R. N. SARAF & CO.
CHARTERED ACCOUNTANTS
2659/2, GURDWARA ROAD,
KAROL BAGH
NEW DELHI 110 005

AUDITORS' REPORT TO THE MEMBERS OF MINDA MANAGEMENT SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **Minda Management Services Limited** ("the company"), which comprise the Balance Sheet as at 31 March, 2018 the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flow and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as "Ind AS financial statements")

Management's Responsibility for the Ind AS Financial Statements

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

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 there under.

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.

R.N. SARAF & CO. Regn. No. 002023 N NEW DELHI Chartered Accountants

An audit involves performing procedures to obtain audit evidence about the amounts and 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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 including the Ind AS, of the statement of affairs (financial position) of the Company as at 31st March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity 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 of India 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, to the extent applicable.

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 purpose of our audit.

   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow 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 Accounting Standards specified in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

R.N. SARAF & CO. Regn. No. 002023 N NEW DELHI Chartered Accountants

f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

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 Auditor's) 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 financial statements.

ii. The Company did not have any material foreseeable losses on long term contracts including derivatives contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosure in the financial statements regarding holdings as well as dealing 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.

FOR R.N.SARAF & CO.
CHARTERED ACCOUNTANTS
(Registration No. 002023N)

R.N. SARAF & CO. Chartered Accountants Regn. No. 002023 N NEW DELHI

R.N. SARAF, F.C.A.
(Membership No. 12439)

Place : New Delhi
Date : 25th May 2018

R. N. SARAF & CO.
CHARTERED ACCOUNTANTS
2659/2, GURDWARA ROAD,
KAROL BAGH
NEW DELHI 110 005

ANNEXURE 'A' TO THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBER OF MINDA MANAGEMENT SERVICES LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:-

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of fixed assets.

(b) The fixed assets has been physically verified by the management at the year end. According to the information and explanation given to us, no material discrepancies have been noticed on such verification.

(c) The company does not own an immovable property hence, particulars of title deed does not apply.

(ii) The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the requirement of clause 3(iii) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2016 is not applicable.

(iii) According to information and explanations given to us and based on audit procedures performed, we are of the opinion that provisions of section 185 and 186 of the Companies Act, 2013 have been complied with in respect of investments by the Company. There are no loan, guarantees and securities provided by the company as specified under section 185 and 186 of the companies act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.

(iv) The Company has not accepted any deposits from the public.

(v) The nature of the Company's business is such that maintenance of cost records specified by the central Government under sub section (1) of section 148 of the Companies Act, is not applicable.

(vi) (a) According to the records, information and explanations provided to us, Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax and other and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31 March, 2018 for a period of more than six months from the date they became payable.

R.N. SARAF & CO. ★ Chartered Acc
Regn. No. 002023 N
NEW DELHI

ANNEXURE 'A' TO THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBER OF MINDA MANAGEMENT SERVICES LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(b) There is no material dues of income tax, sales tax, service tax, duty of customs or duty of excise, value added tax, goods and services tax which have not been deposited with the appropriate authorities on account of any dispute.

(vii) 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. There were no dues repayable to debenture holders, government and financial institutions.

(viii) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(ix) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(x) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xi) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company; accordingly, paragraph 3(xii) of the Order is not applicable.

(xii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.

(xiii) According to the information and explanations give 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.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

R.N. SARAF & CO. Regn. No. 002023 N NEW DELHI Chartered Acc

ANNEXURE 'A' TO THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBER OF MINDA MANAGEMENT SERVICES LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(xv) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR R.N.SARAF & CO.
CHARTERED ACCOUNTANTS
(Registration No. 002023N)

R.N. SARAF, F.C.A.
(Membership No. 12439)

Place : New Delhi
Date : 25th May, 2018

R. N. SARAF & CO.
CHARTERED ACCOUNTANTS
2659/2, GURDWARA ROAD,
KAROL BAGH
NEW DELHI 110 005

ANNEXURE B TO THE AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF THE MINDA MANAGEMENT SERVICES LIMITED ON THE INTERNAL FINANACIAL 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 over financial reporting of **MINDA MANAGEMENT SERVICES 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 over financial reporting 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the effectiveness of the Company's internal financial controls over financial reporting 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, 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 over financial reporting 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 over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

R.N. SARAF & CO. ★ Chartered Accountants ★ Regn. No. 002023 N NEW DELHI

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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting 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 R.N.SARAF & CO.
CHARTERED ACCOUNTANTS
(Registration No. 002023N)

R.N. SARAF & CO. Chartered Accountants Regn. No. 002023N NEW DELHI

R.N. SARAF, F.C.A.
(Membership No. 12439)

Place : New Delhi
Date : 25TH MAY, 2018

Minda Management Services Limited
Balance Sheet as at 31 March 2018
CIN NO. U74140DL2004PLC125552

₹ in million

Particulars	Notes	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	51.89	12.76	15.99
Other Intangible assets	2.2	0.74	0.93	1.18
Financial assets				
i. Investments	2.3	0.00	0.00	0.00
ii. Loans	2.4	2.49	2.79	3.26
Deferred tax assets (net)	2.5	13.35	18.54	10.07
Income tax assets (net)	2.6	48.25	60.72	53.98
Total non-current assets		116.72	95.74	84.48
Current assets				
Financial assets				
i. Trade receivables	2.7	138.33	113.83	144.23
ii. Cash and cash equivalents	2.8	1.74	3.37	6.55
iii. Other bank balances	2.9	-	0.87	0.81
iv. Other financial assets	2.10	6.14	2.89	5.90
Other current assets	2.11	28.32	27.61	10.56
Total current assets		174.53	148.57	168.05
Total assets		291.25	244.31	252.53
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	2.12	55.00	55.00	55.00
Other equity	2.13	68.35	50.21	67.20
Total equity		123.35	105.21	122.20
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
i. Borrowings	2.14	15.09	-	-
Provisions	2.15	23.33	18.28	17.43
Total non-current liabilities		38.42	18.28	17.43
Current liabilities				
Financial liabilities				
i. Borrowings	2.16	50.00	79.46	79.40
ii. Trade payables	2.17	20.87	21.11	16.27
iii. Other financial liabilities	2.18	45.87	10.11	9.74
Other current liabilities	2.19	12.02	9.52	6.86
Provisions	2.20	0.72	0.62	0.63
Total current liabilities		129.48	120.82	112.90
Total equity and liabilities		291.25	244.31	252.53

Significant accounting policies 1

The accompanying notes from 1 to 2.40 form an integral part of the financial statements

As per our report of even date
For R.N.Saraf & Co
Chartered Accountants
(Registration No. 002023N)

R.N.Saraf

R. N. Saraf, F.C.A.
Membership No. 12439

R.N. SARAF & CO. CA Regn. No. 002023N NEW DELHI

For and on behalf of the Board of Directors of Minda Management Services Limited

Ajay Sancheti
Director
Din: 00055472

Ashok Minda
Director
Din: 00054727

Shalu Garg
Company Secretary, ACS No. 40155

Place : New Delhi
Date : 25th May, 2018

Minda Management Services Limited
Statement of Profit and Loss for the year ended 31 March 2018
CIN NO. U74140DL2004PLC125552

₹ in million

Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue			
Revenue from operations	2.21	362.88	314.49
Other income	2.22	7.14	3.33
Total revenue		370.02	317.82
Expenses			
Employee benefits expense	2.23	192.44	183.91
Finance costs	2.24	7.80	8.16
Depreciation and amortization expense	2.1& 2.2	14.87	5.40
Other expenses	2.25	138.99	146.93
Total expenses		354.10	344.40
Profit/ (loss) from operations before taxes		15.92	-26.58
Tax expense			
Current tax		0.19	0.11
Deferred tax charge/ (credit)		4.79	-8.47
Profit/ (loss) for the year		10.94	-18.22
Other comprehensive income			
Item that will not be reclassified to profit or loss			
-Remeasurements of defined benefit liability (assets) (net of Tax)		1.05	1.23
Other comprehensive income for the year, net of taxes		1.05	1.23
Total comprehensive income/ (loss) for the year		11.99	-16.99
Earnings per equity share			
Basic		2.18	-3.09
Diluted		2.18	-3.09

Significant accounting policies 1

The accompanying notes from 1 to 2.40 form an integral part of the financial statements

As per our report of even date

For R.N.Saraf & Co
Chartered Accountants
(Registration No. 002023N)

R. N. Saraf, F.C.A.
Membership No. 12439

R.N. SARAF & CO. Chartered Accountants Regn. No. 002023 N NEW DELHI

Place : New Delhi
Date : 25th May, 2018

For and on behalf of the Board of Directors of Minda Management Services Limited

Ajay Sancheti
Director
Din: 00055472

Ashok Minda
Director
Din: 00054727

Shalu Garg
Company Secretary, ACS No. 40155

Minda Management Services Limited

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

CIN NO. U74140DL2004PLC125552

A. Equity share capital

Particulars	₹ in million
Balance as at 01 April, 2016	55.00
Changes in equity share capital during the year ended 31 March, 2017	-
Balance as at 31 March, 2017	55.00
Changes in equity share capital during the year ended 31 March, 2018	-
Balance as at 31 March, 2018	55.00

B. Other equity

Particulars	Attributable to owners of the Company			₹ in million
	Reserves and surplus (1)		Other Comprehensive Income (2)	
	Capital reserve	Retained earnings	Remeasurement of defined benefit obligations	Total
Balance as at 01 April 2016		67.20		67.20
Profit/(loss) for the year		-18.22		-18.22
Other comprehensive income			1.23	1.23
Total income for the year		-18.22	1.23	-16.99
Balance as at 31 March 2017	-	48.98	1.23	50.21
Balance as at 01 April 2017	-	48.98	1.23	50.21
Profit/(loss) for the year		10.94		10.94
Amount transferred to Employee stock compensation	6.15		-	6.15
Other comprehensive income			1.05	1.05
Balance as at 31 March 2018	6.15	59.92	2.28	68.35

Significant accounting policies

The accompanying notes from 1 to 2.40 form an integral part of the financial statements

As per our report of even date
For R.N.Saraf & Co
Chartered Accountants
(Registration No. 002023N)

R. N. Saraf, F.C.A.
Membership No. 12439

R.N. SARAF & CO. Regn. No. 002023 N NEW DELHI Chartered Accountants

Place : New Delhi
Date : 25th May, 2018

For and on behalf of the Board of Directors of Minda Management Services Limited

Ajay Sancheti
Director
Din: 00055472

Ashok Minda
Director
Din: 00054727

Shalu Garg
Company Secretary, ACS No. 40155

Minda Management Services Limited
Statement of Cash Flow for the year ended 31 March, 2018
CIN NO. U74140DL2004PLC125552

₹ in million

	Particulars	For the year ended 31 March, 2018		For the year ended 31 March, 2017	
A	**Cash flow from operating activities**				
	Profit/(Loss) before taxation	17.37		-25.35	
	Adjustments for:				
	Employees Stock Compensation Expenses	6.15		-	
	Depreciation and amortisation	14.87		5.40	
	Loss on sale / discard of fixed assets	0.09		0.18	
	Finance costs	7.80		8.16	
	Exchange Fluctuation (Profit)/Loss (net)	-2.35		1.19	
	Interest income	-4.79		-3.33	
			39.14		-13.74
	Adjustments for				
	(Increase)/ decrease in Trade Receivables	-22.15		29.21	
	(Increase)/ decrease in Other financial assets	-3.25		3.02	
	(Increase)/ decrease in Non current financial assets	0.30		0.47	
	(Increase)/ decrease in Other current assets	-0.71		-17.05	
	(Increase)/ decrease in Other Bank Balance	0.87		-0.07	
			-24.94		15.57
	Adjustments for				
	Increase / (decrease) in Trade payables	-0.24		4.85	
	Increase / (decrease) in Other financial liabilities	35.75		0.37	
	Increase / (decrease) in Other current liabilities	2.50		2.66	
	Increase / (decrease) in Short-term provisions	0.11		-0.02	
	Increase / (decrease) in Long-term provisions	5.05	43.17	0.85	8.71
	Cash generated from operations		57.37		10.54
	Income taxes paid		12.28		-6.85
	Net cash (used in)/ generated operating activities (A)		69.65		3.69
B	**Cash flow from investing activities**				
	(Purchase)/sale of fixed assets	-53.90		-2.11	
	Interest received from bank	4.79		3.33	
			-49.11		1.22
	Net cash (used in)/ generated investing activities (B)		-49.11		1.22
C	**Cash flow from financing activities**				
	Proceeds from long-term borrowings	15.09		-	
	Repayment to other short-term borrowings	-29.46		0.06	
	Finance cost	-7.80		-8.16	
			-22.17		-8.10
	Net cash (used in)/ generated financing activities (C)		-22.17		-8.10
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)		-1.63		-3.19
	Cash and cash equivalents at the beginning of the year		3.37		6.56
	Cash and cash equivalents at the end of the year		1.74		3.37

Significant accounting policies 1

The accompanying notes from 1 to 2.40 form an integral part of the financial statements

As per our report of even date

For R.N.Saraf & Co
Chartered Accountants
(Registration No. 002023N)

R. N. Saraf, F.C.A.
Membership No. 12439

R.N. SARAF & CO. Regn. No. 002023 N NEW DELHI

For and on behalf of the Board of Directors of Minda Management Services Limited

Ajay Sancheti
Director
Din: 00055472

Ashok Minda
Director
Din: 00054727

Shalu Garg
Company Secretary. ACS No. 40155

Place : New Delhi
Date : 25th May, 2018

Minda Management Services Limited

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

Note 1.1 Corporate Information

Minda Management Services Limited ("the Company") was incorporated in India. The Company is primarily involved in providing management consultancy and business support services to the Spark Minda Mr. Ashok Minda Group Company.

Note 1.2 Basis of Preparation

Statement of compliance

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

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

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in **Note 2.36**.

The financial statements were authorised for issue by the Company's Board of Directors on 25 May, 2018.

A. Functional and presentation currency

These financial statements are presented in Indian ₹ (INR), which is also the Company's functional currency. All the amount have been rounded-off to the nearest million ₹ unless otherwise indicated.

B. Basis of measurement

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

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

C. Use of estimates and judgements

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

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

Critical estimates and judgements
Areas involving critical estimates or judgements are:

-Recognition and estimation of tax expense including deferred tax– **Note 2.30**
-Assessment of useful life of property, plant and equipment and intangible assets– **Note 2.1** and **Note 2.2**
-Estimation of obligations relating to employee benefits: key actuarial assumptions– **Note 2.31**
-Fair value measurement- **Note 2.32**
-Share based payments- **Note 2.33**

R.N. SARAF & CO. ★ Chartered Accountants ★ Regn. No. 002023 N NEW DELHI

D. Measurement of fair values

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

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

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

When measuring the fair value of an asset or a liability, the 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.

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 2.32;

E. 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.

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Note 1.3 Summery of significant accounting policies

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

a) Foreign currency transactions 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 the India ₹. All amounts have been rounded-off to the tow decimal.

(i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions.
(ii) Foreign currency loans covered by forward exchange contracts are translated at the rate prevailing on the date of transaction as increased or decreased by the proportionate difference between the forward contract and exchange rate on the date of transaction.
(iii) Current assets and liabilities (other than those relating to fixed assets and investments) are restated at the rates prevailing at the year-end or at the forward rate where forward cover has been taken. The difference between exchange rate at the year end and at the date of transaction is recognized as income or expense in Statement of Profit and Loss. In respect of transactions covered by forward exchange contracts, the difference between the contract rate and the rate on the date of transaction is recognized in Statement of Profit and Loss.

b) Financial Instruments

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;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see Note 3(b)(iii) 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. Any gain or loss on DE recognition is also recognised in profit or loss. See Note 3(b)(iii) for financial liabilities designated as hedging instruments.

De- recognition

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.

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Derivative financial instruments and hedge accounting

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

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

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 and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

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.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised separately within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

c) Property, plant and equipment

Recognition and measurement

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

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of

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bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 2.36)

Subsequent expenditure

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

Depreciation/Amortization

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.

d) Intangibles Assets

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

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

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

The cost of Intangible assets is amortized over a period of four years the estimated economic life of the assets.
Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.
An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal.

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

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Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets-**Note 2.36**

e) Current versus non-current classification

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

(a) expected to be realised in, or is intended to be sold or consumed in normal operating cycle;
(b) held primarily for the purpose of being traded;
(c) expected to be realised within 12 months after the reporting date; or
(d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.
A liability is current when:

(e) it is expected to be settled in normal operating cycle;
(f) it is held primarily for the purpose of being traded;
(g) it is due to be settled within 12 months after the reporting date; or
(h) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

f) Impairment

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 are credit□impaired. A financial asset is 'credit□impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

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

The Company 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 financial asset is 90 days or more past due.

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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.

Impairment of non-financial assets

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

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

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

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g) Non-current assets or disposal group held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets,

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deferred tax assets, and employee benefit assets, which continue to be measured in accordance with the Company's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets, property and plant and equipment are no longer amortised or depreciated.

h) Revenue recognition

(i) Service revenue is recognized on an accrual basis as and when the services are rendered in accordance with the terms of the underlying contract.
(ii) Interest income is recognised using the effective interest method.

i) Provisions (other than employee benefits)

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

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

j) Provisions (other than employee benefits)

Short term employee benefits

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

Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund and ESI to Government administered fund which is a defined contribution plan. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of plan assets is reduced from the gross obligation under the defined benefit

S.R.N. SARAF & CO. ★ Regn. No. 002023 N NEW DELHI Chartered Accountants plans, to recognise the obligation on net basis. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method.

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

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

Other long term employee benefits

Compensated absences

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

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

k) Income taxes

Current tax

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

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

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

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

K.N. SARAF & CO. CA Regn. No. 002023 N NEW DELHI Chartered Accountants asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

l) 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 numbers of equity shares outstanding during the year are 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 to be converted as of the beginning of the period, unless they have been issued at a later date.

m) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

n) Employee stock option schemes

Under employees stock option scheme of Minda Corporation Limited the grant date fair value of options granted to employees of the Company is recognized as an employee expense, over the period that the employees become unconditionally entitled to the options and correspondingly created in Capital Reserve.

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The amount recognized 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). Corresponding balance of a share based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Minda Corporation Limited is operating the Employee Stock Option schemes through Minda Corporation Limited Employee Stock Option Scheme Trust.

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Minda Management Services Limited
Notes to the financial statements for the year ended 31 March, 2018

2.1 Property, plant and equipment

₹ in million

Particulars	Gross block				Accumulated depreciation				Net block
	Balance as at 1 April,2017	Additions	Disposals	Balance as at 31 March 2018	Balance as at 1 April 2017	Depreciation for the year	Translation Adjustment	Balance as at 31 March 2018	Balance as at 31 March 2018
	(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)
2.1 Property, plant and equipment									
Plant and equipment	13.19	0.41	0.20	13.40	3.59	3.75		7.34	6.06
Furniture and fixtures	1.03	-	0.16	0.87	0.11	0.14	0.01	0.24	0.63
Vehicles	1.19	52.94	0.12	54.01	0.29	9.96	-	10.25	43.76
Computer hardware	2.05	0.86	0.03	2.88	0.71	0.78	0.05	1.44	1.44
Subtotal (A)	**17.46**	**54.21**	**0.51**	**71.16**	**4.70**	**14.63**	**0.06**	**19.27**	**51.89**
2.2 Other Intangible assets									
Computer software	1.30	0.05	-	1.35	0.37	0.24	-	0.61	0.74
Subtotal (B)	**1.30**	**0.05**	**-**	**1.35**	**0.37**	**0.24**	**-**	**0.61**	**0.74**
Grand total (A+B)	**18.76**	**54.26**	**0.51**	**72.51**	**5.07**	**14.87**	**0.06**	**19.88**	**52.63**

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Minda Management Services Limited
Notes to the financial statements for the year ended 31 March, 2018

2.1 Property, plant and equipment

₹ in million

Particulars	Gross block				Accumulated depreciation				Net block
	Deemed cost as at 1 April,2016	Additions	Disposals	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation / Amortization for the year	Translation Adjustment	Balance as at 31 March 2017	Balance as at 31 March 2017
	(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)
2.1 Property, plant and equipment									
Plant and equipment	13.33	0.22	0.36	13.19	-	3.81	0.22	3.59	9.60
Furniture and fixtures	0.90	0.19	0.06	1.03	-	0.13	0.02	0.11	0.92
Vehicles	0.29	0.90	-	1.19	-	0.29	-	0.29	0.90
Computer hardware	1.47	0.82	0.24	2.05	-	0.80	0.09	0.71	1.34
				-					
Sub Total (A)	15.99	2.13	0.66	17.46	-	5.03	0.33	4.70	12.76
2.2 Other Intangible assets									
Computer software	1.18	0.12	0.00	1.30	-	0.37	0.00	0.37	0.93
Sub Total (B)	1.18	0.12	0.00	1.30	-	0.37	0.00	0.37	0.93
Grand Total (A+B)	17.17	2.25	0.66	18.76	-	5.40	0.33	5.07	13.69

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2.3 Non-current financial asset- investment

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment in equity instruments of Jointly control entity			
at cost unquoted equity instruments			
21,332,700) equity shares of ₹ 10 each fully paid up in Minda VAST Access Systems Private Limited	0.00	0.00	0.00
	0.00	0.00	0.00

2.4 Non-current loans

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits	1.89	2.19	2.66
Security deposits to related parties	0.60	0.60	0.60
	2.49	2.79	3.26

2.5 Deffrred Tax Assets (net)

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax assets			
Provision for employee benefits	6.63	6.25	5.97
Provision for doubtful trade receivable	3.25	3.90	3.90
On account of difference between book written down value		-	-
and tax written down value of fixed assets	1.85	0.87	0.20
Brought forwards losses	-	7.52	-
MAT Credit Entitlement	1.22	-	-
		-	-
Total (A)	12.95	18.54	10.07
Deferred tax liabilities			
- Others to other comprehensive income	0.40	-	-
Total (B)	0.40	-	-
Deferred tax assets (net) (B-A)	13.35	18.54	10.07

2.6 Non-current tax assets (net)

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Tax deducted at Source	72.25	97.22	92.75
Less:- Provision	-24.00	-36.50	-38.77
			-
	48.25	60.72	53.98

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Minda Management Services Limited
Notes to the financial statements for the year ended 31 March, 2018

2.7 Trade Receivable

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good,unless otherwise stated			
Trade receivables			
Considered good	138.33	113.83	144.23
Considered doubtful	11.79	11.79	11.79
	150.12	125.62	156.02
Less: Provision for expected credit loss	-11.79	-11.79	-11.79
	138.33	113.83	144.23

2.8 Cash and cash equivalents

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash and cash equivalents			
-Cash on hand / imprest with employees	0.13	0.32	0.81
-Cheques, drafts on hand	-	0.20	0.33
	0.13	0.52	1.14
Balances with bank			
- On current accounts	0.16	0.30	5.41
- Other bank balance	1.45	2.55	-
		-	-
	1.61	2.85	5.41
	1.74	3.37	6.55

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2.9 Other bank balances

₹ in million

Particulars	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 *	-	0.87	0.81
	-	0.87	0.81

* Pledged against bank guarantee given to Income Tax department.

2.10 Current financial asset- other financial asset

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Interest accrued on fixed deposits	-	0.03	0.03
Advance to Employees	6.14	2.86	5.87
	6.14	2.89	5.90

2.11 Other current assets

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Preapaid expenses	2.91	8.30	9.22
Balances with government authorities	6.55	1.17	1.16
Advances to suppliers	0.91	0.18	0.18
Rent in Advance	17.95	17.96	-
	28.32	27.61	10.56

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2.12 Equity share capital

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
2.1.1 Authorised			
60,00,000 equity shares of ₹ 10 each	60.00	60.00	60.00
	60.00	60.00	60.00
2.1.2 Issued, subscribed and fully paid up			
Equity shares of ₹ 10 each fully paid up			
55,00,000 equity shares of ₹ 10 each	55.00	55.00	55.00
	55.00	55.00	55.00

2.1.3 Reconciliation of share capital outstanding as at the beginning and at the end of the year
a) Equity shares of ₹ 10 each

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	₹ in million	Number of shares	₹ in million	Number of shares	₹ in million
Balance as at the beginning of the year	5,500,000	55.00	5,500,000	55.00	5,500,000	55.00
Add: Shares issued during the year	-	-	-	-	-	-
Balance as at the end of the year	5,500,000	55.00	5,500,000	55.00	5,500,000	55.00

2.1.4 Details of shareholder holding more than 5% shares as at year end

a) Equity shares of ₹ 10 each fully paid up

Name of shareholder	As at		As at		As at	
	% of holdings	No. of shares held	% of holdings	No. of shares held	% of holdings	No. of shares held
Minda Corporation Limited and its nominee	100	5,500,000	100	5,500,000	100	5,500,000
	100	5,500,000	100	5,500,000	100	5,500,000

2.1.5 The Comapany has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity is entitled to one vote per share.

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2.13 Other equity

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
2.13.1 Retained earnings			
Opening balance	48.98	67.20	61.71
Add:- Net profit (loss) for the year	10.94	-18.22	5.49
Closing balance	59.92	48.98	67.20
2.13.2 Employee stock compenstation outstanding Account			
Opening balance	-	-	-
Add: Employee stock compensation expense	6.15	-	-
Closing Balance	6.15	-	-
2.13.3 Other compehensive income-Remeasurement of net defined benefit plans, net			
Opening balance	1.23	-	-
Add / (less) : Remeasurement of define benefit obligation	1.05	1.23	-
Closing balance	2.28	1.23	-
	68.35	50.21	67.20

2.14 Non Current Borrowings

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured loan			
Term loans			
Kotak Mahindra Prime Limited	31.91	-	-
	31.91	-	-
Less : Current maturities of non-current borrowings	-16.82	-	-
	15.09	-	-

Vehicle Loan
*secured against hyphotication of respective vehicle financed by them.

2.15 Non-current provision

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits			
Gratuity	14.18	10.78	9.94
Leave encashment	9.15	7.50	7.49
	23.33	18.28	17.43

2.16 Shot terms borrowings

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
2.16.1 Secured			
Cash credit and working capital demand loan			
from Kotak Mahindra Bank Limited	50.00	79.21	47.74
from Yes Bank Limited	-	0.25	25.01
	50.00	79.46	72.75
2.16.2 Unsecured			
from Minda Corporation Limited- Holding Company	-	-	6.65
	-	-	6.65
	50.00	79.46	79.40

Notes :

1 Overdraft from Kotak Mahindra Bank Limited is secured by hypothecation on the entire current assets of the Company both present and future. It is further guaranteed by Minda Corporation Limited, Holding Company.

2 Overdraft from Yes Bank Limited is secured by the corporate guaranteed given by Minda Corporation Limited, Holding Company.

2.17 Current financial liabilities-Trade payables

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade payables			
To related party			
-Minda Furukawa Electric Private Limied	4.54	4.76	4.80
To others	16.33	16.35	11.47
	20.87	21.11	16.27

The Ministry of Micro and Small Enterprises has issued an Office Memorandum dated 26th August, 2008 which recommends that the Micro and the Small Enterprises should mention in their correspondence with its customers the Entrepreneurs' Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, there are no overdue outstanding to Micro and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006. Further the company has not received any claim for interest from any supplier under the said Act.

2.18 Other financial liabilities

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturities of long-term borrowings			
-Vehicle loan	16.82	-	-
Interest accrued	0.61	-	-
Salary Payable	24.75	5.74	6.50
Other expenses	3.69	4.37	3.24
	45.87	10.11	9.74

2.19 Other current liabilities

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Statutory dues			
-Services Tax	-	0.12	0.24
-Goods and Services Tax	5.36	-	-
-Tax deducted at source	4.38	7.73	4.99
-Social Security Tax	-	-	
-Provident and other fund	2.28	1.67	1.63
	12.02	9.52	6.86

2.20 Current provision

₹ in million

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits			
Gratuity	0.26	0.21	0.21
Leave encashment	0.46	0.41	0.42
	0.72	0.62	0.63

2.21 Revenue from operations

₹ in million

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Management Fees	360.73	312.82
Other Operating Income	2.15	1.67
Revenue from operations	362.88	314.49

2.22 Other income

₹ in million

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Exchange Fluctuation gain (Net)	2.35	-
Interest Income from		
Bank	0.01	0.06
Income Tax refund	4.78	3.27
	7.14	3.33

2.23 Employees benefits expenses

₹ in million

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and allowances	160.75	161.84
Contribution to provident and other fund	10.99	10.20
Social security taxes	0.74	0.34
Leave encashment	2.45	3.70
Gratuity	6.71	2.61
Staff welfare expenses	4.65	5.22
Employees Stock Compensation Expenses	6.15	-
	192.44	183.91

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2.24 Finance Cost

₹ in million

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense		
- banks	5.85	7.73
- others	1.95	0.43
	7.80	8.16

2.25 Other Expenses

₹ in million

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Lease Rent	4.84	18.27
Rent	5.68	6.19
Rates and Taxes	0.73	2.37
Fee and Subscription	0.96	0.71
Electricity Expenses	4.77	5.37
Insurance	2.52	2.38
Books and Periodicals	0.09	0.07
Communication Expenses	6.22	6.76
Donation	-	0.03
Printing and Stationery	0.32	0.83
Travelling and Conveyance	44.28	40.95
Auditors Remuneration		-
- as auditors	0.45	0.45
- for tax audit	0.05	0.05
-for limited review	0.23	0.23
- for other services	0.03	0.25
Legal and consultancy charges	35.60	27.86
Miscellaneous Expenses	10.17	7.35
Computer expenses	0.47	0.32
Corporate Publicity	4.84	4.34
Recruitment charges	1.81	1.69
Conference and Seminar	1.76	3.16
Repairs -Others	7.60	5.87
Entertainment	0.74	0.89
Guest House expenses	4.49	8.94
Loss on sale of fixed assets / write off	0.09	0.18
Exchange fluctuations Loss (net)	-	1.19
Bank charges	0.25	0.23
	138.99	146.93

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2.26 Accounting for leases

Operating leases- As a lessee

The Company has taken on lease, accommodation for factory, offices and cars, with an option of renewal at the end of the lease term and escalation clause in a case. The leases are in the nature of cancellable operating leases. Lease rentals amounting to ₹ 48,35,922 (31 March, 2017: ₹ 1,82,68,649 01 April, 2016: ₹ 1,66,24,671) in respect of such leases have been recognized in the statement of profit and loss for the year.

2.27 Expenditure in foreign currency

₹ in million

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Legal and professional expense	0.88	-
Travelling and conveyance	7.21	8.03
Miscellaneous	0.08	-
	8.17	8.03

2.28 Unhedged foreign currency exposure

a. Particulars of unhedged foreign currency exposure as at the reporting date

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise is as follows:

Particulars	As at 31 Mar 2018		As at 31 March 2017		As at 01 April 2016	
	₹ in million	Amount (in original currency)	₹ in million	Amount (in original currency)	₹ in million	Amount (in original currency)
Receivables in foreign currency						
Management and Business support fees						
-EURO	24.53	304,231	11.45	165,355	26.86	357,615
-USD	6.06	93,216	0.41	6,286	0.20	3,084
Payables in foreign currency						
Import of services						
-USD	0.04	645				

The above does not include any foreign currency exposures from investment in body corporate outside India, which as treated as non- integral in nature.

2.29 Related party disclosures as required under India Accounting Standard (Ind AS)- 24 "Related party disclosure":

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

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

Description of Relationship	Name of the Party
Parent	Minda Corporation Limited
Enterprises over which key management of the Company are able to exercise significant influence	Minda Capital Private Limited, India(formaerly known asMinda Capital Limited) Minda Sai Limited, India Minda Stoneridge Instruments Limited, India Minda Silca Engineering Private Limited, India Dorset Kaba Security Systems Private Limited, India Minda KTSN Plastic Solution GMBH & Co.KG, Germany Minda Automotive Solution Limited, India PT Minda Automotive, Indonesia Minda Vietnam Automotive Co. Limited, Vietnam Minda Furukawa Electric Private Limited, India Minda Schenk Plastic Solutions S.P. Z O.O. Poland Minda KTSN Plastic Solutions Mexico, S. de R.L. de C.V, Mexico Spark Minda Foundation, India Minda Autoelekrik Limited, India Minda Plastic Solutions India Private Limited, India Minda International Limited India
Jointly control entity	Minda Vast Access Systems Private Limited
Key mangement personnel	Mr. Ashok Minda
Relative of Key management personnel	Mrs Sarika Minda Mr. Aakash Minda

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₹ in million

Particulars	Holding Company		Associate Company		Joint Ventrure		Enterprise in which directors of the Company and their relatives are able to exercise significant influence:		Key Management Personnel		Total	Total
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
a) Management Fees												
Minda KTSN Plastic and Tooling Solutions Sp Z.O.O	-	-	-	-	-	-	0.96	1.01	-	-	0.96	1.01
Minda Capital Private Limited	-	-	-	-	-	-	5.00	22.50	-	-	5.00	22.50
Minda Corporation Limited	107.46	95.85	-	-	-	-	-	-	-	-	107.46	95.85
Minda KTSN Plastic Solution GMBH & CO. KG	-	-	-	-	-	-	30.26	29.30	-	-	30.26	29.30
Minda KTSN Plastic Solution Mexico	-	-	-	-	-	-	5.64	-	-	-	5.64	-
Minda Sai Limited	-	-	-	-	-	-	86.26	63.88	-	-	86.26	63.88
Minda Silca Engineering Limited	-	-	-	-	-	-	3.82	3.62	-	-	3.82	3.62
Minda Stoneridge Instruments Limited	-	-	-	-	-	-	47.96	38.52	-	-	47.96	38.52
Minda VAST Access System Private Limited	-	-	-	-	19.19	18.80	-	-	-	-	19.19	18.80 #
PT. Minda Automotive Indonesia	-	-	-	-	-	-	12.06	14.51	-	-	12.06	14.51
Minda Automotive Solutions Limited	-	-	-	-	-	-	30.19	13.62	-	-	30.19	13.62
Minda Furukawa Electric Private Limited	-	-	-	-	-	-	0.09	0.02	-	-	0.09	0.02
Minda Vietnam Automotive Company Limited	-	-	-	-	-	-	1.85	2.18	-	-	1.85	2.18
Dorset Kaba Security Systems Pvt. Ltd.	-	-	-	-	-	-	0.03	-	-	-	0.03	-
Minda Autoelektrik Ltd	-	-	-	-	-	-	9.94	9.01	-	-	9.94	9.01
TOTAL	107.46	95.85	-	-	19.19	18.80	234.07	198.17	-	-	360.73	312.82
b) Rent Expense												
Minda Corporation Limited	3.60	3.62	-	-	-	-	-	-	-	-	3.60	3.62
M' Sarika Minda	-	-	-	-	-	-	-	-	0.38	1.81	0.38	1.81
Mr. Akash Minda	-	-	-	-	-	-	-	-	0.38	1.81	0.38	1.81
Minda Capital Private Limited	-	-	-	-	-	-	1.50	2.65	-	-	1.50	2.65
	-	-	-	-	-	-	-	-	-	-	-	-
c) Legal & Professional												
Minda Corporation Limited	5.19	3.30	-	-	-	-	-	-	-	-	5.19	3.30
Minda SAI Limited	-	-	-	-	-	-	-	0.20	-	-	-	0.20
Minda Stoneridge Intruments Limited	-	-	-	-	-	-	2.66	2.46	-	-	2.66	2.46
Minda Silca Engineering Limited	-	-	-	-	-	-	-	3.12	-	-	-	3.12
d) Purchase of Goods and Services												
Minda Corporation Limited	2.67	4.24	-	-	-	-	-	-	-	-	2.67	4.24
Minda Stoneridge Intruments Limited	-	-	-	-	-	-	1.18	2.31	-	-	1.18	2.31
e) Interest Expenses												
Minda Corporation Limited	-	0.43	-	-	-	-	-	-	-	-	-	0.43
f) Loan Repayment												
Minda Corporation Limited	-	6.95	-	-	-	-	-	-	-	-	-	6.95
Balance outstanding as at the year end	As at 2018	As at 2017	As at 2018	As at 2017	As at 2018	As at 2017	As at 2018	As at 2017	As at 2018	As at 2017	Total as at 31-03-2018	Total as at 31-03-2017
g) Trade receivables												
Minda Corporation Limited	20.88	3.30	-	-	-	-	-	-	-	-	20.88	3.30
Minda KTSN Plastic and Tooling Solutions Sp Z.O.O	-	-	-	-	-	-	0.19	0.06	-	-	0.19	0.06
Minda Capital Private Limited	-	-	-	-	-	-	43.06	73.42	-	-	43.06	73.42
Minda KTSN Plastic Solution GMBH & CO. KG	-	-	-	-	-	-	24.61	11.39	-	-	24.61	11.39
Minda Sai Limited	-	-	-	-	-	-	17.12	10.90	-	-	17.12	10.90
Minda Silca Engineering Limited	-	-	-	-	-	-	0.66	0.99	-	-	0.66	0.99
Minda Stoneridge Instruments Limited	-	-	-	-	-	-	13.35	4.95	-	-	13.35	4.95
Minda VAST Access System Private Limited	-	-	-	-	5.55	5.25	-	-	-	-	5.55	5.25
Minda Automotive Solutions Limited	-	-	-	-	-	-	4.47	1.91	-	-	4.47	1.91
PT Minda Automotive Indonesia	-	-	-	-	-	-	0.17	0.06	-	-	0.17	0.06
Minda Vietnam Automotive Company Limited	-	-	-	-	-	-	0.15	0.34	-	-	0.15	0.34
Minda KTSN Plastic and Tooling Solutions Mexico	-	-	-	-	-	-	5.68	0.01	-	-	5.68	0.01
Minda Autoelektrik Ltd	-	-	-	-	-	-	2.24	1.24	-	-	2.24	1.24
h) Security Deposit												
Minda Capital Private Limited	-	-	-	-	-	-	0.60	0.60	-	-	0.60	0.60
Mr. Aakash Minda	-	-	-	-	-	-	-	-	-	0.75	-	0.75
i) Investment												
Minda VAST Access System Private Limited	-	-	0.00	0.00	-	-	-	-	-	-	0.00	0.00
j) Trade Payable												
Minda Furukawa Electric Private Limited	-	-	-	-	-	-	4.54	4.58	-	-	4.54	4.58
k) Guarantees Obtained												
Minda Corporation Limited	80.00	80.00	-	-	-	-	-	-	-	-	80.00	80.00

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2.30 Income tax

A. Amounts recognised in statement of profit and loss

₹ in million

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax		
Current year	2.45	-
Adjustment for prior years	(2.26)	0.11
	0.19	0.11
Deferred tax		
Origination and reversal of temporary differences	4.79	(8.47)
	4.79	(8.47)
Income tax expense reported in the statement of profit and loss	4.98	(8.36)

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

₹ in million

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Income tax		
Remeasurement of post employment benefit obligation	0.40	-
	-	-
Income tax recognised in other comprehensive income/(expense)	0.40	-

C. Reconciliation of effective tax rate

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

₹ in million

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operations		15.92		(26.59)
Tax using the Company's domestic tax rate	27.55%	0.00	33.06%	(0.00)
Tax effect of:		-		-
Non-deductible expenses	10.64%	1.69	-0.20%	0.05
Adjustment in current tax related to prior years	-14.18%	(2.26)	0.41%	(0.11)
Others (Incl. effect of tax rate changes over deferred tax assets)	7.29%	1.16	-1.83%	0.49
		-		-
Effective tax rate	3.75%	0.60	31.43%	0.43

D. Movement of temporary differences

₹ in million

Particulars	As at 01 April, 2016	Recognised in profit or loss during 2016-17	Recognised in OCI during 2016-17	As at 31 March, 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	As at 31 March, 2018
Deferred Tax Assets							
Provision for gratuity and compensated absences	5.97	0.27	-	6.24	0.38	-	6.63
Loss allowance for trade receivables	3.90	-	-	3.90	(0.65)	-	3.25
Loss to be carried forward	-	7.52	-	7.52	(7.52)	-	-
Difference in book written down value and tax written down value of property, plant and equipment	0.20	0.68	-	0.88	0.98	-	1.85
				-			-
MAT credit entitlement	-	-	-	-	1.22	-	1.22
A	10.07	8.47	-	18.54	(5.59)	-	12.95
Deferred Tax Liabilities							
Allowance for trade receivables	-	-	-	-	-	-	-
Others	-	-	-	-	0.40	-	0.40
B	-	-	-	-	0.40	-	0.40
Net deferred tax (A)-(B)	10.07	8.47	-	18.54	(5.19)	-	13.35

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2.31 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 2.23.

₹ in million

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Contribution towards		
-Provident fund	10.94	10.20
-Employee state insurance	0.05	0.00
	10.99	10.20

b) Defined benefit plans Gratuity

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

₹ in million

Particulars	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	0.00	10.14
Interest cost	0.83	0.81
Acquisition Adjustment	2.05	0.72
Current service cost	2.47	1.80
Past service cost	3.40	-
Benefits paid	(3.84)	(1.27)
Actuarial loss / (gain) on obligation	(1.45)	(1.23)
Present value of defined benefit obligation at the end of the year	3.46	10.98
Reconciliation of the present value of defined benefit obligation:		
Present value of defined benefit obligation at the end of the year	3.46	10.98
Fair value of plan asset at the end of the year	-	-
Net liability as at the close of the year	(3.46)	(10.98)
Expenses recognized in the statement of profit and loss:		
Current service cost	2.47	1.80
Past service cost	3.40	-
Interest cost	0.83	0.81
Expected return on plan assets	-	-
Net actuarial loss / (gain)	(1.45)	(1.23)
Expenses recognized in the statement of profit and loss.	5.26	1.38

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April 2016
Actuarial assumptions:			
Discount rate	7.71%	7.54%	8.00%
Expected rate of return on plan assets			
Expected salary increase rates	5.50%	5.50%	5.50%
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.

₹ in million

Particulars	For the year ended 31 March, 2018		For the year ended 31 March, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (- / + 0.5%)	(0.61)	0.65	(0.50)	0.54
	8.2%	7.2%	8.0%	7.0%
Future salary growth (- / + 0.5%)	0.66	(0.62)	0.54	(0.51)
	6.0%	5.0%	6.0%	5.0%

Rate of return on plan assets

Expected average remaining working lives of employees (years)

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

Maturity profile:

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

₹ in million

	As at 31 March, 2018	As at 31 March, 2017
0 to 1 Year	0.26	0.21
1 to 2 Year	2.86	0.18
2 to 3 Year	0.18	0.19
3 to 4 Year	1.59	1.89
4 to 5 Year	0.53	0.50
5 to 6 Year	1.47	1.74
6 Year onwards	7.55	6.27

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

c) Other long term benefit - Compensated absences

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

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

Assumptions	As at 31 March, 2018	As at 31 March, 2017	As at 01 April 2016
Discount rate	7.71%	7.54%	8.00%
Expected salary increase rates	5.50%	5.50%	5.50%
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 ₹ 96,13,291 (31 March, 2017: ₹79,05,022, 01 April, 2016: ₹ 79,17,340) and the expense recognised in the statement of profit and loss during the year for the same amounts to ₹ 24,45,898 (31 March, 2017: ₹36,97,835, 01 April, 2016: ₹ 31,96,118)

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 (- / + 0.5%)	(0.35)	0.37	(0.31)	0.33
	8.2%	7.2%	8.0%	7.0%
Future salary growth (- / + 0.5%)	0.37	(0.35)	0.34	(0.32)
	6.0%	5.0%	6.0%	5.0%
Expected average remaining working lives of employees (years)				

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

Maturity profile:

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

₹ in million

	As at 31 March, 2018	As at 31 March, 2017
0 to 1 Year	0.46	0.41
1 to 2 Year	2.16	0.14
2 to 3 Year	0.72	0.14
3 to 4 Year	0.11	2.03
4 to 5 Year	0.58	0.77
5 to 6 Year	0.52	0.66
6 Year onwards	5.06	3.76

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

Risk Exposure

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

a) Asset volatility

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

b) Changes in discount rate

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

c) Inflation risks

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

d) Life expectancy

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

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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.

2.32 Financial instruments – Fair values and risk management

a. Financial instruments – by category and fair values hierarchy

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

i. As on 01 April, 2016

₹ 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 Equity instrument	-	-	-	-	-	-	-
(ii) Loans	-	-	3.26	3.26	-	-	-
Current			-				
(i) Trade receivables	-	-	144.23	144.23	-	-	-
(ii) Cash and cash equivalents	-	-	6.55	6.55	-	-	-
(iii) Bank balances other than (iii) above	-	-	0.81	0.81	-	-	-
(iv) Other financial assets	-	-	5.90	5.90	-	-	-
Total	-	-	160.75	160.75			
Financial liabilities							
Current							
(i) Borrowings		-	79.40	79.40	-	-	-
(ii) Trade payables		-	16.27	16.27	-	-	-
(iii) Other financial liabilities		-	9.74	9.74	-	-	-
Total	-	-	105.41	105.41			

ii. As on 31 March, 2017

₹ 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) Loans	-	-	2.79	2.79	-	-	-
Current			-				
(i) Trade receivables	-	-	113.83	113.83	-	-	-
(ii) Cash and cash equivalents	-	-	3.37	3.37	-	-	-
(iii) Bank balances other than (iii) above	-	-	0.87	0.87	-	-	-
(iv) Other financial assets	-	-	2.89	2.89	-	-	-
Total	-	-	123.74	123.74			
Financial liabilities							
Current							
(i) Borrowings	-	-	79.46	79.46	-	-	-
(ii) Trade payables	-	-	21.11	21.11	-	-	-
(iii) Other financial liabilities	-	-	10.11	10.11	-	-	-
Total	-	-	110.68	110.68			

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iii. As on 31 March, 2018

₹ 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 Equity instrument	-	-	-	-			
(ii) Loans	-	-	2.49	2.49	-	-	-
Current							
(i) Trade receivables	-	-	138.33	138.33	-	-	-
(ii) Cash and cash equivalents	-	-	1.74	1.74	-	-	-
(iii) Other financial assets	-	-	6.14	6.14	-	-	-
Total	-	-	148.70	148.70			
Financial liabilities							
Non-current							
(i) Borrowings	-	-	15.09	15.09	-	-	-
			-				
Current							
(i) Borrowings	-	-	50.00	50.00	-	-	-
(ii) Trade payables	-	-	20.87	20.87	-	-	-
(iii) Other financial liabilities	-	-	45.87	45.87	-	-	-
Total	-	-	131.84	131.84			

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 31 March, 2018, 31 March, 2017 and 01 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.

b. **Financial risk management**

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

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

Risk management framework

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

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

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b. Financial risk management (continued)

(i) Credit risk

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

₹ in million

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Cash and cash equivalents	1.74	3.37	6.55
Balances other than cash and cash equivalents	-	0.87	0.81
Other financial assets	6.14	2.89	5.90

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 customer.

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

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

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

₹ in million

	Gross carrying amount		
Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Current (not past due)			
1 to 30 days past due	43.59	27.10	26.95
31 to 60 days past due	57.13	5.48	33.29
61 to 90 days past due	11.95	2.08	3.69
More than 90 days past due #	25.66	79.17	80.30
	138.33	113.83	144.23

* The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.

The Company based upon past trends determine an impairment allowance for loss on receivables outstanding for more than 1 year past due.

Movement in the loss allowance in respect of trade receivables:

₹ in million

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Balance at the beginning of the year	11.79	11.79
Impairment loss recognised / (reversed)	-	-
Amount written off	-	-
Balance at the end of the year	11.79	11.79

(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.

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b. Financial risk management (continued)

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:

₹ in million

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
From Banks - Short Term	13.18	0.53	7.25
From banks - Long Term	-	-	-
From others	-	-	-

II. Maturities of financial liabilities

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

As at 01 April, 2016	Carrying amount	Contractual cash flows		
		0-12 months	1–5 years	Total
Non-current liabilities				
Borrowings	-	-		-
Current liabilities				
Borrowings	79.40	79.40	-	79.40
Trade payables	16.27	16.27	-	16.27
Other financial liabilities	9.74	9.74	-	9.74
Total	105.41	105.41	-	105.41

As at 31 March, 2017	Carrying amount	Contractual cash flows		
		0-12 months	1–5 years	Total
Non-current liabilities				
Borrowings	-	-	-	-
Current liabilities				
Borrowings	79.46	79.46	-	79.46
Trade payables	21.11	21.11	-	21.11
Other financial liabilities	10.11	10.11	-	10.11
Total	110.68	110.68	-	110.68

As at 31 March, 2018	Carrying amount	Contractual cash flows		
		0-12 months	1–5 years	Total
Non-current liabilities				
Borrowings - Long Term	15.09	-	15.09	15.09
Current liabilities				
Borrowings - Short Term	50.00	50.00	-	50.00
Trade payables	20.87	20.87	-	20.87
Other financial liabilities	45.87	45.87	-	45.87
Total	131.83	116.74	15.09	131.83

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6. Financial risk management (continued)

(iii) Market risk

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

Currency risk

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

Exposure to currency risk
The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March, 2018, 31 March, 2017 and 01 April, 2016 are as below

₹ in million

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
	Foreign currency Amount	Amount in ₹	Foreign currency Amount	Amount in ₹	Foreign currency Amount	Amount in ₹
Financial assets						
Trade receivables						
-EURO	304,232	24.53	165,355	11.45	357,615	26.86
-USD	93,216	6.06	6,287	0.41	3,084	0.20
Financial liabilities						
Trade payables						
-USD	645	0.04	-	-	-	-

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

₹ in million

Particulars	Profit or loss				Equity, net of tax			
	31 March, 2018		31 March, 2017		31 March, 2018		31 March, 2017	
	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign								
USD	0.06	(0.06)	0.00	(0.00)	0.02	(0.02)	0.00	(0.00)
EUR	0.25	(0.25)	0.11	(0.11)	0.07	(0.07)	0.04	(0.04)
	0.31	(0.31)	0.12	(0.12)	0.08	(0.08)	0.04	(0.04)

USD: United States Dollar, EUR: Euro

Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

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

₹ in million

Variable-rate instruments	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Term loans from banks (Non current)	15.09	-	-
Term loans from banks (current)	16.82	-	-
Cash Credit/ Working capital demand loan	50.00	79.47	79.40
Total	81.91	79.47	79.40

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.

₹ 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 March 31, 2018	0.41	(0.41)	0.11	(0.11)
For the year ended March 31, 2017	0.40	(0.40)	0.13	(0.13)

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2.33 Employes share-based payments plans

Under the employee share based payment plans, certain employees of the Company are granted stock options of Minda Corporation Limited ('MCL'), the parent entity. The plan is assessed, managed and administered by MCL. All of the plans granted to employees by the parent entity are equity-settled.

The Company applies Ind AS 102 - Share based payments, to share based payment transactions. Pursuant to this standard, stock options granted to the employee by the parent entity are measured at fair value and recognised in the Statement of Profit and Loss over the vesting period of the options and crediting deemed capital contribution in other equity. The fair value of stock options was determined by the parent entity using the Black Scholes option pricing model.

Under the Plan, upto 5,341,840 stock options can be issued to eligible employees of MCL and its subsidiaries, whether working in India or out of India, including any Director of 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. Under the Plan, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹. 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 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%	1-Apr-18	Nil
2	20%	1-Apr-19	Nil
3	20%	1-Apr-20	Nil
4	40%	1-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 option	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	-		-	-
Granted during the year	520,000	50	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	-		-	-
Exercisable at the end of the year	520,000	50	-	-

Employee stock compensation expense in relation to stock options granted to employee of companies is ₹ 61.50 lakhs (Previous year Nil)

Employee 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	
Grant date	7 March, 2017
Expected volatility	47.58%
Risk free interest rate	7.15%
Exercise price (₹.)	50.00
Expected dividend yield	0.54%
Life of options (years)	4.07
Weighted average exercise price	50.00
Weighted average fair value of options as at the grant date (₹.)	92.90
Expected Option Life	The expected option life is assumed to be mid-way between the option vesting and expiry.
Expected Volatility	Volatility was calculated using standard deviation of daily change in stock price. The historical period considered for volatility match the expected life of the option.

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Model used	Black-Scholes Method
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	

2.34 Capital management

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

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

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

₹ in million

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Borrowings -Short Term	50.00	79.47	79.40
Borrowings -Long Term (including current maturity)	31.91	-	-
Less:- Cash and cash equivalent	(1.74)	(3.37)	(6.56)
Adjusted net debt (A)	80.17	76.10	72.84
Total equity (B)	123.34	105.20	122.20
Adjusted net debt to adjusted equity ratio (A/B)	65.0%	72.3%	59.6%

2.35 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.

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit after tax attributable to equity shareholders ₹ in million	11.99	(17.00)
Computation of weighted average number of Equity share of ₹. 10 each	-	-
- Number of share at the beginning of the Year	5.50	5.50
Total number of equity share outstanding as at the end of the year	0.00	0.00
Weighted average number of equity share used in computing basic and diluted earnings per share	0.00	0.00
Basic and diluted earning per equity share of face value of ₹. 10 each	2.18	(3.09)

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2.36 **Explanation of transition to Ind AS**

As mentioned in note 1.2 (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 01 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 01 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 01April, 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 01 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) **Deemed cost for property, plant & equipment, investment property 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 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. Accordingly, the Company has elected to measure all its property, plant and equipment and intangible assets at their previous GAAP carrying value.

(ii) **Investment in Joint Venture**

Investment in subsidiaries/associate in standalone 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/associate at fair value.

b) **Ind AS mandatory exceptions:**

(i) **Estimates**

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

Ind AS estimates as at 01 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.

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 :-

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(i) Reconciliation of equity as at 01 April, 2016:

₹ 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	2.1	15.99	-	15.99
Intangible assets	2.2	1.18	-	1.18
Financial assets		-		-
i. Investments	2.3	0.00	-	0.00
ii. Loans	2.4	3.26	-	3.26
Deferred tax assets (net)	2.5	10.07		10.07
Income tax assets (net)	2.6	53.98	-	53.98
Total non-current assets		84.48	-	84.48
Current assets				
Financial assets				
i. Trade receivables	2.7	144.23	-	144.23
ii. Cash and cash equivalents	2.8	6.56	-	6.56
iii. Other bank balances	2.9	0.81	-	0.81
iv. Other financial assets	2.10	5.90	-	5.90
Other current assets	2.11	10.55	-	10.55
Total current assets		168.05	-	168.05
Total assets		252.53	-	252.53
EQUITY AND LIABILITIES				
Equity				
Equity share capital	2.12	55.00	-	55.00
Other equity	2.13	67.20	-	67.20
Total equity		122.20	-	122.20
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
i. Borrowings	2.14	-	-	-
Provisions	2.15	17.43	-	17.43
Total non- current liabilities		17.43	-	17.43
Current liabilities				
Financial Liabilities				
(i) Borrowings	2.16	79.40	-	79.40
(ii) Trade payables	2.17	16.27	-	16.27
(iii) Other financial liabilities	2.18	9.74	-	9.74
Other current liabilities	2.19	6.86	-	6.86
Provisions	2.20	0.63	-	0.63
Total current liabilities		112.90	-	112.90
Total equity and liabilities		252.53	-	252.53

*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:

₹ 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	2.1	12.76	-	12.76
Intangible assets	2.1	0.93	-	0.93
Financial assets		-		-
i. Investments	2.2	0.00	-	0.00
ii. Loans	2.4	2.79	-	2.79
Deferred tax assets (net)	2.5	18.54		18.54
Income tax assets (net)	2.6	60.72	-	60.72
Total non-current assets		95.74	-	95.74
Current assets				
Financial assets				
i. Trade receivables	2.7	113.83	-	113.83
ii. Cash and cash equivalents	2.8	3.37	-	3.37
iii. Other bank balances	2.9	0.87	-	0.87
v. Other financial assets	2.10	2.88	-	2.88
Other current assets	2.11	27.60	-	27.60
Total current assets		148.55	-	148.55
Total assets		244.29	-	244.29
EQUITY AND LIABILITIES				
Equity				
Equity share capital	2.12	55.00	-	55.00
Other equity	2.13	50.20	-	50.20
Total equity		105.20	-	105.20
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
i. Borrowings	2.14	-	-	-
Provisions	2.15	18.27	-	18.27
Total non- current liabilities		18.27	-	18.27
Current liabilities				
Financial Liabilities				
(i) Borrowings	2.16	79.47	-	79.47
(ii) Trade payables	2.17	21.11	-	21.11
(iii) Other financial liabilities	2.18	10.11	-	10.11
Other current liabilities	2.19	9.52	-	9.52
Provisions	2.20	0.62	-	0.62
Total current liabilities		120.82	-	120.82
Total equity and liabilities		244.29	-	244.29

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

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

₹ in million

Particulars	Foot note reference	Amount as per previous GAAP*	Effects of transition to Ind AS	Amount as per Ind AS
Revenue				
Revenue from operations	2.21	314.49	-	314.49
Other income	2.22	3.33	-	3.33
Total Income		317.82	-	317.82
Expenses				
Employee benefits expense	2.23	182.68	1.23	183.91
Finance costs	2.24	8.16	-	8.16
Depreciation and amortisation expense	2.1 & 2.2	5.41	-	5.41
Other expenses	2.25	146.93	-	146.93
Total expenses		343.19	1.23	344.41
Profit before tax		(25.36)	1.23	(26.59)
Tax expense				
Current tax expense		-		-
Tax expense for earlier years		0.11	-	0.11
Deferred tax (credit)/ charge		(8.47)	-	(8.47)
Profit for the year		(17.00)	1.23	(18.23)
Other comprehensive income				
Items that will not be reclassified the statement of profit and loss				
Re-measurement loss/ (gain) of defined benefit obligation		-	1.23	1.23
Income tax relating to relating items that will not be reclassified to profit or loss		-	-	-
Total other comprehensive income/ (expense) for the year, net of taxes		-	1.23	1.23
Total comprehensive income for the year		(17.00)	-	(17.00)

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

(iv) **Reconciliation of total equity as at 31 March, 2017 and 01 April, 2016**

₹ in million

Particulars	As at 31 March, 2017	As at 01 April, 2016
Total equity (shareholder's funds) as per previous GAAP	50.20	67.20
Total equity as per Ind AS	50.20	67.20

(v) **Reconciliation of total comprehensive income/ (expense) for the year ended 31 March, 2017**

Particulars	For the year ended 31 March, 2017
Profit for the period as per Previous GAAP	(17.00)
Acturial gain & (loss)	(1.23)
Total adjustments	(1.23)
Profit after tax as per Ind AS	(18.23)
Other comprehensive income	1.23
Total comprehensive income as per Ind AS	(17.00)

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

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

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C. Notes to the reconciliations:

1 Fair valuation of investments

Under the previous GAAP, investment in equity instruments were classified as long term investments bassed on the intended holding period and realisability. Long term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under the Ind AS, these investments are required to be measured at fair value.

The company has decided to use the previous gap carrying value and not to fair value its investments in jointly controlled entity as on the date of transition.

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 required to be recognised initially at their amortised cost.

3 Employee benefits: Remeasurement of post employment benefit plans

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss. Under previous GAAP these were forming part of the statement of profit and loss for the year. As a result. loss for the year ended 31 March, 2017 is increased by ₹12,28,585 and is reclassified to other comprehensive income. There is no impact on the total equity as at 31 March, 2017.

4 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 01 April, 2016), the net impact on deferred tax liabilities is of ₹ NIL lakhs (31 March, 2017: ₹1,85,35,400). The profit and total equity for the year ended 31 March, 2017 increased by ₹21,368,989 due to differences in taxable profits and accounting profits.

5 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.

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

2.38 The Company operates only in one business segment i.e. management consultancy and business support services to group companies so segment disclosures required in accordance Ind-AS 108 are not applicable to the company

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

2.40 The previous year figures have been reclassified to conform to current period's classification and in accordance with schedule III. This does not impact recognition and measurement principles followed for preparation of financial statements.

Significant accounting policies 1

The accompanying notes from 1 to 2.40 form an integral part of the financial statements

As per our report of even date
For R.N.Saraf & Co
Chartered Accountants
(Registration No. 002023N)

R. N. Saraf, F.C.A.
Membership No. 12439

R. N. SARAF & CO. Chartered Accountants Regn. No. 002023 N NEW DELHI

Place : New Delhi
Date : 25th May, 2018

For and on behalf of the Board of Directors of Minda Management Services Limited

Ajay Sancheti
Director
Din: 00055472

Ashok Minda
Director
Din: 00054727

Shalu Garg
Company Secretary, ACS No. 40155