ind AS in effect for the financial year ended as on March 31, 2018. For certain individual cases, however, Ind AS 101 provides for optional exemptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exemptions in preparing its Ind AS opening Balance Sheet.

a) Ind AS optional exemptions:

Property, plant and equipment and intangible assets

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

b) Ind AS mandatory exceptions:

(i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- a) Determination of the discounted value for financial instruments carried at amortised cost
- b) Impairment of financial assets based on expected credit loss model

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.



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

B. Reconciliations between previous GAAP and Ind AS:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Reconciliation of Equity as at April 1, 2016

Particulars	Note Reference	(Rs. in million)	
		Amount As per GAAP	Amount As per Ind AS
ASSETS			
Non-current assets			
Property, plant and equipments		242	242
Capital work-in-progress		-	-
Intangible assets		1	1
Financial assets			
i. Loans		-	-
ii. Other financial assets		-	-
Income tax assets		-	-
Other non-current assets		1	1
Total Non Current Assets		244	244
Current assets			
Inventories		42	42
Financial assets			
i. Trade receivables		152	152
ii. Cash and cash equivalents		5	5
iii. Other bank balances		-	-
iv. Loans		-	-
v. Other financial assets		-	-
Other current assets		30	30
Total Current Assets		229	229
TOTAL ASSETS		473	473
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital		58	58
Other Equity		13	13
Total equity		71	71
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings		34	34
Deferred tax liabilities (Net)	5	2	2
Provisions		8	8
Total Non-current liabilities		44	44
Current liabilities			
Financial liabilities			
i. Borrowings		98	98
ii. Trade payables		203	203
iii. Other financial liabilities		45	45
Other current liabilities		10	10
Provisions		2	2
Total current liabilities		358	358
Total equity and liabilities		473	473

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



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

(i) Reconciliation of Equity as at March 31, 2017

(Rs. in million)				
Particulars	Note Reference	Amount As per GAAP	Effects of transition to Ind AS	Amount As per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipments		234	-	234
Capital work-in-progress		-	-	-
Intangible assets		2	-	2
Financial assets				
i. Loans		-	-	-
ii. Other financial assets		-	-	-
Income tax assets		-	-	-
Deferred tax assets (net)	2,5	-	10	10
Other non-current assets		1	-	1
Total Non Current Assets		237	10	247
Current assets				
Inventories		50	-	50
Financial assets				
i. Trade receivables		159	-	159
ii. Cash and cash equivalents		3	-	3
iii. Other bank balances		-	-	-
iv. Loans		-	-	-
v. Other financial assets		-	-	-
Other current assets	1	36	-	36
Total Current Assets		248	-	248
TOTAL ASSETS		485	10	495
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		85	-	85
Other Equity	2	120	10	130
Total equity		205	10	215
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings		32	-	32
Provisions		9	-	9
Total Non-current liabilities		41	-	41
Current liabilities				
Financial liabilities				
i. Borrowings		58	-	58
ii. Trade payables		146	-	146
iii. Other financial liabilities		26	-	26
Other current liabilities		7	-	7
Provisions		2	-	2
Total current liabilities		239	-	239
Total equity and liabilities		485	10	495

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



Minda Autoelektrik Limited

(Formerly known as Panalfa Autoelektrik Limited upto 2 June 2016)

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

(iii) Reconciliation of total comprehensive income for the year ended March 31, 2017:

Particulars	Note Reference	Amount As per GAAP	(Rs. In million)	
			Effects of transition to Ind AS	Amount As per Ind AS
Income				
Revenue from operations	4	1,020	-	1,020
Other income		1	-	1
Total Income		1,021	-	1,021
Expenses				
Cost of material consumed		702	-	702
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(5)	-	(5)
Excise duty on sales	4	106	-	106
Employee benefits expense	3	110	-	110
Finance costs	1	16	-	16
Depreciation and amortisation expense		13	-	13
Other expenses		74	-	74
Total expenses		1,017	-	1,017
Profit before tax		4	-	4
Tax expense				
Deferred tax	2,5	(1)	(10)	(11)
Profit for the year		5	10	15
Other comprehensive income				
<i>Item that will not be reclassified reclassified subsequent to profit or loss</i>				
Remeasurement of defined benefit liabilities	6	-	(2)	(2)
Income tax relating to items that will not be reclassified to profit or loss	5,6	-	1	1
Other comprehensive income for the year (net of tax)		-	(1)	(1)
Total comprehensive income for the year		5	9	14

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



Minda Autoelektrik Limited

(Formerly known as Panalfa Autoelektrik Limited upto 2 June 2016)

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

(iv) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

Particulars	Note Reference	(Rs. in million)	
		As at March 31, 2017	As at April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		120	13
Adjustments:			
Deferred tax liability created on account of reasonable certainty of future profits	2	10	-
Total adjustments		10	-
Total equity as per Ind AS		130	13

(v) Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016

There were no material differences between the statement of cash flows presented under Ind AS and the Previous GAAP except due to various re-classification adjustments recorded under Ind AS and difference in the definition of cash and cash equivalents under these two GAAPs.

C. Notes to the reconciliations:

1 Interest free corporate guarantees taken from group Company

The Company has taken corporate guarantees from group Company for which the said Company was not charging any financial assistance fees. Under Ind AS, financial guarantee contracts are fair valued. Accordingly, financial assistance fees is recognised using prevalent market rate and accounted for by applying effective interest rate method. Consequent to this change, the amount of capital reserve as on March 31, 2017 has increased by Rs.1 million with a creation of other asset (included in other current asset) of Rs. - million. The unwinding of other asset happens by recording in the same in the nature of financial assistance fees in Statement of Profit and Loss at effective interest rate. Accordingly, the profit for the year ended March 31, 2017 is decreased by Rs.1 million on account of this.

2 Deferred tax liability created on account of reasonable certainty of future profits

In the previous GAAP, the Company had recognised deferred tax asset only to the extent of deferred tax liability in the absence of virtual certainty since the Company had business losses. Under IndAS, since the Company has started earning profits and have sustainable future business prospects, hence, due to existence of reasonable certainty to earn profits in the future, the Company has recognised net deferred tax asset (including deferred tax asset on unabsorbed business losses and depreciation). This has lead to increase in other equity and deferred tax asset by Rs. 10 million as at March 31, 2017.

3 Employee benefits: Remeasurement of post employment benefit plans

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss. Under previous GAAP these were forming part of the statement of profit and loss for the year. As a result, loss for the year ended March 31, 2017 is increased by Rs.1 million (net of tax) and is reclassified to other comprehensive income. There is no impact on the total equity as at March 31, 2017.

4 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 by Rs.106 million. There is no impact on the total equity and profit.

5 Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in reserve and surplus or a separate component of equity. On the date of transition (i.e April 1, 2016), the net impact on deferred tax liabilities is of Rs. Nil (March 31, 2017: Rs. - million). The profit and total equity for the year ended March 31, 2017 decreased by Rs.- million due to differences in taxable profits and accounting profits.

6 Other comprehensive income

Under previous GAAP, there was no requirement to disclose any item of statement of profit and loss in other comprehensive income. However as per requirement of Ind AS certain items of profit or loss are to be reclassified to other comprehensive income. Consequent to this, the Company has reclassified remeasurement of defined benefit plans from the statement of profit and loss to other comprehensive income.

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm registration number: 101248 W/W-100022


Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurgaon

Date: 18 May 2018


Priyanka Sharma
Company Secretary
Membership No. - 51720

For and on behalf of the Board of Directors of

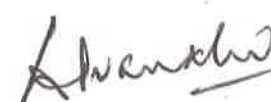
Minda Autoelektrik Limited


Sudhir Kashyap
Director

(DIN: 06573561)

Place: Gurgaon

Date: 18 May 2018


A. P. Gandhi
Director

(DIN: 00161107)

Place: Gurgaon

Date: 18 May 2018