

B S R & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurugram - 122 002, India

Telephone: + 91 124 719 1000
Fax: + 91 124 235 8613

INDEPENDENT AUDITOR'S REPORT

To the Members of Minda SAI Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Minda SAI 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.

Management's Responsibility for the Ind AS Financial Statements

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

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

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to



fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said 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 2.38 to the Ind AS financial statements.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
- iv. The disclosures in the Ind AS 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 BSR & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022



Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurugram
Date: 21 May 2018

Annexure A to the 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) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets (property, plant and equipment) are verified, in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, the discrepancies noticed on such verification were not material and have been properly adjusted in the books of account.
- (c) According to the information and explanations given to us 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 and have been properly dealt with in the books of account.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Further, there are no Firms or Limited Liability Partnership covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the Order is not applicable.
- (iv) According to information and explanations given to us and on the basis of our examination of records, we are of the opinion that the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments and guarantees given by the Company. There are no securities provided by the Company as specified under section 185 and 186 of the Companies Act, 2013.
- (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) We have broadly reviewed the books of account maintained by the Company (in respect of products covered) pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.



- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Goods and Service Tax ('GST'), Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in a few cases.

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

- (b) According to the information and explanations given to us, there are no dues in respect Income-tax, Sales-tax, Goods and Service Tax Service tax, Duty of custom, Duty of excise and Value added tax which have not been deposited with the appropriate authorities on account of any dispute except for the following:

(Amount in Rs.)					
Name of the statute	Nature of dues	Period to which the amount relates	Amount*	Amount unpaid	Forum where dispute is pending
Central Excise Act, 1944	Show Cause-Cum-Demand Notice.	2011-12	28,895	28,895	Excise Deputy Commissioner Pithampur
	Show Cause-Cum-Demand Notice.	2013-14 2014-15	127,791	127,791	Excise Commissioner Pithampur
	Non payment of duty on PVC Cut cable scrap	2009-10	70,558	35,558	Tribunal
	Non payment of duty on PVC Cut cable scrap	2010-11	210,305	210,305	Tribunal
	Payment of duty on PVC cut cable scrap Under Protest	2011-12	32,859	32,859	Commissionerate - Noida
Finance Act, 1994	Credit disallowed on Outward Freight	2009-10	127,000	127,000	Division-IV, Noida
		2010-11	115,645	115,645	
		2011-12	114,012	114,012	
		2011-12	130,135	130,135	
		2012-13	134,067	134,067	
		2012-13	144,584	144,584	
		2013-14	277,767	277,767	
2014-15	85,932	85,932			
Sales Tax	Form-38 Not with Bill transfer to MSL Murbad	2016-17	58,000	8,000	UPST - Noida

Name of the statute	Nature of dues	Period to which the amount relates	Amount*	Amount unpaid	Forum where dispute is pending
Tamil Nadu General Sales Tax Act, 1956	Demand raised towards reversal of VAT Credit on Capital Goods Inputs.	2006-07	60,186	46,999	CTO (Commercial tax officer) Range officer, Kakkalur
		2007-08	581,130	441,245	
		2008-09	511,739	386,599	
		2009-10	407,139	307,959	
	Disallowance of credit on Rejection goods	2004-05	200,478	18,911	

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

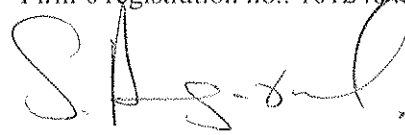
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. Further, the Company had no loans or borrowings from government at any time during the year and had not issued any debentures 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Companies Act, 2013. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all the transactions with the related parties are in compliance with the provisions section 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For B S R & Co. LLP

Chartered Accountants

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



Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurugram

Date: 21 May 2018

Annexure B to the Independent Auditor's Report of even date on the Ind AS financial statements of Minda SAI 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 SAI 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 BSR & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022



Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurgaon
Date: 21 May 2018

MINDA SAI LIMITED

DIRECTORS' REPORT

To The Members,

The Directors have great pleasure in presenting the 37th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2018

1) FINANCIAL RESULTS (AS PER APPLICABLE INDIAN ACCOUNTING STANDARD)

The financial Summary or highlights of the Company, for the year under review are as follows:

PARTICULARS	(Rs. in Millions)	
	2017-18	2016-17
Sales/Income from Operations	8722	7129
Other Income	72	244
Profit before Interest, Depreciation & Other Expenses	1786	1536
Finance Cost	83	104
Depreciation and amortization expense	180	148
Other expenses	890	718
Profit before taxes	633	566
Current tax (net)	201	160
Deferred tax charge/ (credit)	18	(10)
Profit for the period after taxes (A)	414	416
Other comprehensive income for the year (B) Items that will not be reclassified to profit and loss - Re-measurement of defined benefit liabilities (net of tax)	-	(4)
Total other comprehensive income	-	(4)
Total comprehensive income for the period (A+B)	414	412

2) COMPANY PERFORMANCE

The Company has adopted IND-AS from April 01, 2017. The financial statements have been prepared as per the IND-AS prescribed by the Institute of Chartered Accountants of India (ICAI).

During the year under review, your Company has achieved a turnover of Rs. 8722 Millions against Rs. 7129 Millions during previous year registering a growth of 22 % over the previous year. The Company reported a total comprehensive income of Rs. 414 Millions as against Rs. 412 Millions, earned during previous year, In the previous year, the Company had earned an extra ordinary income of Rs. 129 Millions towards sale of land & building.

3) AUTOMOBILE INDUSTRY REVIEW vis a vis COMPANY'S PRODUCTS

As per data released by the Society of Indian Automobile Manufacturers (SIAM), the automobile industry's sales in India have witnessed at growth of 14.2% in FY18. The passenger vehicle segment witnessed a 7.9% growth while the commercial vehicle segment posted a strong sales growth 19.9%

during the fiscal year. Growth for the 2-wheeler segment was pegged at 14.8%. The highest growth was witnessed in the 3-wheeler segment, which grew by 24.2%.

Wiring Harness is going through an unprecedented transition phase. The functional criticality of the vehicles now-a-days depends a lot on the physical connectivity between different components; sub-systems in the vehicle and these connections are established through wiring harness. Wiring harness contents, in terms of no. of circuits, connectors etc., have been increasing steadily and expected to grow rapidly in years ahead.

In spite of advancement in automation technology, the wiring harness manufacturing still remains highly labor intensive job and likely to remain so in times to come. However, there is an increased focus on improving the manufacturing systems and practices, both through product design initiatives like modular design to process designs initiatives like creating more visual prompts for the operators to enhance the productivity and meeting quality targets. It is imperative to make the product defect free both from design point and manufacturing point.

GROWTH DRIVERS FOR INDIAN AUTO-COMPONENT INDUSTRY

- India has a low-cost manufacturing base but a highly skilled manpower resource. This has attracted foreign players for partnership and linkages.
- The transformation of the auto ancillary industry from a low-volume and highly fragmented sector to a sector increasingly focused towards competitive strengths and improving technology.
- Increased demand for R&D with higher allocation across companies.
- Frequent introduction of new models across various vehicle types.

4) CORPORATE DEVELOPMENTS

Acquisition of El Labs India Private Limited

The Company has acquired 100% stake in El Labs India Private Limited w.e.f. September 1, 2017. El Labs India Private Limited is engaged in the business of designing, development, manufacturing and distribution of telematics products and solutions for automotive and non-automotive applications

Credit Rating assigned by India Ratings & Research (Ind-Ra) and Crisil

Rating Agencies	Instrument	Ratings
India Ratings & Research	Fund- based working capital limits	IND A+/Stable/IND A1+
	Non- fund based working capital limits	IND A+/Stable/IND A1+
	Term-loan	IND A+/Stable
CRISIL	Long-Term Rating	CRISIL A+/Stable (Upgraded from CRISIL A/Stable)
	Short-Term Rating	CRISIL A I

5) DIVIDEND

The Board of Directors has recommended a dividend of Rs. 18 per equity share (Face Value Rs. 100 per equity share) for the financial year 2017-18 in their meeting held on May 21, 2018 subject to the

approval by the shareholders at the forthcoming 37th Annual General Meeting of the Company. The dividend on Equity Shares if declared at the meeting will be credited to those members whose name shall appear on the Company's Register of Members on Wednesday, July 25, 2018; in respect of the shares held.

6) SHARE CAPITAL

The Paid-up Equity Share Capital as on 31st March, 2018 was 70,77,108 Equity Share @ Rs. 100 face value. During the year under review, the Company has not issued any shares.

7) FIXED DEPOSITS

The Company has neither invited nor accepted any deposits from the public falling within the preview of section 73 of the Act read with the Companies (Acceptance of Deposits) Rule 2014 during the year. There is no unclaimed or unpaid deposit lying with the Company.

8) SUBSIDIARY COMPANIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Your Company is having 6 subsidiaries namely,

- a. Almighty International Pte. Ltd., Singapore (100%)
- b. Minda Stoneridge Instruments Limited, India (51%)
- c. EI Labs India Private Limited (100%)
- d. PT Minda Automotive Indonesia, Indonesia (100% step subsidiary)
- e. PT Minda Automotive Trading, Indonesia (100% step subsidiary)
- f. Minda Vietnam Automotive Company Limited, Vietnam (100% step subsidiary)

A statement in the prescribed Form AOC-1, pursuant to Section 129 of the Companies Act, 2013 relating to subsidiaries, Joint Ventures or Associate Companies for the year ended on March 31, 2018 has been attached to the Financial Statements. The Financial Statements of the subsidiaries shall be made available to the shareholders seeking such information and shall also be available for inspection at its Registered Office.

9) BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Jyotika Kalra has resigned from the Board w.e.f. April 11, 2017 due to her appointment as a member of National Human Rights Commission by President of India. The Board of Directors took note of the same and appreciates the contribution made by her. Your Company is in the process of appointment of a new Woman Director in place of Ms. Jyotika Kalra. Further the Board of Directors in its meeting held on May 23, 2017 has appointed Mr. Pardeep Mann as a Company Secretary and Key Managerial Personnel (KMP) of the Company w.e.f. May 01, 2017.

In accordance with the requirement of the Companies Act, 2013, Mr. Praveen Gupta (DIN:01885287), Director retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board Members recommends his re-appointment. All Independent Directors have given declarations under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Board Evaluation

Pursuant to the corporate governance requirements as prescribed in the Companies Act, 2013, the Board of Directors has carried out an annual evaluation of its own performance, Board Committees and of individual directors.

In a meeting, the performance of all the directors including Independent Directors, performance of the Board as a whole, performance of the Committee(s) of the Board and performance of the chairman was evaluated, taking into account the views of other directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

Remuneration Policy

Pursuant to the provisions of section 134(3)(e) and Section 178(3) of the Companies Act, 2013 Act, the policy of the Company on Directors' appointment and remuneration, including the criteria for determining qualification, positive attributes, independence of directors and other matters are attached at **Annexure-I**.

Details of Board Meetings and attendance of Directors:-

S.No	Date of Board Meeting	Attendance of Mr. Ashok Minda	Attendance of Mr. Sanjeev Saxena	Attendance of Mr. Ramesh Chandra Jain	Attendance of Mr. Avinash Parkash Gandhi	Attendance of Mr. Praveen Gupta
1	23/05/2017	Yes	Yes	Yes	Yes	Yes
2	29/08/2017	Yes	Yes	Yes	Yes	No
3	09/09/2017	Yes	Yes	Yes	Yes	Yes
4	07/11/2017	Leave of Absence	Yes	Yes	Yes	Yes
5	02/02/2018	Yes	Yes (Through Video Conferencing)	Yes	Yes	Yes

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Details of Audit Committee Meetings and attendance of Members:-

S.No	Date of Audit Committee Meeting	Attendance of Mr. Avinash Parkash Gandhi	Attendance of Mr. Ashok Minda	Attendance of Mr. Ramesh Chandra Jain
1	23/05/2017	Yes	Yes	Yes
2	15/07/2017	Yes	No	Yes
3	09/09/2017	Yes	Yes	Yes

S.No	Date of Audit Committee Meeting	Attendance of Mr. Avinash Parkash Gandhi	Attendance of Mr. Ashok Minda	Attendance of Mr. Ramesh Chandra Jain
4	07/11/2017	Yes	No	Yes
5	22/12/2017	Yes	Yes	Yes
6	02/02/2018	Yes	Yes	Yes

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Details of Nomination and Remuneration Committee (NRC) Meetings and attendance of Members:-

S.No	Date of NRC Meeting	Attendance of Mr. Avinash Parkash Gandhi	Attendance of Mr. Ashok Minda	Attendance of Mr. Ramesh Chandra Jain
1	23.05.2017	Yes	Yes	Yes

Details of Corporate Social Responsibility Committee (CSR) Meetings and attendance of Members:-

S.No	Date of CSR Meeting	Attendance of Mr. Avinash Parkash Gandhi	Attendance of Mr. Sanjeev Saxena	Attendance of Mr. Ramesh Chandra Jain
1	22/12/2017	Yes	Yes	Yes

Details of Share Transfer Committee (STC) Meetings and attendance of Members:-

S.No	Date of STC Meeting	Attendance of Mr. Ashok Minda	Attendance of Mr. Avinash Parkash Gandhi	Attendance of Mr. Sanjeev Saxena
1	09/09/2017	Yes	Yes	Yes

Committees to the Board

The Board currently has 4 (four) Committees:

- 1) Audit Committee: During the year under review, the Audit Committee of the Company comprised of Mr. Avinash Parkash Gandhi as Chairman of the Committee, Mr. Ramesh Chandra Jain and Mr. Ashok Minda as the members of the Committee.

Board of Directors in its meeting held on February 02, 2018 has re-constituted the Audit Committee, which comprises of Mr. Avinash Parkash Gandhi – Chairman, Mr. Ramesh Chandra Jain – Member, Mr. Praveen Gupta – Member.

- 2) Nomination and Remuneration Committee: During the year under review, the Nomination and Remuneration Committee of the Company comprised of Mr. Avinash Parkash Gandhi as Chairman of the Committee, Mr. Ashok Minda and Mr. Ramesh Chandra Jain as members of the Committee.

- 3) Share Transfer Committee: During the year under review, the Committee comprised of Mr. Ashok Minda as Chairman of the Committee, Mr. Avinash Parkash Gandhi and Mr. Sanjeev Saxena as members of the Committee.

- 4) Corporate Social Responsibility Committee: During the year under review, the Committee comprised of Mr. Avinash Parkash Gandhi as Chairman of the Committee, Mr. Ramesh Chandra Jain and Mr. Sanjeev Saxena as members of the Committee.

10) STATUTORY STATEMENTS

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors Responsibility Statement, your Directors confirm:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departure was made for the same. Further, the Company has adopted Ind AS with effect from April 01, 2017, pursuant to notification issued by Ministry of Corporate Affairs dated February 16, 2015, notifying the Companies (Indian Accounting Standard) Rules, 2015. Accordingly, the financial statements of the Company for the financial year ended March 31, 2018, have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with the relevant rules made thereunder and other accounting principles generally accepted in India;
- b) That Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period ended on March 31, 2018;
- c) That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the annual financial statements have been prepared on a going concern basis;
- e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) That proper system had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The Company has in place adequate internal financial controls with reference to financial statements.

During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

11) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies' (Accounts) Rules, 2014, is annexed herewith as **Annexure-II** to this Report.

12) PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the **Annexure-III** to this report.

13) NATURE OF BUSINESS

There has been no change in the nature of business of your Company during the year under review.

14) RELATED PARTIES TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All related party transactions, wherever applicable, are placed before the Audit Committee.

15) PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or investments or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement (Please refer to Note 2.11, 2.12, to the financial statements).

16) SECRETARIAL STANDARDS

During the year under review, the Company has complied with the provisions of the applicable Secretarial Standards issued by Institute of Companies Secretaries of India. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively.

17) EMPLOYEE STOCK OPTIONS

The members of the Holding Company Minda Corporation Limited (MCL) had approved 'Employee Stock Option Scheme, 2017' through Postal Ballot on 10 February 2017. The plan envisaged grant of stock options to eligible employees of MCL and its subsidiaries at reserve price equal to the latest available closing price discounted by 50% or such other percentage as may be decided by the Nomination and Remuneration Committee of the MCL.

Under the Plan, upto 53,41,840 stock options can be issued to eligible employees of the MCL and its subsidiaries, whether working in India or out of India, including any Director of the MCL and its subsidiaries, whether whole time or otherwise excluding the Independent Directors. Options are to be granted at price equal to the latest available closing price discounted by 50% or such other percentage as may be decided by the Nomination and Remuneration Committee of the MCL. Under the Plan, each option, upon vesting, shall entitle the holder to acquire one equity share of Rs. 2 each. The options granted will vest gradually over a period not earlier than one year and not later than five years from the date of grant of such Options. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee of MCL and communicated in the grant letter.

Summary of vesting and lock-in provisions are given below:

Sr. No.	Vesting Schedule		
	% of options scheduled to vest	Vesting date	Lock-in period
1	20%	01-Apr-18	Nil
2	20%	01-Apr-19	Nil
3	20%	01-Apr-20	Nil
4	40%	01-Apr-21	Nil

The movement in the stock options under the Plan, during the year, is set out below:

Particulars	For the year ended on March 31, 2018		For the year ended on March 31, 2017	
	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	4,10,000	50	--	--
Granted during the year	--	--	4,10,000	50
Forfeit during the year	--	--	--	--
Outstanding at the end of the year	4,10,000	50	4,10,000	50
Exercisable at the end of the year	--	--	--	--

Stock compensation expense in relation to stock options granted to employees of the company is Rs. 4 Million.

Stock compensation expense under the Fair Value Method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the following assumptions:

Particulars	For the year ended 31 March 2017
Expected volatility	47.58%
Risk free interest rate	7.15%
Exercise price (Rs.)	50
Expected dividend yield	0.54%
Life of options (years)	4.07
Weighted average fair value of options as at the grant date (Rs.)	92.90

18) CORPORATE SOCIAL RESPONSIBILITY

Your Company has the policy of giving back to the society and has carried a host of CSR activities this year. In line with the requirement of Section 135 of the Companies Act, 2013 your company having a Corporate Social Responsibility Committee. The details of Committee and the term of reference are provided in corporate governance report. The CSR Policy of the Company is available on its website at the link:

<https://minda.co.in/msl/wp-content/uploads/sites/7/2018/07/Policy-on-Corporate-Social-Responsibility.pdf>

'Spark Minda Foundation' a non-profit company registered under Section 8 of the Companies Act, 2013 is the implementing agency for implementation of CSR activities.

The Company would also undertake other need based initiatives in compliance with Schedule VII to the Act. The details of CSR activities are annexed herewith at **Annexure-IV** to this report.

19) VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Your Company is committed to the highest standards of ethical, moral and legal business conduct. Accordingly, Vigil Mechanism/Whistle Blower Policy was formulated which provides a robust framework for dealing with genuine concerns & grievances. The Policy provides for adequate safeguard against victimization of employees who avail the mechanism and also provides direct access to the Chairperson of the Audit Committee. Specifically, employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. The same has also been displayed on the website of the Company and the link for the same is:

<https://minda.co.in/msl/wp-content/uploads/sites/7/2018/07/Whistle-Blower-Policy.pdf>

20) EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure-V**.

21) STATUTORY AUDITORS AND REPORT

At the Annual General Meeting held on September 16, 2016, B S R & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. 101248W/W-100022) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2021. The appointment of B S R & Co. LLP, Chartered Accountants, as statutory auditors of the Company, is placed for ratification alongwith approval of remuneration at the ensuing AGM.

All observations made in the Audit Report on the Financial Statements are self-explanatory and do not call for any further comments under Section 134 of the Companies Act, 2013.

SECRETARIAL AUDITORS AND REPORT

Sanjay Grover & Associates, Company Secretaries (Firm Registration No- P2001DE052900) were appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for financial year 2017-18 forms part of the Annual Report as **Annexure VI** to this Directors' Report.

COST AUDITOR

The Board of Directors has appointed Chandra Wadhwa & Co., Cost Accountants as a Cost Auditors (Firm Registration No. 00239) for conducting the audit of cost records of the Company for the financial year 2017-18 pursuant to Section 148 of the Companies Act, 2013.

22) HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

Minda SAI firmly reiterates its trust that our employees are the key assets of the organization.

Our talent sourcing strategies include employee referrals, direct applications through the career section of our website, campus placements and channel partners.

Protection of employees from injury or occupational disease is a major continuing objective. We continue to enhance safety & security at the workplace by prescribing policies & procedures, creating awareness and imparting trainings. In addition to the above, we have mechanism in place to foster a positive workforce environment, free from harassment of any nature.

Human Resource Department continuously focuses on employee engagement and motivation which further helps in achieving strategic objective of the organization. We continuously strive to provide our employees with competitive compensation packages.

23) RISK MANAGEMENT POLICY

Your Company has a risk management policy in place which is reviewed by the Senior Management on periodic basis. The Company is taking various actions to mitigate/ lower the business risks which are unaddressed.

24) AWARDS

During the year under review, your Company received many awards and felicitations conferred by reputable organizations for achievements in different areas:-

1. The Gold Award in "ICQCC - award 2017" Organized by QPAP(quality and Productivity Association of Philippines
2. The Platinum Award at "Second Southern Regional level QIT (Quality Improvement Team) Competition" organized by ABK-AOTS DOSOKAI (Japan)
3. The Silver Award for "Best in Class Performance" in Business Alignment from Ashok Leyland in the Supplier Summit – 2017
4. 1st place "Platinum Award" in AOTS - Dasokai National Convention
5. Awarded " Best Vendor Company" for 2016-17 by Maruti Suzuki
6. "Employee engagement Leadership Award" at Employee engagement summit 2018 organized by Quench Global Technologies Pvt. Ltd.
7. The "Special Contribution Award – Kaizen Innovative Category" in CII – 30th Kaizen Conference & Competition
8. The "CII 5S Sustenance Award (2017)". It ranked 1st in (Manufacturing) & 2nd in (Overall Industry segments).

25) POLICY ON PREVENTION & PROHIBITION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaint Committees (ICC). The Company has zero tolerance for sexual harassment at workplace. While maintaining the highest governance norms, the Company has also appointed external independent persons, who have requisite experience in handling such matters. During the year, the Company has not received any complaint of sexual harassment.

26) GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Details relating to deposits covered under Chapter V of the Act.
- b) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- c) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOP referred to in this Report.
- d) Mr. Sanjeev Saxena, Managing Director of the Company is also the Managing Director of Minda Stoneridge Instruments Limited which is a subsidiary of the Company. He did not receive any remuneration from any of its subsidiaries.
- e) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

27) APPRECIATIONS AND ACKNOWLEDGMENTS

The Board of Directors would like to express their sincere thanks to the Shareholders & Investors of the Company for the trust reposed on us over the past several years. The Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

Place: Gurgaon
Date: 21.05.2018



Sanjeev Saxena
CEO & Managing Director
DIN: 07252911

For and on behalf of the Board of
MINDA SAI LIMITED



Ashok Minda
Director
DIN: 00054727

ANNEXURE-I TO DIRECTORS' REPORT

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Remuneration Policy of Minda SAI Limited (the "Company") is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

This Remuneration Policy applies to directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

- 2.1. **Act** means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Key Managerial Personnel** means

- 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
 - 2.4.2. Whole-time director;
 - 2.4.3. Chief Financial Officer;
 - 2.4.4. Company Secretary; and
 - 2.4.5. such other officer as may be prescribed.
- 2.5. **Senior Management** means Senior Management personnel of the Company who are members of its core management team excluding the Board of Directors including Functional Heads.

3. **ROLE OF COMMITTEE**

3.1. **Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The Committee shall:

- 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- 3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

3.2. **Policy for appointment and removal of Director, KMP and Senior Management**

3.2.1. **Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years.

3.2.2. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3.2.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

3.3.1. General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

3.3.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V other applicable provisions.

c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3. Remuneration to Non- Executive / Independent Director:

a) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be within the overall limit as prescribed by the Central Government from time to time.

b) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

4. MEMBERSHIP

- 4.1 The NR Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- 4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

- 7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.

10.4 Determining the appropriate size, diversity and composition of the Board;

10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

10.7 Evaluating the performance of the Board Members and Senior Management in the context of the Company's performance from business and compliance perspective;

10.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

10.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;

10.10 Recommend any necessary changes to the Board; and

10.11 Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- 11.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 11.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 to consider any other matters as may be requested by the Board.
- 11.5 Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

ANNEXURE TO THE REMUNERATION POLICY BOARD DIVERSITY POLICY

1. BACKGROUND AND OBJECTIVE

The Board of Directors of Minda SAI Limited (“the Company”) decided to consider and formulate a policy on diversity of the composition of the Board by the name of Board Diversity Policy (“the Policy”). The Policy sets out the approach to have diversity on the Boards of Directors (“Board”) of the Company in terms of thought, experience, knowledge, perspective and gender in the Board.

The Diversity in the Board is increasingly recognized by the government, stock exchanges, companies, shareholders and other stakeholders as an essential component of good corporate governance that ultimately leads to better business success and sustainability.

Board Diversity offer number of benefits:

- Improving board effectiveness and decision-making by tapping into a broader range of perspectives;
- Managing and mitigating environmental, social and corporate governance risks;
- Being more relevant by reflecting the diversity of a company’s workforce and stakeholders;
- Signaling a more progressive company.

Diversity is not simply about having a collection of individuals who have different characteristics. It is about getting the right people for the job and harnessing their unique and individual skills and experiences in a way that collectively benefits the organisation and the business.

2. DIVERSITY ON BOARD – POLICY STATEMENT

The term diversity typically refer to 'visible' indicators such as gender, age, and culture – including nationality, race or ethnic background. It may also include the individual skills, exposure and experience.

The basic essence of policy of diversity is to provide a framework that should enable qualified people to be seen as potential directors when they might have otherwise been overlooked. They also encourage boards to recognize that 'differences' can be leveraged as assets. The ultimate objective is to have a board that offers a broad range of perspectives that are directly relevant to the business and organizational needs.

Considering the above, following parameters has been identified for having a diversity board of the Company:

A. Value Statements by NR Committee

- We believe diversity is important to board effectiveness because it will encourage a diversity of perspectives which we believe will fuel creativity and innovation.
- We commit that appointments to the Board will be based on merit as well as complementing and expanding the skills, knowledge and experience of the Board as a whole.
- We recognize and embrace the benefits of having a diverse Board, and see increasing diversity at Board level as an essential element in maintaining a competitive advantage.
- A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made on merit, in the context of the skills and experience the Board as a whole requires to be effective.

B. Nominations and Appointments

The Nominations and Remuneration Committee is responsible for:

- Assessing the appropriate mix of skills, experience, expertise and diversity required on the Board based on current and projected future activities of the company, and the extent to which the required skills, experience, expertise and diversity are represented on the Board;
- Overseeing Board succession to maintain an appropriate mix of skills, experience, expertise and diversity on the Board and shall also perform monitoring, reviewing and reporting to the Board on Board diversity
- Managing the process of recruiting new board directors, including: defining the requisite qualifications, skills, experience, and expertise, identifying candidates, reviewing and interviewing candidates, and making recommendations to the Board
- Ensuring that the Board recruitment process and criteria are inclusive, and based on principles of merit and fairness. For all Board nominations, it will ensure that the selection approach is formal and thorough, and provides access to a diverse pool of qualified\ candidates. Appointments will be based on merit, but with due regard for the benefits of diversity on the Board, including gender and age;
- For all Board nominations, shortlist will be compiled which must include at least one female candidate (or any other appropriate diversity attribute). If, at the end of the selection process, a female candidate (or any other appropriate diversity attribute) is not selected, the Board must be satisfied that there are objective reasons to support the selection decision.

C. Board Composition

- We will review our board composition in terms of the size of the Board, and the number of nonexecutive directors and executive directors in relation to the overall Board in terms of requirement of Companies Act, 2013 and equity listing Agreement.
- Our Board aspires to having an appropriate proportion of directors who have direct experience in our key markets, with different ethnic backgrounds, of both genders, reflecting our business strategy.

D. **Board Effectiveness**

- We strongly believe that a highly effective Board is about chemistry and behaviour, underpinned by robust processes. Our Board contains individuals who have diverse skills, knowledge and experiences that combine to provide different perspectives and effective board dynamics. In maximizing the Board's effectiveness, we take a long-term, sustainable and measured approach. We believe that all Board appointments should be based on meritocracy and that diversity in all its aspects, including gender diversity, is important Policy Statement.

E. **Support Structure**

- On an annual basis, we will review the need for diversity training for Board directors. This will include orientation on diversity-related issues for new directors and strengthening the knowledge/skills of existing directors to ensure that our diversity goals are met.
- A comprehensive Board orientation will be provided for all new directors, which will include diversity related topics such as: industry sector information, stakeholders and key relationships, our strategic plan, legal and regulatory framework, etc.
- We will assist in the development of a pipeline of high-calibre candidates by encouraging a broad range of senior individuals within the business to take on additional roles to gain valuable Board experience

F. **Monitoring, tracking and Reporting**

- The Board will be responsible to approve, monitor and report on diversity at all levels of the company, including at Board level.
- The Board will ensure that appropriate disclosures are made in the Corporate Governance section of the Annual Report regarding the Board Diversity. Such report will also include a summary of this Policy the measurable objectives set for implementing the Policy and progress made towards achieving those objectives.
- The Committee will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.
- The Nominations and Remuneration Committee will conduct an annual review of this policy (which will include a review of the effectiveness of the policy) discuss any required changes with the Board and ensure that any revisions to this policy are approved by the Board.

G. Operating plan for Roadmap Action plan for the coming year:

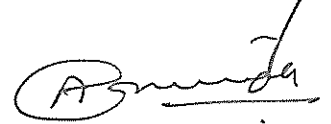
- Continue to support succession plans and development of the Board;
- Continue to drive the understanding of talent across the organization and support our development programmed for key employees;
- Continue to review ongoing knowledge and training for all directors; and
- Continue to ensure that the plan for the evolution of non-executive directors over the medium term to maintain the appropriate mix of skills.

Place: Gurgaon
Date: May 21, 2018



Sanjeev Saxena
CEO & Managing Director
DIN: 07252911

For and on behalf of the Board of
MINDA SAI LIMITED



Ashok Minda
Director
DIN: 00054727

ANNEXURE-II TO DIRECTORS' REPORT

Information as required under Rule 8 (3) of the Companies (Accounts) Rules, 2014 is as follows: -

(A) CONSERVATION OF ENERGY:

(i) Steps taken or impact on Conservation of Energy

a) Energy Conservation Measures taken

1. Moulding shop floor Lights changed from 28W to 60 and no of light fitting fixture reduced. With this initiative saved the 20,018 unit in the year
2. Moulding machine drive changed to induction drive. Now in the ideal condition of the machine, motor is not working and power is not consuming. With this initiative saved approx. 70,000 units in the year
3. In shop floor and canteen area roof lights changed to LED lights
4. Power factor maintained at 0.99 throughout the year.
5. Rope switches introduced in corporate office lightings
6. Replaced T5 28W Tube lights to LED 18W in phase manner and saved power consumption 4,000 units per month

(ii) Steps taken by the company for utilizing alternate source of energy

1. Transparent sheet and Glass windows has been fixed at roof to use natural day light in day time.

(iii) The Capital Investment on Energy Conservation Equipments

There is no capital Investment made during the year; all the investments are of revenue in nature.

(B) TECHNOLOGY ABSORPTION:

a. Specific areas in which R & D was carried out by the Company

- i) Battery cable with Aluminum cable prototype developed and offered to OEM's: *One OEM has revised the drawing for one project with Aluminum Cable*
- ii) Exploring welding process of the terminal to Aluminium cable with Komax: *Welding feasibility analysis done.*
- iii) Proto type developed for Fuse blow indicator: *Trial planned on vehicle with an OEM*
- iv) *PCB Based Junction Box project initiated along with SMIT and a design partner from overseas country Identified.*

- v) *New Stackable Ring terminal for earth connection is under design phase. Same is proposed to an OEM.*
- vi) *Design of ISO Module Box*

b. Benefits derived as a result of above efforts

- i) Aluminum cable solution can reduce weight and cost of wiring harness. The terminal design has been done in-house based on benchmarking for a customer
- ii) Welding of terminal instead of crimping can help in overcoming creep problem of aluminum which can occur in crimping
- iii) Fuse blow indicator is a system in which the driver will get immediate intimation if there is any fuse blow for critical circuit. This is meant for the critical function where the driver will not notice anything till the system has reached extreme level of mal function (e.g Radiator fan). Having such system will help driver to take action immediately when the fuse blows
- iv) PCB Based junction box is next generation Power distribution system which will become predominant in high content vehicles like Passenger and Utility Vehicles
- v) Stackable Ring terminal is a simple solution for complex grounding
- vi) ISO Module BOX is CAN Junction box. The particular project is for Agriculture application. This is being developed as per customer RFQ

c. Future Plan of Action

- i) Competency is being created for design and development of PCB based Junction Box: *Project Identified, Partner Identified, Customer Engagement planned to start in this financial year.*
- ii) Development of FI system connectors for 2W: OBD II Connector, Water-Proof Connectors
- iii) Focus on patents to enhance innovation culture in the company
- iv) Application of TPV, TPU
- v) ABS Trailer Socket and Plug development for CV applications
- vi) *CCS (Copper Clad Steel) Cable Application*

(C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts, in the brief, made towards technology absorption, adaptation and innovation.

As part of group initiative, Project-1 (Current business-technology and product gap) there is continuous mechanism for product benchmarking, prioritizing and development of the project which is reviewed at different levels.

Engagement with overseas Design houses for joint development of technology product-line like PCB Junction Box.

Several projects running with SMIT for new product-line development: ISO Module BOX, Fuse Blow Indicator.

2. Benefit derived as a result of above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.

There is increased amount of focus on patent and regular training on patents is being conducted to spread awareness for patent search and patent filing which enhances innovation culture in the organization. The Company filed 3 provisional patents in the year.

The above initiative has brought focus on product benchmarking and global technology trend which helps in identifying the focus area for technology/product development.

Final specifications have been filed for all provisional patents.

Greater focus on new technology development and development plan in place.

3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) following information may be furnished:

a) Details of technology imported:

Not applicable

b) Year of import - NIL

c) Has technology been fully absorbed?

Not applicable

d) If not fully absorbed areas where this has not taken place, reasons there for and future plans of action.

Not applicable

4. Expenditure incurred on Research & Development

The expenditure incurred in the research and development section of the Company is part of the total operation costs of the Company and no separate accounts are made therefore.

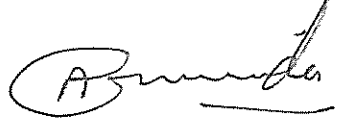
(D) TOTAL FOREIGN EXCHANGE EARNED AND USED:

PARTICULARS	2017-18 (Rs. in Million)	2016-17 (Rs. in Million)
Foreign Exchange Earned		
FOB Value of Exports	80.1	12.5
Royalty Income	2.8	2.3
Dividend Income	37.5	54.2
Technical Consultancy Income	0.1	1.4
Foreign Exchange Used		
CIF Value of Raw Material	901.0	5,45.2
Stores & Spares	5.7	4.9
Capital Goods	81.1	57.1
Traveling	3.7	2.1
Technical Consultancy Fees	7.3	16.7

Place: Gurgaon
Date: 21.05.2018


Sanjeev Saxena
CEO & Managing Director
DIN: 07252911

For and on behalf of the Board of
MINDA SAI LIMITED


Ashok Minda
Director
DIN: 00054727

ANNEXURE -III TO THE DIRECTORS' REPORT

DISCLOSURE UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

A) THE NAME OF TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN:-

S. No.	Name	Designation	Gross Remuneration Drawn (In Rs.)	Age (In Years)	Date of commencement of employment	Qualifications	Experience (In Years)	Name of Previous Employer	Nature of Employment
1	Mr. Sanjeev Saxena	CEO & Managing Director	18,036,151	52	15-06-2015	B.E. (Electrical)	27	Self business	Contractual
2	Mr. V. Srinivasan	COO –Wiring Harness	6,310,404	49	20-11-2014	B.E (Mech) PGCBM	29	Minda Corporation Ltd	Contractual
3	Mr. Jayant Ashutosh Tiwari	SBU Head – Component Division	6,073,608	50	01-04-2014	B.E. (Civil)	27	Minda Management Services Ltd.	Contractual
4	Mr. Arun Wadhwa	CFO	5,223,644	56	01-07-2009	CA, B.Com	31	Minda KTSN, Germany	Contractual
5	Mr. Shishir Mishra	SBU Head – North Region	41,53,656	46	08-12-2016	B.E. (Electronics)	23	Essel Propack Limited	Contractual
6	Mr. R. Radhakrishnan	Head - Corporate Purchase	3,868,644	40	13-10-2011	PGDM	21	Airtel Ltd	Contractual
7	Mr. Ritwik Guha	Head - Corporate Design Engg.	3,032,424	43	09-08-2010	Diploma(Electrical), CAPM	23	Delphi Packard Electric System	Contractual
8	Mr. Ajay Kumar Agrawal	Head - SBU Finance & Accounts (South Region)	2,901,672	42	01-08-2013	B. Com, M.B.A.	20	PT Minda Indonesia	Contractual
9	Mr. Jagat Singh Dangi	Head - Corporate Human Resources	2,846,976	45	23-05-2011	MDBA , BA	21	Denso Haryana Pvt. Ltd.	Contractual
10	Mr. Dharmendra Agarwal	Head – F&A - (West Region)	2,579,664	43	26-07-2010	MBA (Finance)	20	Makino Auto Pvt. Ltd.	Contractual

- B) EMPLOYED THROUGHOUT THE FINANCIAL YEAR ENDED ON MARCH 31, 2018 AND WAS IN RECEIPT OF REMUNERATION FOR THAT FINANCIAL YEAR, IN THE AGGREGATE, WAS NOT LESS THAN ONE CRORE TWO LAKH RUPEES:-

Name	Designation	Gross remuneration (in Rs.)	Qualifications	Experience (In Years)	Date of Commencement of Employment	Age (In Years)	Name of Previous Employer
Mr. Sanjeev Saxena	CEO. & Managing Director	18,036,151	B.E. (Electrical)	27	15-06-2015	52	Self business

- C) EMPLOYED FOR A PART OF THE FINANCIAL YEAR ENDED ON MARCH 31, 2018 AND WAS IN RECEIPT OF REMUNERATION FOR ANY PART OF THAT YEAR, AT A RATE WHICH, IN THE AGGREGATE, WAS NOT LESS THAN EIGHT LAKH AND FIFTY THOUSAND PER MONTH:-

Name	Designation	Gross remuneration (in Rs.)	Qualifications	Experience (In Years)	Date of Commencement of Employment	Age (in Years)	Name of Previous Employer
NIL							


- D) EMPLOYED THROUGHOUT THE FINANCIAL YEAR ENDED ON MARCH 31, 2018 OR PART THEREOF WAS IN RECEIPT OF REMUNERATION IN THAT YEAR WHICH, IN THE AGGREGATE, OR AS THE CASE MAY BE, AT A RATE WHICH, IN THE AGGREGATE IS IN EXCESS OF THAT DRAWN BY THE MANAGING DIRECTOR OR WTD OR MANAGER AND HOLDS BY HIMSELF OR ALONGWITH HIS SPOUSE AND DEPENDENT CHILDREN, NOT LESS 2% OF THE EQUITY SHARES OF THE COMPANY:

Name	Designation	Gross remuneration (in Rs.)	Qualifications	Experience (In Years)	Date of Commencement of Employment	Age (In Years)	Name of Previous Employer
NIL							

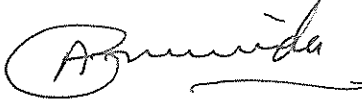
**** NOTES:**

- 1) The nature of employment in all above cases is contractual as per the rules and conditions of the Company.
- 2) Remuneration includes basic salary, allowances, perquisites, contribution to provident fund and other funds as per Company Policy.
- 3) None of the employee own more than 2% of the equity shares of the Company as on March 31, 2018.
- 4) No employee is relative of any director or manager of the Company.

Place: Gurgaon
Date: 21.05.2018


Sanjeev Saxena
 CEO & Managing Director
 DIN: 07252911

For and on behalf of the Board of
MINDA SAI LIMITED


Ashok Minda
 Director
 DIN: 00054727

ANNEXURE-IV TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the Weblink to the CSR policy and projects or programmes.

The Company's focus areas are Education & Skill Development, Health & Wellness and Environmental Sustainability. The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013.

The CSR Policy recognizes that corporate social responsibility is not merely compliance inter-alia, includes that it is a commitment to support initiatives that measurably promote education, including special education & employment enhancing vocational skills especially among children, women, elderly & the differently-abled & livelihood enhancement projects as notified under Schedule VII of Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014.

Web link to the CSR Policy of the Company:

<http://www.minda.co.in/msl/downloads/Policy%20on%20Corporate%20Social%20Responsibility.pdf>

1. The Composition of the CSR Committee

Mr. Avinash Parkash Gandhi, Chairman (Independent Director)
Mr. Ramesh Chandra Jain, Member (Independent Director)
Mr. Sanjeev Saxena, Member (CEO & Managing Director)

2. Average net profit of the Company for immediately preceding three financial years:

Average net profit: Rs. 379.5 Million

3. Prescribed CSR Expenditure (2% of the amount as in item 3 above)

The Company is required to spend Rs. 8 Million (including Rs 0.3 Million unspent in the previous year)

4. Details of CSR spent during the financial year

(a) Total amount spent for the financial year Rs. 8 Million

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

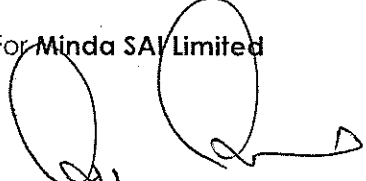
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken.	Amount outlay (budget) project or programs wise (Rs. In million)	Amount spent on the projects or programs Sub-heads: (1)Direct expenditure on projects or programs (2) Overheads (Rs. In million)	Cumulative Expenditure up to the reporting period (Rs. In million)	Amount Spent Direct or through implementing agency* (Rs. In million)
1.	Contribution to Spark Minda Foundation	Promoting Employment & enhancing Vocational skills	Chennai, G. Noida & Pune	8	8	8	8 (Through Implementation Agency)
2.	Promoting & Preventing Health Care & Sanitation	Promoting & Preventing Health Care & Sanitation	Surajpur, Greater Noida	-	-	-	
Total				8	8	8	

* Details of implementing agency: Spark Minda Foundation is a Section 8 Company incorporated on December 06, 2014 for the purpose of carrying out the CSR activities of the Group.

5. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:- The entire amount was spent.

6. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For Minda SAI Limited


Sanjeev Saxena
CEO & Managing Director
DIN: 07252911

For CSR Committee of Minda SAI Limited

Avinash Parkash Gandhi
Chairman of CSR Committee
DIN: 00161107

ANNEXURE-V TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-9

I. REGISTRATION AND OTHER DETAILS

CIN	U31905DL1981PLC127345
Registration Date	April 16, 1981
Name of the Company	MINDA SAI LIMITED
Category / Sub-Category of the Company having Share Capital	Public Company having Share Capital
Address of the Registered Office and contact details	A-15, Ashok Vihar, Phase-I, Delhi-110052 Tel: 0120-4723300 Website- www.minda.co.in
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of Wiring Harness	27320	94 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Minda Corporation Limited A-15, Ashok Vihar, Phase-I, Delhi-110052	L74899DL1985PLC020401	Holding	100%	2(46) & 2(87)
2	Almighty International Pte. Ltd. 20 Cecil Street #14-01 Equity Plaza Singapore 049705	Foreign Company	Subsidiary	100%	2(87)

3	Minda Stoneridge Instruments Limited A-15, Ashok Vihar, Phase-I, Delhi-110052	U74899DL1995PLC066645	Subsidiary	51%	2(87)
4	El Labs India Private Limited No.150/151, G-1 Ground Floor, Meenakshi Lake side Meenakshi Building, Kalena Agrahara Bangalore KA 560076 IN	U73100KA2004PTC033241	Subsidiary	100%	2(87)
5	PT Minda Automotive Indonesia Jl.Permata Lot CA-8, Kawasan Industri KILC, Karawang, West Java 41361, INDONESIA	Foreign Company	Step Down Subsidiary	100%	2(87)
6	PT Minda Automotive Trading Permata Raya Lot CA-8, Kawasan Industry, KILC, Karawang, Jawa, Barat-41361, Indonesia	Foreign Company	Step Down Subsidiary	100%	2(87)
7	Minda Vietnam Automotive Company Limited Binh Xuyen Industrial Zone, Binh Xuyen Distric, Vinh Phuc Province, Vietnam	Foreign Company	Step Down Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	7077108	7077108	100%	-	7077108	7077108	100%	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	-	7077108	7077108	100%	-	7077108	7077108	100%	-
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	-	7077108	7077108	100%	-	7077108	7077108	100%	-

B. Public Shareholding									
1) Institutions									
a) Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	7077108	7077108	100%	-	7077108	7077108	100%	-

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
Minda Corporation Limited	7077108	100%	-	7077108	100%	-	-

iii) Change in Promoter's Shareholding

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	7077108	100%	7077108	100%
No change	-	-	-	-
At the end of the year	7077108	100%	7077108	100%

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
-	-	-	-	-

v) Shareholding of Directors and Key Managerial Personnel

Directors/ Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	None of the Director/ Key Managerial Personnel hold shares in the Company			
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/ decrease	None of the Director/ Key Managerial Personnel hold shares in the Company			
At the end of the year	None of the Director/ Key Managerial Personnel hold shares in the Company			

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Million)

Indebtedness Details	Secured Loans (Long Term)	Secured Loans (Short Term)	Unsecured Loans (Long Term)	Unsecured Loans (Short Term)	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year						
i) Principal Amount	186	268	246	380	-	1,080

Indebtedness Details	Secured Loans (Long Term)	Secured Loans (Short Term)	Unsecured Loans (Long Term)	Unsecured Loans (Short Term)	Deposits	Total Indebtedness
ii) Interest due but not paid	-	-	-	-	-	
iii) Interest accrued but not due	1					1
Total (i+ii+iii)	187	268	246	380	-	1,081
Change in Indebtedness during the financial year						
· Addition	28	52		348	-	428
· Reduction	74		155		-	229
Net Change	(46)	52	(155)	348	-	199
Indebtedness at the end of the financial year						
i) Principal Amount	141	320	94	728	-	1,283
ii) Interest due but not paid						
iii) Interest accrued but not due	-					-
Total (i+ii+iii)	141	320	94	728		1,283

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Sanjeev Saxena (CEO & MD)	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,34,75,112	1,34,75,112
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission (Variable pay)		
	- as % of profit	-	-
	- others, specify...	34,51,110	34,51,110
5.	Others, please specify		
	Contribution to Provident Fund & Other funds	10,70,329	10,70,329
	Total (A)	1,80,36,151	1,80,36,151

Ceiling as per Act Rs. 325.97 Lacs being 5% of the net profit of the Company, calculated as per Section 198 of the Companies Act, 2013.

B. Remuneration to other directors:

(Amount in Rs.)

S.No	Particulars of Remuneration	Name of Director			Total Amount
		Mr. Avinash Parkash Gandhi	Mr. Ramesh Chandra Jain	Mr. Parveen Gupta	
1.	Independent Directors				
	• Fee for attending board & committee meetings	2,20,000	2,20,000	1,50,000	5,90,000
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	2,20,000	2,20,000	1,50,000	5,90,000
2.	Other Non-Executive Directors				
	• Fee for attending board & committee meetings	-	-	-	-
	• Commission	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1 + 2)	2,20,000	2,20,000	1,50,000	5,90,000
	Total Managerial Remuneration (A+B)	-	-	-	1,86,26,151

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs.)

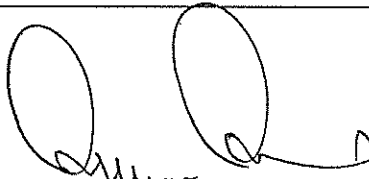
Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary Mr. Pardeep Mann	CFO Mr. Arun Wadhwa	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,77,460	48,44,168	67,21,628
	(b) Value of perquisites u/s 17(2)	21,600		54,000

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary Mr. Pardeep Mann	CFO Mr. Arun Wadhwa	Total
	Income-tax Act, 1961		32,400	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	- -	- -	- -
5.	Others, please specify Contribution To Provident Fund	1,40,810	3,47,076	4,87,886
	Total	20,39,870	52,23,644	72,63,514

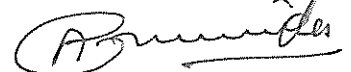
VII. PENALTIES/PUNISHMENT/COMPUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

Place: Gurgaon
Date: 21.05.2018


Sanjeev Saxena
CEO & Managing Director
DIN: 07252911

For and on behalf of the Board of
MINDA SAI LIMITED



Ashok Minda
Director
DIN: 00054727

Significant Accounting Policies

1. Reporting entity

Minda SAI Limited (the 'Company') is a company domiciled in India, with its registered office situated at A-15, Phase -1 Ashok Vihar, Delhi - 110052. The Company has been incorporated under the provisions of Indian Companies Act. The Company is primarily involved in manufacturing of Automobile Components and Parts thereof.

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").

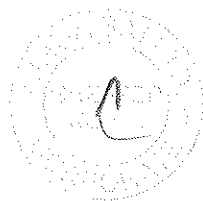
For all the periods up to and including 31 March 2017, the financial statements were prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the 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 affected 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 21 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	Plan assets measured at fair value



(iii) Use of estimates and judgment

In preparation of these financial statements, management has made judgments, 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.

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

Judgements

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

- leases: whether an arrangement contains a lease
- lease classification- Note 2.37

Assumptions and estimation uncertainties

- Recognition and estimation of tax expense including deferred tax– Note 2.17
- 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 2.45
- Valuation of Inventories – Note 2.7
- Share based payments – Note 2.42
- Recognition and measurement of provisions and contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 2.38
- Fair value measurement – Note 2.34

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 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 2.34.



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;
- (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.

C. Summary of significant accounting policies

i) Foreign currency transactions and translations

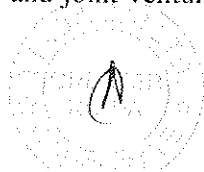
Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees (Rs.). All amount have been rounded – off to the nearest million Rupees unless otherwise indicated. Further, at some place “-“ 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 recognised 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 recognised in other comprehensive income.

The derivative financial instruments such as forward exchange contracts to hedge its risk associated with foreign currency fluctuation are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to the statement of profit or loss.

ii) Revenue Recognition

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

Sale of goods

Sales include sale of manufactured goods, traded goods, tools, moulds and dies. Revenue is recognised 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, GST, value added tax, applicable discounts and allowances and sales returns, if any.

Export benefits

Export incentive entitlements are recognised 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 recognised as per the terms of contracts with customers when the related services are rendered. Income from royalty, technical know-how arrangements is recognised on an accrual basis in accordance with the terms of the relevant agreement.

Dividend and interest income

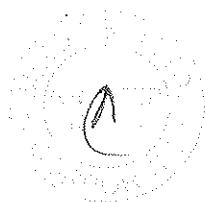
Dividend income is recognised when the right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognised using the effective interest method.

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 recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

(c) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised 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 derecognised 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 recognised 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 lease.

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.

iv) Intangible Asset

a) Recognition and measurement

Intangible assets comprises computer software 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.

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 recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.



e) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised 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 recognised in the statement of profit and loss.

(e) Amortisation

The intangible assets are amortised over the period of five to Six 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.

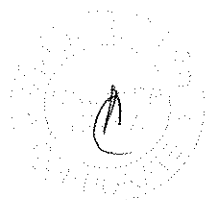
v) Borrowing Cost

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 recognised as an expense in the 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 and spares and stock in trade	: Cost is determined on weighted average basis.
Finished goods	: Material cost plus appropriate share of labour and production overheads. Cost of finished goods includes excise duty, wherever applicable.
Work in progress	: Material cost plus appropriate share of the labour and production overheads depending upon the stage of completion, wherever applicable.
Tools, moulds and dies	: Material cost plus appropriate share of the labour and production overheads, depending upon the stage of completion and includes excise duty, wherever applicable.



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

Impairment losses recognised 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 recognised.

viii) Government Grant and Subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grant relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income other than export benefits which are accounted for in the year of export based on eligibility and there is no uncertainty in receiving the same.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the statement of profit and loss on a straight line basis over the expected lives of the related assets and presented within income.

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 recognised 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 Company receive benefits from the provident fund, which is a defined contribution plan. Both the employees and the Company 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 Company 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 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 Company 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 recognised immediately in the Statement of profit and loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

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.

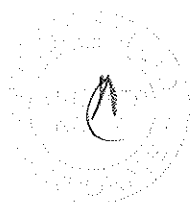
x) Leases

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 recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.



Where the Company is lessee

Assets taken on lease by the Company in the capacity of a lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at the lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight line basis.

Where the Company is lessor

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognised as a receivable at an amount equal to the net investments in the lease.

After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognised in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs etc, are recognised immediately in the statement of profit and loss.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on operating lease is recognised in the statement of profit and loss on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs etc, are recognised immediately in the statement of profit and loss.

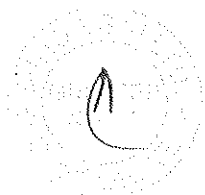
xi) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as noncurrent investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/ non-current classification scheme.

Investments in subsidiaries and joint venture

The Company's investment includes investments in subsidiaries and investments in joint ventures. Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

A joint venture is an arrangement in which the Company has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.



Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1 April 2016.

Interests in joint ventures are accounted at cost which includes transaction costs.

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 recognised 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 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) 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.

xiv) 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 recognised 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.

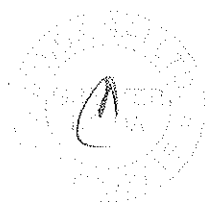
The Company does not recognise assets which are of contingent nature until there is virtual certainty of realisability of such assets. However, subsequently, if it becomes virtually certain that an inflow of economic benefits will arise, asset and related income is recognised in the financial statements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

xv) 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.

xvi) 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.



xvii) Research and Development

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.

xviii) 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)

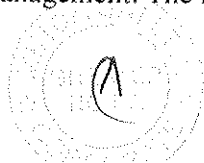
Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

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.

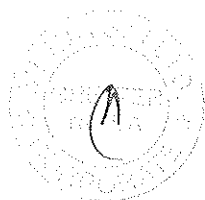
Financial Assets: Assessment whether contractual cash flows are solely payments of principal and interest.

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.



Compound financial instruments- investment in preference share

Investment in redeemable preference share are considered as compound financial instruments and are measured at amortised cost and bifurcated into asset and equity component based on the terms of the contract.

The assets component of preference share is initially recognised at the amortised cost. The equity component is initially recognised at the difference between the amortised cost of the compound financial instrument as a whole and amount actually invested.

Subsequent to initial recognition, the assets component of a compound financial instrument is measured at amortised cost using the effective interest method.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see Note 2.34 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**

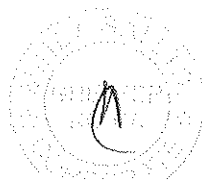
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred 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 derecognised.

Financial liabilities

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

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the



modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in 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.

Derivative financial instruments and hedge accounting

The company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

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

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on:

– financial assets measured at amortised cost;

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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



- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

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

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to 'investment grade' e.g. BBB or higher as per rating agency [S&P and/ or CRISIL].

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.

xix) Employee stock option schemes

Certain employees of the Company are in receipt of stock options from Minda Corporation Limited. The grant date fair value of options granted to employees of the Company is recognised as an employee expense, with a corresponding increase in capital reserve, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "capital reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black- Scholes Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

xx) Recent accounting pronouncements

A Ind AS 115- Revenue from Contract with Customers: On 28 March 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 recognised. 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 recognised 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 recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

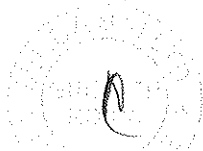
Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods.

Transition

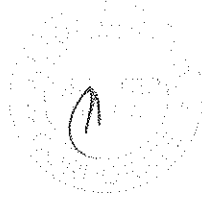
The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings. As a result, the Company will not present relevant individual line items appearing under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

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

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign



currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. the Company has evaluated the effect of this on the financial statements and the impact is not material.



(Amount 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	1,114	999	985
Capital work-in-progress	2.1	12	8	2
Other intangible assets	2.1(a)	31	12	17
Intangible assets under development	2.1(b)	-	11	-
Financial assets				
i. Investments	2.2	1,293	1,222	1,221
ii. Loans	2.3	26	24	23
iii. Other financial assets	2.4	1	-	-
Income tax assets	2.5	2	8	9
Other non-current assets	2.6	14	2	4
		2,493	2,286	2,261
Current assets				
Inventories	2.7	964	704	721
Financial assets				
i. Trade receivables	2.8	2,053	1,406	1,238
ii. Cash and cash equivalents	2.9	1	2	4
iii. Other bank balances	2.10	3	3	3
iv. Loans	2.11	14	2	2
v. Other financial assets	2.12	77	152	43
Other current assets	2.13	87	77	63
		3,199	2,346	2,074
TOTAL		5,692	4,632	4,335
EQUITY AND LIABILITIES				
Equity				
Equity share capital	2.14	708	708	708
Other equity	2.15	1,844	1,554	1,142
		2,552	2,262	1,850
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings	2.16	106	207	292
Deferred tax liabilities (Net)	2.17	44	26	36
Provisions	2.18	57	68	55
Other non-current liabilities	2.19	8	12	15
		215	313	398
Current liabilities				
Financial Liabilities				
i. Borrowings	2.20	1,048	648	890
ii. Trade payables	2.21	1,579	1,033	881
iii. Other financial liabilities	2.22	235	295	260
Other current liabilities	2.23	31	42	36
Provisions	2.24	3	2	2
Current tax liabilities	2.25	29	37	18
		2,925	2,057	2,087
TOTAL		5,692	4,632	4,335

Significant accounting policies

1

The accompanying notes from 1 to 2.46 form an integral part of the financial statements

As per our report of even date attached

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

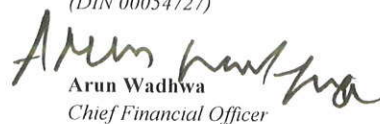



Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date : 21 May 2018

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


Ashok Minda
Director
(DIN 00054727)


Arun Wadhwa
Chief Financial Officer


Sanjeev Saxena
CEO & Managing Director
(DIN : 07252911)


Pradeep Mann
Company Secretary
Membership No.: 13371

Place: Gurugram
Date : 21 May 2018

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

(Amount in million)

Income	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	2.26	8,722	7,129
Other income	2.27	72	244
Total Income		8,794	7,373
Expenses			
Cost of materials consumed	2.28	5,595	4,070
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.29	(64)	2
Excise duty on sales		245	809
Employee benefits expenses	2.30	1,232	956
Finance costs	2.31	83	104
Depreciation and amortisation expense	2.1	180	148
Other expenses	2.32	890	718
Total expenses		8,161	6,807
Profit before tax		633	566
Current tax	2.17	201	160
Deferred tax charge/(credit)	2.17	18	-10
Profit for the year		414	416
Other comprehensive income			
Item that will not be reclassified subsequent to profit or loss			
Remeasurement of defined benefit liabilities		-	(6)
Income tax relating to items that will not be reclassified to profit or loss		-	2
Other comprehensive income for the year, net of tax		-	-4
Total comprehensive income for the year		414	412
Earnings per equity share of Rs.100 each	2.33		
Earnings per share (Rs.) (Basic)		58.44	58.30
Earnings per share (Rs.) (Diluted)		58.44	58.30

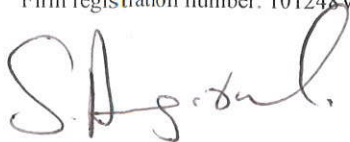
Significant accounting policies 1

The accompanying notes from 1 to 2.46 form an integral part of the financial statements
As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022



Shashank Agarwal

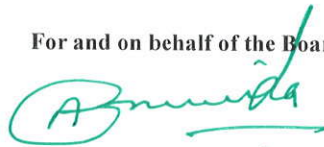
Partner

Membership No.: 095109

Place: Gurugram

Date : 21 May 2018

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



Ashok Minda

Director

(DIN 00054727)



Arun Wadhwa

Chief Financial Officer

Place: Gurugram

Date : 21 May 2018



Sanjeev Saxena

CEO & Managing Director

(DIN : 07252911)



Pradeep Mann

Company Secretary

Membership No.: 13371

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

A. Equity share capital

(Amount in million)

Particulars	
Balance as at 1 April 2016	708
Changes in equity share capital during the year	-
Balance as at March 31, 2017	708
Changes in equity share capital during the year	-
Balance as at March 31, 2018	708

B. Other equity

(Amount in million)

	Reserves and surplus (2)			Items of Other Comprehensive Income (2)	Total
	Capital reserve	Securities premium reserve	Retained earnings	Remeasurement of defined benefit obligations	
Balance as at 1 April 2016	15	66	1,061	-	1,142
Profit for the year	-	-	416	-	416
Other comprehensive income/(loss)	-	-	-	(4)	-4
Total comprehensive income for the year	-	-	416	(4)	412
Amount written back on account of revaluation reserve	-	-	-	-	-
Balance as at 31 March 2017	15	66	1,477	(4)	1,554
Balance as at 1 April 2017	15	66	1,477	(4)	1,554
Profit for the year	-	-	414	-	414
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	414	-	414
Amount written back on account of revaluation reserve	-	-	-	-	-
Amount transferred to Employee stock compensation during the year	4	-	-	-	4
Dividend	-	-	-106	-	-106
Tax on dividend	-	-	-22	-	-22
Balance as at 31 March 2018	19	66	1,763	(4)	1,844

Notes:

- (1) During the year ended 31 March 2017, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.
- (2) Refer note 2.15.1 for nature and purpose of other equity.

The accompanying notes from 1 to 2.46 form an integral part of the financial statements
As per our report of even date attached

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



Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date : 21 May 2018

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



Ashok Minda
Chairman and Group CEO
(DIN 00054727)

Sanjeev Saxena
CEO & Managing Director
(DIN : 07252911)

Arun Wadhwa
Chief Financial Officer

Pradeep Mann
Company Secretary
Membership No.: 13371

Place: Gurugram
Date : 21 May 2018

	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Cash flow from operating activities		
Profit from operations before taxes	633	560
Adjustments for:		
Depreciation and amortisation expense	180	148
Interest expense	83	104
Loss/(profit) on sale / discard of property, plant and equipment(net)	3	(129)
Interest income	-	1
Dividend Income	(38)	(54)
Liabilities / provision no longer required written back	(28)	(48)
Employees Stock Compensation Expense	4	
Operating profit before working capital changes	837	582
Movement in working capital:		
Increase in trade receivables	(623)	(120)
(Increase)/ decrease in inventories	(260)	17
(Increase) / decrease in loan, other financial assets and other assets	39	(121)
(Decrease) / increase in other financial liabilities and other liability	21	13
Increase in trade payables	551	151
Increase / (decrease) in provision	(10)	14
Cash generated from operations	555	536
Tax paid, net of refunds	(205)	(137)
Net cash (used in)/ generated from operating activities (A)	350	399
B. Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles assets	(312)	(200)
Sale of property, plant and equipment	1	155
Dividend received	38	54
Investment in subsidiaries	(71)	(1)
	-	(1)
Investment made in bank deposits (held for initial maturity of more than 3 months or more) (net)		
Interest received	-	(1)
Net cash (used in) / generated from investing activities (B)	(344)	6
C. Cash flows from financing activities		
Payment of dividend (incl. of tax)	(128)	-
Repayment of long term borrowings (net)	(196)	(61)
Repayment of short term borrowings, (net)	400	(242)
Interest paid	(83)	(104)
Net cash (used in)/ generated from financing activities (C)	(7)	(407)
Net decrease in cash and cash equivalents (A + B + C)	(1)	(2)
Cash and cash equivalents at the beginning of the year	2	4
Cash and cash equivalents as at the end of the year	1	2

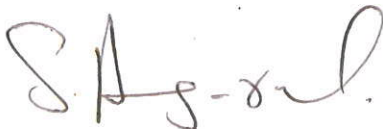
Significant accounting policies and note to accounts 1 to 2.46

Notes to Cash Flow Statement:

- The above cash flow statement has been prepared under the indirect method set out in Indian Accounting Standard (Ins-AS-7) "Statement of Cash Flow " specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- Cash and cash equivalent consists of cash in hand and balances with banks. Refer note 2.9
- Refer note 2.16 a for change in liabilities arising from financial activities

As per our report of even date attached

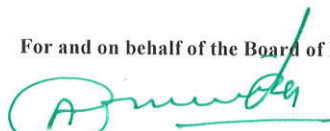
For **BSR & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022



Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date : 21 May 2018

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



Ashok Minda
Director
(DIN 00054727)



Arun Wadhwa
Chief Financial Officer

Place: Gurugram
Date : 21 May 2018



Sanjeev Saxena
CEO & Managing Director
(DIN : 07252911)



Pradeep Mann
Company Secretary
Membership No.: 13371

Minda SAI Limited
Notes to the financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees)

2.1: Property, plant and equipment

(Amount in million)

Particulars	Gross block			Accumulated depreciation			Net block	
	Balance as at 1 April 2017	Additions	Deletions/ Adjustments	Balance as at 31 March 2018	Depreciation for the year	Deletions/ Adjustments	Balance as at 31 March 2018	Balance as at 31 March 2018
Land	3	-	-	3	-	-	-	3
Freehold land	19	-	-	19	1	-	1	18
Leasehold land	214	1	-	215	9	-	19	196
Buildings	780	246	3	1,023	138	4	243	780
Plant and machinery	28	3	-	31	5	-	9	22
Furniture and fixtures	27	5	-	32	5	-	10	22
Office equipment	17	5	-	22	5	-	10	12
Computer hardware	3	34	2	35	1	-	5	30
Vehicles	47	1	-	48	8	-	17	31
Leasehold improvements								
Total	1,138	295	5	1,428	176	4	314	1,114

Particulars	Gross block			Accumulated depreciation			Net block	
	Balance as at 1 April 2017	Additions	Deletions/ Adjustments	Balance as at 31 March 2018	Depreciation for the year	Deletions/ Adjustments	Balance as at 31 March 2018	Balance as at 31 March 2018
Assets given on lease								
Building	3	-	-	-	-	-	-	-
Plant and machinery	3	-	3	-	-	-	-	-
Total	3	-	3	-	-	-	-	-
Total	1,141	295	8	1,428	176	4	314	1,114

Capital work in progress	8	110	106	12	-	-	-	12
Total	8	110	106	12	-	-	-	12

2.1 (a): Other Intangible assets

Particulars	Gross block			Accumulated amortisation			Net block	
	Balance as at 1 April 2017	Additions	Deletions/ Adjustments	Balance as at 31 March 2018	Depreciation for the year	Deletions/ Adjustments	Balance as at 31 March 2018	Balance as at 31 March 2018
Computer software	17	23	-	40	4	-	9	31
Total	17	23	-	40	4	-	9	31

2.1 (b): Intangible assets under development

Particulars	Gross block			Accumulated depreciation			Net block	
	Balance as at 1 April 2017	Additions	Deletions/ Adjustments	Balance as at 31 March 2018	Depreciation for the year	Deletions/ Adjustments	Balance as at 31 March 2018	Balance as at 31 March 2018
Computer Software	11	10	21	-	-	-	-	-
Total	11	10	21	-	-	-	-	-



2.1: Property, plant and equipment

(Amount in million)

Particulars	Gross block				Accumulated depreciation			Net block	
	Deemed cost as at 1 April 2016	Additions	Deletions/ Adjustments	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation for the year	Deletions/ Adjustments	Balance as at 31 March 2017	Balance as at 31 March 2017
Land									
Freehold land	3	-	-	3	-	-	-	-	3
Leasehold land	29	-	9	20	-	1	-	2	19
Buildings	215	-	1	214	-	10	-	10	205
Plant and machinery	619	163	2	780	-	110	-	110	671
Furniture and fixtures	26	1	-	27	-	3	-	3	24
Office equipment	24	3	-	27	-	5	-	5	22
Computer hardware	11	6	-	17	-	5	-	5	12
Vehicles	4	3	4	3	-	1	-	1	2
Leasehold improvements	40	7	-	47	-	8	-	8	39
Total	971	183	16	1,138	-	142	-	142	996

Particulars	Gross block				Accumulated depreciation			Net block	
	Deemed cost as at 1 April 2016	Additions	Deletions/ Adjustments	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation for the year	Deletions/ Adjustments	Balance as at 31 March 2017	Balance as at 31 March 2017
Assets given on lease									
Buildings	11	-	11	-	-	1	1	-	-
Plant and machinery	3	-	-	3	-	-	-	-	3
Total	14	-	11	3	-	1	1	-	3
Total	985	183	27	1,141	-	143	1	142	999

Capital work in progress	2	31	25	8					8
Total	2	31	25	8	-	-	-	-	8

2.1 (a): Other Intangible assets

Particulars	Gross block				Accumulated amortisation			Net block	
	Deemed cost as at 1 April 2016	Additions	Deletions/ Adjustments	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation for the year	Deletions/ Adjustments	Balance as at 31 March 2017	Balance as at 31 March 2017
Computer software	17	-	-	17	-	5	-	5	12
Total	17	-	-	17	-	5	-	5	12

2.1 (b): Intangible assets under development

Particulars	Gross block				Accumulated depreciation			Net block	
	Deemed cost as at 1 April 2016	Additions	Deletions/ Adjustments	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation for the year	Deletions/ Adjustments	Balance as at 31 March 2017	Balance as at 31 March 2017
Computer Software	-	11	-	11	-	-	-	-	11
Total	-	11	-	11	-	-	-	-	11



Minda SAI Limited
Notes to the financial statements for the year ended 31 March 2018

2.2 Non-current - Investments

Particulars	(Amount in million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment in equity shares (at cost)			
Unquoted Investment (fully paid up)			
Subsidiary Companies			
2,834,938 (31 March 2017: 2,834,938, 1 April 2016 : 2,834,938) equity shares of USD 1 each in Almighty International Pte Ltd.	560	560	560
726,882 (31 March 2017: Nil, 1 April 2016: Nil) equity shares of Rs. 10 each in EI Labs India Private Limited.	70	-	-
Joint Venture			
6,069,000 (31 March 2017: 6,069,000, 1 April 2016: 6,069,000) equity shares of Rs. 10 each in Minda Stoneridge Instruments Limited	651	651	651
Investment in preference shares			
520,000 (31 March, 2017: 520,000, 1 April 2016: 520,000) 0.001% Cumulative Redeemable preference shares of Rs.100 each in Minda Capital Limited	12	11	10
	1,293	1,222	1,222



2.3- Loans (unsecured, considered good, unless otherwise stated)

Particulars	<i>(Amount in million)</i>		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non current			
Security deposits	10	15	14
Security deposits to related parties (refer to note 2.40)	16	9	9
	<u>26</u>	<u>24</u>	<u>23</u>

2.4-Other financial assets

Particulars	<i>(Amount in million)</i>		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non current			
Advances to employees	1	-	-
	<u>1</u>	<u>-</u>	<u>-</u>

2.5- Income tax assets

Particulars	<i>(Amount in million)</i>		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance income tax [net of provision of Rs. 644 million (31 March 2017: Rs. 487 million, 1 April 2016: Rs. 373 million)]	2	8	9
	<u>2</u>	<u>8</u>	<u>9</u>

2.6- Other non-current assets (unsecured, considered good, unless otherwise stated)

Particulars	<i>(Amount in million)</i>		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital advances	14	2	4
Prepaid expenses	-	-	-
	<u>14</u>	<u>2</u>	<u>4</u>

2.7 Inventories

Particulars	<i>(Amount in million)</i>		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials (including packing materials)	650	470	484
Add: Materials-in-transit	38	17	20
	688	487	504
Work-in-progress	151	108	107
Finished goods	73	49	77
Add: Goods-in-transit	46	49	24
	119	98	101
Stores and spares	6	11	9
	<u>964</u>	<u>704</u>	<u>721</u>

2.8 Trade receivables

Particulars	<i>(Amount in million)</i>		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Unsecured and current)			
Trade receivables	1911	1211	1131
Receivables from related parties (refer note 2.40)	144	197	110
Less: Provision for expected credit loss	(2)	(2)	(3)
	<u>2053</u>	<u>1406</u>	<u>1238</u>



2. Cash and cash equivalents

Particulars	(Amount in million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash and cash equivalents			
Cash on hand	1	1	2
Balance with bank			
- Current accounts	-	1	2
	1	2	4

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

Particular	(Amount in million)		
	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on 8 November 2016	3	-	3
Permitted receipts	-	2	2
Permitted payments	-	(1)	(1)
Amount deposited in banks	(3)	-	(3)
Closing cash in hand as on 30 December 2016	-	1	1

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 bank balances

Particulars	(Amount in million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balance with bank			
Deposits due to mature within 12 month on the reporting date*	3	3	3
	3	3	3

* Held as margin money with the banks

2.11 - Loans (unsecured, considered good, unless otherwise stated)

Particulars	(Amount in million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Loans to related parties (refer to note 2.40)	8	1	1
Security deposits	6	1	1
	14	2	2

2.11.1 Disclosure pursuant to section 186(4) of the Companies Act, 2013 in respect of unsecured loans to subsidiary companies

2.11.1 detail of loans given to related parties			(Amount in million)		
Name of Party	Nature of relationship	Purpose of loan	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
EI Labs India Private Limited	Subsidiary	General business purpose	-	-	-
Outstanding as at the beginning of year			8	-	-
Given during the year			8	-	-
Outstanding as at the end of year			8	-	-

2.12 - Other financial assets

Particulars	(Amount in million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Interest receivable	-	-	-
Advances to employees	4	2	3
Receivable from related parties (refer to note 2.40)	40	145	40
Unbilled revenue	31	4	-
Others	2	1	-
	77	152	43

2.13 - Other current assets (unsecured, considered good, unless otherwise stated)

Particulars	(Amount in million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with government authorities	37	42	42
Prepaid expenses	19	16	13
Advances to suppliers	31	19	8
Other recoverable	-	-	-
	87	77	63



Minda SAI Limited
Notes to the financial statements for the year ended 31 March 2018

2.14 Equity share capital

Particulars	(Amount in million)			
	As at 31 March 2018	As at 31 March	As at 1 April 2016	As at 1 April 2016
Authorised				
7,200,000 (31 March 2017: 7,200,000, 1 April 2016: 7,200,000) equity shares of Rs. 100 each	720	720	720	720
Issued, subscribed and paid-up capital				
7,077,108 (31 March 2017: 7,077,108, 1 April 2016: 7,077,108) equity shares of Rs. 100 each	708	708	708	708
	708	708	708	708

(a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 100 per share. Each shareholder of the Company is entitled to vote in proportion of the shares of paid-up capital of the Company held by the Shareholder. Each shareholder is entitled to receive interim dividend when it is declared by the Board of Directors. The final dividends proposed by the Board of Directors are paid when approved by the shareholders at Annual General Meeting. In the event of liquidation, the shareholders of the Company are entitled to receive the remaining assets of the Company after discharging all liabilities of the Company in proportion to their shareholdings.

(b) Movement in equity share capital

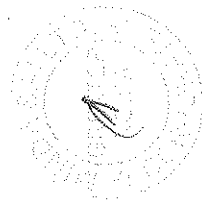
	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	Amount in million	Number of shares	Amount in million	Number of shares	Amount in million
Balance as at the beginning of the year (face value Rs. 100 per share)	70,77,108	708	70,77,108	708	70,77,108	708
Balance as at the end of the year (face value of Rs.100(31 March 2017, Rs 100 each, 1 April 2016, Rs.100 each)	70,77,108	708	70,77,108	708	70,77,108	708

(c) Details of shareholders holding more than 5% shares as at year end

Name of shareholders	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	% of holdings	Number of shares held	% of holdings	Number of shares held	% of holdings	Number of shares held
Minda Corporation Limited and its nominees	100.00%	70,77,108	100.00%	70,77,108	100.00%	70,77,108
		70,77,108		70,77,108		70,77,108

(d) Shares held by holding company

Particulars	As at		As at	
	31 March 2018	31 March 2017	31 March 2017	1 April 2016
Minda Corporation Limited and its nominees	70,77,108	70,77,108	70,77,108	70,77,108



2.15 Other equity

Particulars	(Amount in million)	
	As at 31 March 2018	As at 31 March 2017
Capital reserve		
Opening balance	15	15
Adjustment on account of employees stock option	4	-
Closing balance	<u>19</u>	<u>15</u>
Securities premium reserve		
Opening balance	66	66
Closing balance	<u>66</u>	<u>66</u>
Other comprehensive income- Remeasurement of net defined benefit plans, net		
Opening balance	(4)	-
Add/ (less) : Remeasurement of define benefit obligation	-	(4)
Closing balance	<u>(4)</u>	<u>(4)</u>
Retained Earning		
Opening balance	1,477	1,061
Add: Net profit for the year	414	416
Amount written back on account of revaluation reserve	-	-
	<u>1,891</u>	<u>1,477</u>
Less: Dividend paid on equity share*	(106)	-
Less: Dividend distribution tax	(22)	-
Closing balance	<u>1,763</u>	<u>1,477</u>
Total Other equity	<u><u>1,844</u></u>	<u><u>1,554</u></u>

* The company has paid Rs 15 per equity share which was declared on 18 August 2017 for the financial year 2016-17.

2.15.1 The board of Directors, in their meeting held on 21 May 2018 recommended a dividend of Rs. 18 per equity share (face value of Rs. 100 per share), subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

2.15.2 Nature and purpose of other equity

Capital reserve

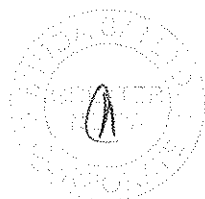
Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently

Securities premium reserve

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

Remeasurements of defined benefit obligation

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



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 securities/ guarantees
1	Kotak Mahindra Bank Limited Working Capital Term Loan	<ul style="list-style-type: none"> Repayment terms: Monthly installments Date of maturity: 20 September, 2021 Number of instalments: 60 Balance instalments: 42 Amount of next 42 instalments: Rs. 1.66 million Rate of interest: 0.25% above 6m MCLR rate applicable from time to time (31 March 2017: 9.5%, 1 April 2016: Nil) 	70	90	-	<ul style="list-style-type: none"> 1. First Part-passu charge by way of hypothecation on the entire Movable Fixed asset (excluding assets exclusively charged to other lenders) of the company both present and future. 2. Second Part-passu charge by way of hypothecation on the entire Current assets of the company both present and future. 3. First Part-passu charge by way of Equitable Mortgage on Immoveable properties situated at DP No. G42 SIDCO, Industrial Estate, Kakkalur (Chennai)
	HDFC Bank Limited	<ul style="list-style-type: none"> Repayment terms: Quarterly installments Date of maturity: 26 May, 2018 Number of instalments: 16 Balance instalments: 1 Amount of last instalment: Rs. 8.76 million Rate of interest: 1.45% above 1y MCLR rate applicable from time to time (31 March 2017: 9.4%, 1 April 2016: 11.0%) Moratorium Period: 1 Year 	9	44	79	<ul style="list-style-type: none"> 1. First Part - passu charge on the entire fixed asset of the company both movable & immovable excluding units acquired under business transfer agreement. 2. Second Part passu charge on all existing present & future current assets of the Company excluding units acquired under business transfer agreement.
2	Kotak Mahindra Prime Limited	<ul style="list-style-type: none"> Repayment terms: Quarterly installments Date of maturity: 1 July, 2021 Number of instalments: 16 Balance instalments: 14 Amount of instalment: different amount as per repayment schedule Rate of interest: linked to prevailing market rates 	2	-	-	Vehicle loan is secured by way of hypothecation of respective vehicle and repayable in quarterly installments over 9-16 quarter by way of payment of quarterly installments beginning from date of distribution. This rate is in the range of 9%-9.5%
3	Standard Chartered Bank Limited	<ul style="list-style-type: none"> Repayment terms: Quarterly installments Date of maturity: 7 August, 2018 Number of instalments: 17 Balance instalments: 2 Amount of instalment: Rs. 35.29 million Rate of interest: 9.50% (31 March 2017: 9.5%, 1 April 2016: 11.5%) Moratorium Period: 6 Month 	71	212	353	Secured by assets of the Minda Corporation Limited (Holding Company)
4	State Industrial and Investment Corporation of Maharashtra Limited (SICOM)	<ul style="list-style-type: none"> Repayment terms: Annual installments Date of maturity: 30 April, 2021 Number of instalments: 11 Balance instalments: 4 Amount of instalments: Varying installment. Rate of interest: Not applicable 	24	33	42	Unsecured

6 (a) Movement in current and non current borrowing

Particular	(Amount in million)
	For the year ended 31 March 2018
Borrowing at the beginning of the year	855
Increment due to cash transactions as per the statement of cash flow	204
Increment due to non cash transactions:	
Borrowing at the end of the year	1059



Minda SAI Limited
Notes to the financial statements for the year ended 31 March 2018

2.17 Deferred tax liabilities (Net)

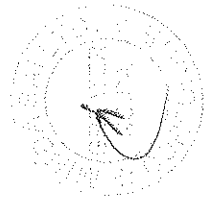
Particulars	<i>(Amount in million)</i>	
	For the year ended 31 March 2018	For the year ended 31 March 2017
a Amounts recognised in statement of profit and loss		
Current tax		
Current year	207	162
Adjustment for prior years	(6)	(2)
	201	160
Deferred tax		
Origination and reversal of temporary differences	18	(10)
	18	(10)
	219	150
Income tax expense reported in the statement of profit and loss		
b Amounts recognised in other comprehensive Income/ (expense)		
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Remeasurement of post employment benefit obligation	-	2
Income tax recognised in other comprehensive income/(expense)	-	2

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 31 March 2018 and 31 March 2017:

	<i>(Amount in million)</i>	
	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	Rate	Amount
Profit before tax from continuing operations		566
Tax using the Company's domestic tax rate	34.608%	219
Tax effect of:		
Non-deductible expenses	2.654%	6
Difference in tax rates	-15.19%	(30)
Tax on foreign dividend	-2.970%	(7)
Adjustments for current tax of prior periods	-2.688%	(6)
Others	3.307%	7
Effective tax rate	34.89%	219
		150

d Movement of temporary differences

Particulars	As at April 1, 2016	Recognised in profit or loss 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	2	2	1	-	3
Provision for gratuity and compensated absences	17	6	24	(9)	-	14
Loss allowance for trade receivables and other receivables	1	-	1	-	-	2
Excess of allowance for lease rentals under income	-	-	-	(1)	-	-
Others	19	8	27	2	-	19
Deferred Tax Liabilities						
Difference in book written down value and tax written down value of property, plant	55	(2)	53	11	-	63
	55	(2)	53	11	-	63
Net deferred tax	(36)	10	(26)	(18)	-	(44)

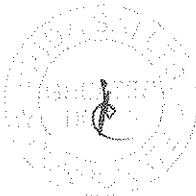


2.18 Provisions

Particulars	<i>(Amount in million)</i>		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current			
Provision for employee benefits			
-Gratuity*	36	50	41
-Compensated absence*	21	18	14
*refer note 2.45	<u>57</u>	<u>68</u>	<u>55</u>

2.19 Other non-current liabilities

Particulars	<i>(Amount in million)</i>		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred revenue/liabilities	7	10	13
Security deposit	1	2	2
	<u>8</u>	<u>12</u>	<u>15</u>



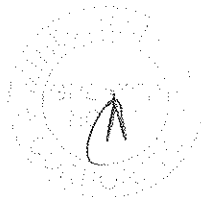
2.20 Borrowings

(Amount in million)

Particulars	Foot note	As at		
		31 March 2018	31 March 2017	1 April 2016
Current Secured				
Cash credit and working capital demand loan from banks	1	320	268	498
Unsecured				
from banks	2	530	380	392
from other parties	3	198	-	-
		1,048	648	890

Income tax assets

S. No.	Lender	Terms of repayment	Amount outstanding as at 31 March 2018	Amount outstanding as at 31 March 2017	Amount outstanding as at 1 April 2016	Details of securities
1	Kotak Mahindra Bank Limited	<ul style="list-style-type: none"> Repayment term: On demand Rate of interest: 0.50% above 6m MCLR rate 	108	83	134	<ol style="list-style-type: none"> First pari-passu charge on all existing and future current assets of the company Second pari-passu charge on all existing and future movable fixed assets (excluding assets exclusively charged to other lenders) of the company Second pari-passu charge on immovable properties of the company being land and building situated in Chennai, Mumbai and Noida.
	HDFC Bank Limited	<ul style="list-style-type: none"> Repayment term: On demand Rate of interest: 1.15% above 1y MCLR rate 	146	127	172	<ol style="list-style-type: none"> First pari-passu charge on current assets of the company both present and future. Second pari-passu charge on all existing & future fixed assets of the company including equitable mortgage for company's plant at Mumbai, Chennai and Noida.
	Industrial Bank Limited	<ul style="list-style-type: none"> Repayment term: On demand Rate of interest: 1.50% above 1y MCLR rate 	-	-	87	<ol style="list-style-type: none"> First pari-passu charge on the entire current assets of the company, present and future Second pari-passu charge on the immovable assets of the company situated at Chennai, Mumbai and Noida
	Standard Chartered Bank	<ul style="list-style-type: none"> Repayment term: On demand Rate of interest: One month MCLR plus applicable margin 	66	58	105	<ol style="list-style-type: none"> First pari-passu charge on all existing and future current assets of the company Second pari-passu charge on all existing and future movable fixed assets of the company Second pari-passu charge on immovable fixed assets of the company located at Mumbai, Noida and Chennai
2	Kotak Mahindra Bank Limited	<ul style="list-style-type: none"> Repayable within 45 days / 64 days from the date of disbursement Rate of interest: 9.40% 	330	211	213	Unsecured
	State Bank of India	<ul style="list-style-type: none"> Repayable within 45 days from the date of disbursement Rate of interest: 0.20% above 3m MCLR rate 	168	157	162	Unsecured
	Industrial Bank Ltd	<ul style="list-style-type: none"> Repayable within 90 days from the date of disbursement Rate of interest: 8.75 % 	32	12	17	Unsecured
3	Bajaj Finance Limited	<ul style="list-style-type: none"> Repayment term: On demand Rate of interest: Linked to prevailing market rate 	198	-	-	Unsecured



2.21 Trade payables

Particulars	(Amount in million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade payables*	1,521	987	861
Trade payable to related parties (refer note 2.40)	58	46	20
	<u>1,579</u>	<u>1,033</u>	<u>881</u>

* Details of debt 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	(Amount in million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year			
- Principal amount	35	61	36
- Interest thereon	1	1	1
	<u>36</u>	<u>62</u>	<u>37</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	-	-	-
- Interest thereon	-	-	-
	<u>-</u>	<u>-</u>	<u>-</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	4	3	2
	<u>4</u>	<u>3</u>	<u>2</u>
(iv) the amount of interest accrued and remaining unpaid.	4	4	3
	<u>4</u>	<u>4</u>	<u>3</u>

2.22 - Other financial liabilities

Particulars	(Amount in million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturities of (refer note 2.16)			
- Term Loan	129	225	200
- Finance lease obligations	-	-	-
Interest accrued but not due on borrowings	1	1	1
Employee benefits payable	47	43	40
Creditors for capital items	55	25	18
Other Payable	3	1	1
	<u>235</u>	<u>295</u>	<u>260</u>

2.23 - Other current liabilities

Particulars	(Amount in million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Statutory dues payable	25	37	28
Advances from customers	4	1	-
Advance from customer to related parties (refer note 2.40)	-	1	0
Deferred revenue liabilities	2	3	2
	<u>31</u>	<u>42</u>	<u>36</u>

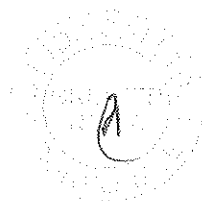
2.24 - Provisions

Particulars	(Amount in million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current			
Provision for employee benefits			
- Gratuity*	2	1	1
- Compensated absence*	1	1	1
	<u>3</u>	<u>2</u>	<u>2</u>

*refer note 2.45

2.25 - Current tax liabilities

Particulars	(Amount in million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for taxation [net of advance income tax Rs. 179 million (31 March 2017: Rs. 125 million 1 April 2016: Rs. 98 million)]	29	37	18
	<u>29</u>	<u>37</u>	<u>18</u>



2.26 Revenue from operations

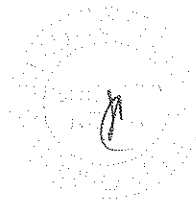
Particulars	<i>(Amount in million)</i>	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products		
-Manufactured goods	8,575	7,018
Other operating revenues		
-Royalty	63	28
-Job work income	53	60
-Sale of scrap	21	14
-Others	10	9
Other operating revenue	<u>147</u>	<u>111</u>
Revenue from operations	<u><u>8,722</u></u>	<u><u>7,129</u></u>

2.27 Other income

Particulars	<i>(Amount in million)</i>	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit on sale of property, plant and equipment (net)	-	129
Provisions/liabilities no longer required, written back	28	48
Rental income	-	6
Dividend income	38	54
Miscellaneous income	6	7
	<u>72</u>	<u>244</u>

2.28 Cost of materials consumed

Particulars	<i>(Amount in million)</i>	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Raw materials consumed		
Opening stock	487	503
Add: Purchases during the year	5796	4054
	<u>6283</u>	<u>4557</u>
Less: Closing stock	688	487
	<u><u>5595</u></u>	<u><u>4070</u></u>

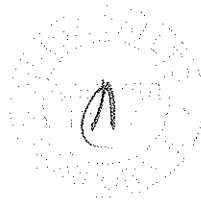


2.29 Changes in inventories of Finished Goods, Stock-in-trade and Work in Progress

Particulars	<i>(Amount in million)</i>	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Finished goods and stock in trade		
Opening stock	98	101
Less: Closing stock	119	98
	(21)	3
Work in progress		
Opening stock	108	107
Less: Closing stock	151	108
	(43)	(1)
	(64)	2

2.30 Employee benefits expense

Particulars	<i>(Amount in million)</i>	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages, bonus, gratuity and allowances	1,111	872
Contribution to provident fund and other funds	34	29
Employees Stock Compensation Expenses	4	-
Staff welfare	83	55
	1,232	956

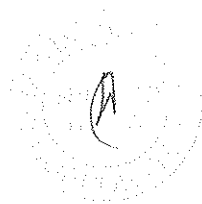


2.31 Finance cost

Particulars	<i>(Amount in million)</i>	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expenses	68	86
Other borrowings costs	15	18
	83	104

2.32 Other expenses

Particulars	<i>(Amount in million)</i>	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Jobwork charges	196	162
Consumption of stores and spare parts	35	25
Power and fuel	65	54
Rent	91	83
Repairs and maintenance		
Plant and machinery	38	24
Buildings	12	11
Others	33	25
Travelling and conveyance	128	92
Legal and professional fees (refer note 2.41)	32	26
Communication	12	11
Management fees	85	62
Insurance	8	6
Rates and taxes, excluding taxes on income	6	5
Loss on sale/discard of fixed assets (net)	3	-
Advertisement and business promotion	6	24
Printing and stationery	7	9
Freight and forwarding	84	61
Bank charges	5	3
Corporate social responsibility (refer to note 2.43)	8	5
Miscellaneous	36	30
	890	718



2.33 Earnings per share

Basic and diluted earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity share outstanding for the year.

(Amount in million)

Particulars	Units	Year ended 31 March 2018	Year ended 31 March 2017
Net profit attributable to equity shareholders	Rs.	414	412
Computation of weighted average number of Equity share of Rs. 100 each			
- Number of share at the beginning of the Year	No.	7,077,108	7,077,108
-Share issued during the year	No.	-	-
Total number of equity share outstanding as at the end of the year	No.	7,077,108	7,077,108
Weighted average number of equity share used in computing basic and diluted earnings per share	No.	7,077,108	7,077,108
Basic and diluted earning per equity share of face value of Rs. 100 each	Rs.	58.44	58.30



Minda SAI Limited

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

2.34 Financial instruments – Fair values measurement

Financial instruments- by category and fair values hierarchy

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

i As on 31 March 2018

(Amount in million)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments in preference shares	-	-	12	12	-	-	12
(ii) Loans	-	-	26	26	-	-	-
(iii) Other financial assets	-	-	1	1	-	-	-
Current							
(i) Trade receivables	-	-	2,053	2,053	-	-	-
(ii) Cash and cash equivalents	-	-	1	1	-	-	-
(iii) Other bank balances	-	-	3	3	-	-	-
(iv) Loans	-	-	14	14	-	-	-
(v) Other financial assets	-	-	77	77	-	-	-
Total financial assets	-	-	2,187	2,187			
Financial liabilities							
Non-current							
Borrowings	-	-	106	106	-	-	106
Current							
(i) Borrowings	-	-	1,048	1,048	-	-	-
(ii) Trade payables	-	-	1,579	1,579	-	-	-
(iii) Other financial liabilities	-	-	106	106	-	-	-
(iv) Borrowings- current maturities	-	-	129	129	-	-	-
Total financial liabilities	-	-	2,968	2,968			

ii As on 31 March 2017

(Amount in million)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments in preference shares	-	-	11	11	-	-	11
(ii) Loans	-	-	24	24	-	-	-
Current							
(i) Trade receivables	-	-	1,406	1,406	-	-	-
(ii) Cash and cash equivalents	-	-	2	2	-	-	-
(iii) Other bank balances	-	-	3	3	-	-	-
(iv) Loans	-	-	2	2	-	-	-
(v) Other financial assets	-	-	152	152	-	-	-
Total financial assets	-	-	1,600	1,600			
Financial liabilities							
Non-current							
Borrowings	-	-	207	207	-	-	207
Current							
(i) Borrowings	-	-	648	648	-	-	-
(ii) Trade payables	-	-	1,033	1,033	-	-	-
(iii) Other financial liabilities	-	-	70	70	-	-	-
(iv) Borrowings- current maturities	-	-	225	225	-	-	-
Total financial liabilities	-	-	2,183	2,183			



iii As at 1 April 2016

(Amount in million)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments in preference shares	-	-	10	10	-	-	10
(ii) Loans	-	-	23	23	-	-	-
Current							
(i) Trade receivables	-	-	1,238	1,238	-	-	-
(ii) Cash and cash equivalents	-	-	4	4	-	-	-
(iii) Other bank balances	-	-	3	3	-	-	-
(iv) Loans	-	-	2	2	-	-	-
(v) Other financial assets	-	-	43	43	-	-	-
Total financial assets	-	-	1,323	1,323			
Financial liabilities							
Non-current							
(i) Borrowings	-	-	292	292	-	-	292
Current							
(i) Borrowings	-	-	890	890	-	-	-
(ii) Trade payables	-	-	881	881	-	-	-
(iii) Other financial liabilities	-	-	60	60	-	-	-
(iv) Borrowings- current maturities	-	-	200	200	-	-	-
Total financial liabilities	-	-	2,323	2,323			

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 1 April 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.

2.35 Financial risk management

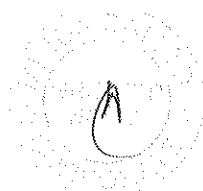
The Company has exposure to the following risks arising from financial instruments:

- Credit risk: (see (i))
- Liquidity risk: (see (ii))
- Market risk: (see (iii))
 - Foreign currency risk:
 - Interest rate risk:

Risk management framework

The Company's board of directors have 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.



(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	(Amount in million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments in preference shares	12	11	10
Trade receivables	2,053	1,406	1,238
Cash and cash equivalents	1	2	4
Other bank balances	3	3	3
Loans	40	26	25
Other financial assets	78	152	43
	2,187	1,600	1,323

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 and other bank balances are limited as the Company generally invest 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. 1 million.

Movement in the loss allowance in respect of trade receivables:

Particulars	(Amount in million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Balance at the beginning of	2	3
Amount written off	-	(1)
Balance at the end of the year	2	2

a) Expected credit loss for loans and security deposits

As at 31 March 2018

(Amount in million)

Particulars	Assets group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision	
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Security deposits	16	-	-	16
		Loans to related parties	24	-	-	24
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

(Amount in million)

Particulars	Assets group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision	
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Security deposits	16	-	-	16
		Loans to related parties	10	-	-	10
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 1 April 2016

(Amount in million)

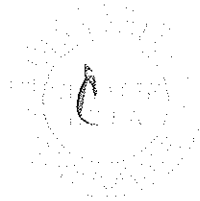
Particulars		Assets group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Security deposits	15	-	-	15
		Loans to related parties	10	-	-	10
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:

(Amount in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current (not past due)	1,851	1,237	1,089
1 to 30 days past due	68	34	69
31 to 60 days past due	36	22	21
61 to 90 days past due	23	23	16
More than 90 days past due	77	92	46
Expected credit loss (Loss allowance provision)	(2)	(2)	(3)
Carrying amount of trade receivable (net of impairment)	2,053	1,406	1,238



(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 other bank balances of Rs. 4 million as at 31 March 2018 (31 March 2017 Rs. 5 million, 1 April 2016 Rs. 7 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:

(Amount in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
From banks	785	807	475
From others	2	-	-

II. Maturities of financial liabilities

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

(Amount in million)

As at 31 March 2018	Carrying amount	Contractual cash flows			
		12 months or less	1-5 years	More than 5 years	Total
Non-current liabilities					
Financial liabilities- Borrowings	106	-	106	-	106
Current liabilities					
Financial liabilities- Borrowings- Current maturities	130	130	-	-	130
Borrowings- Short term	1,048	1,048	-	-	1,048
Trade payables	1,579	1,579	-	-	1,579
Other financial liabilities	105	105	-	-	105
Total	2,968	2,862	106	-	2,968

(Amount in million)

As at 31 March 2017	Carrying amount	Contractual cash flows			
		12 months or less	1-5 years	More than 5 years	Total
Non-current liabilities					
Financial liabilities- Borrowings	207	-	207	-	207
Current liabilities					
Financial liabilities- Borrowings- Current maturities	225	225	-	-	225
Borrowings- Short term	648	648	-	-	648
Trade payables	1,033	1,033	-	-	1,033
Other financial liabilities	70	70	-	-	70
Total	2,183	1,976	207	-	2,183

(Amount in million)

As at 1 April 2016	Carrying amount	Contractual cash flows			
		12 months or less	1-5 years	More than 5 years	Total
Non-current liabilities					
Financial liabilities- Borrowings	292	-	290	2	292
Current liabilities					
Financial liabilities- Borrowings- Current maturities	200	200	-	-	200
Borrowings- Short term	890	890	-	-	890
Trade payables	881	881	-	-	881
Other financial liabilities	60	60	-	-	60
Total	2,323	2,031	290	2	2,323

(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 31 March 2018, 31 March 2017 and 1 April 2016 are as below:

(Amount in million)

Particulars	As at 31 March 2018				
	USD	EURO	GBP	CHF	JPY
Financial assets					
Trade receivables	3	40	-	-	-
	3	40	-	-	-
Financial liabilities					
Trade payables	57	49	-	3	40
	57	49	-	3	40

(Amount in million)

Particulars	As at 31 March 2017				
	USD	EURO	GBP	CHF	JPY
Financial assets					
Trade receivables	2	-	-	-	-
	2	-	-	-	-
Financial liabilities					
Trade payables	11	14	-	1	10
	11	14	-	1	10

(Amount in million)

Particulars	As at 1 April 2016				
	USD	EURO	GBP	CHF	JPY
Financial assets					
Trade receivables	2	2	-	-	-
	2	2	-	-	-
Financial liabilities					
Trade payables	31	20	-	9	15
	31	20	-	9	15

Sensivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies as at 31 March 2018 (previous year ended as at 31 March 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.

(Amount in million)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign				
For the year ended 31 March 2018				
USD	-	(1)	-	-
EUR	-	-	-	-
GBP	-	-	-	-
CHF	-	-	-	-
JPY	-	-	-	-
	1	(1)	-	-
For the year ended 31 March 2017				
USD	-	-	-	-
EUR	-	-	-	-
GBP	-	-	-	-
CHF	-	-	-	-
JPY	-	-	-	-
	-	-	-	-

USD: United States Dollar, EUR: Euro, GBP: Great British Pound, CHF: Swiss Franc, JPY: Japanese Yen

(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 as well as current 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 and working capital loans from banks and other than banks carrying floating rate of interest. These obligations expose 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:

(Amount in million)

Variable-rate instruments	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non current borrowings	92	114	50
Current borrowings	1,048	648	890
Current maturities of non-current borrowings	50	72	48
Total	1,190	834	988

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.

(Amount in million)

Particulars	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 31 March 2018	(6)	6	(4)	4
For the year ended 31 March 2017	(4)	4	(3)	3

2.36 Capital management

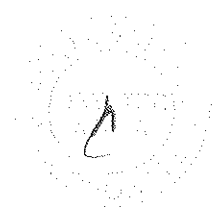
For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves of the company. The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost 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 buy back shares from 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 company plus interest-bearing debts).

(Amount in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current borrowings	1,048	648	890
Non-current borrowings (including current maturities)	235	432	492
Less : Cash and cash equivalent	4	5	7
Adjusted net debt (A)	1,279	1,075	1,375
Total equity (B)	2,552	2,262	1,850
Adjusted net debt to adjusted equity ratio (A/B)	50.11%	47.55%	74.35%



2.37 Capital and other commitments

(a) Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 27 million (31 March 2017: Rs. 18 million, 1 April 2016: Rs. 2 million)

(b) Accounting for leases

a) As a lessee

(i) Operating leases

(Amount in million)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 1 April 2016
Lease rentals recognized in the Statement of Profit and Loss during the year	-	82	83
Total	-	82	83

The future minimum lease payments under non-cancelable operating leases are as follows:

(Amount in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Not later than one year	-	42	37
Later than one year but not later than five years	-	109	124
Later than five years	-	-	12
Total	-	151	173

b) As a lessor

The Company has given certain assets comprising land and building and plant and machinery on operating lease. The lease arrangement is for a period of 5 years. The lease is renewable for a further period on mutually agreed terms.

(Amount in million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016
Rental income recognized in the Statement of Profit and Loss during the year	-	6	7
Total	-	6	7

The future minimum lease incomes under non-cancelable operating leases are as follows:

(Amount in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Not later than one year	-	-	7
Later than one year but not later than five years	-	-	22
Total	-	-	29

2.38 Contingent liabilities

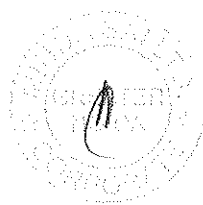
(Amount in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
Claims against the Company, disputed by the Company not acknowledged as debts			
a) Income Tax	-	-	-
b) Sales Tax/ Value Added Tax	5	5	1
c) Excise Duty	-	3	2
d) Service Tax	1	1	1
Total	6	9	4

2.39 Hedging and derivative instruments

Derivative contracts outstanding as at balance sheet date

Forward contracts in respect of foreign currency outstanding as at 31 March 2018: Rs. Nil (31 March 2017: JPY 14 million equivalent to Rs.8 million 1 April 2016: JPY Nil equivalent to Rs. Nil) for all year has been taken to hedge the foreign currency exposure for amount payable against the import of capital goods.



Minda SAI Limited

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

2.40 Related party disclosures, as required by Ind AS 24, "Related party disclosures" are given below

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

Description of relationship	Name of the party
Key Managerial Personnel	Mr. Sanjeev Saxena - Managing Director Mr. Arun Wadhwa- Chief Financial Officer Mr. Pardeep Mann- Company Secretary (w.e.f. 01.05.2017) Ms. Shifa Badri- Ex- Company Secretary (upto 14.09.2016) Mr. Avinash parkash Gandhi-Independent Director Mr. Ramesh Chandra Jain-Independent Director Ms. Jyotika Kalra -Independent Director (upto 11.04.2017) Mr. Parveen Gupta- Director (w.e.f. 05.02.2016)
Holding company and Ultimate Holding company	Minda Corporation Limited ('MCL')
Subsidiary companies	Almighty International Pte Ltd ('AIPL')
Step Subsidiaries	EI Labs India Pvt. Ltd. (ELPL) P T Minda Automotive, Indonesia ('PTMAI') P T Minda Automotive Trading ('PTMAT') Minda Vietnam Automotive Company Limited (MVACL')
Fellow Subsidiaries	Minda KTSN Plastic Solutions Gmbh & Co. KG, Germany ('MKTSN') Minda Management Services Limited ('MMSL') Spark Minda Foundation ('SMF')
Joint Venture	Minda Stoneridge Instruments Limited ('MSIL') Minda Furkawa Electric Private Limited ('MFEPL') Minda Vast Access Systems Private Limited ('MVASPL') formerly known as Minda Valeo Security Systems Pvt. Ltd.) ('MVSSPL')
Other entities over which key management personnel and their relatives are able to exercise significant influence	Minda Capital Limited ('MCAPL') Tuff Engineering Private Limited ('TEPL') Minda Silca Engineering Pvt. Limited ('MSEL')
Note 1	During the current year, the Company had made an acquisition of 3,87,000 equity shares (representing 100% stake) of EI Labs India Pvt Ltd at a consideration of Rs 37million. Pursuant to the acquisition, EI Labs India Pvt Ltd. has become a subsidiary of the Company.



2.40 A Transactions during the year entered with related parties

(Amount in million)

Nature of transaction	Year	MCL	MMSL	MVACL	MFEPL	MSIL	MCAPL	MVASPL	TEPL	AIPL	MKTSN	EI Labs	SMF	MSEL	Avinash Parkash Gandhi	Ramesh Chandra Jain	Praveen Gupta	Jyotika Kalra	Sarjeev Saxena	Arun Wadhwa	Shifa Badri	Pradeep Mann
Sales of manufactured goods	2017-18	52	-	2	46	4	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	123	-	2	87	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales of Services including job work income	2017-18	-	-	-	53	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchases of goods	2017-18	7	-	2	11	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	6	-	-	9	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management fees paid	2017-18	-	84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal and professional	2017-18	1	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assistance fees paid	2017-18	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical consultancy fees paid	2017-18	-	-	-	-	-	-	-	-	-	7	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	-	-	-	-	-	-	22	-	-	-	-	-	-	-	-	-	-	-
Technical consultancy fees received	2017-18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
Design & Development Expenses	2017-18	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty income	2017-18	60	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	26	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty expenses	2017-18	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent paid	2017-18	-	-	-	-	-	36	-	24	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	-	34	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution towards Corporate social responsibility activities	2017-18	-	-	-	-	-	-	-	-	-	-	-	8	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-
Reimbursement of expenses (received)	2017-18	4	-	1	1	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	1	-	1	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses (paid)	2017-18	4	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend income from cumulative preference shares	2017-18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend income investment in equity shares	2017-18	-	-	-	-	-	-	-	-	38	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	-	-	-	-	54	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid on equity shares	2017-18	106	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit given	2017-18	-	-	-	-	-	1	-	5	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount recovered against sale of property, plant and equipment	2017-18	-	-	-	-	105	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	-	45	-	-	-	-	-	33	-	-	-	-	-	-	-	-	-	-
Investment in equity shares	2017-18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Managerial remuneration paid to key management personnel	2017-18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18	2
	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17	5
Sitting Fees paid	2017-18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment	2017-18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of property, plant and equipment	2017-18	-	-	-	-	-	150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



40 B Outstanding balances as at year end

Account head	(Amount in million)													
	Balance as on	MCL	MMSL	MVACL	MFEPL	MSIL	MCAPL	MVASPL	TEPL	AIPL	Minda KTSN	EI Labs	MSEL	
Trade receivable	31 March 2018	44	-	2	98	-	-	-	-	-	-	-	-	
	31 March 2017	41	-	2	153	1	-	-	-	-	-	-	-	
	01 April 2016	30	-	1	73	4	-	-	-	-	2	-	-	
Trade payables	31 March 2018	18	17	-	12	4	-	-	-	-	6	-	-	
	31 March 2017	13	11	-	11	6	-	-	-	-	6	-	-	
	01 April 2016	5	6	-	1	4	5	-	-	-	-	-	-	
Other payables	31 March 2018	-	-	-	-	-	-	-	-	-	-	-	-	
	31 March 2017	-	-	-	-	-	-	-	-	-	-	-	-	
	01 April 2016	-	-	-	-	-	-	-	-	-	-	-	-	
Other recoverable	31 March 2018	-	-	-	-	-	-	-	-	-	-	8	-	
	31 March 2017	-	-	-	-	1	-	-	-	-	-	-	-	
	01 April 2016	-	-	-	-	1	-	-	-	-	-	-	-	
Equity shares capital outstanding	31 March 2018	708	-	-	-	-	-	-	-	-	-	-	-	
	31 March 2017	708	-	-	-	-	-	-	-	-	-	-	-	
	01 April 2016	708	-	-	-	-	-	-	-	-	-	-	-	
Investment in joint venture and subsidiaries	31 March 2018	-	-	-	-	651	-	-	-	560	-	70	-	
	31 March 2017	-	-	-	-	651	-	-	-	560	-	-	-	
	01 April 2016	-	-	-	-	651	-	-	-	560	-	-	-	
Investment in preference shares outstanding	31 March 2018	-	-	-	-	-	52	-	-	-	-	-	-	
	31 March 2017	-	-	-	-	-	52	-	-	-	-	-	-	
	01 April 2016	-	-	-	-	-	52	-	-	-	-	-	-	
Banking advance received	31 March 2018	-	-	-	-	-	-	-	-	-	-	-	-	
	31 March 2017	1	-	-	-	-	1	-	-	-	-	-	-	
	01 April 2016	6	-	-	-	-	-	-	-	-	-	-	-	
Provision recoverable arising from acquisition of business and sale of assets	31 March 2018	-	-	-	-	-	40	-	-	-	-	-	-	
	31 March 2017	-	-	-	-	-	145	-	-	-	-	-	-	
	01 April 2016	-	-	-	-	-	40	-	-	-	-	-	-	
Security deposits outstanding	31 March 2018	-	-	-	-	-	15	-	5	-	-	-	-	
	31 March 2017	-	-	-	-	-	14	-	-	-	-	-	-	
	01 April 2016	-	-	-	-	-	14	-	-	-	-	-	-	
Dividend receivable	31 March 2018	-	-	-	-	-	-	-	-	-	-	-	-	
	31 March 2017	-	-	-	-	-	-	-	-	-	-	-	-	
	01 April 2016	-	-	-	-	-	-	-	-	-	-	-	-	



2.41 Auditors remuneration (excluding Service tax/ Goods and Services tax)

Legal and professional expense includes auditors' remuneration as follows:

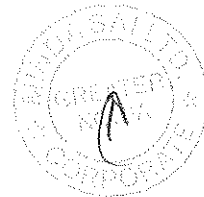
(Amount in million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Statutory audit	3	3
Other Services	1	1
Certification	-	-
Reimbursement of expenses	-	-
Total	4	4

2.42 Employee share -based payment plans

The members of the Holding Company Minda Corporation Limited (MCL) had approved 'Employee Stock Option Scheme, 2017' through Postal Ballot on 10 February 2017. The plan envisaged grant of stock options to eligible employees of MCL and its subsidiary at reserve price equal to the latest available closing price discounted by 50% or such other percentage as may be decided by the Nomination and Remuneration Committee of the MCL.

Under the Plan, upto 53,41,840 stock options can be issued to eligible employees of the MCL and its subsidiaries, whether working in India or out of India, including any Director of the MCL and its subsidiaries, whether whole time or otherwise excluding the Independent Directors. Options are to be granted at price equal to the latest available closing price discounted by 50% or such other percentage as may be decided by the Nomination and Remuneration Committee of the MCL. Under the Plan, each option, upon vesting, shall entitle the holder to acquire one equity share of Rs. 2 each. The options granted will vest gradually over a period not earlier than one year and not later than five years from the date of grant of such Options. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee of MCL and communicated in the grant letter.



Summary of vesting and lock-in provisions are given below:

Sr. No.	Vesting Schedule		
	% of options scheduled to vest	Vesting date	Lock-in period
1	20%	01-Apr-18	Nil
2	20%	01-Apr-19	Nil
3	20%	01-Apr-20	Nil
4	40%	01-Apr-21	Nil

The movement in the stock options under the Plan, during the year, is set out below:

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	4,10,000	50	-	-
Granted during the year	-	-	4,10,000	50
Forfeit during the year	-	-	-	-
Outstanding at the end of the year	4,10,000	50	4,10,000	50
Exercisable at the end of the year	-	-	-	-

Stock compensation expense in relation to stock options granted to employees of the company is Rs. 4 million.

Stock compensation expense under the Fair Value Method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the following assumptions:

Particulars	For the year ended 31 March 2017
Expected volatility	47.58%
Risk free interest rate	7.15%
Exercise price (Rs.)	50
Expected dividend yield	0.54%
Life of options (years)	4.07
Weighted average fair value of options as at the grant date (Rs.)	92.90

2.43 During the current year, as required under section 135 of the Act, the Company has spent Rs. 8 million (31 March 2017: Rs. 5 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:

Particulars		<i>(Amount in million)</i>	
		For the year ended 31 March 2018	For the year ended 31 March 2017
A	Gross amount required to be spent by the Company	8	5

Amount spent during the year ended 31 March 2018

		<i>(Amount in million)</i>		
S. No.	Project/ Activity	Paid in cash	Yet to be paid	Total
1	Contribution to Company formed under section 8 of Companies Act 2013 for the purpose, including promoting and preventing Health care & sanitation	8	-	8
2	Promoting preventing Health care & sanitation	-	-	-
Total		8	-	8

Amount spent during the year ended 31 March 2017

		<i>(Amount in million)</i>		
S. No.	Project/ Activity	Paid in cash	Yet to be paid	Total
1	Contribution to Company formed under section 8 of Companies Act 2013 for the purpose, including promoting and preventing Health care & sanitation	5	-	5
2	Promoting preventing Health care & sanitation	-	-	-
Total		5	-	5

2.44 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	<i>(Amount in million)</i>	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operation		
Domestic	7,783	7,004
Overseas		
Asia (excluding domestic)	307	105
Europe	632	20
Total	8,722	7,129
Carrying amount of assets		

Location	As at	As at	As at
	31 March 2018	31 March 2017	1 April 2016
Domestic	5,649	4,630	4,331
Overseas			
Asia (excluding domestic)	3	2	2
Europe	40	-	2
Total	5,692	4,632	4,335

Addition of Property, plant and equipment and intangible assets

Domestic

- Property, plant and equipment	295	183
- Intangible fixed assets	24	11
	<u>319</u>	<u>194</u>

Overseas

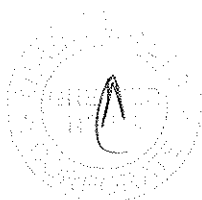
- Property, plant and equipment	-	-
- Intangible fixed assets	-	-
	<u>-</u>	<u>-</u>

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

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

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

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



2.45 Employee benefits

a) Defined contribution plans

The Company's employee provident fund and Employee's state insurance schemes are defined contribution plans. The following amounts have been recognised as expense for the year and shown under Employee benefits expense in note 2.30.

Particulars	<i>(Amount in million)</i>	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Contribution towards		
-Provident fund	29	25
-Employee state insurance	6	3
	<u>35</u>	<u>28</u>

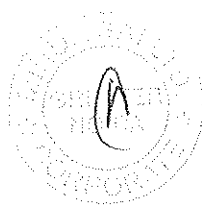
b) Defined benefit plans gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity as a defined benefit plan. The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vest after five years of continuous service. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year after considering the amount lying in plan assets maintained with Life Insurance Corporation of India

Particulars	<i>(Amount in million)</i>	
	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	62	47
Interest cost	5	4
Current service cost	9	8
Past service cost	-	-
Benefits paid	(3)	(4)
Actuarial loss / (gain) on obligation	-	7
Present value of defined benefit obligation at the end of the year	<u>73</u>	<u>62</u>
Changes in the present value of the plan asset is as follows:		
Fair value of plan asset at the beginning of the year	10	5
Return on plan asset	1	-
Contributions	24	5
Benefits paid	(1)	(1)
Fund management charge	-	-
Actuarial (gain) / loss on obligation	1	1
Fair value of plan asset at the end of the year	<u>35</u>	<u>10</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	73	62
Fair value of plan asset at the end of the year	35	10
Net liability as at the close of the year	<u>(38)</u>	<u>(52)</u>
Expenses recognized in the statement of profit and loss:		
Current service cost	9	8
Past service cost	-	-
Interest cost	5	4
Expected return on plan assets	(1)	-
Net actuarial loss / (gain)	(1)	6
Expenses recognized in the statement of profit and loss:	<u>12</u>	<u>18</u>

Amount recognized in current year and previous four years:

Particulars'	<i>(Amount in million)</i>				
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Present value of obligation as on the end of year	73	62	47	42	32
Fair value of plan assets at the end of the year	35	10	5	5	5
Surplus/ (Deficit)	(38)	(52)	(42)	37	(27)
Experience adjustment on plan liabilities (loss)/gain	(2)	(3)	-	1	-
Experience adjustment on plan assets (loss)/gain	1	1	-	-	-



Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Actuarial assumptions:			
Discount rate	7.71%	7.54%	8.00%
Expected rate of return on plan assets	7.71%	7.21%	8.00%
Expected salary increase rates	7.00%	7.00%	7.00%
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	3.00%	3.00%	3.00%
-From 31 years of age to 44 years of age	2.00%	2.00%	2.00%
-Above 44 years of age	1.00%	1.00%	1.00%

Note:

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

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

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.

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (- / + 1%)	(9)	10	(4)	5
Future salary growth (- / + 1%)	9	(9)	5	(4)
Rate of return on plan assets	(12)	9	(6)	4
Change in attrition rate (1%)	1	(1)	-	-

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does 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:

Particulars	As at	
	31 March 2018	31 March 2017
1 year	1	1
2 to 5 years	7	6
6 to 10 years	11	8
More than 10 years	53	47

c) 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 1 April 2016
Discount rate	7.71%	7.54%	8.00%
Expected salary increase rates	7.00%	7.00%	7.00%
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	3.00%	3.00%	3.00%
-From 31 years of age to 44 years of age	2.00%	2.00%	2.00%
-Above 44 years of age	1.00%	1.00%	1.00%

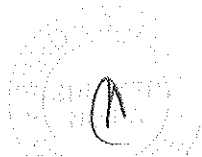
The other long- term benefit of compensated absence in respect of employees of the Company as at 31 March 2018 amounts to Rs. 23 million (31 March 2017: Rs. 19 million) and the expense recognised in the statement of profit and loss during the year for the same amounts to Rs. 9 million (31 March 2017: Rs. 9 million) [Gross payment of Rs 5 million (31 March 2017: Rs 5 million)]

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.

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (- / + 1%)	(3)	4	(1)	1
Future salary growth (- / + 1%)	4	(3)	1	(1)

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does 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:

	<i>(Amount in million)</i>	
	As at 31 March 2018	As at 31 March 2017
1 year	1	1
2 to 5 years	3	2
6 to 10 years	3	3
More than 10 years	16	13

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

d) Risk Exposure

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

i) Asset volatility

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

ii) 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.

iii) Inflation risks

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

iv) Life expectancy

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

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

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



2.46 Explanation of transition to Ind AS

As mentioned in note 1 (i), these financial statements for the year ended 31 March 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 31 March 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 31 March 2018, together with the comparative period data as at and for the year ended 31 March 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 1 April 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 1 April 2016 and the financial statements as at and for the year ended 31 March 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 31 March 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 1 April 2016 compared with those presented in the previous GAAP Balance Sheet as of 31 March 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 1 April 2016, the carrying amounts of assets and liabilities from the previous GAAP as at 31 March 2016 are generally recognized and measured according to Ind AS in effect for the financial year ended as on 31 March 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. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

(ii) Investment in subsidiaries/joint venture

Investment in subsidiaries/joint venture in the financial statements are carried at cost which is similar to accounting in previous GAAP. The Company also had option to account for investment in subsidiaries/joint venture at fair value. The Company has opted to carry its investment as subsidiary at its cost.

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. However the estimates should be adjusted to reflect any difference in accounting policies.

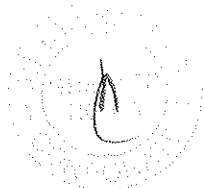
Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- 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 fact and circumstances exists 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.



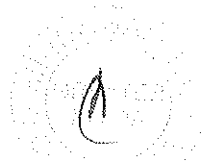
B- Reconciliations between previous GAAP and Ind AS:

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 1 April 2016*(Amount in million)*

Particulars	Foot note reference	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		985	-	985
Capital work-in progress		2	-	2
Other Intangible assets		17	-	17
Financial assets				
i. Investments	1	1,263	(42)	1,221
ii. Loans	2	30	(7)	23
Income tax assets		9	-	9
Other non-current assets	5	5	(1)	4
		2,311	(50)	2,261
Current assets				
Inventories	3	717	4	721
Financial assets				
i. Trade receivables		1,238	-	1,238
ii. Cash and cash equivalents		4	-	4
iii. Other bank balances		3	-	3
iv. Loans		2	-	2
v. Other financial assets		43	-	43
Other current assets	2,4	57	6	63
		2,064	10	2,074
TOTAL		4,375	(40)	4,335
EQUITY AND LIABILITIES				
Equity				
Equity share capital		708	-	708
Other equity		1,190	(48)	1,142
		1,898	(48)	1,850
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	7	299	(7)	292
Deferred tax liabilities (Net)	6	35	1	36
Provisions		55	-	55
Other non-current liabilities	7	3	12	15
		392	6	398
Current liabilities				
Financial Liabilities				
(i) Borrowings		890	-	890
(ii) Trade payables		881	-	881
(iii) Other financial liabilities		260	-	260
Other current liabilities	7	34	2	36
Provisions		2	-	2
Current tax liabilities		18	-	18
		2,085	2	2,087
TOTAL		4,375	(40)	4,335

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



(ii) Reconciliation of equity as at 31 March 2017

(Amount in million)

	Foot note reference	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		999	-	999
Capital work-in progress		8	-	8
Other intangible assets		12	-	12
Intangible assets under development		11	-	11
Financial assets				
i. Investments	1	1,263	(41)	1,222
ii. Loans	2	30	(6)	24
Income tax assets		8	-	8
Other non-current assets		2	-	2
		2,333	(47)	2,286
Current assets				
Inventories	3	707	(3)	704
Financial assets				
i. Trade receivables		1,406	-	1,406
ii. Cash and cash equivalents		2	-	2
iii. Other bank balances		3	-	3
iv. Loans		2	-	2
v. Other financial assets		152	-	152
Other current assets	2,4	72	5	77
		2,344	2	2,346
TOTAL		4,677	(45)	4,632
EQUITY AND LIABILITIES				
Equity				
Equity share capital		708	-	708
Other equity		1,606	(52)	1,554
		2,314	(52)	2,262
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	7	211	(4)	207
Deferred tax liabilities (Net)	6	25	1	26
Provisions		68	-	68
Other non-current liabilities	7	5	7	12
		309	4	313
Current liabilities				
Financial Liabilities				
(i) Borrowings		648	-	648
(ii) Trade payables		1,033	-	1,033
(iii) Other financial liabilities		295	-	295
Other current liabilities	7	39	3	42
Provisions		2	-	2
Current tax liabilities		37	-	37
		2,054	3	2,057
TOTAL		4,677	(45)	4,632

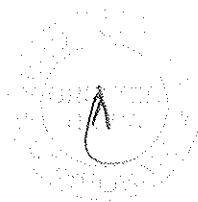
*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



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

		<i>(Amount in million)</i>		
	Foot note reference	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
Revenue from operations		7,129	-	7,129
Other income	1,2,7	239	5	244
Total Income		7,368	5	7,373
Expenses				
Cost of materials consumed		4,070	-	4,070
Changes in inventories of finished goods, stock-in-trade and work-in-progress	3	(4)	6	2
Excise duty on sales	8	809	-	809
Employee benefit expenses	4,9	959	(3)	956
Finance costs	7	101	3	104
Depreciation and amortisation expense		148	-	148
Other expenses	2	718	-	718
Total expenses		6,801	6	6,807
Profit before tax		567	(1)	566
Tax expenses				
Current tax		160		160
Deferred tax charge/(credit)		(10)	-	(10)
Profit for the year		417	(1)	416
Other comprehensive income				
Items that will not be reclassified subsequent to profit and loss				
Remeasurements of defined benefit liabilities	9	-	(6)	(6)
Income tax relating to items that will not be reclassified to profit or loss	6	-	2	2
Total other comprehensive income/ (expense) for the year, net of taxes			(4)	(4)
Total comprehensive income for the year		417	(5)	412

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

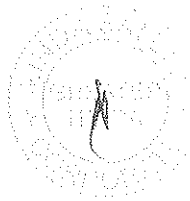


B (iv) Reconciliation of total equity as at 31 March 2017 and 1 April 2016*(Amount in million)*

Particulars	As at 31 March 2017	As at 1 April 2016
Total equity (shareholder's funds) as per previous GAAP	2,314	1,898
Adjustments:		
Adjustment for discounting of long term financial assets and liabilities, net	(6)	(8)
Impact of fair valuation of investments	(42)	(42)
Adjustment in method of inventory (Fifo to Weighted average)	(3)	4
Deferred tax adjustment	(1)	(2)
Total adjustments	(52)	(48)
Total equity (shareholder's funds) as per Ind AS	2,262	1,850

B (v) Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017

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



C. Notes to the reconciliations:**1 Investment in preference shares**

The Company has investments in cumulative redeemable preference shares @ 0.001% (below market rate). The same were recorded at their transaction value cost under previous GAAP. Under Ind AS, such investments are recognised at amortised cost. Difference between the amortised cost and carrying value of the investments has been recognised in retained earnings. Consequently to this change the amount of investments as on 31 March 2017 has decreased by Rs. 41 million (1 April 2016: Rs. 42 million). The total equity decreased by Rs. 42 million as at 1 April 2016. The accretion of investment happens by recognition of a notional interest income in Statement of Profit and Loss at effective interest rate. The profit for the year ended 31 March 2017 increased by Rs. 1 million (due to recognition of interest income).

2 Security deposits

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the term) are recorded at their transaction value. Under Ind AS, such financial assets are recognised at amortised cost. Difference between the amortised cost and carrying value of the security deposit has been recognised as deferred rent. Consequently to this change the amount of security deposit as on 31 March 2017 has decreased by Rs. 6 million (1 April 2016: Rs. 7 million) with a creation of deferred rent (included in other non-current and current assets) of Rs. 5 million (1 April 2016: Rs. 7 million). The total equity decreased by Rs. 1 million as at 1 April 2016. The unwinding of security deposit happens by recognition of a notional interest income in Statement of Profit and Loss at effective interest rate. The deferred rent gets amortised on a straight line basis over the term of the security deposits. The profit and loss equity for the year ended 31 March 2017 decreased by Rs. 1 million due to amortisation of deferred rent and increase in notional interest income of Rs. 1 million recognised on security deposits (included in other income).

3 Inventory valuations

Under previous GAAP, the Company was following FIFO method of inventory valuations, however under Ind AS, the Company is accounting for inventory valuation through consistent policy of weighted average.

4 Interest free Loans to employees

Under Previous GAAP, employee loans to be settled in cash are recorded at cost. However, under Ind AS, certain assets covered under Ind AS 32 meet the definition of financial assets which include employee loans are classified at amortized cost, further these financial assets have been given at nil interest rate, therefore, these have been discounted to present value. Accordingly, loan to employees is accounted at amortised cost using prevalent market rate of interest by applying effective interest rate method.

Consequently to, this change, the amount of advance to employees as on 31 March 2017 has decreased by Rs. - million (1 April 2016: Rs. - million) with a creation of deferred employee benefit expense (included in other non-current and current assets) of Rs. - million (1 April 2016: Rs. - million). The total equity increased by Rs. - million as at 1 April 2016. The deferred employee benefit expense gets amortised on a straight line basis over the term of the loan to employees. The profit and total equity for the year ended March 31, 2017 increased by Rs. - million due to amortisation of employee benefit expense by Rs. - million and increase in notional interest income of Rs. - million recognised on loan to employees (included in other income).

5 Lease equalisation reserve

Under previous GAAP, lease rentals on operating lease, were required to be recognised as expense on straight line basis over the lease term by recognising corresponding lease equalisation reserve. However, under Ind AS, there is no such requirement unless under specific circumstances specified in the Ind AS. Accordingly, other non current assets reduced as at 31 March 2017: Rs. Nil million (1 April 2016: Rs. 1 million) with corresponding adjustment to retained earnings.

6 Deferred tax

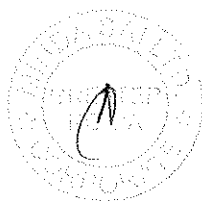
Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences 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 1 April 2016), the net impact on deferred tax liabilities is of Rs. 1 Million (31 March 2017: Rs. 1 million). The profit and total equity for the year ended 31 March 2017 increased by Rs. - million due to differences in taxable profits and accounting profits.

7 Government grants

Ind AS 109 requires government grants in the form of sales tax deferment is to be accounted at amortised cost using effective interest rate method. The excess is recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under the previous GAAP, these borrowings were presented in Balance Sheet on actual grant amount. Accordingly, borrowing as at 31 March 2017 have been reduced by Rs. 4 million (1 April: 2016 Rs. 7 million) and deferred liabilities have been increased as at 31 March 2017 (included in other non-current and current liabilities) of Rs. 10 million (1 April 2016: Rs. 14 million).

Under the previous GAAP, government grants that were given with reference to total capital outlay were credited to capital reserve and treated as part of shareholders funds. Under Ind AS, Government grants relating to the purchase of property, plant and equipment shall be presented in the balance sheet by setting up the grant as deferred income and are credited to profit or loss on a straight- line basis over the expected lives of the related assets and presented within other income. Consequently, capital reserve decreased by Rs. 3 million and deferred income of Rs. 3 million is recorded after taking Rs. - million to retained earning as at 1 April 2016. Further, an amount of Rs. - million was credited to profit or loss during 31 March 2017.



8 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. 809 million. There is no impact on the total equity and profit.

9 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 Profit for the year ended March 31, 2017 is increased by Rs.4 million and is reclassified to other comprehensive income. There is no impact on the total equity as at 31 March 2017.

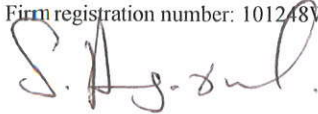
10 Other comprehensive income

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

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants

Firm registration number: 101248W/W-100022



Shashank Agarwal

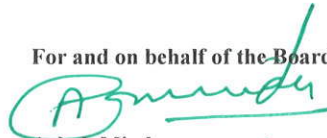
Partner

Membership No.: 095109

Place: Gurugram

Date : 21 May 2018

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



Ashok Minda

Director

(DIN 00054727)



Arun Wadliwa

Chief Financial Officer



Sanjeev Saxena

CEO & Managing Director

(DIN : 07252911)



Pradeep Mann

Company Secretary

Membership No.: 13371

Place: Gurugram

Date : 21 May 2018