

Minda Automotive Solutions Limited

Statutory Audit for the year ended

31 March 2016

B S R & Associates LLP

Chartered Accountants

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

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MINDA AUTOMOTIVE SOLUTION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Minda Automotive Solution Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit 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 financial statements are free from material misstatement.

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

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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('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.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company did not have any pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts outstanding as at 31 March 2016.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/W-100024



Manish Gupta

Partner

Membership No.: 095037

Place: Gurgaon
Date: 24 May 2016

Annexure A referred to in our Independent Auditor's Report to the members of Minda Automotive Solution Limited on the financial statements for the year ended 31 March 2016.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified over a period two years, and in accordance therewith, a portion of fixed assets has been physically verified by the management during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, the discrepancies noticed on such verification were not material.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no immovable property held in the name of the Company.
- (ii) The inventories, except goods in transit, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanation given to us, the Company has not granted secured or unsecured loans to companies, firms and other parties covered in the register required under section 189 of the Companies Act, 2013. Thus paragraph 3 (iii) (a), (b) and (c) of the order are not applicable.
- (iv) The company has not given any loans, made any investments, provided any guarantee or security as specified under section 185 and 186 of Companies Act, 2013. Accordingly, paragraph 3 (iv) of the Order is not applicable.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) The Central government of India has not prescribed the maintenance of cost record under Section 148 (1) of the Companies Act, 2013 for the goods traded by the company. Accordingly, paragraph 3 (vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate



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authorities though there has been a slight delay in few cases. As explained to us, the Company does not have any amount due on account of Duty of custom and Duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no disputed dues in respect of Sales Tax, Service Tax, Income Tax and Value added tax which have not been deposited with the appropriate authorities.
- (viii) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. Further, the Company had no loans or borrowings from government at any time during the year and had not issued any debentures during the year or outstanding as at 31 March 2016.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and the term loans were applied for the purposes for which those were raised.
- (x) According to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no transactions with the related parties which are not in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements, as required, by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment, private placement of shares and fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.



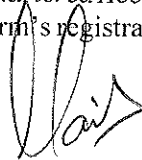
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- (xv) According to information and explanations given to us and based on audit procedures performed, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For B S R & Associates LLP

Chartered Accountants

Firm's registration no.: 116231W/W-100024



Manish Gupta

Partner

Membership No.: 095037

Place: Gurgaon

Date: 24 May 2016

Annexure B to the Independent Auditor's Report of even date on the financial statements of Minda Automotive Solutions Limited for the year ended 31 March 2016

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

We have audited the internal financial controls over financial reporting of Minda Automotive Solutions Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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.

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 2016, 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 B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/W-100024



Manish Gupta

Partner

Membership No.: 095037

Place: Gurgaon
Date: 24 May 2016



ASHOK MINDA GROUP

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MINDA AUTOMOTIVE SOLUTIONS LTD

BALANCE SHEET

2015-16


MINDA AUTOMOTIVE SOLUTIONS LIMITED
Balance Sheet as at 31 March 2016
(Amount in Rs.)

	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	28,03,000	28,03,000
Reserves and surplus	3	879,15,884	579,44,339
		<u>907,18,884</u>	<u>607,47,339</u>
Non-current liabilities			
Long-term borrowings	4	99,132	3,45,702
Other long-term liabilities	5	216,64,119	199,44,119
Long-term provisions	6	171,98,298	109,02,782
		<u>389,61,549</u>	<u>311,92,603</u>
Current liabilities			
Trade payables	7		
-total dues of creditors other than micro and small enterprises		3778,48,031	3615,49,772
-total dues of micro and small enterprises		47,78,680	-
Other current liabilities	8	474,26,028	388,37,265
Short-term provisions	9	25,49,077	15,58,879
		<u>4326,01,816</u>	<u>4019,45,916</u>
TOTAL		<u><u>5622,82,249</u></u>	<u><u>4938,85,858</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	10	193,20,126	217,56,726
Intangible fixed assets	11	26,69,940	26,69,860
Deferred tax assets	12	65,78,700	58,76,700
Other non current assets	13	8,83,465	-
Long-term loans and advances	14	122,06,346	8,18,100
		<u>416,58,577</u>	<u>311,21,386</u>
Current assets			
Inventories	15	1841,68,091	1081,96,334
Trade receivables	16	2919,13,598	3222,18,874
Cash and bank balances	17	317,84,729	207,79,632
Short-term loans and advances	18	125,93,089	114,23,099
Other current assets	19	1,64,165	1,46,533
		<u>5206,23,672</u>	<u>4627,64,472</u>
TOTAL		<u><u>5622,82,249</u></u>	<u><u>4938,85,858</u></u>
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements


As per our report of even date attached

For **B S K & Associates LLP**
Chartered Accountants
Firm registration number: 116231W / W-100024

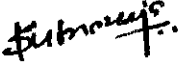

Manish Gupta
Partner
Membership No.: 095037

Place: Gurgaon
Date: 24 May 2016

For and on behalf of the Board of Directors Minda Automotive Solutions Limited


(SANJAY BHAGAT)
(Whole Time Director)
DIN : 05234071

Place: Delhi
Date: 24 May 2016


(SUMIT DOSEJA)
(Director)
DIN : 03169783

Place: Delhi
Date: 24 May 2016

MINDA AUTOMOTIVE SOLUTIONS LIMITED
Statement of profit and loss for the year ended 31 March 2016
(Amount in Rs.)

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue from operations	20	22071,70,427 <u>22071,70,427</u>	19561,51,072 <u>19561,51,072</u>
Other income	21	<u>33,20,796</u>	<u>43,77,744</u>
Total revenue		22104,91,223	19605,28,816
Expenses			
Purchase of stock in trade	22	18853,93,711	15343,85,606
Changes in inventories of stock in trade	23	(646,61,843)	159,38,110
Employee benefit expenses	24	1392,69,560	1144,50,281
Finance costs	25	25,46,730	15,43,567
Depreciation and amortisation	26	50,87,970	81,40,819
Other expenses	27	<u>1974,35,711</u>	<u>2431,07,015</u>
Total expenses		21650,71,837	19175,65,399
Profit before tax		454,19,386	429,63,417
Income tax expense			
- Current tax		161,49,841	160,00,000
- Taxes for earlier years		-	16,984
- Deferred tax charge / (credit)		<u>(7,02,000)</u>	<u>(28,48,700)</u>
Profit for the year		299,71,545	297,95,133
Basic and diluted earnings per equity share [nominal value of share Rs. 10 (previous year Rs. 10)]		106.93	106.30

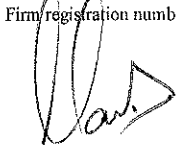
Significant accounting policies

1

The notes referred to above form an integral part of the financial statements

As per our report of even date attached


For BSR & Associates LLP
 Chartered Accountants
 Firm registration number: 116231W / W-100024



Manish Gupta
 Partner
 Membership No.: 095037


Place: Gurgaon
 Date: 24 May 2016

For and on behalf of the Board of Directors Minda Automotive Solutions Limited



(SANJAY BHAGAT)
 (Whole Time Director)
 DIN : 05234071

Place: Delhi
 Date: 24 May 2016



(SUMIT DOSEJA)
 (Director)
 DIN : 03169783

Place: Delhi
 Date: 24 May 2016

MINDA AUTOMOTIVE SOLUTIONS LIMITED
NOTE -1 SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING POLICIES

A) Basis of accounting

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

B) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period and the reported amounts of income and expenses during the reporting period. Examples of estimates amongst others, includes provisions of future obligations under employee benefit plans, the useful lives of fixed assets, and impairment of assets. Actual result could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

C) Current-non-current classification

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

Assets

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

- i) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii) It is held primarily for the purpose of being traded;
- iii) It is expected to be realised within 12 months after the reporting date; or
- iv) 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

All other assets are classified as non-current.



MINDA AUTOMOTIVE SOLUTIONS LIMITED
Statement of Cash Flow for the year ended 31 March 2016

	For the year ended 31 March 2016	(Amount in Rs.) For the year ended 31 March 2015
A. Cash flow from operating activities		
Net profit before taxation	454,19,386	429,63,417
Adjustments for:		
Depreciation and amortisation expense	50,87,970	81,40,819
Provision for doubtful trade receivables	45,573	-
Interest expense	11,13,248	14,54,951
Loss on sale / discard of fixed assets	4,35,260	73,079
Bad debts	12,195	-
Foreign exchange differences	(8,405)	-
Interest income	(24,21,563)	(16,99,904)
Operating profit before working capital changes	496,83,664	509,32,362
Adjustments for:		
Decrease / (Increase) in trade receivables	302,55,912	(1666,75,283)
(Increase) / Decrease in inventories	(759,71,757)	168,37,115
(Increase) / Decrease in short term and long term loans and advances	(50,16,439)	399,96,625
Decrease in other current assets/non current assets	-	2,88,471
Increase / (Decrease) in other long term / other current liabilities	103,72,994	(398,75,236)
Increase in trade payables	210,76,939	1189,38,286
Increase in long term and short term provisions	55,49,430	53,35,594
Cash generated from operations	359,50,743	257,77,934
Income tax paid	(217,11,199)	(84,75,187)
Net cash generated from operating activities (A)	142,39,544	173,02,747
B. Cash flows from investing activities		
Purchase of fixed assets	(42,71,768)	(139,05,016)
Sale of fixed assets	11,85,060	7,79,744
Investment in fixed deposits	(8,83,465)	-
Interest received	24,03,931	16,99,904
TDS on Interest on FDRs	(2,44,155)	-
Net cash generated / (used in) investing activities (B)	(18,10,397)	(114,25,368)
C. Cash flows from financing activities		
Repayment of term loan	(3,10,802)	(12,44,292)
Interest paid on income taxes	(10,48,716)	-
Interest paid	(64,532)	(14,54,951)
Net cash (used in) financing activities (C)	(14,24,050)	(26,99,243)
Net decrease in cash and cash equivalents (A + B + C)	110,05,097	31,78,136
Cash and cash equivalents at the beginning of the year	207,79,632	176,01,496
Cash and cash equivalents at the end of the year	317,84,729	207,79,632

Notes to Cash Flow Statement:

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

2. Cash and cash equivalents consists of cash in hand and balances with scheduled banks. Refer note 17

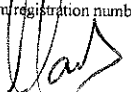
Significant accounting policies

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The accompanying notes from 1 to 37 form an integral part of the financial statements

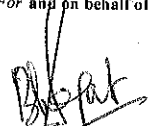
As per our report of even date attached

For **BRS R& Associates LLP**
Chartered Accountants
Firm registration number: 116231W / W-100024

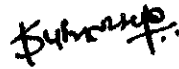

Manish Gupta
Partner
Membership No.: 095037

Place: Gurgaon
Date: 24 May 2016

For and on behalf of the Board of Directors of Minda Automotive solutions Limited


(SANJAY BHAGAT)
(Whole Time Director)
DIN : 05234071

Place: Delhi
Date: 24 May 2016


(SUMIT DOSEJA)
(Director)
DIN : 03169783

Place: Delhi
Date: 24 May 2016

Liabilities

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

- i) It is expected to be settled in the Company's normal operating cycle;
- ii) It is held primarily for the purpose of being traded;
- iii) It is due to be settled within 12 months after the reporting date; or
- iv) 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.

All other liabilities are classified as non-current.

Operating cycle

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

D) Revenue recognition

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

- i) **Sale of goods**
Sales include sale of traded goods. Revenue from sale of goods is recognized on transfer of significant risks and rewards of ownership to the customers. Sale of goods is net of sales tax, value added tax, applicable discounts and allowances and sales returns.
- ii) **Other operating income**
Service income includes after sales services of goods sold to original equipment manufacturer and is recognised as per the term of the contract with the customer.
- iii) **Interest income**
Income from interest on deposits, loans and interest bearing securities is recognized on the time proportion method taking into account the amount outstanding and the interest rate applicable.

E) Fixed assets

- i) **Tangible assets**
Fixed assets are carried at cost of acquisition or construction less accumulated depreciation and impairment. Cost includes freight, duties, taxes and expenses incidental to acquisition and installation of fixed assets.
- ii) **Intangible assets**
Intangible assets (comprising computer software) are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.



F) Depreciation and amortization

Depreciation on fixed assets is provided using the straight line method as per the estimated useful lives of the fixed assets estimated by the management.

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has aligned the depreciation rates based on the useful lives as specified in Part 'C' of Schedule II to the Act, except for the Vehicle which has been depreciated over life of four years being the managements estimate of the useful life is lower than the life arrived at on the basis of Schedule II of the Act.

Based on internal technical evaluation, the management believes that the useful lives as considered for arriving at depreciation rates, best represent the period over which management expects to use these assets.

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

The intangible assets are amortized over a period of five years, which in the management's view represents the economic useful life. Amortization expense is charged on a pro-rata basis for assets purchased during the year. The appropriateness of the amortization period and the amortization method is reviewed at each financial year end.

G) Inventories

Inventories of stock in trade and packing material are valued at lower of cost or net realisable value. Cost is computed on the FIFO basis. Inventories in Transit is valued at cost.

H) Impairment of assets

The carrying amounts of assets are reviewed at each reporting date in accordance with Accounting Standard 28 on 'Impairment of assets' to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset or cash generating unit exceeds it's recoverable amount. Impairment losses are recognized in the statement of profit and loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

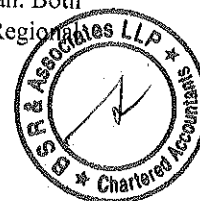
I) Employee benefits

Short term employee benefits

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

Defined contribution plan (Provident fund)

Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both the employees and the Company make monthly contributions to the provident fund (with Regional



Provident Fund Commissioner) equal to specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions.

Defined benefit plan (Gratuity)

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

Other long term employee benefit (Compensated absence)

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

Actuarial valuation

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

J) Income taxes

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the Company. Deferred tax charge or credits are recognized for the future tax consequences attributable to timing differences that result between the profit / (loss) offered for income taxes and the profit/ (loss) as per the financial statements. Deferred tax in respect of a timing difference which originates during the tax holiday period but reverses after the tax holiday period is recognized in the year in which the timing difference originates. For this purpose the timing differences which originate first are considered to reverse first. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain to be realised.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, in accordance with the provisions contained in the Guidance Note on Accounting for Credit Available under Minimum Alternative Tax, issued by the ICAI, the said asset is created by way of a credit to the statement of profit



and loss and shown as "MAT Credit Entitlement". The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT, if required.

K) 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.

L) Provisions, contingent liabilities and contingent assets

A provision is created when there is a present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are not discounted to its present value, and are determined based on the management's best estimate of the amount of obligation required at the year end. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provision for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

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

M) Foreign Currency Translation

Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognized in the consolidated statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at year end rates. The resultant exchange differences are recognized in the consolidated statement of profit and loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

N) Leases

Where the Company is lessee

Assets taken on lease by the Group in the capacity of a lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at the lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and

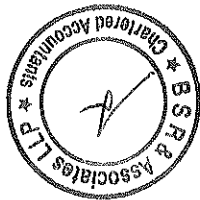


the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

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

O) Cash and Cash Equivalents

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



MINDA AUTOMOTIVE SOLUTIONS LIMITED
Notes to the financial statements for the year ended 31 March 2016
(Amount in Rs.)

2 Share capital

	As at 31 March 2016	As at 31 March 2015
Authorised 5,00,000 (previous year 5,00,000) equity shares of Rs. 10 each	50,00,000	50,00,000
Issued, subscribed and fully paid 2,80,300 (previous year 2,80,300) equity shares of Rs.10 each, fully paid up	<u>50,00,000</u>	<u>50,00,000</u>
	28,03,000	28,03,000
	<u>28,03,000</u>	<u>28,03,000</u>

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

	As at 31 March 2016		As at 31 March 2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,80,300	28,03,000	2,80,300	28,03,000
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>2,80,300</u>	<u>28,03,000</u>	<u>2,80,300</u>	<u>28,03,000</u>

b. Rights, preferences and restrictions attached to equity shares.

(i) Terms/rights attached to equity shares

The Company has Equity shares of having face value of Rs.10/- for each share. Each shareholder is eligible for one vote for each share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of shareholders in the ensuing Annual general meeting. In the event of the liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding, after distribution of all preferential amounts, if any.

c. Shares held by holding Company

	As at 31 March 2016		As at 31 March 2015	
	Number of Shares	Amount	Number of Shares	Amount
Minda Corporation Limited	2,79,910	27,99,100	2,79,910	27,99,100
Mr. D.C. Sharma (Nominee for M/s Minda Corporation Limited)	100	1,000	100	1,000
Mr. Ajay Sancheti (Nominee for M/s Minda Corporation Limited)	70	700	70	700
Mr. Pardeep Mann (Nominee for M/s Minda Corporation Limited)	100	1,000	100	1,000
Mr. Sanjay Bhagat (Nominee for M/s Minda Corporation Limited)	10	100	10	100
Mr. Sumit Doseja (Nominee for M/s Minda Corporation Limited)	100	1,000	100	1,000
Mr. Sanjay Aneja (Nominee for M/s Minda Corporation Limited)	10	100	10	100
	<u>2,80,300</u>	<u>28,03,000</u>	<u>2,80,300</u>	<u>28,03,000</u>

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

	As at 31 March 2016		As at 31 March 2015	
	Nos.	% of total shares in the class	Nos.	% of total shares in the class
Minda Corporation Limited and its nominees	2,80,300	100.00%	2,80,300	100.00%

3 Reserves and surplus

	As at 31 March 2016	As at 31 March 2015
	Capital reserve Balance as per last financial year At the end of the year	<u>12,83,547</u>
General reserve Balance as per last financial year At the end of the year	<u>130,00,000</u>	<u>130,00,000</u>
Surplus (Profit and loss balance) Balance as per last financial year Add: Profit for the year Balance at the end of the year	<u>436,60,792</u>	<u>138,65,659</u>
	<u>299,71,545</u>	<u>297,95,133</u>
	<u>736,32,337</u>	<u>436,60,792</u>
Total reserves and surplus	<u>879,15,884</u>	<u>579,44,339</u>



MINDA AUTOMOTIVE SOLUTIONS LIMITED
Notes to the financial statements for the year ended 31 March 2016
(Amount in Rs.)

4	Long-term borrowings	Long term maturities		Current maturities	
		As at	As at	As at	As at
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Vehicle Loan				
	- From HDFC Bank Limited bank (Secured)	3,45,702	6,40,578	2,46,570	2,94,876
	- From Kotak Mahindra Prime Limited (Secured)	-	15,926	-	15,926
		<u>3,45,702</u>	<u>6,56,504</u>	<u>2,46,570</u>	<u>3,10,802</u>
	Less: Amount shown under other current liabilities (refer to note 8)	2,46,570	3,10,802	2,46,570	3,10,802
		<u>99,132</u>	<u>3,45,702</u>	<u>-</u>	<u>-</u>
	Vehicle loan from bank and others				
	Vehicle loan is secured by way of hypothecation of respective vehicles and repayable in installments over 48 months by way of payment of equated monthly installments beginning from the date of distribution. The rate of interest is in the range of 6.50%-11.50%.				
5	Other Long-term liabilities			As at	As at
				31 March 2016	31 March 2015
	Security deposit received from customers			216,64,119	199,44,119
				<u>216,64,119</u>	<u>199,44,119</u>
6	Long-term provisions			As at	As at
				31 March 2016	31 March 2015
	Provision for employee benefits				
	- Gratuity			110,06,822	61,95,491
	- Leave encashment			61,91,476	47,07,291
				<u>171,98,298</u>	<u>109,02,782</u>
7	Trade payables			As at	As at
				31 March 2016	31 March 2015
	On account of purchase and Services*			3826,26,711	3615,49,772
				<u>3826,26,711</u>	<u>3615,49,772</u>
	* For dues to micro and small suppliers, refer note 31				
8	Other current liabilities			As at	As at
				31 March 2016	31 March 2015
	Current maturities of long-term debt (refer note 4)			2,46,570	3,10,802
	Capital creditors			6,80,476	-
	Advance from customers			30,16,283	26,07,655
	Expenses payable			-	81,70,237
	Payable to employees			139,31,747	17,55,857
	Book overdraft			8,75,528	-
	Statutory liabilities				
	- Service Tax			-	40,789
	- Provident fund and other fund			15,03,448	14,10,874
	- Sales Tax / VAT			253,42,911	221,62,943
	- Tax deducted at source			16,20,235	21,96,655
	- Others			2,08,830	1,81,453
				<u>474,26,028</u>	<u>388,37,265</u>
9	Short-term provisions			As at	As at
				31 March 2016	31 March 2015
	Provision for employee benefits				
	- Gratuity			3,95,533	10,47,723
	- Leave encashment			4,17,260	4,66,156
	- Provision for wealth tax			-	45,000
	- Provision for income tax (Net of advance tax Rs.3,04,13,557)			17,36,284	-
				<u>25,49,077</u>	<u>15,58,879</u>

MINDA AUTOMOTIVE SOLUTIONS LIMITED
Notes to the financial statements for the year ended 31 March 2016
(Amount in Rs.)

10 Tangible Fixed Assets

For the year ended 31 March 2016

Description	Gross Block				Depreciation			Net Block		
	As at 1 April 2015	Additions	Deletions/ adjustments	As at 31 March 2015	As at 1 April 2015	Charge for the year	Deletions/ adjustments	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
Computer Furniture & Fittings	115,99,686	17,69,825	8,28,774	125,40,737	88,22,656	9,48,340	7,60,142	90,10,854	35,29,883	27,77,030
Vehicles	74,49,723	11,130	-	74,60,853	46,75,226	2,45,745	-	49,20,971	25,39,882	27,74,497
Office Equipment	94,91,992	10,24,455	23,96,156	81,20,291	21,29,062	16,46,721	8,56,258	29,19,525	52,00,766	73,62,930
	194,35,801	8,98,596	15,000	203,19,397	105,93,531	16,79,481	3,210	122,69,802	80,49,595	88,42,270
TOTAL	479,77,202	37,04,006	32,39,930	484,41,278	262,20,475	45,20,287	16,19,610	291,21,132	193,20,126	217,56,727

For the year ended 31 March 2015

Description	Gross Block				Depreciation			Net Block		
	As at 1 April 2014	Additions	Deletions/ adjustments	As at 31 March 2015	As at 1 April 2014	Charge for the year	Deletions/ adjustments	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
Computer Furniture & Fittings	97,91,377	25,88,250	7,79,941	115,99,686	81,72,584	12,50,742	6,00,670	88,22,656	27,77,030	16,18,793
Vehicles	74,10,223	39,500	-	74,49,723	43,15,719	3,59,507	-	46,75,226	27,74,497	30,94,504
Office Equipment	25,66,184	81,52,168	12,26,360	94,91,992	10,92,260	15,89,610	5,52,808	21,29,062	73,62,930	14,73,924
	182,46,289	11,89,512	-	194,35,801	80,69,769	25,23,762	-	105,93,531	88,42,270	101,76,520
TOTAL	380,14,073	119,69,430	20,06,301	479,77,202	216,50,332	57,23,621	11,53,478	262,20,475	217,56,727	163,63,741



MINDA AUTOMOTIVE SOLUTIONS LIMITED
Notes to the financial statements for the year ended 31 March 2016
(Amount in Rs.)

II Intangible Fixed Assets

For the year ended 31 March 2016

Description	Gross Block			Amortisation				Net Block	
	As at 1 April 2015	Additions	Deletions/ adjustments	As at 31 March 2015	Charge for the year	Deletions/ adjustments	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
Software	193,63,994	5,67,762	-	199,31,756	5,67,682	-	172,61,816	26,69,940	26,69,860
TOTAL	193,63,994	5,67,762	-	199,31,756	5,67,682	-	172,61,816	26,69,940	26,69,860

For the year ended 31 March 2015

Description	Gross Block			Amortisation				Net Block	
	As at 1 April 2014	Additions	Deletions/ adjustments	As at 31 March 2015	Charge for the year	Deletions/ adjustments	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
Software	174,28,408	19,35,586	-	193,63,994	24,17,198	-	166,94,134	26,69,860	31,51,472
TOTAL	174,28,408	19,35,586	-	193,63,994	24,17,198	-	166,94,134	26,69,860	31,51,472



MINDA AUTOMOTIVE SOLUTIONS LIMITED
Notes to the financial statements for the year ended 31 March 2016
(Amount in Rs.)

	As at 31 March 2016	As at 31 March 2015
12 Deferred tax assets		
Deferred tax assets		
- Excess of depreciation/amortisation on fixed assets provided in accounts over depreciation/ amortisation under Income Tax Act, 1961.	15,53,040	16,86,156
- Provision for employee benefits	46,32,067	38,36,749
- Provision for doubtful debts	3,93,593	3,53,795
Deferred tax assets	65,78,700	58,76,700
13 Other Non-Current Assets		
Balance with banks		
- Deposits due to mature after 12 months for the reporting date*	8,83,465	-
	8,83,465	-
* Out of these Rs. 8,83,465 is pledged as security with sales tax department.		
14 Long-term loans and advances (Unsecured and considered good)	As at 31 March 2016	As at 31 March 2015
Security Deposits		
- Government authorities	21,000	1,41,000
- Other	12,52,540	6,77,100
Income tax (Net of Provision Rs. 2,46,15,487)	109,32,806	-
	122,06,346	8,18,100
15 INVENTORIES (At Lower of cost and net realisable value)	As at 31 March 2016	As at 31 March 2015
Stock-in-trade	1720,39,815	1073,77,972
Stock-in-transit	116,67,192	6,59,026
Packing Material	4,61,084	1,59,336
	1841,68,091	1081,96,334
15.1 Details of Stock-in-trade	As at 31 March 2016	As at 31 March 2015
Locks	760,50,160	615,82,804
Wiring Harness	201,01,646	83,29,420
Others	758,88,009	374,65,748
	1720,39,815	1073,77,972
16 Trade receivables * (Unsecured and considered good)	As at 31 March 2016	As at 31 March 2015
Receivables outstanding for a period exceeding six months from the date they became due for payment		
Considered good	890,06,722	528,86,716
Considered doubtful	11,90,542	11,44,969
Provision for doubtful debts	(11,90,542)	(11,44,969)
	890,06,722	528,86,716
Other receivables		
Considered good	2029,06,876	2693,32,158
	2919,13,598	3222,18,874

* Secured to the extent of Rs.1,39,78,691 (Previous Year Rs. 1,38,41,608)



MINDA AUTOMOTIVE SOLUTIONS LIMITED
Notes to the financial statements for the year ended 31 March 2016
(Amount in Rs.)

17 Cash and bank balances

	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents:		
Balances with bank		
-On current account	23,76,717	8,01,655
-On deposit accounts (with original maturity of 3 Months or less)	-	-
-Cash in hand	16,481	14,581
	<u>23,93,198</u>	<u>8,16,236</u>
Other bank balances		
- Deposits which are due to maturity within 12 month or less *	293,91,531	199,63,396
	<u>317,84,729</u>	<u>207,79,632</u>

Detail of bank balances/deposits

- On deposit accounts with original maturity of 3 months or less included under 'Cash and cash equivalents'	-	-
- On deposit accounts due to mature within 12 months of reporting date included under 'Other bank balances'	293,91,531	199,63,396
- On deposit accounts due to mature after 12 months of reporting date included under 'Other non-current assets'	8,83,465	-
	<u>302,74,996</u>	<u>199,63,396</u>

* Out of these current year Nil (previous year Rs. 2,55,375) is pledged as security with sales tax department.

18 Short-term loans and advances
(Unsecured and considered good)

	As at 31 March 2016	As at 31 March 2015
Prepaid expenses	8,74,006	19,41,789
Advance to suppliers	75,07,064	15,39,521
Loan to MASL Control Cables Limited	24,01,439	25,00,000
Loans to employees	17,73,914	20,50,780
Service tax receivable	36,666	-
Income tax (Net of Provision)	-	33,91,009
	<u>125,93,089</u>	<u>114,23,099</u>

19 Other current assets

	As at 31 March 2016	As at 31 March 2015
Interest accrued on fixed deposits	1,64,165	1,45,533
MAEL employee group gratuity scheme	-	1,000
	<u>1,64,165</u>	<u>1,46,533</u>



MINDA AUTOMOTIVE SOLUTIONS LIMITED
Notes to the financial statements for the year ended 31 March 2016
(Amount in Rs.)

	For the year ended 31 March 2016	For the year ended 31 March 2015
20 Revenue from operations		
Sale of Products		
Sale of Products	22032,24,462	19376,19,111
Other Service income	39,45,965	185,31,961
	<u>22071,70,427</u>	<u>19561,51,072</u>
20.1 Details of goods sold		
Locks	14424,23,978	12882,86,305
Wiring Harness	2107,67,679	-
Accessories	93,24,132	442,10,929
Others	5407,08,673	6051,21,877
	<u>22032,24,462</u>	<u>19376,19,111</u>
21 Other income		
Interest income		
- on fixed deposits	24,21,563	16,85,110
- on loans	8,90,828	14,794
Profit on sale of assets	-	34,171
Cash discount received	-	26,43,669
Foreign Exchange gain (net)	8,405	-
	<u>33,20,796</u>	<u>43,77,744</u>
22 Purchases of Stock-in-trade		
Purchase Of Stock In Trade	18853,93,711	15343,85,606
	<u>18853,93,711</u>	<u>15343,85,606</u>
22.1 Details of Purchases of Stock		
Locks	11242,91,939	10138,49,316
Wiring Harness	1785,26,327	-
Accessories	61,23,620	344,79,285
Others	5764,51,825	4860,57,005
	<u>18853,93,711</u>	<u>15343,85,606</u>
23 Changes in Stock-in-Trade		
Inventories at the end of the year:		
Stock in trade	1720,39,815	1073,77,972
Less: Inventories at the beginning of the year:		
stock in trade	1073,77,972	1233,16,082
Net (increase) / decrease	<u>(646,61,843)</u>	<u>159,38,110</u>
24 Employee benefits		
Salaries, wages and bonus *	1158,53,697	938,58,237
Contribution to provident fund and other funds	100,59,959	88,72,861
Leave travel concession	-	1,40,550
Leave Encashment	30,42,481	30,73,501
Gratuity	45,53,419	31,62,093
Staff welfare expenses	57,60,004	53,43,039
	<u>1392,69,560</u>	<u>1144,50,281</u>

* Includes prior period expenses amounting to INR 70,55,365 (Previous year Nil)



MINDA AUTOMOTIVE SOLUTIONS LIMITED
Notes to the financial statements for the year ended 31 March 2016

(Amount in Rs.)

	For the year ended 31 March 2016	For the year ended 31 March 2015
25 Finance costs		
Interest expenses		
-on vehicle loans	64,532	1,12,191
-on others	14,33,482	13,28,976
Bank charges	-	88,616
Interest on Income tax	10,48,716	13,784
	<u>25,46,730</u>	<u>15,43,567</u>
26 Depreciation and amortisation		
Depreciation of tangible fixed assets (refer note 10)	45,20,287	57,23,621
Amortisation of intangible fixed assets (refer note 11)	5,67,682	24,17,198
	<u>50,87,970</u>	<u>81,40,819</u>
27 Other expenses		
Power and fuel	14,67,071	14,38,742
Rent	68,91,233	36,31,772
Repairs & Maintenance	35,97,130	48,28,569
Legal and Professional Charges (refer note (i))	58,50,632	50,31,347
Management Fee	133,04,200	110,74,371
Insurance	14,87,483	10,72,395
Printing and stationery	26,87,753	19,08,701
Travelling and conveyance	236,73,782	204,41,189
Loss on sale of fixed assets (Net)	4,35,260	1,07,250
Trade receivables written off	12,195	2,90,046
Provision for doubtful trade receivables	45,573	1,74,501
Distribution expenses	278,98,252	251,00,981
Advertising and sales promotion	276,74,406	287,23,001
Communication expenses	54,81,019	52,90,370
Cash discount	546,05,623	1,138,00,834
Rates and taxes	83,56,815	93,36,071
Packing expenses	109,87,459	89,86,095
Miscellaneous expenses	28,86,535	18,31,666
Foreign Exchange loss (Net)	-	39,114
Bank charges	93,290	-
	<u>1974,35,711</u>	<u>2431,07,015</u>
Note (i) : Payment to auditors (exclusive of service tax)		
As auditor		
-Statutory audit	5,50,000	3,93,260
-Tax audit	1,12,360	1,12,360
	<u>6,62,360</u>	<u>5,05,620</u>
28 Earning Per Share		
Net profit for the year attributable to the equity shareholders	299,71,545	297,95,133
Weighted average of equity shares	2,80,300	2,80,300
Basic and diluted earning (in Rs.) per share	<u>106.93</u>	<u>106.30</u>
29 Earning in foreign currency		
FOB value for Export	103,17,717	18,90,036
	<u>103,17,717</u>	<u>18,90,036</u>
30 Expenditure in foreign currency		
Travelling Expenses	4,42,722	1,17,103
	<u>4,42,722</u>	<u>1,17,103</u>



MINDA AUTOMOTIVE SOLUTIONS LIMITED
Notes to the financial statements for the year ended 31 March 2016

(Amount in Rs.)

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

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2015 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMDA) is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	47,78,680	Nil
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year;	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the year;	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

Note: The list of undertakings covered under MSMDA was determined by the Company on the basis of information available with the Company and have been relied upon by the auditors.

32 Capital Commitment and Contingent Liabilities

There is no capital and other commitment in the company.

33 Contingent Liabilities

All Liabilities have been provided for in the accounts except liabilities of a contingent nature which have been disclosed in the notes to accounts

34 Related Party Disclosure

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

Description of relationship	Name of the party
a) Holding Company	Minda Corporation Limited
b) Key Managerial Personnel	Mr. Sanjay Bhagat (CEO)
c) Joint Venture of a fellow subsidiary	Minda Vast Access Systems Private Limited *
d) Fellow Subsidiaries	Minda Management Service Limited, India Minda Stoneridge Instruments Limited

* formerly known as Minda Valeo Security System Private Limited, India



B) Details of Transactions/Balances with related parties:

2015-16

Party name	Payable as at the year end	Receivable as at the year end	Service Income	Purchase of goods during the year	Purchase of traded goods during the year	Management fee paid during the year	Rent paid during the year	Remuneration paid during the year	Other expenses paid / reimbursed during the year
Holding Company									
Minda Corporation Limited	2477.63,636			15113.47,283			28,75,230		17,11,811
Joint Venture of a fellow subsidiary									
Minda Vest Access Systems Private Limited	2,13,557	3,01,745	34,65,000	9,81,825					
Fellow Subsidiaries									
Minda Management Services Limited	14,24,733				133,04,199				3,01,344
Minda Stoneridge Instruments Limited	224,71,589			602,49,492					
Key managerial personnel									
Mr. Sanjay Bhagat (Whole-Time Director)								75,22,012	

2014-15

Party name	Payable as at the year end	Receivable as at the year end	Cash Discount Income	Service Income	Purchase of goods during the year	Purchase of traded goods during the year	Management fee paid during the year	Rent paid during the year	Remuneration paid during the year	Other expenses paid / reimbursed during the year
Holding Company										
Minda Corporation Limited	2097,36,000		19,50,139	79,56,000	1,29,49,41,000			20,22,480		75,56,000
Fellow Subsidiaries										
Minda Management Services Limited	63,05,000						110,74,371			3,06,166
Key managerial personnel										
Mr. Sanjay Bhagat (Whole Time Director)										
Mr. Bhushan Dua- Whole Time Director (From 01-04-2014 to 27-05-2014)									55,38,948	20,70,851



MINDA AUTOMOTIVE SOLUTIONS LIMITED
Notes to the financial statements for the year ended 31 March 2016
(Amount in Rs.)

35 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 the year and shown under Employee benefits expense in note 24.

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Contribution towards		
-Provident fund	48,17,863	45,81,251
-Employee state insurance	9,21,203	9,38,409
	<u>57,39,066</u>	<u>55,19,660</u>

b) Defined benefit plans Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity as a defined benefit plan. The gratuity plan provides for a lump sum payment to 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 actua 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 as are maintained.

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
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	118,57,126	83,21,955
Interest cost	9,48,570	7,07,366
Acquisition Adjustment	10,00,000	10,00,000
Current service cost	19,94,911	18,37,672
Benefits paid	(26,17,740)	(19,00,910)
Actuarial loss / (gain) on obligation	20,13,711	18,91,043
Present value of defined benefit obligation at the end of the year	151,96,578	118,57,126
Changes in the present value of the plan asset is as follows:		
Fair value of plan asset at the beginning of the year	47,03,100	55,24,493
Return on plan asset	4,23,279	4,97,204
Benefits paid during the year	(12,24,462)	(12,73,988)
Actuarial (gain) / loss on obligation	(1,08,694)	(44,609)
Fair value of plan asset at the end of the year	37,93,223	47,03,100
Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:		
Present value of defined benefit obligation at the end of the year	151,96,578	118,57,126
Fair value of plan asset at the end of the year	37,93,223	47,03,100
Net liability as at the close of the year	(114,03,355)	(71,54,026)
Expenses recognized in the statement of profit and loss:		
Current service cost	19,94,911	18,37,672
Interest cost	9,48,570	7,07,366
Expected return on plan assets	(4,23,279)	(4,97,204)
Net actuarial loss / (gain)	21,22,405	19,35,652
Expenses recognized in the statement of profit and loss:		
Experience Adjustment (loss) / gain:	46,42,607	39,83,486
On defined benefit obligation	(20,13,711)	(18,91,043)
On plan assets	(1,08,694)	10,636
Actuarial assumptions:		
Discount rate	8.00%	8.50%
Expected rate of return on plan assets	8.35%	9.00%
Expected salary increase rates		
Mortality	5.50%	6.00%
Employee attrition rate	100% of IALM 2006-08	100% of IALM 2006-08
-Up to 30 years of age	3.00%	3.00%
-From 31 years of age to 44 years of age	2.00%	2.00%
-Above 44 years of age	1.00%	1.00%



MINDA AUTOMOTIVE SOLUTIONS LIMITED
Notes to the financial statements for the year ended 31 March 2016
(Amount in Rs.)

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 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.

Experience gain / (loss) on PBO and Plan Assets

Particulars (Rs.)	31 March 2012	31 March 2013	31 March 2014	31 March 2015	31 March 2016
On Plan Present Value of Obligation	6,33,108	(22,85,667)	5,62,830	(18,91,043)	(20,13,711)
On Plan Assets	(4,56,619)	-	(11,11,120)	10,636	(1,08,694)

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 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 employee.

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

Assumptions	For the year ended 31 March 2016	For the year ended 31 March 2015
Discount rate	8.00%	8.50%
Expected salary increase rates		
Mortality	5.50%	6.00%
Employee attrition rate	100% of IALM 2006-08	100% of IALM 2006-08
-Up to 30 years of age	3.00%	3.00%
-From 31 years of age to 44 years of age	2.00%	2.00%
-Above 44 years of age	1.00%	1.00%

The other long- term benefit of compensated absence in respect of employees of the Company as at 31 March 2016 amounts to Rs. 66,08,736 (previous year Rs. 51,73,4 and the expense recognised in the statement of profit and loss during the year for the same amounts to Rs. 30,42,481 (previous year Rs.30,73,501) [Gross payment of 18,69,676 (previous year 19,62,072)]

36 Transfer Pricing

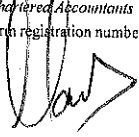
The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the 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 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.

37 Segment Information

The company operates primarily in single business segment i.e. Traded goods and in single geographical region. Therefore in disclosure requirement "Accounting Standard- 17 on Segment Reporting" is not applicable to the company.

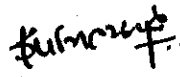
As per our report of even date attached

For **DSR& Associates LLP**
Chartered Accountants
Firm registration number: 116231W / W-100024


Manish Gupta
Partner
Membership No.: 095037

For and on behalf of the Board of Directors Minda Automotive Solutions Limited


(SANJAY BHAGAT)
(Whole Time Director)
DIN : 05234071


(SUMIT DOSEJA)
(Director)
DIN : 03169783

Place: Gurgaon

Date: 24 May 2016

Place: Delhi

Date: 24 May 2016

Place: Delhi

Date: 24 May 2016