

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To The Members of Minda Vast Access Systems Private Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Minda Vast Access Systems Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash 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 IndAS 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, (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.

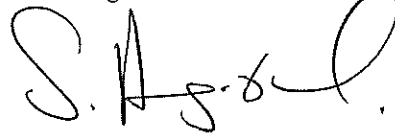
Report on Other Legal and Regulatory Requirements

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;
 - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;



- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 2.30 to the IndAS financial statements;
 - 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 IndAS 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.: 101248WAW-100022



Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 14 May 2018

Annexure A referred to in our Independent 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) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. 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, no material discrepancies were noticed on such verification and have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.
- (ii) The inventories, except goods in transit and stocks lying with third parties, have 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.
- (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) According to information and explanations given to us and based on the basis of our examination of the records of the Company, the Company has not undertaken any transaction in respect of loan, guarantee and securities covered under section 185 of the Companies Act, 2013. The Company has not made any investment as referred in section 186(1) of the Act, other requirements relating to section 186 do not apply to the Company.
- (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, Service tax, Goods and Service Tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.



According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service 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 disputed dues in respect of Duty of customs, Duty of Excise, Goods and Service Tax and Value added tax which have not been deposited with the appropriate authorities. The following dues of Income tax, Service tax and Sales tax have not been deposited with the appropriate authorities on account of disputes:

Name of the statute	Nature of the dues	Amount (Rupees in lacs)*	Period to which amount relates	Payment under protest in (Rupees in lacs)	Forum where dispute is pending
Income-tax Act. 1961	Income-tax	138.32	2013-2014	-	Assessing Officer
Central Excise Act. 1944	Service tax	31.49	2013-2014	17.03	Commissioner Appeals
Central Excise Act. 1944	Service tax	95.17	2013-2014	-	Commissioner Appeals
Central Excise Act. 1944	Service tax	19.63	2011-2016	-	Assessing Officer

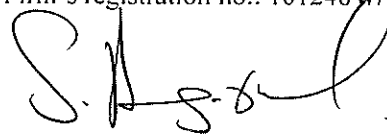
*amount as per demand orders. including interest and penalty. wherever indicated in the said orders.

- (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 and financial institutions. Further, the Company had no loans or borrowings from government 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) The Company is a private limited Company and accordingly the requirements as stipulated by the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. 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. 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 188 of the Companies Act, 2013 and the details have been disclosed in the IndAS Financial Statements, as required, by the applicable accounting standards. Further, provision of section 177 of the Act are not applicable to the Company.

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- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment, private placement of shares and 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 audit procedures performed, 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.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's registration no.: 101248W/W-100022



Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 14 May 2018

Annexure B to the Independent Auditor's Report of even date on the Ind AS financial statements of Minda Vast Access Systems Private Limited 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 Vast Access Systems Private Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to 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.

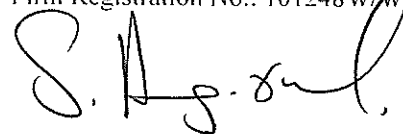
Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements

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 over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system 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: Gurugram
Date: 14 May 2018

Minda Vast Access Systems Private Limited
Balance Sheet as at 31 March 2018

(Rs. in million)

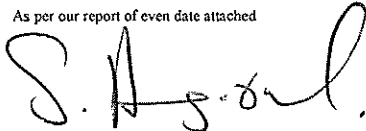
Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	371	329
Capital work-in progress	2.1	18	24
Intangible assets	2.1a	41	15
Financial assets			
Loans	2.2	4	4
Income tax assets	2.3	27	18
Deferred tax Assets (Net)	2.2i	18	15
Other non-current assets	2.4	-	1
		479	406
			390
Current assets			
Inventories	2.5	227	206
Financial assets			
i. Investments	2.6	154	100
ii. Trade receivables	2.7	223	185
iii. Cash and cash equivalents	2.8	65	25
iv. Other bank balances	2.9	151	234
v. Other financial assets	2.10	11	13
Other current assets	2.11	177	152
		1,008	915
			790
TOTAL		1,487	1,321
			1,180
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.12	427	427
Other equity	2.13	459	338
		886	765
			641
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	2.14	1	1
Provisions	2.15	34	22
		35	23
			60
Current liabilities			
Financial Liabilities			
i. Trade payables	2.16	417	367
ii. Other financial liabilities	2.17	65	49
Other current liabilities	2.18	46	86
Provisions	2.19	33	25
Current tax liabilities	2.20	5	6
		566	533
			479
TOTAL		1,487	1,321
			1,180

Significant accounting policies

1

The accompanying notes from 1 to 2.39 form an integral part of the financial statements

As per our report of even date attached

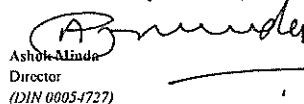


For BSR & Co. LLP
Chartered Accountants
Firm registration number: 101248WAV-100022

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 14 May 2018

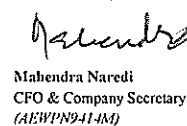
For and on behalf of the Board of Directors of
Minda Vast Access Systems Private Limited


Ashok Minda
Director
(DIN 00054727)


Sudhir Kashyap
Director
(DIN 06573561)

Place: Gurugram
Date: 14 May 2018


Frank Joseph Krejci
Director
(DIN 07121998)


Mahendra Naredi
CFO & Company Secretary
(AEWPN941JM)

Minda Vast Access Systems Private Limited
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	2.22	2,611	2,773
Other income	2.23	42	98
Total income		2,653	2,871
Expenses			
Cost of materials consumed	2.24	1,733	1,692
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.25	4	15
Excise duty on sales		70	284
Employee benefits expenses	2.26	303	301
Finance costs	2.27	1	1
Depreciation and amortisation expenses	2.1, 2.1a	66	68
Other expenses	2.28	315	333
Total expenses		2,492	2,694
Profit before tax		161	177
Current tax	2.21	42	35
Deferred tax (credit) / charge	2.21	(3)	16
Profit for the year		122	126
Other comprehensive income			
<i>Item that will not be reclassified subsequent to profit or loss</i>			
Remeasurements of defined benefit liabilities		(1)	(3)
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)	(2)
Total comprehensive income for the year		121	124
Earnings per equity share [Par value of Rs.2 (previous year Rs.2) per equity share]	2.13.1		
Earnings per share (Rs.) (Basic)		2.84	2.90
Earnings per share (Rs.) (Diluted)		2.84	2.90

Significant accounting policies

1

The accompanying notes from 1 to 2.39 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

S. Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 14 May 2018

For and on behalf of the Board of Directors of
Minda Vast Access Systems Private Limited

Ashok Minda
Director
(DIN 00054727)

Sudhir Kashyap
Director
(DIN 06573561)

Place: Gurugram
Date: 14 May 2018

Frank Joseph Krejci
Director
(DIN 07121998)

Mahendra Naredi
CFO & Company Secretary
(AEWPN9414M)

Minda Vast Access Systems Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

Particulars	(Rs. in million)	
	Amount	
Balance as at April 1, 2016	427	
Changes in equity share capital during the year ended March 31, 2017	-	
Balance as at March 31, 2017	427	
Changes in equity share capital during the year ended March 31, 2018	-	
Balance as at March 31, 2018	427	

B. Other equity

	(Rs. in million)			
	Reserves and surplus (1)		Items of Other Comprehensive Income (2)	
	Securities premium reserve	Retained earnings	Re-measurement of defined benefit obligations	Total
As at 1 April 2016	125	89	-	214
Profit for the year	-	126	-	126
Other comprehensive income	-	-	(2)	(2)
Total comprehensive income for the year	-	126	(2)	124
As at 31 March 2017	125	215	(2)	338
As at 1 April 2017	125	215	(2)	338
Profit for the year	-	122	-	122
Other comprehensive income	-	-	(1)	(1)
Total comprehensive income for the year	-	122	(1)	121
Employee stock compensation expense	-	-	-	-
As at 31 March 2018	125	337	(3)	459

Note:

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

The accompanying notes from 1 to 2.39 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: 101248WVW-100022

S. Agarwal

Shashank Agarwal
Partner
Membership No. 095109

Place Gurugram
Date 14 May 2018

For and on behalf of the Board of Directors of
Minda Vast Access Systems Private Limited

Frank Joseph Krejci
Director
(DIN 08054727)

Frank Joseph Krejci
Director
(DIN 07121998)

Mahendra Naredi
Director
(DIN 06373561)

Mahendra Naredi
CFO & Company Secretary
(AEW19941AV)

Place Gurugram
Date: 14 May 2018

Minda Vast Access Systems Private Limited
Statement of Cash Flow for the year ended 31 March 2018

(Rs. in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Cash flow from operating activities		
Net profit before taxation	161	177
Adjustments for:		
Depreciation and amortisation expense	66	68
Interest expense	1	-
Loss / (gain) on sale / discard of fixed assets	2	2
Bad debts	-	13
Provision for doubtful debts	1	-
Unrealised Foreign exchange loss	1	1
Interest income	(16)	(17)
Dividend income	(5)	(4)
Liabilities / provision no longer required written back	(11)	(69)
Recovery of Doubtful Debt	(1)	-
MTM on fair valuation of Investments	(1)	-
(Profit) on sale / discard of investments	(1)	-
Operating profit before working capital changes	197	171
Adjustments for:		
(Increase) / decrease in trade receivables	(39)	60
(Increase) / decrease in inventories	(21)	13
(Increase) in loans, other financial assets and other assets	(23)	(12)
(Decrease) / increase in other financial liabilities and other liabilities	(37)	123
Increase / (decrease) in trade payables	50	(8)
Increase / (decrease) in other provisions	20	(26)
Cash generated from operations	147	321
Income tax paid	(52)	(55)
Net cash generated from operating activities (A)	95	266
B. Cash flows from investing activities		
Purchase of fixed assets	(101)	(69)
Sale of fixed assets	1	2
Purchase of current / non current investments	(1,596)	(2,208)
Dividend received	5	4
Maturity of investment	1,543	2,108
Interest received	19	6
Net cash (used in) / generated investing activities (B)	(129)	(157)
C. Cash flows from financing activities#		
Receipt of term loans	1	-
Repayment of term loans	(9)	(12)
Interest paid	(1)	-
Net cash used in financing activities (C)	(9)	(12)
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(43)	97
Cash and cash equivalents at the beginning of the year	259	162
Cash and cash equivalents at the end of the year	216	259

Refer note 2.14.1 for change in liabilities arising from financing activities

Notes to Cash Flow Statement:

1. The above cash flow statement has been prepared under the indirect method set out in Accounting Standard 3 "Cash Flow Statement" specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

2. Cash and cash equivalents consists of cash in hand and balances with scheduled banks. Refer note 2.8.

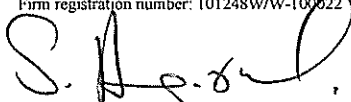
Significant accounting policies

The accompanying notes from 1 to 2.39 form an integral part of the financial statements

As per our report of even date attached



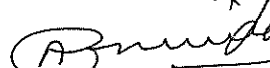
For BSR & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022



S. Aggarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 14 May 2018

For and on behalf of the Board of Directors of
Minda Vast Access Systems Private Limited



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Director
(DIN 00054727)



Sudhir Kashyap
Director
(DIN 06573561)

Place: Gurugram
Date: 14 May 2018



Frank Joseph Krejci
Director
(DIN 07121998)



Mahendra Naredi
CFO & Company Secretary
(AEWPN9-II-IM)

Minda Vast Access Systems Private Limited

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

1. Reporting entity

The Company was incorporated under the Companies Act, 1956 on 3rd January 2007. During the financial year 2015-2016, the Company became joint venture, w.e.f 1st May, 2015 between Minda Management Services Ltd and Vehicle Access Systems Technology, LLC, USA having equal share. The Company is a market leader in security systems for the automotive industry. The Company manufactures products such as Locks and Keys, Steering Column Locks, Immobilizers, Latches, External and Internal Door Handles.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. Basis of preparation

(i) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act'), Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act ("financial statements").

For all the periods up to and including 31 March 2017, the financial statements were prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act ("Previous GAAP"). The financial statements for the year ended 31 March 2018 are the Company's first financial statements prepared in accordance with Ind AS, therefore, Ind AS 101, First time adoption of Indian Accounting standards has been applied. An explanation of how the transition to Ind AS has effected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 2.46.

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

(ii) Basis of measurement

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

Items	Measurement Basis
Certain financial assets and liabilities (including derivatives instruments)	Fair Value
Liabilities for equity-settled share-based payment Arrangements	Fair Value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

(iii) Use of estimates and judgement

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

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- leases: whether an arrangement contains a lease – point xii (a)
- lease classification – Note 2.31

Assumptions and estimation uncertainties

- Recognition and estimation of tax expense including deferred tax– Note 2.21
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.1
- Estimation of obligations relating to employee benefits: key actuarial assumptions –Note 2.15.2
- Valuation of Inventories – Note 2.5
- Recognition and measurement of provisions and contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 2.30
- Fair value measurement – Note 2.38

iv) Measurement of fair values

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

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

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

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.. Also, fair value of financial instruments measured at amortised cost is disclosed in Note 2.38.

B. Current-non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets:

An asset is treated 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;

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- (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.

The Company classifies all other assets 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.

The Company classifies all other liabilities as non-current.

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

Operating cycle

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

C. Summary of significant accounting policies

i) Foreign currency transactions and translations

Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees (₹). All amount have been rounded-off to the nearest million Rupees unless otherwise indicated. Further, at some places “-” are also put up to value below Rs. 500,000 to make financial in round off to Rupees in millions.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transactions and monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, are translated at the balance sheet date exchange rates. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the balance sheet date exchange rates are generally recognised in statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments (other than investment in subsidiaries and joint ventures) held at fair value through profit or loss are recognized in statement of profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments (other than investment in subsidiaries and joint ventures) classified as FVOCI are recognized in other comprehensive income.

ii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criterion must also be met before revenue is recognized:

Sale of goods

Sales include sale of manufactured goods, traded goods, tools, moulds and dies. Revenue is recognized on transfer of significant risks and rewards of ownership to the customers. and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of products as well as regarding its collection. Sale of goods is inclusive of excise duty and is net of sales tax, value added tax, Goods and Service Tax, applicable discounts and allowances and sales returns, if any.

Export benefits

Export incentive entitlements are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no uncertainty regarding the ultimate collection of the relevant export proceeds.

Other operating income

Service income including job work income is recognized as per the terms of contracts with customers when the related services are rendered. Income from royalty, technical know-how arrangements is recognized on an accrual basis in accordance with the terms of the relevant agreement.

Dividend and interest income

Dividend income is recognized when the right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognized using the effective interest method.

iii) Property, plant and equipment

(a) Recognition and measurement

Item of property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation. Cost comprises the purchase price and any cost attributable for bringing the asset to its working condition for its intended use.

Advance paid towards the acquisition of fixed assets are shown under non-current asset and tangible fixed assets under construction are disclosed as capital work-in-progress. Capital work in progress includes cost of assets at site, direct and indirect expenditure incidental to construction and interest on the funds deployed for construction.

(b) Transition to Ind AS

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

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(c) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. The costs of the day to day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

(d) Derecognition

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

(e) Depreciation

Depreciation on property, plant and equipment is provided on the straight-line method at the rates reflective of the estimated useful life of the assets estimated by the management.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date the assets are ready to use. Depreciation on sale/deduction from property, plant and equipment is provided upto the date of sale, deduction as the case may be.

Premium paid on leasehold land and site development is amortised over the period of lease. Leasehold Improvements are amortised on the straight-line basis over the lower of primary period of.

Depreciation on leased assets is in line with the depreciation policy of the Company and is depreciated over the lower of useful life of such assets and the lease period.

Pursuant to this policy, depreciation on fixed assets has been provided at the rates based on the following useful lives of fixed assets as estimated by management:

Category of asset	Useful life (in years)
Factory building and office building	20
Computers (includes laptops, servers and networks)	3
Plant and Machinery	10
Tools and Dies	5
Office equipment	5
Furniture and fixtures	5
Vehicles	4

iv) Intangible Asset

a) Recognition and measurement

Intangible assets comprises computer software and patents at cost less accumulated amortization and accumulated impairment, if any.

Cost of intangible assets under development as at the reporting date are disclosed as intangible assets under development.

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b) Transition to Ind AS

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

c) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

(d) Derecognition

Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

(e) Amortisation

The intangible assets are amortised over the period of five years, which in the management's view represent the economic useful life. Amortisation expense is charged on a pro-rata basis for assets purchased during the year. The amortization period and the amortization method for an intangible asset are reviewed at the end of each reporting period.

v) **Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction or development of qualifying assets are capitalized. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Other borrowing costs are recognized as an expense in the consolidated statement of profit and loss in the year in which they are incurred.

vi) **Inventories**

Inventories are valued at lower of cost and net realizable value. The basis of determination of cost for various categories of inventory is as follows:

Raw materials, components and stores : Cost is determined on weighted average basis.
and spares and stock in trade

Finished goods : Lower of cost and net realizable value..Material cost plus appropriate share of Labour and production overheads. Cost of finished goods includes excise duty, wherever applicable

Work in progress : Lower of cost and net realizable value .Material cost plus appropriate share of the Labour and

production overheads depending upon the stage of completion, wherever applicable.

Tools Held for sale : Lower of cost and net realizable value. Cost is determined on the basis of landed cost of purchase. Cost is determined on first in first out basis

vii) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

viii) Research and Development

Revenue expenditure on research is expensed off under the respective heads of account in the year in which it is incurred. Revenue expenditure on research is expensed off under the respective heads of account in the year in which it is incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses, if any. Property, plant and equipment used for research and development are depreciated in accordance with the Company's policy as stated above. Expenditure incurred at development phase, where it is reasonably certain that outcome of development will be commercially exploited to yield economic benefits to the Company, is considered as an intangible asset and amortized over the estimated life of the assets.

ix) 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 contribution plan:

Provident fund: Eligible employees of the Indian entities receive benefits from the provident fund, which is a defined contribution plan. Both the employees and the Indian entity make monthly contributions to the provident fund (with Regional Provident Fund Commissioner) equal to specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions.

Defined benefit plan:

Gratuity: The Indian entities provide for gratuity, a defined benefit retirement Plan (the "Gratuity Plan") covering eligible employees. The Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities related to the Gratuity Plan are determined by actuarial valuation as at the balance sheet date.

Other long term employee benefit:

Compensated absence: Un-availed leaves for the year are accumulated and allowed to be carried over to the next year and are within service period of the employees in accordance with the service rules of the Company. Provision for compensated absence is made by the Indian entities based on the amount payable as per the above service, based on actuarial valuation as at the balance sheet date.

Other employee benefit plans:

Actuarial valuation:

The liability in respect of all defined benefit plans and other long term employee benefit is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary primarily 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 recognized immediately in the Statement of profit and loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in 'other equity' in the statement of Changes in Equity and in the Balance Sheet.

x) Accounting for warranty

Warranty costs are estimated by the Company on the basis of technical evaluation and past experience of costs. Provision is made for the estimated liability in respect of warranty costs in the year of recognition of revenue and is included in the statement of profit and loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made, as and when required.

xi) Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

a) Determining whether an arrangement contains a lease

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the incremental borrowing rate.

xii) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity.

(a) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

(b) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Significant management judgement is required to determine the probability of deferred tax asset. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternative Tax ("MAT") credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable

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profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in consolidated balance sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

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

xiii) Segment Reporting

The Segment reporting policy complies with the accounting policies adopted for preparation and presentation of financial statements of the Company and is in conformity with Ind AS 108. The segmentation is based on the Geographies (reportable business segment) in which the Company operates and internal reporting systems. The geographical segmentation is based on the nature and type of services rendered. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographical segments.

xiv) Earnings per Share

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

xv) Provisions, contingent liabilities and contingent assets

A provision is created when there is a present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value money and risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company. 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.

Provision for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are

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recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

The Company does not recognise assets which are of contingent nature until there is virtual certainty of realisability of such assets. However, subsequently, if it becomes virtually certain that an inflow of economic benefits will arise, asset and related income is recognized in the financial statements of the period in which the change occurs.

xvi) Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash balance with bank, and highly liquid investments with maturity period of three months or less from the date of investment.

xvii) Financial instruments

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

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial assets

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

- amortised cost;
- Fair value through profit and loss (FVTPL)

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets are measured at FVTPL. This includes all derivatives financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial Assets: Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. However, see Note 2.38 for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

Derecognition

Financial Assets

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

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

Financial liabilities

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

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

Offsetting

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

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on:

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

xviii) Investments in mutual funds

Investments that are readily realisable and intended to be held for more than one year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments. Mutual funds are measured at FVTPL.

xix) Recent accounting pronouncements

A. Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers.

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

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

Sale of goods

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

Under Ind AS 115, revenue will be recognized when a customer obtains control of the goods.

Minda Vast Access Systems Private Limited

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

Transition

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

B. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

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

Minda Vast Access Systems Private Limited
Notes to the financial statements for the year ended 31 March 2018

2.1 Property, plant and equipment

	(Rs. in million)									
	Gross block			Accumulated depreciation				Net block		
	Balance as at 1 April 2017	Additions	Disposals	Balance as at 31 March 2018	Balance as at 1 April 2017	Depreciation for the year	On disposals	Balance as at 31 March 2018	Balance as at 31 March 2018	Net block
(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)		
Leasehold land	28	-	-	28	-	-	-	-	28	
Buildings	112	1	-	113	10	8	-	18	95	
Plant and equipment	236	76	2	310	46	45	1	90	220	
Furniture and fixtures	4	2	-	6	1	1	-	2	4	
Vehicles	1	20	2	19	-	2	-	2	17	
Office equipment	7	2	-	9	2	2	-	4	5	
Computer hardware	3	4	-	7	3	2	-	5	2	
Subtotal (A)	391	105	4	492	62	60	1	121	371	
Capital Work in Progress	24	47	53	18	-	-	-	-	18	
Subtotal (B)	24	47	53	18	-	-	-	-	18	
Grand total (A+B)	415	152	57	510	62	60	1	121	389	

2.1 Property, plant and equipment

	(Rs. in million)									
	Gross block			Accumulated depreciation				Net block		
	Deemed cost as at 1 April 2016	Additions	Disposals	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation for the year	On disposals	Balance as at 31 March 2017	Balance as at 31 March 2017	Net block
(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)		
Leasehold land	18	10	-	28	-	-	-	-	28	
Buildings	110	2	-	112	-	10	-	10	102	
Plant and equipment	185	54	3	236	-	46	-	46	190	
Furniture and fixtures	3	1	-	4	-	1	-	1	3	
Vehicles	2	-	1	1	-	-	-	-	1	
Office equipment	5	2	-	7	-	2	-	2	5	
Computer hardware	2	1	-	3	-	3	-	3	-	
Subtotal (A)	325	70	4	391	-	62	-	62	329	
Capital Work in Progress	7	19	2	24	-	-	-	-	24	
Subtotal (B)	7	19	2	24	-	-	-	-	24	
Grand total (A+B)	332	89	6	415	-	62	-	62	353	

Minda Vast Access Systems Private Limited
Notes to the financial statements for the year ended 31 March 2018

2.1a Intangible assets

	(Rs. in million)									
	Gross block			Balance as at 31 March 2018			Accumulated depreciation			Net block
	Balance as at 1 April 2017	Additions	Disposals	Balance as at 31 March 2018	Disposals	Balance as at 1 April 2017	Amortisation for the year	On disposals	Balance as at 31 March 2018	Balance as at 31 March 2018
(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)		
Computer software	17	8	-	25	4	4	-	8	17	
Product development	4	24	-	28	2	2	-	4	24	
Total	21	32	-	53	6	6	-	12	41	

	(Rs. in million)									
	Gross block			Balance as at 31 March 2017			Accumulated depreciation			Net block
	Deemed cost as at 1 April 2016	Additions	Disposals	Balance as at 31 March 2017	Disposals	Balance as at 1 April 2016	Amortisation for the year	On disposals	Balance as at 31 March 2017	Balance as at 31 March 2017
(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)		
Computer software	13	4	-	17	4	4	-	4	13	
Product development	4	-	-	4	2	2	-	2	2	
Total	17	4	-	21	6	6	-	6	15	

Minda Vast Access Systems Private Limited
Notes to the financial statements for the year ended 31 March 2018

2.2 Loans

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Non-current			
Security deposits	4	4	4
	<u>4</u>	<u>4</u>	<u>4</u>

2.3 Income tax assets

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advance income tax [net of provision Rs. 111 million (March 31, 2017: Rs. 69 million, April 1, 2016: Rs.2 million)]	27	18	5
	<u>27</u>	<u>18</u>	<u>5</u>

2.4 Other non-current assets

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advance recoverable in cash or kind	-	-	-
Prepaid expenses	-	1	1
	<u>-</u>	<u>1</u>	<u>1</u>

2.5 Inventories

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Raw materials (including packing materials)	84	86	91
Add: Materials-in-transit	<u>20</u>	<u>18</u>	<u>8</u>
Work-in-progress	25	37	34
Finished goods	20	12	13
Add: Goods-in-transit	<u>28</u>	<u>27</u>	<u>45</u>
Tools	48	24	28
Stores and spares	2	2	-
	<u>227</u>	<u>206</u>	<u>219</u>

2.6 Investments (fair value through profit or loss (FVTPL))

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
<i>Investments in mutual funds - unquoted</i>			
23,745 (March 31, 2017: 80,074, April 1 2016: Nil) units of Kotak Low Duration Fund-Regular Plan Weekly Dividend, fully paid up	20	90	-
1,28,250 (March 31, 2017: 8,43,032, April 1 2016 : Nil) units of Kotak Equity Saving Fund -Growth, fully paid up	134	10	-
	<u>154</u>	<u>100</u>	<u>-</u>
Aggregate book value of unquoted other current investments	154	100	-
Aggregate book value of unquoted investments (both current and non current)	154	100	-

2.7 Trade receivables

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Unsecured			
Considered Good	181	180	245
Considered Doubtful	-	1	18
Receivables from related parties (refer note 2.32)	42	5	17
Less: Allowance for doubtful debts	-	1	18
	<u>223</u>	<u>185</u>	<u>262</u>

Minda Vast Access Systems Private Limited
Notes to the financial statements for the year ended 31 March 2018

2.8 Cash and cash equivalents

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Cash and cash equivalents			
Cash on hand	-	-	-
Balance with bank			
-On current accounts	12	2	10
-Other bank balances	53	23	101
	<u>65</u>	<u>25</u>	<u>111</u>

2.9 Other bank balances

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Balance with bank			
Deposits due to mature within 12 month on the reporting date*	151	234	50
	<u>151</u>	<u>234</u>	<u>50</u>

*Deposits include Nil (March 31, 2017: Rs. - million, April 1, 2016: Nil) other commitments pledge with Bank against Gurantee given to sale tax Department.

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

	(Rs. in million)		
	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	-	-	-
Permitted receipts	-	-	-
Permitted payments	-	-	-
Amount deposited in banks	-	-	-
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 the 8th November, 2016.

2.10 Other financial assets

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Current			
Interest accrued on fixed deposits	10	12	1
Advances to employees	1	1	1
	<u>11</u>	<u>13</u>	<u>2</u>

2.11 Other current assets

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Balances with government authorities	116	106	99
Prepaid expenses	6	5	6
Advances to suppliers	26	29	13
Rebate claim receivable	27	11	21
Capital advances	2	1	7
	<u>177</u>	<u>152</u>	<u>146</u>

Minda Vast Access Systems Private Limited
Notes to the financial statements for the year ended 31 March 2018

2.12 Equity share capital

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
2.12.1 Authorized			
50,000,000 (March 31, 2017: 50,000,000, April 1, 2016: 50,000,000) equity shares of Rs. 10 each	500	500	500
	<u>500</u>	<u>500</u>	<u>500</u>

2.12.2 Issued, subscribed and fully paid-up shares

Equity shares of Rs. 10 each (March 31, 2017: Rs. 10 each, April 1, 2016: Rs. 10 each)			
42,665,400 (March 31, 2017: 42,665,400, April 1, 2016: 42,665,400) equity shares of Rs. 10 each	427	427	427
	<u>427</u>	<u>427</u>	<u>427</u>

2.12.3 Reconciliation of share capital outstanding as at the beginning and at the end of the year

Equity shares of Rs. 10 each (March 31, 2017: Rs. 10 each, April 1, 2016: Rs. 10 each) fully paid up	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number of shares	(Rs. in million)	Number of shares	(Rs. in million)	Number of shares	(Rs. in million)
Balance as at the beginning of the year [face value of Rs. 10 each (March 31, 2017: Rs. 10 each, April 1, 2016: Rs. 10 each)]	42,665,400	427	42,665,400	427	42,665,400	427
Balance as at the end of the year [face value of Rs. 10 each (March 31, 2017: Rs. 10 each, April 1, 2016: Rs. 10 each)]	<u>42,665,400</u>	<u>427</u>	<u>42,665,400</u>	<u>427</u>	<u>42,665,400</u>	<u>427</u>

2.12.4 Terms / rights attached to equity shares

The Company has a single class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. During the year ended March 31, 2017 the company did not recognise dividend as distributions to equity shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of shareholders	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	% of holdings	Number of shares held	% of holdings	Number of shares held	% of holdings	Number of shares held
Minda Management Services Limited, India	50%	21,332,700	50%	21,332,700	50%	21,332,700
Vehicle Access Systems Technology LLC, USA	50%	21,332,700	50%	21,332,700	50%	21,332,700
		<u>42,665,400</u>		<u>42,665,400</u>		<u>42,665,400</u>

Minda Vast Access Systems Private Limited
Notes to the financial statements for the year ended 31 March 2018

2.13 Other equity

(Rs. in million)

Particulars	(Rs. in million)	
	As at 31 March 2018	As at 31 March 2017
Securities premium reserve	125	125
Closing balance	125	125
Other comprehensive income - Remeasurement of net defined benefit plans, net		
Opening balance	(2)	-
Add / (less) : Remeasurement of define benefit obligation	(1)	(2)
Closing balance	(3)	(2)
Retain earnings		
Opening balance	215	89
Add: Net profit for the year	122	126
Closing balance	337	215
	459	338

2.13.1 Earning per share

(Rs. in million)

Particulars	(Rs. in million)	
	For the year ended 31 Mar 2018	For the year ended 31 March 2017
Net profit attributable to equity shareholders		
Profit after tax	121	124
Number of weighted average equity shares		
Basic	42,665,400	42,665,400
Diluted	42,665,400	42,665,400
Nominal value of equity share (Rs.)	10	10
Earnings per share (Rs.) (Basic)	2.84	2.90
Earnings per share (Rs.) (Diluted)	2.84	2.90

2.13.2 Nature and purpose of other equity

• Securities 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.

• Remeasurements of defined benefit obligation

Remeasurements of defined benefit obligation comprises actuarial gains and losses and return on plan assets.

Mindia Vast Access Systems Private Ltd
Notes to the financial statements for the year ended 31 March 2018

2.14 Borrowings

Particulars	(Rs. in million)					
	Footnote	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016	As at 31 March 2018	As at 1 April 2016
Secured Term loan from banks	{1}	1	1	10	-	8
		1	1	10	-	8
		-	-	-	-	8
		1	1	10	-	8

Less: Amount shown under other current financial liabilities (refer to note 2.17)

S. No.	Lender	Terms of repayment	Loan outstanding as at 31 March 2018	Loan outstanding as at 31 March 2017	Loan outstanding as at 1 April 2016	Details of security / guarantee
1	Koah Shilohm Prime Limited	Repayment terms: Quarterly instalments Number of instalments: 16 Balance instalment: 15 Rate of interest: 9%	1	-	-	The loan is secured by hypothecation charge on respective motor vehicle.
	Axis Bank Foreign Currency Term Loan I	Repayment terms: Monthly equal 60 instalments Amount of Instalment- Euro 12,143 Balance Instalment - NIL Rate of Interest- 6 month LIBOR + 3%	-	-	-	The loan is secured by first hypothecation charge on entire movable fixed assets of the Company, both present and future and equitable mortgage on factory land and building. Further the loan is also secured by a second charge on entire current assets of the Company, both present and future on part para basis with Standard Chartered Bank and Yes Bank Limited.
	Axis Bank Foreign Currency Term Loan II	Repayment terms: Monthly equal 36 instalments Amount of Instalment- Euro 9,840.79 Balance Instalment - 13 Rate of Interest- 6 month LIBOR + 3%	-	9	19	The loan is secured by first hypothecation charge on entire movable fixed assets of the Company, both present and future and equitable mortgage on factory land and building. Further the loan is also secured by a second charge on entire current assets of the Company, both present and future on part para basis with Standard Chartered Bank and Yes Bank Limited.

2.14.1 Movement in current and non-current borrowings

	(Rs. in million) 31 March 2018
Borrowings at the beginning of the year	9
Movement due to cash transactions per the statement of cash flows	(8)
Borrowings at the end of the year	1

Minda Vast Access Systems Private Limited
Notes to the financial statements for the year ended 31 March 2018

2.15 Provisions

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Non-current			
Provision for employee benefits			
-Gratuity*	8	2	25
-Compensated absence*	13	10	11
Other provisions			
-Provision for warranties (refer to note 2.15.1 below)	13	10	14
	34	22	50

*refer to note 2.15.2

2.15.1 Movement in warranty cost provision

The Company warrants that its products will perform in all material respects in accordance with the Company's standard specifications for the warranty period. Accordingly based on specific warranties, claims history, the Company provides for warranty claims. The activity in the provision for warranty costs is as follows:

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
	Rs.	Rs.	Rs.
At the beginning of the year	30	30	23
Provided during the year	23	34	25
Utilised during the year	(14)	(34)	(18)
At the end of the year	39	30	30
Current portion	26	20	16
Non-current portion	13	10	14

2.15.2 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 recognized as expense for the year and shown under Employee benefits expense in note 2.22.

Particulars	(Rs. in million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Contribution towards		
- Provident Fund	13	14
- Employee state insurance	1	1
	<u>14</u>	<u>15</u>

b) Defined benefit plans Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity as a defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested period of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India by whom the plan assets are maintained.

Particulars	(Rs. in million)		
	For the year ended 31 March 2018	For the year ended 31 March 2017	
Changes in the present value of the defined benefit obligation is as follows:			
Present value of defined benefit obligation at the beginning of the year	32	27	
Interest cost	2	2	
Acquisition Adjustment	-	-	
Current service cost	3	3	
Past service cost	5	-	
Benefits paid	(4)	(3)	
Actuarial loss / (gain) on obligation	(1)	3	
Present value of defined benefit obligation at the end of the year	<u>37</u>	<u>32</u>	
Changes in the present value of the plan asset is as follows:			
Fair value of plan asset at the beginning of the year	3	-	
Return on plan asset	2	-	
Contributions	-	3	
Return on plan asset excluding amount recognized in net interest expenses	(2)	-	
Benefits paid	-	-	
Actuarial (gain) / loss on obligation	-	-	
Fair value of plan asset at the end of the year	<u>3</u>	<u>3</u>	
Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:			
Present value of defined benefit obligation at the end of the year	37	32	
Fair value of plan asset at the end of the year	3	3	
Net liability as at the close of the year	<u>(34)</u>	<u>(29)</u>	
Expenses recognized in the statement of profit and loss:			
Current service cost	3	3	
Past service cost	5	-	
Interest cost	2	2	
Expected return on plan assets	(2)	-	
Expenses recognized in the statement of profit and loss:	<u>9</u>	<u>5</u>	
Remeasurements Income recognized in other comprehensive Income:			
Actuarial (gain) loss on defined benefit obligation	(1)	3	
Return on plan asset excluding amount recognized in net interest expenses	2	-	
Expenses recognized in other comprehensive income:	<u>1</u>	<u>3</u>	
Experience Adjustment (loss) / gain:			
On defined benefit obligation	-	1	
On plan assets	-	-	
	<u>-</u>	<u>1</u>	
Actuarial assumptions:	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Discount rate	7.90%	7.40%	7.70%
Expected rate of return on plan assets	0.00%	0.00%	0.00%
Expected salary increase rates	Year 1 to 3: 10% Year 4 & 5: 8% Thereafter: 6.5%	Year 1 to 3: 10% Year 4 & 5: 8% Thereafter: 6.5%	Year 1 to 3: 10% Year 4 & 5: 8% Thereafter: 6.5%
Mortality	100% of IALSM 2006-08	100% of IALSM 2006-08	100% of IALSM 2006-08
Employee attrition rate			
- Up to 20 years of age	12.00%	12.00%	12.00%
- From 21 years of age to 44 years of age	8.00%	8.00%	8.00%
- Above 44 years of age	5.00%	5.00%	5.00%

Notes:

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 the estimated term of the obligation.

Particulars (Rs.)	(Rs. in million)				
	31 March 2014	31 March 2015	31 March 2016	31 March 2017	31 March 2018
Experience gain / (loss) on PBO and Plan Assets					
On Plan Present Value of Obligation	1	(1)	2	1	-
On Plan Assets	-	-	-	-	-

Sensitivity analysis:

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

	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	35 (8.50%)	42 9.8%	29 (8.50%)	35 9.9%
Future salary growth (-/+ 1%)	41 7.8%	35 (7.30%)	34 6.5%	30 (6.00%)
Mortality rate (-/+ 10% of mortality rates)	38 0.1%	38 (0.10%)	32 0.1%	32 (0.10%)
Attrition rate (-/+ 50% of attrition rates)	39 3.1%	36 (4.80%)	33 4.1%	30 (6.40%)

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.

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 at the valuation date:

	(Rs. In million)	
	As at 31 March 2018	As at 31 March 2017
1 year	3	2
2 to 5 years	13	13
6 to 10 years	17	17
More than 10 years	60	60

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.

e) Other long term benefit - Compensated absences

The Company operates compensated absences plan, where in every employee is entitled to the benefit as per the policy of the Company in this regard. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

An actuarial valuation of Compensated absence has been carried out by an independent actuary on the basis of the following assumptions:

Assumptions	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Discount rate	7.90%	7.40%	7.70%
Expected salary increase rates	Year 1 to 3: 10% Year 4 to 5: 8% Thereafter: 6.5%	Year 1 to 3: 10% Year 4 to 5: 8% Thereafter: 6.5%	Year 1 to 3: 10% Year 4 to 5: 8% Thereafter: 6.5%
Mortality	100% of IALM 2006-08	100% of IALM 2006-08	100% of IALM 2006-08
Employee attrition rate			
-Up to 30 years of age	12.00%	12.00%	12.00%
-From 31 years of age to 44 years of age	8.00%	8.00%	8.00%
-Above 44 years of age	5.00%	5.00%	5.00%

The other long-term benefit of compensated absence in respect of employees of the Company as at 31 Mar 2018 amounts to Rs. 2777283 (March 31, 2017: Rs. 2296487, April 1, 2016: Rs. 2950933) and the expense recognized in the statement of profit and loss during the year for the same amounts to Rs. 6781755 (March 31, 2017: Rs. 1375038), April 1, 2016: Rs. 18,684,190) (Gross payment of Rs. 3020396 (March 31, 2017: Rs. Nil, April 1, 2016: Rs. Nil))

Sensitivity analysis:

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

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	16 (4.60%)	18 5.1%	-	-
Future salary growth (-/+ 1%)	18 5.0%	16 (4.60%)	-	-
Mortality rate (-/+ 10% of mortality rates)	17 0.0%	17 0.0%	-	-
Attrition rate (-/+ 50% of attrition rates)	16 (3.20%)	17 4.1%	-	-

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.

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 at the valuation date:

	(Rs. In million)	
	As at 31 March 2018	As at 31 March 2017
1 year	4	4
2 to 5 years	9	9
6 to 10 years	7	7
More than 10 years	7	7

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 plan, 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 manager uses 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 plan, 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 plan's 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 plan. 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.

Minda Vast Access Systems Private Limited
Notes to the financial statements for the year ended 31 March 2018

2.16 Trade payables

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Trade payables			
Total outstanding dues of micro enterprises and small enterprises (refer to note 2.16.1)	6	8	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	332	290	323
Trade payables to related parties	79	69	51
	<u>417</u>	<u>367</u>	<u>374</u>

2.16.1 Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

S.No. Particulars	(Rs. in million)		
	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	5	7	10
- Interest thereon	1	1	-
	<u>6</u>	<u>8</u>	<u>10</u>
(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	69	62	71
- Interest thereon	-	-	-
	<u>69</u>	<u>62</u>	<u>71</u>
(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			
	1	1	-
	<u>1</u>	<u>1</u>	<u>-</u>
(iv) the amount of interest accrued and remaining unpaid.			
	1	1	-
	<u>1</u>	<u>1</u>	<u>-</u>
(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			
	1	1	-
	<u>1</u>	<u>1</u>	<u>-</u>

2.17 Other current financial liabilities

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Current maturities of term loans (refer note 2.14)	-	8	11
Salaries, wages and bonus payable	15	22	19
Creditors for capital items	49	18	2
Royalty Payable	1	1	1
	<u>65</u>	<u>49</u>	<u>33</u>

2.18 Other current liabilities

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Statutory dues payable	7	6	14
Advances from customers	39	80	24
	<u>46</u>	<u>86</u>	<u>38</u>

2.19 Current provisions

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Provision for employee benefits			
-Gratuity*	3	3	2
-Compensated absence*	4	2	3
Others			
-Provision for warranties (refer to note 2.15.1)	26	20	16
	<u>33</u>	<u>25</u>	<u>21</u>

*refer to note 2.15.2

2.20 Current tax liabilities

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Provision for income tax [net of advance income tax Rs. 37 million (March 31, 2017: Rs. 37 million, April 1, 2016: 62 million)]	5	6	13
	<u>5</u>	<u>6</u>	<u>13</u>

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

2.21 Deferred Tax Assets (Net)

A. Amounts recognised in statement of profit and loss

Particulars	(Rs. in million)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax		
Current year	42	35
	42	35
Deferred tax		
Origination and reversal of temporary differences	(3)	16
	(3)	16
Income tax expense reported in the statement of profit and loss	39	51

B. Amounts recognised in other comprehensive Income/ (expense)

Particulars	(Rs. in million)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Remeasurement of post employment benefit obligation	-	1
Income tax recognised in other comprehensive income/(expense)	-	1

C. Reconciliation of effective tax rate

Reconciliation of tax expense and the accounting profit/ (loss) multiplied by India's domestic tax rate for the year ended March 31, 2018 and March 31, 2017:

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operations		161		177
Tax using the Company's domestic tax rate	34.61%	56	34.61%	61
Non-deductible expenses	0.00%	-	0.45%	1
Incremental allowance of research and development expenditure	(12.10%)	(20)	(7.70%)	(14)
Tax-exempt income- Dividend Income	1.10%	2	0.88%	2
Change in Tax Rates	0.00%	-	0.00%	-
Capital gain	0.36%	1	0.35%	1
Others	0.00%	-	0.00%	-
Effective tax rate	24.16%	39	28.59%	51

D. Movement of temporary differences							(Rs. in million)	
Particulars	As at April 1, 2016	Recognised in profit or loss during 2016-17	Recognised in OCI during 2016-17	As at March 31, 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	As at March 31, 2018	
Deferred Tax Assets								
Accrued expense deductible on payment	-	(1)	-	1	(2)	-	3	
Provision for gratuity and compensated absences	10	5	-	5	(5)	-	10	
Loss allowance for trade receivables	6	6	-	-	-	-	-	
Difference in book written down value and tax written down value of property, plant and equipment	15	15	-	-	-	-	-	
Warranty Provisions	-	(10)	-	10	(4)	-	14	
Others	-	-	(1)	1	1	-	-	
A	31	15	(1)	17	(9)	-	26	
Deferred Tax Liabilities								
Difference in book written down value and tax written down value of property, plant and equipment	-	(2)	-	2	(6)	-	8	
B	-	(2)	-	2	(6)	-	8	
Net deferred tax	31	16	(1)	15	(3)	-	18	

Minda Vast Access Systems Private Limited
Notes to the financial statements for the year ended 31 March 2018

2.22 Revenue from operations

(Rs. in million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products		
Manufactured goods	2,595	2,756
	2,595	2,756
Other operating revenues		
-Sale of scrap	3	3
-Service income	9	9
-Exchange fluctuations (net)	4	4
-Duty draw back and other export benefits	-	1
Other operating revenues	16	17
Revenue from operations	2,611	2,773

2.23 Other Income

(Rs. in million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income:		
-on fixed deposits	16	17
-on others-MSEB	-	-
Provisions/liabilities no longer required, written back	11	69
Profit on sale of investments	1	-
MTM on fair valuation of investments	1	-
Rental income	-	-
Recovery of Doubtful Debt	1	-
Dividend Income	5	4
Miscellaneous income	7	8
	42	98

2.24 Cost of materials consumed

(Rs. in million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Raw materials consumed (includes packing material and components)		
Opening stock	85	91
Add: Purchases during the year	1,732	1,686
	1,817	1,776
Less: Closing stock	84	85
	1,733	1,692

Minda Vast Access Systems Private Limited
Notes to the financial statements for the year ended 31 March 2018

2.25 Changes In Inventories Of Finished Goods, Stock In Trade And Work In Progress

Particulars	(Rs. in million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Finished goods and stock in trade		
Opening stock	39	58
Less: Closing stock	47	39
	8	(19)
Impact of excise duty on increase / (decrease) in finished goods	-	(1)
Work in progress		
Opening stock	37	34
Less: Closing stock	25	37
	(12)	3
Increase / (Decrease) in inventories	(4)	(15)

2.26 Employee Benefits Expense

Particulars	(Rs. in million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages	265	265
Contribution to		
- Provident fund and other funds	14	14
- Gratuity fund (refer note 2.15.2b)	9	5
Staff welfare	15	17
	303	301

Minda Vast Access Systems Private Limited
Notes to the financial statements for the year ended 31 March 2018

2.27 Finance Costs

Particulars	(Rs. in million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense:		
on borrowings from banks	-	1
on borrowings from others	1	-
	<u>1</u>	<u>1</u>

2.28 Other Expenses

Particulars	(Rs. in million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Jobwork charges	23	22
Consumption of stores and spare parts	19	14
Power and fuel	27	28
Packing charges	22	24
Rent	14	18
Testing and designing expenses	9	10
Repairs- buildings	9	8
Repairs- plant and machinery	9	11
Repairs others	7	6
Travelling and conveyance	27	31
Legal and professional	22	17
Communication	3	3
Bad debts	-	13
Provision for doubtful trade receivables	1	-
Management fees	37	36
Insurance	5	5
Rates and taxes, excluding taxes on income	3	3
Warranty expenses	23	34
Loss on sale/discard of fixed assets (net)	2	2
Advertisement and business promotion	-	1
Royalty	4	6
Freight and forwarding	27	23
Corporate social responsibility	3	2
Sale Service Expenses	4	4
Miscellaneous	15	12
	<u>315</u>	<u>333</u>

2.28.1 Research and development expenses **

The Company has incurred following expenditure on its inhouse R & D Center :

Particulars	(Rs. in million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
	Rs.	Rs.
Design & Development Exp	3	2
Salaries	33	17
Contribution to provident fund and other funds	3	1
Travelling and conveyance	2	2
Legal and professional	5	-
Testing Expenses	1	4
Miscellaneous	-	1
	<u>47</u>	<u>27</u>

** Excluding finance costs, depreciation, amortisation and impairment. Capital expenditure incurred on approved R & D center during current financial year is Rs. 22 million (March 31, 2017: Rs. 6 million, April 1, 2016: Rs. 2 million).

2.29 Capital and other commitments

Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.42 million (March 31, 2017: Rs.6 million, April 1, 2016: Rs.25 million)

2.30 Contingent liabilities

Particulars	(Rs. In million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Claims against the Company not acknowledged as debts			
a) Income-tax (Refer note a below)	14	26	16
b) Sales tax/ VAT	-	21	25
c) Excise duty / Service Tax	-	-	-
a. Contingent liability represents disputed income tax demands pertaining to AY 2008-2009, 2010-11, 2011-12 and 2014-15 arising from disallowances of the Company's claim of certain expenses and penalty imposed there on under Income Tax Act, 1961. The Company believes that such claims are allowable and has filed the necessary appeals with relevant authorities.			
While the ultimate outcome of the above mentioned appeals cannot be ascertained at this time, based on current knowledge of the applicable law, management believes that these law suits should not have a material adverse effect on the Company's financial statements or its business operations.			
Bank guarantees			
- To customers against advances	4	7	3
- To MNGL for piped gas connection	-	-	-
- To MPCB for consent renewal	-	-	1

2.31 Accounting for leases

Rental expenses in respect of operating leases are recognized as an expense in the statement of profit and loss.

Operating leases- As a lessee

The Company has entered into operating lease arrangement for godowns, and factory premises. There are no non cancellable lease agreements entered by the company. These agreements are cancellable and impose no restrictions on the Company. Lease rent charged for the period amounting to Rs. 1 million (March 31, 2017: Rs.5 million April 1, 2016: Rs.3 million) is recognized in the statement of profit and loss.

2.32 Related Party Disclosures

A) Related parties and nature of related party relationship with whom transactions have taken place during the year

a)	Key Managerial Personnel	Mr Himanshu Jain - (President from 28 April 2016) Mr Mahendra Naredi (CFO & Company Secretary) Mr Kishor D. Kamataki - (Managing Director upto 19 April 2016)
b)	Enterprise in which directors of the Company and their relatives are able to exercise significant influence:	Minda Corporation Limited, India Minda Silca Engineering Limited, India Minda Stoneridge Instruments Limited, India Minda Sai Limited, India Minda Automotive Solutions Limited, India OZ Minda LLC, Uzbekistan PT. Minda Automotive- Indonesia
c)	Joint Venture	Minda Management Services Limited, India Vehicle Access Systems Technology LLC, USA

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

B) Details of related party transactions during the year and outstanding balance at the year end :

Particulars	(Rs. in million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Revenue		
Enterprise in which directors of the Company and their relatives are able to exercise significant influence:		
Sale of products		
- Minda Corporation Limited	13	16
- Minda Silca Engineering Limited	71	26
- Minda Automotive Solution Limited	1	-
- O'Z Minda LLC, Uzbekistan.	1	1
- PT. Minda Automotive- Indonesia	234	3
Service Income		
PT. Minda Automotive- Indonesia	3	-
Reimbursement of expenses received		
- Minda Corporation Limited	-	2
- Minda Stoneridge Instruments Limited	-	-
- Minda Silca Engineering Limited	-	1
- Minda Management Services Limited	-	-
- PT. Minda Automotive- Indonesia	-	-
Key Management Personnel:		
Sale of fixed assets		
Mr. Kishor D. Karnataka (Managing Director upto 19 April 2016)	-	1
b) Expenses		
Enterprise in which directors of the Company and their relatives are able to exercise significant influence:		
Purchase of goods		
- Minda Corporation Limited	276	251
- Minda Silca Engineering Limited	59	67
- Minda Sai Limited	2	-
Repair & Maintenance		
- Minda Corporation Limited	-	-
- Minda Silca Engineering Limited	-	-
Job work charges		
- Minda Corporation Limited	-	-
- Minda Silca Engineering Limited	-	26
Legal and professional fees		
- Minda Corporation Limited	7	8
- Minda Stoneridge Instruments Limited	-	-
- Minda Management Services Limited	1	-
- Minda Automotive Solution Limited	4	4
Reimbursement of expenses		
- Minda Corporation Limited	-	1
- Minda Stoneridge Instruments Limited	-	-
- Minda Management Services Limited	-	-

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

B) Details of related party transactions during the year and outstanding balance at the year end :

Particulars	(Rs. in million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Joint Venture :		
Management fees		
- Minda Management Services Limited	18	18
- Vehicle Access Systems Technology LLC, USA	18	18
Legal and professional fees		
- Minda Management Services Limited	-	1
Reimbursement of expenses		
- Minda Management Services Limited	-	-
Key Management Personnel: Remuneration		
- Mr. Himanshu Jain*	5	5
- Mr. Mahendra Naredi*	4	4
- Mr. Kishor D. Kamataki (Managing Director upto 19 April 2016)*	-	1

* Excluding value of prerequisites of telephone at residence, Car and reimbursement of expenses on conveyance, professional pursuit and uniform.
Exclusive of provision for future liabilities in respect of gratuity and leave encashment which are based on actuarial valuation done on overall company basis.

C) Outstanding Balances pertaining to related parties

Particulars	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Enterprise in which directors of the Company and their relatives are able to exercise significant influence:			
Trade receivables			
- Minda Corporation Limited	3	1	3
- Minda Automotive Solution Limited	-	-	-
- O'Z Minda LLC, Uzbekistan	-	-	15
- Minda Sai Limited	-	1	-
- Minda Silca Engineering Limited	-	-	-
- PT. Minda Automotive- Indonesia	40	3	-
Trade payables			
- Minda Corporation Limited	75	61	33
- Minda Silca Engineering Limited	4	6	17
- Minda Sai Limited	-	-	-
- Minda Automotive Solution Limited	-	1	-
Joint Venture :			
Trade payables			
- Minda Management Services Limited	6	5	5
- Vehicle Access Systems Technology LLC, USA	-	5	16
Key Management Personnel:			
- Mr. Mr. Kishor D. Kamataki (Managing Director upto 19 April 2016)	-	-	3
- Mr. Mahendra Naredi	-	-	-

2.33 Auditors' Remuneration (Excluding Service Tax)

Legal and professional expense includes auditors' remuneration as follows:

Particulars	(Rs. In Million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Statutory audit	1	1
Reimbursement of expenses	-	-
	<u>1</u>	<u>1</u>

2.34 During the current year, as required under section 135 of the Act, the Company has spent Rs. 3 million (March 31, 2017: Rs.2 million) towards the corporate social responsibility (CSR activity). Relevant disclosures for amount to be spent vis a viz amount spent during the year are as below :

	(Rs. In Million)		
	For the year ended 31 March 2018 Rs.	For the year ended 31 March 2017 Rs.	
A Gross amount required to be spent by the Company	3	2	
B1 Amount spent during the year ended 31 Mar 2018			
S. No. Project/Activity	Paid in cash	Yet to be paid	Total (Rs. in million)
1 Scholarship distribution to student of akashan	-	-	-
2 Medical health check up plan and vaccine distribution	-	-	-
3 Tree Plantation	-	-	-
4 Water filter and Tube II installation in Dhonde	-	-	-
5 Computer Literacy and spoken english programme for akashan center	1	-	1
6 Artificial limb fitment camp for disable "saksham"	2	-	2
Total	<u>3</u>	<u>-</u>	<u>3</u>
B2 Amount spent during the year ended 31 March 2017			
S. No. Project/Activity	Paid in cash	Yet to be paid	Total (Rs. in million)
1 Eye Camp	-	-	-
2 Water Purifier system installation	1	-	1
3 Borewell Construction	1	-	1
4 Book distribution in Akashan school	-	-	-
5 Tree Plantation in Nigheje Village	-	-	-
Total	<u>2</u>	<u>-</u>	<u>2</u>

2.35 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

2.36 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:

Location	(Rs. in million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operation		
Domestic	2,339	2,448
Overseas		
Asia (excluding domestic)	243	242
Europe	29	83
Total	2,611	2,773

Location	(Rs. in million)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Carrying amount of assets			
Domestic	1,416	1,299	1,161
Overseas			
Asia (excluding domestic)	63	15	12
Europe	8	7	7
Total	1,487	1,321	1,180

Addition of Property, plant and equipment and intangible assets	(Rs. in million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Domestic		
- Property, plant and equipment	105	70
- Intangible fixed assets	32	4
	137	74
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 operators

2.37 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and noted that there are no foreseeable losses on long term contracts. Accordingly, no provision is required to be created in the books of account under any law / accounting standards.

2.38 Financial Instruments – Fair values and risk management

a. Financial Instruments – by category and fair value 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 April 1, 2016

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
(Rs. in million)							
Financial assets							
Non-current							
(i) Loans	-	-	4	4	-	-	-
Current							
(i) Trade receivables	-	-	262	262	-	-	-
(ii) Cash and cash equivalents	-	-	111	111	-	-	-
(iii) Other bank balances	-	-	50	50	-	-	-
(iv) Other financial assets	-	-	2	2	-	-	-
Total	-	-	429	429	-	-	-
Financial liabilities							
Non-current							
Borrowings	-	-	10	10	-	-	-
Current							
(i) Trade payables	-	-	374	374	-	-	-
(ii) Other financial liabilities	-	-	33	33	-	-	-
Total	-	-	417	417	-	-	-

II. As on March 31, 2017

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
(Rs. in million)							
Financial assets							
Non-current							
(i) Loans	-	-	4	4	-	-	-
Current							
(i) Investments	100	-	-	100	100	-	-
(ii) Trade receivables	-	-	185	185	-	-	-
(iii) Cash and cash equivalents	-	-	25	25	-	-	-
(iv) Other bank balances	-	-	234	234	-	-	-
(v) Other financial assets	-	-	13	13	-	-	-
Total	100	-	461	561	100	-	-
Financial liabilities							
Non-current							
Borrowings	-	-	1	1	-	-	-
Current							
(i) Trade payables	-	-	367	367	-	-	-
(ii) Other financial liabilities	-	-	49	49	-	-	-
Total	-	-	416	416	-	-	-

III. As on March 31, 2018

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
(Rs. in million)							
Financial assets							
Non-current							
(i) Loans	-	-	4	4	-	-	-
Current							
(i) Investments*	154	-	-	154	154	-	-
(ii) Trade receivables	-	-	223	223	-	-	-
(iii) Cash and cash equivalents	-	-	65	65	-	-	-
(iv) Other bank balances	-	-	151	151	-	-	-
(v) Other financial assets	-	-	11	11	-	-	-
Total	154	-	453	607	154	-	-
Financial liabilities							
Non-current							
Borrowings	-	-	1	1	-	-	-
Current							
(i) Trade payables	-	-	417	417	-	-	-
(ii) Other financial liabilities	-	-	66	66	-	-	-
Total	-	-	484	484	-	-	-

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.

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	223	185	263
Cash and cash equivalents	65	25	111
Other bank balances	151	234	50
Loans	4	4	4
Other financial assets	11	13	2

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, loans.

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. 1 million. The reversal for lifetime expected credit loss on customer balances for the year ended March 31, 2017 was Rs. 18 million.

Movement in the loss allowance in respect of trade receivables:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at the beginning of the year	1	18
Impairment loss recognised / (reversed)	(1)	(18)
Amount written off	-	1
Balance at the end of the year	-	1

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 loss	Expected credit	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	1	0%	-	1
		Security Deposits	4	0%	-	4
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	NA
	Financial assets for which credit risk has increased significantly and credit-impaired	NA	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 loss	Expected credit	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	1	0%	-	1
		Security Deposits	4	0%	-	4
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	NA
	Financial assets for which credit risk has increased significantly and credit-impaired	NA	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:				(Rs. in million)
Particulars	Gross carrying amount			
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
Current (not past due)	176	163	224	
1 to 30 days past due	26	18	48	
31 to 60 days past due	19	5	3	
61 to 90 days past due	1	-	2	
More than 90 days past due	1	1	3	
Expected credit losses (Loss allowance provision)	-	1	18	
Carrying amount of trade receivables (net of impairment)	223	185	263	

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.216 million as at March 31, 2018 (March 31, 2017 Rs.259 million, April 1, 2016 Rs.161 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 March 31, 2016
From Banks - Short Term	270	270	270
From banks - Long Term	-	-	-

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 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	10	4	4	1	-	-	10
Current liabilities							
Financial liabilities - Borrowings	11	11	-	-	-	-	11
Trade payables	374	374	-	-	-	-	374
Other financial liabilities	33	33	-	-	-	-	33
Total	428	423	4	1	-	-	429

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	1	1	-	-	-	-	1
Current liabilities							
Financial liabilities - Borrowings	8	8	-	-	-	-	8
Trade payables	367	367	-	-	-	-	367
Other financial liabilities	49	49	-	-	-	-	49
Total	424	424	-	-	-	-	424

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	1	-	-	1	-	-	1
Current liabilities							
Financial liabilities - Borrowings	-	-	-	-	-	-	-
Trade payables	417	417	-	-	-	-	417
Other financial liabilities	65	65	-	-	-	-	65
Total	483	482	-	1	-	-	483

Minda Vast Access Systems Private Limited
Notes to the financial statements for the year ended 31 March 2018

b. Financial risk management

(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	JPY
Financial assets			
Trade receivables	1	-	-
	1	-	-
Financial liabilities			
Trade payables	-	-	-
	-	-	-

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

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

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.

(Rs. in million)

Particulars	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	-	-	-	-
JPY	-	-	-	-
	-	-	-	-
For the year ended March 31, 2017				
USD	-	-	-	-
EUR	-	-	-	-
JPY	-	-	-	-
	-	-	-	-

USD: United States Dollar, EUR: Euro, JPY: Japanese Yen

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
Term loans from banks (Non current)	-	1	10
Term loans from banks (Current)	-	8	11
Total	-	9	21

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 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	(Rs. in million)			
	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest on term loans from banks				
For the year ended March 31, 2018	-	-	-	-
For the year ended March 31, 2017	-	-	-	-
Interest on public deposits				
For the year ended March 31, 2018	-	-	-	-
For the year ended March 31, 2017	-	-	-	-

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
Borrowings -Short Term	-	8	11
Borrowings -Long Term	1	9	21
Less : Cash and cash equivalent	(65)	(25)	(111)
Adjusted net debt (A)	(64)	(8)	(78)
Total equity (B)	886	765	641
Adjusted net debt to adjusted equity ratio (A/B)	-7%	-1%	-12%

2.39 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:

(i) 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.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

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. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

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

Minda Vast Access Systems Private Limited

Notes to the financial statements for the year ended 31 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 previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		325	-	325
Capital work-in progress		7	-	7
Intangible assets		17	-	17
Financial assets				
Loans		4	-	4
Income tax assets		5	-	5
Deferred tax Assets (Net)		31	-	31
Other non-current assets		1	-	1
		390	-	390
Current assets				
Inventories		219	-	219
Financial assets				
i. Trade receivables		262	-	262
ii. Cash and cash equivalents		111	-	111
iii. Other bank balances		50	-	50
iv. Other financial assets		2	-	2
Other current assets		146	-	146
		790	-	790
Total		1,180	-	1,180
EQUITY AND LIABILITIES				
Equity				
Equity share capital		427	-	427
Other equity		214	-	214
		641	-	641
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings		10	-	10
Provisions		50	-	50
		60	-	60
Current liabilities				
Financial Liabilities				
i. Trade payables		374	-	374
ii. Other financial liabilities		33	-	33
Other current liabilities		38	-	38
Provisions		21	-	21
Current tax liabilities		13	-	13
		479	-	479
Total		1,180	-	1,180

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

Minda Vast Access Systems Private Limited

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

(ii) Reconciliation of equity as at March 31, 2017:

Particulars	Note reference	Amount as per previous GAAP*	(Rs. in million)	
			Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		329	-	329
Capital work-in progress		24	-	24
Intangible assets		15	-	15
Financial assets				
Loans		4	-	4
Income tax assets		18	-	18
Deferred tax Assets (Net)		15	-	15
Other non-current assets		1	-	1
		<u>406</u>	-	<u>406</u>
Current assets				
Inventories		206	-	206
Financial assets				
i. Investments		100	-	100
ii. Trade receivables		185	-	185
iii. Cash and cash equivalents		25	-	25
iv. Other bank balances		234	-	234
v. Other financial assets		13	-	13
Other current assets		152	-	152
		<u>915</u>	-	<u>915</u>
Total		<u>1,321</u>	-	<u>1,321</u>
EQUITY AND LIABILITIES				
Equity				
Equity share capital		427	-	427
Other equity		338	-	338
		<u>765</u>	-	<u>765</u>
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings		1	-	1
Provisions		22	-	22
		<u>23</u>	-	<u>23</u>
Current liabilities				
Financial Liabilities				
i. Trade payables		367	-	367
ii. Other financial liabilities		49	-	49
Other current liabilities		86	-	86
Provisions		25	-	25
Current tax liabilities		6	-	6
		<u>533</u>	-	<u>533</u>
Total		<u>1,321</u>	-	<u>1,321</u>

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

Minda Vast Access Systems Private Limited
Notes to the Standalone financial statements for the year ended March 31, 2018

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

Particulars	Note reference	(Rs. in million)		
		Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
Income				
Revenue from operations	2	2,773	-	2,773
Other income		98	-	98
Total Income		2,871	-	2,871
Expenses				
Cost of materials consumed		1,692	-	1,692
Changes in inventories of finished goods, stock-in-trade and work-in-progress		15	-	15
Excise duty on sales	2	284	-	284
Employee benefits expenses	1	304	(3)	301
Finance costs		1	-	1
Depreciation and amortisation expenses		68	-	68
Other expenses		333	-	333
Total expenses		2,697	(3)	2,694
Profit before tax		174	3	177
Tax expense				
Current tax		35	-	35
Deferred tax (credit) / charge	3	15	1	16
Profit for the year		124	2	126
Other comprehensive income				
<i>Item that will not be reclassified reclassified subsequent to profit or loss</i>				
Remeasurement of defined benefit liabilities	1,4	-	(3)	(3)
Income tax relating to items that will not be reclassified to profit or loss		-	1	1
Total other comprehensive income/ (expense) for the year, net of taxes		-	(2)	(2)
Total comprehensive income for the year		124	-	124

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

C. Notes to the reconciliations:

1 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. 2 million (net of tax) and is reclassified to other comprehensive income. There is no impact on the total equity as at March 31, 2017.

2 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.284 million. There is no impact on the total equity and profit.

3 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.

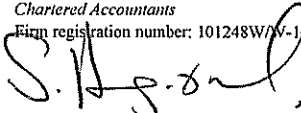
4 Other comprehensive income

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

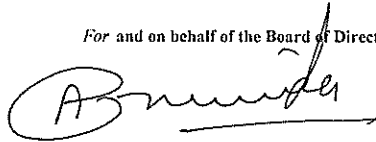
For and on behalf of the Board of Directors of Minda Vast Access Systems Private Limited

For BSR & Co. LLP
Chartered Accountants
Firm registration number: 101248W/V-100022

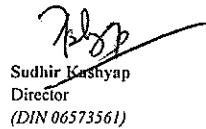


Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 14 May 2018



Ashok Minda
Director
(DIN 00054727)



Sudhir Kashyap
Director
(DIN 06573561)

Place: Gurugram
Date: 14 May 2018



Frank Joseph Krejci
Director
(DIN 07121998)



Mahendra Naredi
CFO & Company Secretary
(AEWPN9414M)