TRANSLATION-AUDIT REPORT

Financial Statements as at 31 March 2015 and Management Report

Minda KTSN Plastic Solutions GmbH & Co. KG
Pirna

KPMG AG Wirtschaftsprüfungsgesellschaft

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Please note that for computational reasons, rounding differences to the exact mathematical figures (monetary units, percentages, etc.) may occur.

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List of Abbreviations

Audi	Audi AG, Ingolstadt
BMW	BMW AG, Munich
Daimler	Daimler AG, Stuttgart
Faurecia	Faurecia S.A., Nanterre
Grameda	Grameda Vermietungsgesellschaft mbH, Grünwald
Grisleva	Grisleva Vermietungsgesellschaft mbH, Grünwald
IDW	German Institute of Public Accountants [Institut der Wirtschaftsprüfer in Deutschland e.V.], Düsseldorf
KTSN Kunststofftechnik	KTSN Kunststofftechnik Sachsen Beteiligungs-GmbH, Pirna
Lear Corporation	Lear Corporation GmbH, Ginsheim-Gustavsburg
Mina KTSN PL	Minda KTSN Plastic and Tooling Solutions Z.o.o., Bydgoszcz, Poland
Minda Corporation	Minda Corporation Limited, Delhi, India
Minda Europe	Minda Europe GmbH, Esslingen
Minda KTSN	Minda KTSN Plastic Solutions GmbH & Co. KG, Pirna
Minda Management Service	Minda Management Service Limited, Delhi, India
Minda Schenk CZ	Minda Schenk Plastic Solutions s.r.o. Liberec, Czech Republic
OEM	Original Equipment Manufacturer
Opel	Adam Opel AG, Rüsselsheim am Main
R&D	Research and development
SAB	Sächsische Aufbaubank – Förderbank, Dresden

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VW	Volkswagen AG, Wolfsburg

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1 Audit Engagement

At the partners' meeting held on 25 February 2015 of

Minda KTSN Plastic Solutions GmbH & Co. KG, Pirna,
– hereinafter also referred to as "Minda KTSN" or "Company" –

we were appointed auditors for the financial year from 1 April 2014 to 31 March 2015. Accordingly, management has engaged us to audit the financial statements for the year ended 31 March 2015, together with the bookkeeping system and the management report.

This audit report has been prepared in accordance with the principles of Audit Standard 450 promulgated by the German Institute of Public Auditors [IDW].

We were engaged, pursuant to Section 318 of the German Commercial Code [HGB], to also audit the Company's consolidated financial statements as at 31 March 2015.

We confirm that we have conducted our audit in compliance with the applicable independence regulations in accordance with Section 321 (4a) of the German Commercial Code [HGB].

The terms governing this engagement are set out in the General Terms and Conditions of Engagement for Auditors and Auditing Firms (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) as amended on 1 January 2002, which are attached to this report as Appendix 4. Our liability is governed by Clause 9 of the General Engagement Terms. Our liability towards third parties is defined under Clauses 1 (2) and 9 of the General Engagement Terms.

2 Fundamental conclusions

2.1 Evaluation of management's assessment of the Company’s position

In our opinion, the following key statements in the management report are noteworthy:

- Largely driven by volume, revenue increased by EUR 2.3 million (+5%) to EUR 50.7 million in the 2014/15 financial year.
- Profit from continuing operations remained stable in 2014/15 and amounted to EUR 1.3 million (prior year: EUR 1.5 million). Earnings after taxes declined slightly by EUR 0.2 million to EUR 1.2 million.
- Assets rose in aggregate by EUR 2.5 million from 42.2 million as at 31 March 2014 to EUR 44.7 million as at 31 March 2015. Given that 78.8 % (PY: 77.8%) of the assets are current assets and 21.2% (PY: 22.2%) fixed assets, which means capital is tied up only short term, the Company considers its assets structure favourable.
- The Company is of the opinion that its financial situation has improved significantly. Supported by the net income for the year and a capital contribution worth EUR 0.8 million, the equity ratio rose by 3.7% from 14.8% in the prior year to 18.5% in the year under review.
- The Company is planning to invest EUR 1.5 million in machinery, building expansion, software and R&D in 2015/16.
- The Company is targeting a 5% annual revenue increase. Net income for the year after taxes is budgeted at between EUR 1.5 million and EUR 2.0 million in 2015/16.
- Going forward, the Company is planning to tap further markets outside Germany as well as acquire additional OEM customers.
- The Company perceives the development of prices for raw materials as the key risk. Renegotiations with customers and corresponding compensation agreements are designed to partially offset price increases. The topic of new agreements will continue to be given high priority.

As a result of our audit, we found that the management report presents fairly, in all material respects, the position of the Company and accurately presents the opportunities and risks of future development.

Refer to Appendices 2 and 3 for information on the Company’s business profile and legal status.

2.2 Violations of other regulations

2.2.1 Late preparation of prior year's consolidated financial statements

Contrary to the requirement set out in Section 290 (1) HGB in conjunction with Section 264a HGB, the Company did not prepare consolidated financial statements and a group management report as at 31 March 2014 within five months after the end of the financial year.

2.2.2 Failure to disclose prior year's consolidated financial statements and other required documentation

In contravention of Section 325 HGB in conjunction with Section 264a HGB, the Company failed to disclose the consolidated financial statements as at 31 March 2014 and the group management report as well as other required documents.

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3 Performance of the audit

3.1 Scope of the audit

We have audited the financial statements, including the accounting records, and the management report of Minda KTSN Plastic Solutions GmbH & Co. KG, Pirna, for the financial year ended 31 March 2015. The Company's management is responsible for

- maintenance of the books and records,
- preparing the financial statements and the management report in accordance with the regulations of German commercial law and the supplementary provisions of the partnership agreement, and also for
- the explanations and evidence provided to us.

Our responsibility is to express an opinion on these financial statements and the management report based on our audit.

An audit of financial statements only covers compliance with other legal regulations to the extent that these other legal regulations can be expected to have an impact on the financial statements or the management report.

3.2 Nature and scope of audit procedures

We conducted our audit of the financial statements in accordance with Section 317 of the German Commercial Code [HGB] and the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [IDW]. The objective of our risk-oriented audit approach is to ensure that the statements made in the financial statements and the management report of Minda KTSN provide a reliable basis for decisions taken by users of these financial statements.

The main features underlying our audit approach are as follows:

Phase I: Development of an audit strategy focused on business risks

Obtaining an understanding of the Company's business as well as knowledge of the accounting systems and the internal control system

Establishing audit focus areas based on our risk assessment:

- Audit of the process of preparing financial statements
- Design, implementation and effectiveness of internal controls in the personnel, supply and sales processes
- Recoverability of inventories
- Existence and recoverability of trade receivables
- Completeness and valuation of provisions
- Revenue recognition cut-off
- Completeness and accuracy of disclosures in the notes
- Plausibility of forecasts made in the management report

Establishing the audit strategy and timeline for the audit

Selecting the audit team and planning the deployment of specialists

Phase II: Selection and implementation of control-based audit procedures

Selection of control-based audit procedures based on risk assessments and knowledge of business processes and systems

Assessment of the design and effectiveness of selected accounting-related controls

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Phase III: Tests of details and analytical review of items in the financial statements

Performance of analytical reviews of items in the financial statements

Tests of details on a sample basis and assessment of individual items with a view to the accounting options and judgements exercised, e.g.:

- Obtaining confirmations of balances from customers and suppliers on the basis of a random selection of samples (customers) and specified samples (suppliers)
- Obtaining confirmations from the Company's legal counsel
- Obtaining confirmations from banks.

Review of disclosures in the notes and assessment of the management report

Phase IV: Overall assessment of audit results and reporting

Formation of the audit opinion on the basis of the overall assessment of audit results

Reporting in the audit report and the auditor's report

Detailed oral presentation of audit results to management and the Company's representatives

We performed our audit (with interruptions) between February and May 2015 and completed it on 26 May 2015. We performed a preliminary audit in February and March 2015.

All explanations and evidence requested by us were provided. Management confirmed in writing that the accounting records, the financial statements and the management report are complete.

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4 Findings concerning accounting records and financial reporting

4.1 Accounting records and related documents

The Company’s accounting records have been properly kept and maintained. The accounting records and related documents are properly authorised, sufficiently explained and filed in an orderly manner. Based on our findings, the accounting records and related documents comply with German statutory requirements.

Based on our audit, we found that the Company’s organisational and technical measures taken to ensure security of the accounting-relevant data and IT systems were appropriate.

4.2 Financial statements

The financial statements as at 31 March 2015, presented to us for audit, were properly derived from the Company's accounting records and related documents. The opening balance sheet figures were properly carried forward from the prior year's financial statements. The statutory regulations concerning recognition, disclosure and valuation were observed.

The balance sheet and the income statement were prepared in accordance with the provisions of German commercial law governing the accounting of commercial partnerships as defined under Section 264a (1) HGB, including generally accepted accounting principles. The notes to the financial statements include all required information. The supplementary provisions of the partnership agreement pertaining to financial statements were observed.

Proper use has been made of the protection clause under Section 286 (4) HGB.

4.3 Management report

The management report prepared by management complies with statutory regulations. The management report is consistent with the financial statements and our audit findings. It presents fairly, in all material respects, the position of the Company. As a result of our audit, we conclude that the management report suitably presents the main opportunities and risks of future development, and that the disclosures pursuant to Section 289 (2) HGB are complete and accurate.

5 Opinion on the overall presentation of the financial statements

5.1 Explanatory notes concerning the overall presentation

The general accounting policies are described in the notes to the financial statements (see Appendix 1.3).

The exercise of accounting and valuation options as well as accounting judgements for the following financial statement items has a material effect on the Company's net assets, financial position and results of operations:

The Company has made significant investments under **hire purchase agreements**. The hire purchase agreements are each concluded over a term of up to ten years. Rental payments made that can be credited to the purchase price are recorded as other assets. The Company capitalises these at cost. The value of the purchase price obligation is recognised by the company as a liability. The interest rate underlying the leasing agreement is used to determine the present value. The interest and cost component of the lease rate are recognized in the income statement in the period in which they occur. The additional repayment components are recognized without affecting the income statement and charged against the purchase price obligation. Liabilities from hire purchase agreements amounted to KEUR 272 as at 31 March 2015. This includes accrued interest expenses recognized in prepaid expenses and deferred charges.

The Company is the sole owner of Minda KTSN Plastic and Tooling Solutions Z.o.o., Bydgoszcz/Poland, Minda Schenk Plastic Solutions s.r.o., Liberec/Czech Republic, and KTSN Kunststofftechnik Sachsen Beteiligungs-GmbH, Pirna. Its **shares in affiliated companies** are recorded at cost**.** The Company established Minda KTSN Plastic Solutions s.r.o., Liberec/Czech Republic, in the year under review. This led to a KEUR 1,515 increase in acquisition costs for shares in affiliated companies.

Work in progress and finished goods are measured at cost, including directly attributable production and material overheads and depreciation as well as directly attributable material costs, labour and special direct costs at the minimum level allowable for tax. Interest on borrowed capital and general administrative expenses are not included in the production costs.

5.2 Conclusion on the overall presentation of the financial statements

Based on an overall consideration of the accounting policies and material transactions described above, we are of the opinion that the financial statements provide a true and fair view of the Company's net assets, financial position and results of operations in accordance with German generally accepted accounting principles.

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6 Auditor's report

We have issued the following unqualified auditor's report:

"

Auditor's report

We have audited the financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of Minda KTSN Plastic Solutions GmbH & Co. KG, Pirna, for the financial year from 1 April 2014 to 31 March 2015. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law and supplementary provisions of the partnership agreement are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the financial statements in accordance with Section 317 of the German Commercial Code [HGB] and German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [IDW]. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

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In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and the provisions of the Company's partnership agreement, and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Dresden, 26 May 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

Strom	Dr. Thiere
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Appendices

Appendix 1

Financial Statements as at 31 March 2015 and Management Report

Minda KTSN Plastic Solutions GmbH & Co. KG, Pirna

Balance sheet as at 31 March 2015

A s s e t s

	31 Mar. 2015		31 Mar. 2014	
	EUR	EUR	EUR	EUR
A. Fixed assets				
I. Intangible assets				
1. Internally generated trademarks and similar rights and assets	61.364,00		98.182,00	
2. Trademarks and similar rights and assets as well as similar licenses to such rights and assets acquired for a consideration	23.742,00	85.106,00	95.344,00	193.526,00
II. Property, plant and equipment				
1. Land and buildings	275.800,00		575.685,00	
2. Technical equipment and machinery	6.294.977,94		5.659.726,00	
3. Other equipment, operating and office equipment	834.432,00		808.104,00	
4. Advance payments and construction in progress	324.669,53	7.729.879,47	554.705,06	7.598.220,06
III. Financial assets				
1. Shares in affiliated companies	1.650.148,44		25.000,00	
2. Investments	1.000,00	1.651.148,44	1.525.748,44	1.550.748,44
		9.466.133,91		9.342.494,50
B. Current assets				
I. Inventories				
1. Raw materials and supplies	3.176.359,18		2.973.370,61	
2. Work in progress	1.691.761,90		1.272.651,63	
3. Finished goods and merchandise	1.135.471,43		900.395,70	
4. Advance payments	5.233.030,57	11.236.623,08	6.963.971,30	12.110.389,24
II. Receivables and other assets				
1. Trade receivables	4.237.122,19		5.135.443,09	
2. Receivables from affiliated companies	3.975.729,65		3.592.092,54	
3. Other assets	13.141.077,82	21.353.929,66	11.013.717,93	19.741.253,56
III. Cash and cash equivalents				
		1.945.676,06		601.166,41
		34.536.228,80		32.452.809,21
C. Prepaid expenses		702.506,02		360.096,83
		44.704.868,73		**42.155.400,54**

Equity & liabilities

	31 Mar. 2015	31 Mar. 2014
	EUR	EUR
A. Equity		
I. Capital contributed by limited partners	6.450.001,00	4.816.261,72
II. Reserves	568.824,54	0,00
III. Net income for the year	1.240.172,34	1.402.563,82
	8.258.997,88	6.218.825,54
B. Adjustment item for own shares capitalised	25.000,00	25.000,00
C. Specific item for investment allowances/grants	367.004,74	466.296,10
D. Provisions		
1. Tax provisions	335.085,54	458.912,25
2. Other provisions	1.657.510,23	1.719.010,78
	1.992.595,77	2.177.923,03
E. Liabilities		
1. Liabilities to banks	15.417.000,00	15.417.000,00
2. Payments received on account of orders	2.672.200,07	1.811.753,33
3. Trade payables	12.123.854,98	13.001.621,76
4. Liabilities to affiliated companies	2.230.915,61	547.271,04
5. Other liabilities	1.617.299,68	2.489.709,74
– thereof for taxes: EUR 350,875.19 (PY: EUR 83,045.32) –		
	34.061.270,34	33.267.355,87
	44.704.868,73	**42.155.400,54**

Minda KTSN Plastic Solutions GmbH & Co. KG, Pirna

Income statement for the period from 1 April 2014 to 31 March 2015

1.	Revenue
2.	Increase in finished goods and work in progress
3.	Other own work capitalised
4.	Other operating income
5.	Cost of materials
	a) Cost of raw materials, supplies and purchased goods
	b) Cost of purchased services
6.	Personnel expenses
	a) Wages and salaries
	b) Social security
7.	Amortisation of intangible assets and depreciation of property, plant and equipment and property, plant and equipment
8.	Other operating expenses
9.	Other interest and similar income
10.	Interest and similar expenses
11.	Profit from continuing operations
12.	Income taxes
13.	Other taxes
14.	Net income for the year

1 Apr. 2014 - 31 Mar. 2015		1 Apr. 2013 - 31 Mar. 2014	
EUR	EUR	EUR	EUR
	50.691.898,33		48.416.784,29
	548.175,37		123.079,16
	19.986,26		310.616,91
	1.903.497,57		1.165.877,29
23.245.488,60		22.733.561,56	
9.665.536,05	32.911.024,65	7.045.312,27	29.778.873,83
9.431.018,90		8.687.348,00	
1.596.800,24	11.027.819,14	1.436.881,65	10.124.229,65
	1.273.057,92		1.036.309,79
	5.975.571,51		6.718.584,80
	104.410,96		6,25
	793.021,33		903.221,12
	1.287.473,94		1.455.144,71
	18.000,00		23.300,00
	29.301,60		29.280,89
	1.240.172,34		1.402.563,82

Minda KTSN Plastic Solutions GmbH & Co. KG, Pirna

Notes to the financial statements for the financial year from 1 April 2014 to 31 March 2015

1 General information

For limited partnerships within the meaning of Section 264a HGB (German Commercial Code), the provisions of Sections 264 to 330 HGB apply correspondingly. The Company meets the size criteria for a large corporation as defined by Section 267 (3) HGB as at the balance sheet date.

In preparing the financial statements, the provisions of the German Commercial Code for large corporations were observed in respect of recognition, valuation and presentation.

The income statement was prepared using the total cost method.

2 Accounting policies

The following accounting policies were applied unchanged in preparing the financial statements.

Internally generated trademarks and similar rights and assets were recognised in prior years at cost in accordance with Section 255 (2a) HGB. They are amortised over their useful life. **Intangible assets** acquired for a consideration are stated at cost and, if subject to amortisation, amortised over their useful lives.

Property, plant and equipment is stated at cost less depreciation, as applicable. An exception to this are low-value assets costing individually from EUR 150.00 up to EUR 1,000.00, which are capitalised as a collective item at cost and depreciated over five years.

Shares included in **financial assets** are valued at the lower of cost and fair value.

Inventories are recognised at cost.

Inventories of **raw materials and supplies** are recognised at average acquisition costs.

Advance payments are recognised in the amount of the payments actually made.

Work in progress and finished goods are measured at production cost on the basis of cost accounting, including directly attributable production and material overheads and depreciation as well as directly attributable material costs, labour and exceptional costs at the minimum level allowable for tax. Interest on borrowed capital and general administrative expenses are not included in the production costs.

The lower-of-cost-or-market-value principle was observed when measuring these items.

All recognisable **inventory** risks resulting from above-average storage periods, limited ability to sell and lower replacement costs, are accounted for by appropriate write-downs.

Receivables and other assets are stated at nominal value. Appropriate allowances have been made for all items that are subject to risk; the general credit risk is taken into account by way of a general valuation allowance.

Receivables from affiliated companies and liabilities to affiliated companies are individually netted to the extent they are similar receivables and liabilities in terms of type, maturity and due date.

Cash and cash equivalents are stated at nominal value.

Payments made prior to the reporting date for expenses related to after this date are presented as **prepaid expenses**.

Capital shares provided by limited partners are recorded at the nominal amount of the capital account in consideration of any capital contributions and the net income for the year.

With regard to the interests held in the general partner company KTSN Kunststofftechnik Sachsen Beteiligungs-GmbH, Pirna (hereinafter referred to as "KTSN Kunststofftechnik"), **an adjustment item for own shares capitalised** was recognised in accordance with the provisions set forth in Section 264c (4) HGB.

Subsidies and grants received in connection with investments from 2004/2005 are recognised as a liability in the **special item for investment subsidies and grants**. The special items are recognised in income over the average useful life of the subsidised assets.

Provisions for taxes and **other provisions** account for all contingent liabilities. They are recognised at the settlement amount deemed necessary according to reasonable business judgement.

Liabilities are stated at their settlement amount.

Foreign currency receivables and liabilities are recorded at the relevant transaction rate. Exchange losses incurred at the closing date by realisation or measurement at the spot rate on the balance sheet date, in accordance with Section 256 a HGB, have been recognised in the income statement.

3 Explanatory notes to the balance sheet

3.1 Fixed assets

The breakdown and development of individual items of fixed assets including amortisation and depreciation during the financial year is presented in the statement of movements in fixed assets. Please refer to the appendix to the notes.

In the 2011 financial year, internally generated intangible assets of KEUR 180 were capitalised in accordance with the option provided under Section 248 (2) HGB. These capitalised expenses are development expenses for completed projects. They are amortised pro rata temporis over a period of five years.

3.2 Financial assets

3.2.1 Disclosures on investments

	Capital contributions	Investments	Equity	Earnings
	KEUR	%	KEUR	KEUR
KTSN Kunststofftechnik Sachsen Beteiligungs GmbH, Pirna*	25	100.0	23	0
Minda KTSN Plastic Solutions SP. Z o.o., Bydgoszcz, Poland **	1,515	100.0	2,296	648
Minda KTSN Plastic Solutions s.r.o , Usti, Czech Republic***	110	100.0	40	less 69

*) Disclosures related to the financial year ended 31 March 2015.
**) Disclosures relate to the financial year ended 31 March 2015, disclosures regarding equity and earnings were translated at the official exchange rate at 31 March 2015.
***) Disclosures relate to the financial year ended 31 March 2015.

The shares in Minda Schenk Plastic Solutions s.r.o. Liberec, which were held in the prior year, were sold in the 2014/2015 financial year.

Due to the fact that Minda KTSN is the sole owner, the shares in Minda KTSN Plastic Solutions SP. Z o.o., Bydgoszcz, Poland, worth KEUR 1,515, were disclosed as shares in affiliated companies for the first time in the year under review.

On the other hand, a new subsidiary, Minda KTSN Plastic Solutions s.r.o., was open in Usti. Its business operations involve assembling components for Minda KTSN Pirna. Expansion of business operations is planned.

The investments are not impaired due to respective business planning and positive development of the corresponding business at the investments.

3.3 Receivables and other assets

All receivables and other assets have a remaining term of up to one year. Other assets include an accumulated tenant loan worth KEUR 12,643 (PY: KEUR 10,730). On the transfer of legal ownership of the rented property in 2015, this loan is credited to the purchase price.

Receivables from affiliated parties include KEUR 3,500 (PY: KEUR 3,500) in receivables from a loan extended to Minda Europe GmbH, Esslingen. Other receivables from affiliated companies pertain to other assets (EUR 476; PY: KEUR 92).

3.4 Deferred taxes

KTSN does not exercise the option provided under Section 274 (1) sentence 2 HGB.

3.5 Equity

By sale and purchase agreement dated 18 April 2007, Kunststofftechnik Sachsen Verwaltungsgesellschaft mbH assigned and sold all of its limited partnership interests in Minda KTSN to MINDA Corporation Limited (formerly: MINDA Huf Limited), Delhi, India. A partnership agreement was concluded for the first time in 2014/2015. Under this agreement, the Company shall maintain a capital account, loan account, reserve account and a loss carryforward account. For this reason, the previously disclosed equity was changed only for a portion of the limited partner's equity share and instead, in addition to the limited partner's capital contribution (liable capital) entered in the commercial register, shown in the reserve account. Furthermore, net income is not presented as offset, since the partners' meeting still has to pass a resolution on its appropriation.

The Company’s equity increased due to the net income of KEUR 1,240 and a capital contribution of KEUR 800 from KEUR 6,219 to KEUR 8,259.

3.6 Other provisions

Other provisions mainly include KEUR 593 in personnel provisions (PY: KEUR 471) and KEUR 886 in outstanding invoices (PY: KEUR 898).

The Company was able to reverse the miscellaneous provision for potential back taxes arising from the tax audit of 2004 to 2007 in the amount of KEUR 273 and recognise this as income.

3.7 Liabilities

3.7.1 Statement of liabilities

The remaining terms of the liabilities are presented in detail in the following statement of liabilities (disclosures in KEUR).

	Total	Remaining term		
	31 Mar. 2015	Up to 1 year	1 to 5 years	Over 5 years
	KEUR	KEUR	KEUR	KEUR
Liabilities to banks	15,417	12,417	3,000	0
(31 Mar. 2014)	(15,417)	(12,417)	(3,000)	(0)
Advance payments received on orders	2,672	2,672	0	0
(31 Mar. 2014)	(1,812)	(1,812)	(0)	(0)
Trade payables	12,124	5,028	7,096	0
(31 Mar. 2014)	(13,002)	(5,044)	(7,958)	(0)
Liabilities to affiliated companies	2,231	2,231	0	0
(31 Mar. 2014)	(547)	(547)	(0)	(0)
Other liabilities	1,617	1,345	272	0
(31 Mar. 2014)	(2,490)	(2,222)	(268)	(0)
Total	**34,061**	**23,693**	**10,368**	**0**
Total (prior year)	**(33,268)**	**(22,042)**	**(11,226)**	**(0)**

Liabilities to affiliated companies include KEUR 1,231 (PY: KEUR 356) in trade payables and KEUR 1,000 (PY: KEUR 191) in other liabilities.

The increase in other liabilities to affiliated companies is largely due to Minda Corporation extending a loan worth EUR 1 million.

Trade payables include liabilities from loans granted by various car companies in the amount of EUR 8.3 million from 2007.

Intensive negotiations led to the conclusion of a "payment agreement" based on the customer contracts with VW, Audi and Daimler. This includes both the deferral of outstanding amounts until 30 September 2015 as well as the subsequent quarterly repayment of the loans in 16 instalments.

Liabilities to affiliated companies included liabilities to the partner of KEUR 1,171.

3.7.2 Contingent liabilities

As at the balance sheet date, there were no contingent liabilities in accordance with Section 251 HGB in conjunction with Section 268 (7) HGB.

3.7.3 Other financial obligations

	2015-2016	2016-2017	2017-2018	Total
	KEUR	KEUR	KEUR	KEUR
Sale and leaseback agreements	1,200	0	0	1,200
Leases and rents	109	76	16	201
Open purchase orders	237	0	0	237
Purchase commitments	3,513	0	0	3,513
	5,059	**76**	**16**	**5,151**

Expiration of support measures led to a major drop in the financial obligations from purchase commitments.

The Company will continue to fulfil the sale-and-lease-back agreement in the current financial year so that this will lead to a significant reduction in the amount of required financial resources.

4 Notes to the income statement

4.1 Revenue

	31 Mar. 2015		31 Mar. 2014	
	KEUR	**%**	**KEUR**	**%**
Revenue by region				
Germany	42,381	83.6	40,996	84.7
International	8,312	16.4	7,421	15.3
	50,692	**100.0**	**48,417**	**100.0**

4.2 Other operating income

Other operating income largely includes income from electricity tax reimbursements of KEUR 150 (PY: KEUR 166), the reversal of special items in the amount of KEUR 99 (PY: KEUR 99) and income from the reversal of provisions worth KEUR 465 (PY: KEUR 107).

In addition, the Company reported an approx. KEUR 290 gain from disposal of investments, which was the result of selling Minda Schenk Plastic Solutions s.r.o.

Expiration of SAB's subsidies as at 31 March 2015 led to the termination of other income for outstanding investment subsidies in the amount of approx. KEUR 210.

Other operating income includes KEUR 576 (PY: KEUR 193) in income related to other periods.

4.3 Other operating expenses

Other operating expenses largely contain KEUR 616 (PY: KEUR 884) in legal and consulting expenses and KEUR 359 (PY: KEUR 370) in incidental bank charges. This item also includes KEUR 859 (PY: TEUR 868) in leasing expenses from the sale and leaseback agreement.

Other operating expenses include KEUR 1 in expenses from exchange differences.

4.4 Managing and general partner

The managing shareholder, KTSN Kunststofftechnik Sachsen Beteiligungs-GmbH, with a share capital of EUR 25,000.00, is based in Pirna and has been registered in the Commercial Register of Dresden District Court, Section B, under no. 20898 since 25 November 2004. KTSN Kunststofftechnik Sachsen Beteiligungs-GmbH is also the general partner. The general partner did not make a capital contribution.

Vinayak Hegde has been managing director of KTSN Kunststofftechnik since 6 December 2013.

The Company exercises the option provided by Section 286 (4) HGB.

4.5 Auditor's fee

In accordance with Section 285 no. 17 HGB, the following disclosure is made: Fees for the audit of the annual financial statements amounted to KEUR 42.

4.6 Employees

Average headcount during the financial year was as follows:

	2014/15	2013/2014
Wage earners	260	253
Salaried employees	66	60
Subtotal	326	313
Trainees	9	7
Total	**335**	**320**

The total average number of employees is therefore 335.

4.7 Group structure

As at the balance sheet date, all shares in KTSN were held by Minda Corporation Limited, Delhi, India. The Company is included in the consolidated financial statements of Minda Corporation Limited, New Delhi, India, which prepares consolidated financial statements for the largest group of companies.

In accordance with Section 290 HGB, Minda KTSN Plastic Solutions GmbH & Co. KG is required to prepare consolidated financial statements. It will prepare such consolidated financial statements for the smallest group of companies. The consolidated financial statements will be published in the German Federal Gazette.

4.8 Appropriation of earnings

A resolution on the appropriation of the KEUR 1,240 in net income for the year will be passed at the next partners' meeting. The intention is to use this income to boost the Company’s equity.

Pirna, 26 May 2015

KTSN Kunststofftechnik Sachsen Beteiligungs-GmbH

Vinayak Hegde

Management

Minda KTSN Plastic Solutions GmbH & Co. KG, Pirna

Movements in fixed assets during the period
from 1 April 2014 to 31 March 2015
(detailed gross presentation)

	Cost				
	Carryforward as at 1 Apr. 2014	Additions	Reclassification	Disposals	As at 31 Dec. 2015
	EUR	EUR	EUR	EUR	EUR
I. Intangible assets					
1. Internally generated trademarks and similar rights and assets	180.000,00	0,00	0,00	0,00	180.000,00
2. Trademarks and similar rights and assets as well as licences to such rights and assets acquired for a consideration	1.037.286,91	0,00	2.420,00	0,00	1.039.706,91
	1.217.286,91	0,00	2.420,00	0,00	1.219.706,91
II. Property, plant and equipment					
1. Land and buildings	2.898.057,09	0,00	-299.470,44	0,00	2.598.586,65
2. Technical equipment and machinery	16.533.967,67	0,00	1.604.428,70	21.388,88	18.117.007,49
3. Other equipment, operating and office equipment	1.857.238,48	27.053,28	226.793,76	31.636,51	2.079.449,01
4. Advance payments and construction in progress	554.705,06	1.323.741,49	-1.534.172,02	19.605,00	324.669,53
	21.843.968,30	1.350.794,77	-2.420,00	72.630,39	23.119.712,68
III. Financial assets					
1. Shares in affiliated companies	25.000,00	110.000,00	1.515.148,44	0,00	1.650.148,44
2. Investments	1.525.748,44	0,00	-1.515.148,44	9.600,00	1.000,00
	1.550.748,44	110.000,00	0,00	9.600,00	1.651.148,44
	24.612.003,65	**1.460.794,77**	**0,00**	**82.230,39**	**25.990.568,03**

Amortisation and depreciation					Book value	
Carryforward as at 1 Apr. 2014	Amortisation and depreciation during the financial year	Reclassification	Disposals	As at 31 Dec. 2015	31.3.2015	31 Mar. 2014
EUR	EUR	EUR	EUR	EUR	EUR	EUR
81.818,00	36.818,00	0,00	0,00	118.636,00	61.364,00	98.182,00
941.942,91	74.170,00	-148,00	0,00	1.015.964,91	23.742,00	95.344,00
1.023.760,91	110.988,00	-148,00	0,00	1.134.600,91	85.106,00	193.526,00
2.322.372,09	18.836,50	-18.421,94	0,00	2.322.786,65	275.800,00	575.685,00
10.874.241,67	929.217,94	18.569,94	0,00	11.822.029,55	6.294.977,94	5.659.726,00
1.049.134,48	214.015,48	0,00	18.132,95	1.245.017,01	834.432,00	808.104,00
0,00	0,00	0,00	0,00	0,00	324.669,53	554.705,06
14.245.748,24	1.162.069,92	148,00	18.132,95	15.389.833,21	7.729.879,47	7.598.220,06
0,00	0,00	0,00	0,00	0,00	1.650.148,44	25.000,00
0,00	0,00	0,00	0,00	0,00	1.000,00	1.525.748,44
0,00	0,00	0,00	0,00	0,00	1.651.148,44	1.550.748,44
15.269.509,15	**1.273.057,92**	**0,00**	**18.132,95**	**16.524.434,12**	**9.466.133,91**	**9.342.494,50**

Minda KTSN Plastic Solutions GmbH & Co. KG, Pirna

Management report for the financial year from 1 April 2014 to 31 March 2015



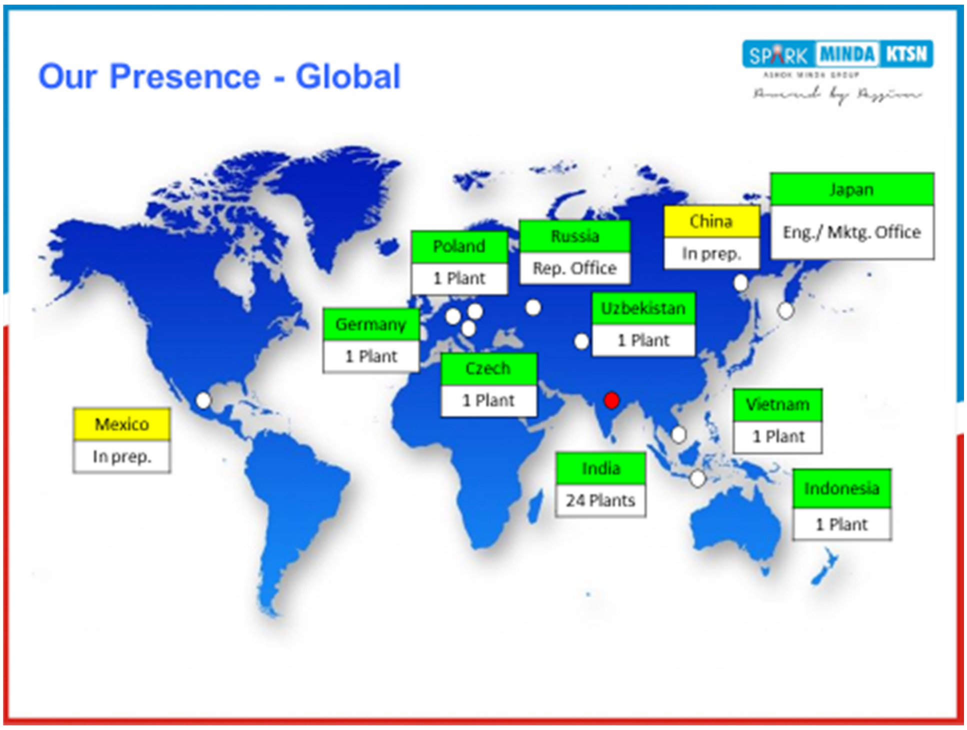
Location: Pirna (Germany) Location: Usti (Czech Republic) Location: Bydgoszcz (Poland)

Management Marketing Design development project management Injection moulding High-end components Controlling	Plant management Assembly	Plant management Tool development Tool production Injection moulding Assembly

Management report – Table of contents

I. Company's business profile

Minda KTSN Plastic Solutions GmbH & Co. KG, Pirna, belongs to the global Spark Minda Group (Ashok Minda Group Companies), Noida, India. Spark Minda Group was established in 1958 and today has 29 business operations around the world. The Group generated a total of approx. USD 500 million in revenue in 2013/14.



Spark Minda Group has three sites in Europe. Minda KTSN Plastic Solutions GmbH & Co. KG (in the following also referred to as "Minda KTSN") based in Pirna has been a part of Spark Minda Group since 2007. Minda KTSN Plastic Solutions acquired all of the shares in Minda KTSN Plastic and Tooling Solutions Z.o.o., Bydgoszcz, Poland (in the following also referred to as "Minda KTSN PL"), in 2013. Minda KTSN set up a new assembly site in Usti, Czech Republic, in 2015. The implemented QCDD concept (Quality, Cost, Delivery, Development) ensures that all companies deliver high product quality.

The Company's vision, its core values and business purpose are consistent with those of the Group headquarters in India. In addition to Group headquarters, European headquarters exist under whose direction the European companies are strategically aligned. Vinayak Hegde has been managing director of Minda KTSN since December 2013.

Additional information on Spark Minda Group can be found on its company website: www.minda.co.in

1. Business model of the Company

The Company's business purpose is the development, production and sale of modules, systems and components for the interior fittings of the vehicle and engine compartment of passenger cars and heavy-goods vehicles. Minda KTSN specialises in manufacturing and processing thermoplastics for the automotive supply industry. The Company supplies numerous automobile manufacturers (OEMs) and tier 1 suppliers. Our primary customers include Audi, BMW, Daimler, Faurecia and VW.

Minda KTSN's strategic focus is on manufacturing large plastic parts, whereas the subsidiary in Poland concentrates on producing smaller synthetic components. This enables us to offer a number of synthetic products of various sizes.

Our subsidiaries in Poland and the Czech Republic work closely with the parent company in Pirna. The Bydgoszcz/Poland site mainly designs, assembles and supplies injection-moulding tools for the automotive sector as well as for other industries. Minda KTSN PL has 28 injection moulding machines and assembly stations. Poland's low wages help keep costs down when manufacturing smaller components. Since its establishment, the subsidiary in Poland has improved its competitiveness and together we have moved into new markets. In its initial expansion stage, the site in Usti/Czech Republic is busy assembling synthetic components.

Minda KTSN's product portfolio of plastic parts includes in particular the following accessories and components:

• Glove boxes • Cup holders and ashtrays • Air outlets • Oil pans • Cylinder head covers and insulation	• Acoustic insulation • Tail door cover parts • Coated seat panels • Seating components • Steering column housing • Structural components


Connectors

MOPF glove box (Daimler)


Touran window frame cover (VW)


Touran tail door cover (VW)


Oil pan (Daimler)


Left speaker cover instrument panel (Daimler)


Cylinder head covers in various forms (Daimler)


Air outlet (Daimler)


Tiguan/Golf Plus glove box (VW)


Left-side air outlet (Daimler)


Cylinder cover (Daimler)


Q5 leather hood (Audi)


D4 NWB ashtray (Audi)


D4 LWB ashtray (Audi)


C7 front storage box (Audi)


Left long-reach air outlet (Daimler)


AB2 MAL rear cup holder (Audi)


Middle air outlet (Daimler)


C6 front cup holder cover (Audi)


Footwell vent (VW)

C6 driver-side cover (Audi)

Golf 5 RL glove box (VW)

Tiguan/Golf Plus glove box (VW)

Golf 5 RL glove box (VW)

AB2 MAL rear cup holder (Audi)

The following structural components are for the BMW i03/i08:

2. Research and development

The Research, Development and Technology department is key in shoring up the market position of Minda KTSN Plastic Solutions GmbH & Co. KG and ensuring a promising future. In order to meet the requirements stipulated in the business plan, the Company stepped up its engineering, project management and quality planning resources by hiring new staff in 2014/15. Overall, roughly 20% of the employees will be active in project management and engineering in 2015/16.

Our goal is to add a new product line/technology to our portfolio each year, thereby continuously expanding our product range. Minda KTSN will invest in modern software in order to meet customers' demands and remain competitive. We have invested in laboratory and measurement space to enable us to provide our customers with turnkey solutions. To make sure we stay on track, we have earmarked additional resources for the future in our budget planning.

In 2014/15, we developed the following products (along with others) and laid the foundation for manufacturing them:

- Audi TT – Glove and storage boxes
- Audi TT – Seat panel cover, coated
- BMW G11/12 – Glove box (add-on parts)

TT – Glove box (Audi)

We developed the future glove box for the VW Tiguan in 2014/15; various parts for BMW's G3x series are scheduled for development in 2015/16.

Minda KTSN joined the ranks of Volkswagen Group's strategic suppliers in early 2015. VW's so-called FAST programme provides the Company with a solid basis for the components it develops because of VW's favoured awarding status and makes it possible to directly contact decision-makers on management level.

3. Management certifications

Minda KTSN and Minda KTSN PL have the following certifications:

- TS 16949, (quality management),
- ISO 14001 (environmental management)

Minda KTSN is also ISO 50001 certified (energy management).

II. Economic report

1. Overall economic and industry-related environment

The car market in Western Europe grew for the first time in many years once again in 2014. With a total of 12.1 million cars, new registrations in 2014 were up almost 5% over 2013, following declining numbers over the prior four years. The EU overall also experienced a plus of 5.7% in car sales (first time since 2007), with 12,550,771 in new vehicle registrations – following a slump over the previous six years. Minda KTSN's main market, Germany, grew 2.9%.

Due to its favourable customer structure, Minda KTSN is ideally positioned in this market environment and is benefiting from the international success of Germany's premium carmakers and their strong sales in China.

The automotive industry expects approx. 2% growth in Western Europe and approx. 3% growth worldwide in 2015. Minda KTSN should be able to profit from these developments.

2. Trend of business

Minda KTSN's business development in the 2014/15 financial year was shaped by the following events in particular:

- Production has kicked off for glove boxes, storage boxes and especially seating panels for the new Audi TT. Furthermore, the in-mould process is being used for the first time in manufacturing seating panels. This enables us to skip one entire process step.
- VW awarded us supplier of glove boxes for the new Tiguan. For the first time ever, Minda KTSN is now participating in a global car, which is to be manufactured in Mexico and China too. In doing so, our Company is making every effort to provide the customer with the entire volume from one source.
- As part of Audi's global sourcing, Minda KTSN was chosen as supplier of steering column housings for the current A3 and in mid-2014 this was successfully relocated from a market player to Pirna.

3. Economic position

3.1 Business management and KPIs

We manage our Company and business activities in a timely fashion and as close as possible to our customers' needs. Our management system is characterised by a low degree of formalisation that enables us to respond quickly to changing conditions.

We have financial performance indicators that are directly linked to our external accounting. Non-financial performance indicators include the main business activities (customers, production, staff).

Financial performance indicators

Revenue and profit/loss from continuing operations are the key performance indicators we use to manage the Company.

The Company's revenue rose by EUR 2.3 million to EUR 50.7 (+5%) million compared to the prior year, which means revenue increased according to plan.

Profit from continuing operations remained stable in 2014-15 and at EUR 1.3 million (prior year: EUR 1.5 million) clearly indicates a trend towards positive performance. Earnings after taxes equalled EUR 1.2 million after EUR 1.4 million in the prior year. The Company's return on sales amounted to 2.4% after 2.9% in the prior year.

Non-financial performance indicators

- Minda KTSN conducts a customer satisfaction survey annually and this figure most recently equalled 82.1%. Various customer assessments are currently in progress in accordance with the regular assessment schedule, of which the evaluations are expected in the second half of the 2015/16 financial year.

- Minda KTSN is characterised by excellent teamwork and working conditions, which is reflected in the low staff attrition rate. On average, Minda KTSN has a very low employee turnover rate for the industry of 0.5%.

3.2 Results of operations

	2014-15 12 Mon. KEUR	***Share in Total Scope of services***	***Change 14 - 15 KEUR***	***2013-14 12 Mon. KEUR***	***Share in Total Scope of services***
Total operating revenue	**53,164**	*100%*	*3,148*	**50,016**	*100%*
Operating expenses	**51,187**	*96%*	*3,529*	**47,658**	*95%*
Operating profit	***1,977***	*4%*	*-381*	***2,358***	*5%*
Finance expense	**-689**	*-1%*	*214*	**-903**	*-2%*
Earnings before taxes	**1,288**	*2%*	*-167*	**1,455**	*3%*
Taxes	**48**	*0%*	*-5*	**53**	*0%*
Earnings after taxes	**1,240**	*2%*	*-162*	**1,402**	*3%*

Total operating performance, consisting of revenue, changes in inventory, other own work capitalized and the other operating income, rose year-on-year by EUR 3.1 million. A major driver here was especially total revenue that, compared to the prior year, increased by approx. 5% or EUR 2.3 million to EUR 50.7 million. This increase was mainly the result of greater volumes, even though only 50% of our targets were met. The reason for this were especially the sluggish sales of structural components for an OEM, which could not sell a new model as initially planned.
An unplanned gain on disposal of EUR 0.3 million was realized through the sale of the shares in Minda Schenk CZ.

The EUR 3.1 million increase in total operating performance only had a limited positive impact on net income. Operating expenses of EUR 51 million equalled 96% (PY: 95%) of total operating performance. Variable costs in the form of cost of materials and personnel expenses rose in line with revenue growth. However, due to spreading out fixed costs over an ever-greater volume, the approx. 5% increase in revenue managed to drive positive earnings from continuing operations once again in 2014-15, which were nevertheless slightly below prior year's earnings (EUR 1.3 million; PY: EUR 1.5 million).

The finance expense of EUR -0.7 million (PY: EUR -0.9 million) was favourably impacted by a drop in expenses for the sale & lease back arrangement that ended in 2015.

Earnings after taxes amounted to EUR 1.2 million and were thus slightly below prior year's figure of EUR 1.4 million. We consider the Company's overall situation as being satisfactory.

3.3 Asset and capital structure

	31 Mar. 2015		*31 Mar. 2014*		*31 Mar. 2013*	
	KEUR	***%***	***KEUR***	***%***	***KEUR***	***%***
Assets						
Fixed assets	*9,466*	21.2%	*9,342*	22.2%	*12,073*	32.8%
Inventories	*11,237*	25.1%	*12,110*	28.7%	*7,363*	20.0%
Receivables and other assets	*21,354*	47.8%	*19,741*	46.8%	*15,553*	42.3%
Cash and cash equivalents	*1,946*	4.4%	*601*	1.4%	*1,415*	3.9%
Other assets	*702*	1.6%	*360*	0.9%	*386*	1.0%
	44,705	100.0%	***42,155***	100.00%	***36,791***	100.00%
	-		-		-	
Equity and liabilities						
Equity and exceptional items	*8,651*	19.4%	*6,710*	15.9%	*5,407*	14.7%
Provisions	*1,993*	4.5%	*2,178*	5.2%	*1,629*	4.4%
Liabilities	*34,061*	76.2%	*33,267*	78.9%	*29,755*	80.9%
	44,705	100.00%	***42,155***	100.00%	***36,791***	100.00%

Financial assets rose by EUR 0.1 million due to the plant investment in Usti/Czech Republic.

Inventories declined by EUR 0.87 million to EUR 11.24 million and were line with the scheduled project wrap-ups.

Assets rose in aggregate by EUR 2.5 million from 42.2 million as at 31 March 2014 to EUR 44.7 million as at 31 March 2015. Given that 78.8% (PY: 77.8%) of the assets are current assets and 21.2% (PY: 22.2%) non-current assets, which means capital is tied up only short term, the Company considers its assets structure favourable.

Equity including special items increased in the amount of the net income for the year of EUR 1.2 million plus a capital contribution of EUR 0.8 million to EUR 8.7 million (PY: EUR 6.7 million. The equity ratio rose progressively as planned to 18.5% (PY: 14.8%). Taking into account the special item for investment subsidies of EUR 0.4 million (PY: EUR 0.5 million), equity's share of the balance sheet total increased to 19.4% (PY: 15.9%).

Other provisions declined by EUR 0.06 million compared to the prior year.

Liabilities rose in the financial year ended by EUR 0.8 million, whereas bank loans remained unchanged. Overall, liabilities increased to EUR 34.1 million (PY: EUR 33.3 million).

3.4 Financial position

3.4.1 Liquidity

The Company's financial situation improved significantly overall. Besides the positive increase in equity due to the partner's capital contribution, the Company's long-term financing has been shored up.

All Minda KTSN's tools that were previously prefinanced are now being financed on a project-related basis by our customers VW, Audi and BMW. This means our liquidity situation in 2014/15 was better than in previous years. Based on all known facts, our business plan includes a detailed liquidity plan for the next 18 months, which maps out our solvency over this period.

Minda KTSN will continue to service the movable and immovable property leasing agreement from 2004 in 2014-15. To date, Minda KTSN has already paid 95% of the total leasing payments incurred. The leasing agreement expires in July 2015.

The Company is planning to make EUR 2 million in financial resources available in the current year for new investments in 2015-16 and for expanding the tools business in the next financial year.

3.4.2 Investments

Minda KTSN is investing in injection moulding machinery in the range from 250 to 800 tonnes. In doing so, Minda KTSN had made special efforts to both expand capacity as well as keep an eye on older machinery. Minda KTSN is planning to invest some additional EUR 1.5 million in machinery, building expansion, software and R&D in 2015-16.

Complete utilisation of the building means that investments in storage space are necessary. Minda KTSN is planning to build a 750 square metre warehouse in order to expand its storage capacity.

III. Subsequent events

No events of particular importance that materially impact the Company's net assets, financial position or results of operations occurred since the end of the year under review.

IV. Forecast

The Company will focus on the following aspects of business operations in 2015/16:

1 Stabilising the Company and improving net profit. To do so, various measures were initiated, including “lean production”, and a new site was set up in the Czech Republic.
2 Placing a stronger emphasis in terms of integration and competence development at the Polish location to create more positive synergies and competence interfaces.
3 Winning new customers/adding new products
4 Developing competencies in process engineering
5 Expanding development to meet FAST requirements (VW)
6 Ensuring customer satisfaction
7 Motivating staff
8 Setting up production capacity in Mexico & China

This focus is a part of management's business plan for the next three years. This business plan includes an annual 5% increase in revenue. The envisioned revenue growth will also have a positive impact on the expected profit from continuing operations. We expect these earnings to rise once again in the current year and anticipate net income after taxes of between EUR 1.5 and EUR 2.0 million.

No operational or management changes are planned. This will further strengthen the trust of our stakeholders in the Company.

Opportunities and risks report

1. Opportunities

1.1 Research and development as well as project management

Refer also to our comments in I. 2 (Research and development).

1.2 New orders

Minda KTSN intends on moving into new markets with various other customers outside of Germany, in England in particular.

Minda KTSN also intends on establishing a new OEM customer base. The business plan already contains a corresponding strategy with Group marketing. The objective is to leverage the changing sourcing strategy of OEM non-customers. Sales will be ramped up in order to realize this.

In line with our "follow the customer" concept, MTKSN is planning to manufacture components in countries or markets favoured by customers.

Globalisation strategy: Minda KTSN is working closely with its customers in order to become a qualified supplier and win global tenders for comprehensive contract awards. Expansion of production capacity near the customer will build customer trust and help Minda KTSN acquire high-volume orders. This is intended to further support our core business in Europe.

1.3 Expanding the capacity of our Polish subsidiary Minda KTSN PL

Management is focusing on expanding mould sales capacity at Minda KTSN PL annually, step-by-step, by 20 to 25%. The Company has space available for such expansion, which will be converted and furnished appropriately. The increase in revenue will most certainly help improve net profit.

1.4 Market

Overall, the car market in Europe remained stable in 2014, with a slight upward trend, while several countries experienced catch-up-driven growth rates. We noticed in 2014 that various models (for which Minda KTSN supplies components) enjoyed higher than expected sales. Going forward, we expect the market to continue to grow. The car production forecast from December 2014 predicts moderate growth of 2 to 3% for 2015 (refer to Section II, 1.).

Minda KTSN has prepared a three-year business plan. Sales planning is scientifically derived from the Industry IHS Forecast/trust in future models with the customer and the potential market. Realistic sales budgets were prepared, upon which our financial forecasts are based. Business looks good for the Company in all respects – sales, profit and loss, cash flow.

In addition to the business plan, Minda KTSN also prepares a financial budget for 2015-16, which is completely aligned with the business plan.

To the extent that Minda KTSN PL can profit from steady growth in sales and increased net profit, the Company's situation will look more promising year after year. Overall, Minda KTSN's business operations appear very promising. With the new assembly site in the Czech Republic, Minda KTSN has created an ideal basis for cutting costs. Additional activities are envisioned to help meet customer requirements of mapping out production sites in Mexico and China.

2. Risks

Sales

As a production company, we face the general risk of declining sales in the automotive industry or that product development is not in line with customer needs. However, due to currently positive sales development and new orders, we feel that the aforementioned development activities represent a successful measure for minimizing this risk.

Additional risks include the current developments in the Ukraine and the related drop in sales in Russia.

Material

Management believes that the ongoing price increases in commodities due to global scarcity of raw materials and preliminary products as well as profit maximisation measures introduced by commodities producers pose the greatest risk to the development of the Company's profitability. We endeavour to reduce those risks by holding ongoing negotiations with our customers and suppliers (rationalisation potential). A key measure is procurement using group synergies and a global approach. However, prices for commodities remained stable over the past 18 months so that we expect this to remain so in the current year. In terms of energy prices, the Company has a contract with locked-in prices until 31 December 2015.

As a part of our business plan, Minda KTSN has prepared a sensitivity analysis that assesses all risks and looks at these in detail. These risks were examined from various business perspectives in relation to each customer. The Company has set up an action plan to offset any exposure.

Capital

The Company's future ability to obtain financing will be supported by successful collaboration with a new local bank and an addition leasing partner. Talks on stepping up relations are progressing well.
The Company's liquidity was improved considerably in the year ended in particular by collecting payments for overdue projects. This improves both our rating in 2015 and, as a result of optimised purchasing conditions, provides us with additional financial scope.

Further introduced risk management measures

The Company has adopted measures to cover the aforementioned risks. In light of increasing material prices, the Company is negotiating with customers in regard to raising prices within the scope of compensation arrangements. A contractual arrangement will be given priority for future projects already during negotiations.

Spark Minda Group has launched a procurement project. This will enable the Company to review the scope for best sourcing material and purchasing tools from low-cost countries.

The capital required must be provided by the parent company Minda Corporation. This can be done by increasing equity share or extending a loan.

Pirna, 26 May 2015

KTSN Kunststofftechnik Sachsen Beteiligungs-GmbH

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Vinayak Hegde

Business profile

1 Business activities

Minda KTSN is a Company specialising in the manufacture and processing of thermoplastics for the automobile industry. In particular, it specialises in developing, manufacturing and selling technical parts, components, systems, devices and tools. Production primarily takes place on behalf of various major automobile manufacturers (OEMs) and tier 1 vendors of the OEMs.

At the partners' meeting held on 27 March 2012, Minda KTSN resolved to change the financial year. The financial year of the Company begins on 1 April of each year and ends on 31 March of the following year.

2 Property

Minda KTSN's production and administrative site is on the land of the local subdistrict Pirna, which was sold along with the buildings located on the land under a hire purchase agreement dated 11 August 2005.

3 Investments

The Company is the sole owner of Minda KTSN Plastic Solutions Sp.z o.o, Bydgoszcz/Poland, Minda KTSN Plastic Solutions S.R.O., Usti/Czech Republic, and KTSN Kunststofftechnik Sachsen Beteiligungs-GmbH, Pirna.

4 Employees

Average headcount during the year under review is stated in the notes to the financial statements (Appendix 1.3).

5 Significant agreements with affiliated companies

Management Service Agreement with Minda KTSN Plastic and Tooling Solutions Z.o.o., Bydgoszcz/Poland, dated 1 April 2013

Minda KTSN concluded a service agreement with Minda KTSN PL on 1 April 2013. This agreement covers Minda KTSN's rendering of various services for Minda KTSN PL. In return, Minda KTSN has been charging a monthly fee of KEUR 10.95 since 1 April 2014.

Technical License Agreement with Minda Corporation Limited, Delhi/India, dated 2 May 2008

Minda KTSN and Minda Corporation Limited concluded a licence agreement with effect from 1 April 2008. The agreement covered the transfer of technical know-how from Minda KTSN to Minda Corporation Limited. In return, Minda KTSN received a one-time payment of KEUR 500 and thereafter licence fees (2% for the first 24 months and then 1% for the remaining product lifetime) on the net sales of products for European OEMs. The existing agreement expired in June 2014.

Management Service Agreement with Minda Management Service Limited, Delhi/India, dated 1 November 2007

Minda KTSN concluded a service agreement with Minda Management Service on 1 November 2007, whereby Minda Management Service undertakes to support Minda KTSN in setting up and improving its management strategies. In return, Minda KTSN pays a fee of 1% of its revenue to Minda Management Service.

Loan agreements with Minda Europe GmbH, Esslingen, dated 1 October 2013 and 15 November 2014

Minda KTSN Plastic Solutions GmbH & Co. KG, Pirna, has granted Minda Europe two loans. The first loan was extended by agreement dated 1 October 2013 in the amount of KEUR 900 and bears interest at 5%. The second loan was granted by agreement dated 15 November 2014 in the amount of KEUR 2,600 and also bears interest a 5%. Both loans have a term of three years.

Loan agreement with Minda Corporation Limited, Delhi/India, dated 30 March 2015

As at 30 March 2015, Minda KTSN Plastic Solutions GmbH & Co. KG, Pirna, concluded a loan agreement with Minda Corporation in the amount of EUR 1 million. The loan bears interest at 12% and is to be repaid within six months, although extension is possible given the agreement of both parties.

6 Significant agreements with other companies

Real Property Leasing Agreement and Right to Tender Agreement with GRISLEVA Vermietungsgesellschaft mbH, Grünwald

Minda KTSN concluded a real property leasing agreement with GRISLEVA as at 1 September 2005, with a supplementary agreement dated 5 May 2006 for an overall lease period of 10 years. At the same time, a right to tender agreement was signed whereby Minda KTSN was granted a purchase right at the end of the leasing agreement.

Property Leasing Agreement and Right to Tender Agreement with GRAMEDA Vermietungsgesellschaft mbH, Grünwald

Minda KTSN concluded a movables leasing agreement with GRAMEDA as at 1 September 2005, with a supplementary agreement dated 5 May 2006 for an overall lease period of 10 years. At the same time, a right to tender agreement was signed whereby Minda KTSN was granted a purchase right at the end of the leasing agreement.

Financial Collateral Agreement with Audi AG, Ingolstadt, Volkswagen AG, Wolfsburg and Daimler AG, Stuttgart (hereinafter referred to as "manufacturers")

Minda KTSN concluded a financial collateral agreement with the manufacturers in respect of the real property leasing agreement with GRISLEVA and the movables leasing agreement with GRAMEDA on 11 August 2005, with a supplementary agreement dated 5 May 2006. In accordance with this agreement, the manufacturers are jointly and severally liable in case of default of payment or insolvency of Minda KTSN for any outstanding leasing payments resulting from the aforementioned leasing agreements.

Customer Contract with Audi AG, Ingolstadt, Volkswagen AG, Wolfsburg, and Daimler AG, Stuttgart

On 18 April 2007, Minda KTSN concluded a customer contract with the manufacturers. This contract regulates, among other elements, the repayment of KEUR 7,959 in reorganisation assistance provided by the manufacturers, which started in the 2009 financial year. Furthermore, the manufacturers guaranteed fixed minimum revenue until 2009. A new repayment agreement was concluded with the aforementioned manufacturers in Q1 2014. Accordingly, the customer loans will be repaid in 16 equal instalments starting October 2015.

Agreement with Adam Opel GmbH, Rüsselsheim

On 18 April 2007, Minda KTSN concluded an agreement with Opel which regulates the repayment of the reorganization assistance of KEUR 600 provided by Opel from the 2009 financial year. To date, the receivable has not been deferred, nor has the repayment of the reorganization assistance started.

Agreement with Lear Corporation GmbH, Ginsheim-Gustavsburg

In the customer contract dated 23 February 2007 and 18 April 2007, respectively, Minda KTSN concluded an agreement with Lear Corporation GmbH which regulates the repayment of KEUR 2,066 in reorganisation assistance provided by Lear Corporation, which started in the 2009 financial year. On account of default in payment on the part of Minda KTSN, a supplementary agreement for instalment payments was concluded on 17 February 2011. The reorganisation assistance was completely repaid in the year under review.

Non-binding advance copy dated June 17, 2015, not to be issued to third parties

Legal status

Registered name	Minda KTSN Plastic Solutions GmbH & Co. KG
Registered office	Pirna
Partnership Agreement	The Partnership Agreement dated 24 September 2014 is applicable.
Commercial Register	The Company is registered in the Commercial Register of Dresden District Court, Section A, number 4934. The latest extract available is dated 1 April 2015.
Company's purpose	The company's purpose is to develop, manufacture and sell technical parts, components, systems, devices and tools, above all in the field of plastics engineering.
Financial year	The Company's financial year begins on 1 April of each year and ends on 31 March of the following year.
Capital structure	

	Capital contributions	Share
	EUR	%
General partner		
KTSN Kunststofftechnik Sachsen Beteiligungs-GmbH, Pirna	0.00	0.00
Limited partner		
Minda Corporation Limited, Delhi, India	6,450,001.00	100.00

The limited partner's initial capital contribution is entered in the Commercial Register in the corresponding amount.

Equity and distribution of profit or loss	In accordance with the Partnership Agreement, a capital and a loan account are to be maintained for each partner. Furthermore, the Company maintains a reserve account and a profit/loss carryforward account jointly for all partners. The appropriation of profits is decided at the partners' meeting. Non-withdrawable profits are credited to the reserve account and losses charged up to the amount of the credit balance. These charges are borne by the partners in accordance with their corresponding equity shares. This account is non-interest bearing. Given a majority of the votes available in accordance with the Partnership Agreement, the partners can resolve to release any credit balance on the reserve account in part or in full and transfer such balance to the loan account of the limited partners in proportion to their respective equity shares.
Prior year's financial statements	At the partners' meeting held on 14 November 2014, the financial statements as at 31 March 2014, which were prepared by management, audited by us and provided with an unqualified auditor's report, were presented together with the management report, and the financial statements were approved.
Size of the Company	The Company is deemed a large corporation as defined by Section 264a in conjunction with Section 267 (3) of the German Commercial Code [HGB].
Affiliated companies	The Company is an affiliated company of Minda Corporation Limited, Delhi, India, within the meaning of Section 271 (2) HGB. The financial statements as at 31 March 2015 are included in the consolidated financial statements of Minda Corporation.
Managing directors and legal representatives	The Company is managed by the general partner, KTSN Kunststofftechnik Sachsen Beteiligungs-GmbH, Pirna. The members of management are listed in the Company's notes to the financial statements (Appendix 1.3). In legal dealings between it and the Company, management and its governing bodies have been released from the restrictions imposed by Section 181 of the German Civil Code [BGB].

Tax status	The Company files at the Dresden Nord Tax Office under tax number 202/120/02926. Following a favourable court ruling, the provision for potential risks from the audit of the years 2007 to 2010 was released and recognised as a profit. The appeal against the 2002 trade tax assessment dated 31 January 2008, which was still pending at the Fiscal Court of Saxony in the prior year, was rejected. As a result, the Company has reached an agreement with the Ottendorf-Okrilla municipality on repaying the outstanding taxes in instalments by 1 October 2016. By notice dated 26 March 2015, the Company was informed of an impending VAT and trade tax audit starting 8 June 2015 and covering the 2011 to 2013 financial years.

Appendix 4

General Engagement Terms