

B S R & Associates LLP

**Minda SAI Limited**  
Statutory Audit for the year ended  
31 March 2015

# 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 SAI Limited

### Report on the financial statements

We have audited the accompanying standalone financial statements of Minda SAI Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the financial statements

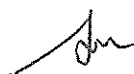
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the 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.



## B S R & Associates LLP

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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

### 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, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, 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 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.



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f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 9 to the financial statement;
- ii. The Company did not have any foreseeable losses on long term contracts including derivative contracts outstanding as at 31 March 2015-Refer Note 19 to the financial statements; and
- 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*

ICAI Firm Registration No.: 116231W/W-100024



**Manish Gupta**

*Partner*

Membership No: 095037

Place: Gurgaon  
Date: 25 May 2015

**Annexure to the Auditor's report**

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company are physically verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, no material discrepancies were noticed on such verification carried out during the year.
- (ii) (a) The inventory, except goods in transit has been physically verified by the management during the year. For stocks lying with third parties at the year end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the Company has granted an unsecured loan, to a company covered in the register maintained under section 189 of the Companies Act, 2013.
  - (a) In our opinion and according to the information and explanations given to us, the receipt of the principal amount of the loan including interest thereon had been regular.
  - (b) According to the information and explanations given to us, there is no overdue amount on account of principal and interest.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods sold and services rendered are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. We have not observed any material weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company (in respect of products covered) pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such books of account.
- (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, Duty of Customs, Duty of Excise, Value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with appropriate authorities, though there has been a slight delay in few cases. As explained to us, the Company did not have any dues on account of Wealth tax.

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, Duty of Customs, Duty of Excise, Value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 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 amounts in respect of Income- tax, Sales-tax, Service tax, Customs duty and Excise duty which have not been deposited with the appropriate authorities on account of any dispute, except for:

(Amount in Rs.)

Statute	Nature of dues	Period	Amount unpaid	Forum where the dispute is pending
Central Excise Act, 1944	Central Excise	2009-10	35,558	Central Excise and Service tax appellate tribunal, Noida
		2010-11	210,305	Central Excise and Service tax appellate tribunal, Noida
		2011-12	32,859	Central Excise and Service tax appellate tribunal, Noida
Central Sales Tax, Act 1956	Central Sales Tax	2005-06	378,829	Sales-tax, Tribunal Noida
		2009-10	602,768	Deputy Commissioner (Appeals), Chennai
Uttar Pradesh Trade Tax, 1948	Trade tax	2005-06	357,076	Sales-tax, Tribunal Noida
Tamil Nadu General Sales Tax Act, 1956	Sales Tax	2006-07	41,574	Appellate commissioner, Chennai
		2007-08	419,656	
		2008-09	325,428	
		2009-10	272,541	
Finance Act, 1994	Service Tax	2009-10	126,487	Central Excise and Service tax appellate tribunal, Noida
		2010-11	115,645	

- (c) As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund.

- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institution or debenture holders during the year.

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- (x) The Company had given guarantee for loans taken by others from banks. According to information and explanations given to us and in our opinion, the terms and conditions of the guarantees are not prejudicial to the Company
- (xi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

*For B S R & Associates LLP*

*Chartered Accountants*

Firm registration No.: 116231W/W-100024



**Manish Gupta**

*Partner*

Membership No.: 095037

Place: Gurgaon

Date: 25 May 2015

Minda SAI Limited  
Balance Sheet as at 31 March 2015  
(All amounts are in Indian Rupees)

	Note	As at 31 March 2015	As at 31 March 2014
<b>Equity and Liabilities</b>			
<b>Shareholder's funds</b>			
Share capital	2.1	557,710,800	557,710,800
Reserves and surplus	2.2	915,952,248	799,926,905
		<u>1,473,663,048</u>	<u>1,357,637,705</u>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	485,156,566	679,464,777
Deferred tax liabilities (net)	12	38,787,785	47,022,673
Other long-term liabilities	2.4	1,640,000	1,490,000
Long-term provisions	2.5	49,540,759	36,265,121
		<u>575,125,110</u>	<u>764,242,571</u>
<b>Current liabilities</b>			
Short-term borrowings	2.6	855,348,672	749,859,846
Trade payables	2.7	818,515,564	803,645,053
Other current liabilities	2.8	280,435,476	239,734,017
Short-term provisions	2.9	97,732,362	45,432,817
		<u>2,052,032,074</u>	<u>1,838,671,733</u>
<b>Total</b>		<u><u>4,100,820,232</u></u>	<u><u>3,960,552,009</u></u>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	2.10		
- Tangible assets		850,448,543	879,476,931
- Intangible assets		21,357,877	18,056,820
- Capital work-in-progress		133,830,192	5,782,379
Non-current investments	2.11	612,000,000	612,000,000
Long-term loans and advances	2.12	47,441,707	189,697,255
		<u>1,665,078,319</u>	<u>1,705,013,385</u>
<b>Current assets</b>			
Inventories	2.13	657,992,661	580,059,884
Trade receivables	2.14	1,224,712,220	1,063,066,013
Cash and bank balances	2.15	18,709,186	12,910,506
Short-term loans and advances	2.16	478,156,323	505,164,550
Other current assets	2.17	56,171,523	94,337,671
		<u>2,435,741,913</u>	<u>2,255,538,624</u>
<b>Total</b>		<u><u>4,100,820,232</u></u>	<u><u>3,960,552,009</u></u>
Significant accounting policies	1		
Notes to the financial statements	2 to 19		

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

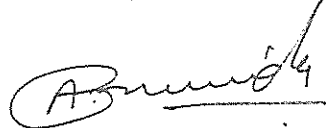
As per our report of even date attached

For BSR & Associates LLP  
Chartered Accountants  
Firm registration No.: 116231W/W-100024

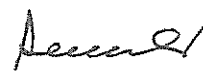


Manish Gupta  
Partner  
Membership No.: 095037

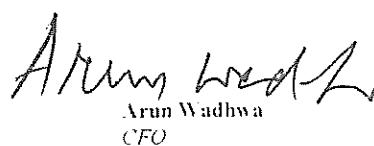
For and on behalf of Board of Directors of  
Minda SAI Limited



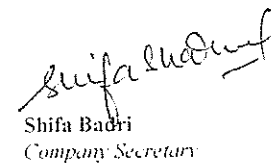
Ashok Minda  
Director  
DIN : 00054727



Praveen Gupta  
CEO & Managing Director  
DIN : 01885287



Arun Wadhwa  
CFO



Shifa Badri  
Company Secretary

Place: Gurgaon  
Date: 25 May 2015

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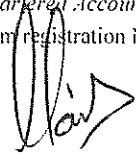
Minda SAI Limited  
Statement of Profit and Loss for the period ended 31 March 2015  
(All amounts are in Indian Rupees)

	Note	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Revenue from operation</b>	2.18		
Sale of products (gross)		5,631,712,959	4,946,933,694
Less: Excise duty		543,798,146	534,293,440
Sale of products (net)		5,087,914,813	4,412,640,254
Other operating revenues		73,862,515	40,026,719
<b>Other income</b>	2.19	66,564,331	115,627,326
<b>Total revenue</b>		<b>5,228,341,659</b>	<b>4,568,294,299</b>
<b>Expenses:</b>			
Cost of materials consumed	2.20	3,507,821,035	3,182,595,321
Purchase of stock-in-trade	2.21	-	4,235,498
(Increase) in inventories of work-in-progress and finished goods	2.22	(34,324,318)	(41,625,329)
Employee benefit expenses	2.23	791,028,755	622,405,127
Other expenses	2.24	501,600,200	399,666,201
Finance costs	2.25	153,746,688	85,409,404
Depreciation and amortisation expense	2.10	123,786,343	93,415,809
<b>Total expenses</b>		<b>5,043,658,703</b>	<b>4,346,102,031</b>
<b>Profit before tax</b>		<b>184,682,956</b>	<b>222,192,268</b>
<b>Less: Tax expense</b>			
- Current tax		63,534,000	54,100,000
- Income tax provision (written back)/ charge for earlier years		(550,443)	548,997
- Deferred tax (credit)/ charge		(2,555,704)	2,802,106
<b>Profit after tax</b>		<b>124,255,103</b>	<b>164,741,165</b>
<b>Earning per equity share (face value Rs. 100 each)</b>			
Basic and diluted	10	22.28	53.07
<b>Significant accounting policies</b>	1		
<b>Notes to the financial statements</b>	2 to 19		

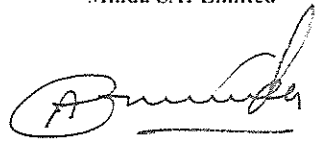
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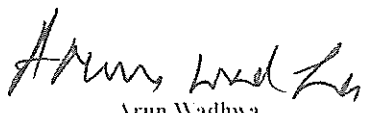
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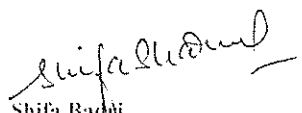
  
Manish Gupta  
Partner  
Membership No.: 095037

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

  
Ashok Minda  
Director  
DIN : 00054727

  
Praveen Gupta  
CEO & Managing Director  
DIN : 01885287

  
Arun Wadhwa  
CFO

  
Shifa Badii  
Company Secretary

Place: Gurgaon  
Date: 25 May 2015

Place: Gurgaon  
Date: 25 May 2015

Minda SAI Limited  
Cash Flow Statement for the year ended 31 March 2015  
(All amounts in Indian Rupees)

	Year ended 31 March 2015	Year ended 31 March 2014
<b>A. Cash flow from operating activities</b>		
- Profit before tax	184,682,956	222,192,268
Adjustment For		
- Depreciation	123,786,343	93,415,809
- Profit on sale of investment	-	(40,444,055)
- Excess doubtful debts provision written back	(1,509,136)	(1,098,144)
- Bad debts written off	-	960,190
- Advance written off	31,892	140,464
- Provision for bad and doubtful debts	1,935,572	1,181,168
- Provision for doubtful advances	-	1,208,790
- Excess provision and unclaimed liabilities written back	(5,407,100)	(2,696,122)
- Fixed assets written off	495,862	826,477
- Interest and other borrowing cost	153,746,688	85,409,404
- Interest income	(39,424,854)	(52,334,930)
- Foreign exchange loss (gain)	(2,330,102)	(1,436,668)
- Loss on sale of fixed assets (net)	631,363	2,434,809
- Dividend income	(520)	(520)
- Lease equilisation (net)	1,314,730	(428,402)
- Provision for inventory obsolescence	-	4,050,397
<b>Operating profit before working capital changes</b>	<b>417,953,394</b>	<b>313,380,935</b>
<b>Movement in working capital</b>		
- (Increase)/ decrease in trade receivables	(162,070,306)	(36,388,700)
- (Increase)/ decrease in inventories	(77,932,777)	(77,985,621)
- (Increase)/ decrease in long term / short term loans and advances	173,258,286	(72,533,729)
- (Increase)/ decrease in other current assets	38,271,952	(27,795,766)
- Increase/ (decrease) in trade payables	22,618,536	(42,530,534)
- Increase/ (decrease) in other long term / other current liabilities	10,707,673	(12,358,330)
- Increase/ (decrease) in long term and short term provisions	52,582,233	18,259,563
- Taxes paid (including tax deducted at source)	(51,184,567)	(58,675,190)
<b>Net cash flow generated in operating activities</b>	<b>424,204,424</b>	<b>3,372,628</b>
<b>B. Cash flow from investing activities</b>		
- Purchase of tangible/ intangible assets	(261,450,276)	(170,567,233)
- Payment for purchase of business #	-	(151,705,827)
- Proceeds from sale of tangible assets	934,587	595,462
- Proceeds from sale of investments	-	160,000,000
- Purchase of long term investments	-	(560,000,000)
- Deposit with maturity more than three months	(2,323,697)	548,237
- Deposit with maturity more than twelve months	-	833,322
- Interest received	39,319,050	12,023,402
- Dividend received	-	520
<b>Net cash flow from investing activities</b>	<b>(223,520,336)</b>	<b>(708,272,117)</b>
<b>C. Cash flow from financing activities</b>		
- Issue of share capital	-	250,000,000
- Proceeds from long term borrowings	14,293,849	740,000,000
- Repayment of long term borrowings	(165,996,223)	(18,626,520)
- Proceeds from short term borrowings (net of repayment)	105,488,826	-
- Capital subsidy	2,885,135	-
- Repayment of short term borrowings (net of proceeds)	-	(166,174,755)
- Interest paid	(153,880,692)	(95,764,984)
<b>Net cash flow from financing activities</b>	<b>(197,209,105)</b>	<b>709,433,741</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>3,474,983</b>	<b>4,534,252</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>10,239,178</b>	<b>5,704,926</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>13,714,161</b>	<b>10,239,178</b>

# Net of cash and bank balance acquired pursuant to business transfer agreements (also refer to note no. 16)

**Notes:**

- The cash flow statement has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statement', prescribed under Companies (Accounting Standard) Rules, 2014
- Cash and cash equivalents consists of cash in hand and balances with scheduled banks (Refer note 2.15)
- Negative figures have been shown in brackets

As per our report of even date attached

For M S P & Associates LLP  
Chartered Accountants  
Firm Registration Number 116231WAW-100024

Manish Gupta  
Partner  
Membership No. 095037

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

Ashok Minda  
Director  
DIN 00054727

Praveen Gupta  
CEO & Managing Director  
DIN 01885287

Arun Wadhwa  
CEO

Shifa Badin  
Company Secretary

Place Gurgaon  
Date 25 May 2015

Place Gurgaon  
Date 25 May 2015

1. Significant accounting policies

(i) Basis of preparation

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 Accounting Standards as prescribed by the section 133 of the Company Act, 2013 ('Act') read with Rule 7 of the Companies (Accounting Standards) 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.

(ii) 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, provision for warranties and sales returns, customer claims, provision for price changes 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.

(iii) 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.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

*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.

Current liabilities include current portion of non-current financial liabilities. 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.

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

**(iv) Revenue recognition**

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

**Sale of goods**

Revenue is recognised on transfer of significant risks and rewards of ownership to the customers. Sale of goods is inclusive of excise duty and is net of sales tax, value added tax, applicable discounts and allowances and sales returns.

**Other operating income**

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

Income from royalty, technical know-how arrangements is recognised on an accrual basis in accordance with the terms of the relevant agreement.

Job work income is recognized as per the terms of contract with customers when the related services are rendered.

**Dividend and interest income**

Dividend income is recognised when the right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognized on the time proportion method taking into account the amount outstanding and the interest rate applicable

**Rental Income**

Rental income is recognised on accrual basis over the lease term on straight line basis.

**(v) Fixed assets**



Significant accounting policies and notes to the financial statements

(All amounts in Indian Rupees)

Tangible fixed assets are carried at cost of acquisition or less accumulated depreciation. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Advance paid towards the acquisition of fixed assets are shown under non-current asset and tangible fixed assets under construction are disclosed as capital work-in-progress.

Moulds, dies and tools represent Company owned tools, dies and other items used in the manufacture of components specific to a customer. Cost includes engineering, testing and other direct expenses related to the research and development of such tools.

**(vi) Intangible assets**

Intangible assets comprise purchase of software. Intangible assets are carried at cost and amortised over a period of 5 to 6 years, which represents the period over which the Company expects to derive economic benefits from the use of the asset.

**(vii) Borrowing Cost**

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

**(viii) 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 its 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.

**(ix) 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 certain items of Plant and Machinery such as bins, tools and dies, racks etc which has been depreciated over life of five years, being the management's estimate of the useful life which 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 date the assets is ready for use. Depreciation on sale/deduction from fixed assets is provided for up to the date of sale, deduction and discardment as the case may be.



Significant accounting policies and notes to the financial statements

(All amounts in Indian Rupees)

Premium paid on leasehold land and site development is amortized over the period of the lease. Leasehold improvements are amortized on the straight-line basis over the lower of primary period of lease and the estimated useful life of such assets.

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

Software is amortized over a period of 5 to 6 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.

(x) Inventories

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

Raw Materials, Components and Stores and Spares : Cost is determined on First In First Out (FIFO) basis

Finished Goods : *Manufactured finished goods*

Raw material cost plus appropriate share of labour and production overheads. Cost of finished goods includes excise duty.

*Traded finished goods*

Traded finished goods are valued at the lower of cost and net realisable value. The cost of traded finished goods is determined on FIFO basis.

Work in progress : Raw material cost plus appropriate share of labour and production overheads depending upon stage of completion wherever applicable.

(xi) Foreign currency transactions

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 recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognised in the Statement of Profit and Loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

(xii) Leases

Where the Company is lessee



**Significant accounting policies and notes to the financial statements**

(All amounts in Indian Rupees)

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

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

**Where the Company is lessor**

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investments in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs etc, are recognized immediately in the Statement of Profit and Loss.

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

**(xiii) Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/non-current classification as per Schedule III to the Companies Act,2013.

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares and preference shares.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss. Profit or loss on sale of investments is determined on the basis of weighted average carrying amount of investments disposed off.

**(xiv) Warranty claims**

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

**(xv) Earnings per share**



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

(xvi) Retirement and other benefits to employees

*Short-term employee benefits*

All employee benefits payable/ available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

*Defined contribution plans*

Contribution to Provident fund is a defined contribution plan. Contribution to provident fund is deposited with the Regional Provident Fund Commissioner and charged to the Statement of Profit and Loss.

*Defined benefit plans*

Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC') in respect of one of the units (hereinafter referred to as Murbad unit). Contributions are made by the Company to the LIC based on actuarial valuation of obligation at 31 March every year conducted by the LIC. Such contributions paid during the year have been charged to the Statement of Profit and Loss on accrual basis. The Company also carries out an actuarial valuation conducted by an independent actuary as at 31 March every year for company as a whole. Any incremental value of obligation, as compared with the obligation determined by the LIC is charged to the Statement of Profit and Loss.

The present value of obligations under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period 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 the terms of related obligations.

*Other long term benefits*

Cost of long term benefit by way of accumulating compensated absences arising during the tenure of the service is calculated taking into account the pattern of avilment of leave. Further, in respect of encashment of leave, the defined benefit is calculated taking into account all types of decrements and qualifying salary projected upto the assumed date of encashment. The present value of obligations towards avilment and encashment under such long term benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method as at year end.

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





Significant accounting policies and notes to the financial statements

(All amounts in Indian Rupees)

obligations.

*Treatment of actuarial gains and losses*

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

**(xvii) Taxation**

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 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.

**(xviii) 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.

**(xix) 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 SAI Limited  
Notes to the financial statements as at 31 March 2015  
(All amounts are in Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
<b>2.1 Share capital</b>		
<b>Authorized:</b>		
5,700,000 (previous year 5,700,000) equity shares of Rs. 100 each	570,000,000	570,000,000
	<u>570,000,000</u>	<u>570,000,000</u>
<b>Issued, subscribed and paid up</b>		
5,577,108 (previous year 5,577,108) equity shares of Rs. 100 each fully paid up.	557,710,800	557,710,800
	<u>557,710,800</u>	<u>557,710,800</u>
<b>(a) Terms/ rights attached to equity shares</b>		
The Company has only one class of equity shares having a par value of Rs. 100 per share. Each shareholder of the Company is entitled to vote in proportion of the share of paid-up capital of the Company held by the Shareholder. Each shareholder is entitled to receive interim dividend when it is declared by the Board of Directors. The final dividends proposed by the Board of Directors are paid when approved by the shareholders at Annual General Meeting. In the event of liquidation, the shareholders of the Company are entitled to receive the remaining assets of the Company after discharging all liabilities of the Company in proportion to their shareholdings.		
<b>(b) Reconciliation of number of shares</b>		
Balance as at the beginning of the year	5,577,108	3,077,108
Add: Shares issued during the year	-	2,500,000
Balance as at the end of the year	<u>5,577,108</u>	<u>5,577,108</u>
<b>Reconciliation of amount of share capital</b>		
Balance as at the beginning of the year	557,710,800	307,710,800
Add: Share capital issued during the year	-	250,000,000
Balance as at the end of the year	<u>557,710,800</u>	<u>557,710,800</u>
<b>(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>		
<b>Particulars</b>		
Minda Corporation Limited and its nominees		
No. of shares held	5,577,108	5,577,108
% of holdings	100	100
<b>(d) Shares held by holding company</b>		
<b>Particulars</b>		
Minda Corporation Limited and its nominees	5,577,108	5,577,108
<b>2.2 Reserves and surplus</b>		
<b>Capital reserves</b>		
Balance as at the beginning of the year	14,691,038	8,984,960
Add : Arising from acquisition of business	-	5,706,078
Add : Amount received during the year	2,885,135	-
Balance as at the end of the year	<u>17,576,173</u>	<u>14,691,038</u>
<b>Securities premium account</b>	66,055,000	66,055,000
<b>Revaluation reserve</b>		
Balance as at the beginning of the year	5,877,837	5,963,519
Less: Amount written back during the year	(85,682)	(85,682)
Balance as at the end of the year	<u>5,792,155</u>	<u>5,877,837</u>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	713,303,030	548,561,865
Less: Depreciation reserve (Refer to note no. 2.10)	(11,029,213)	-
Add: Net profit transferred from the Statement of Profit and Loss	124,255,103	164,741,165
Balance as at the end of the year	<u>826,528,920</u>	<u>713,303,030</u>
<b>Total reserves and surplus</b>	<u>915,952,248</u>	<u>799,926,905</u>



	Foot note	Long term maturities		Current maturities	
		As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
<b>2.3 Long-term borrowings</b>					
Secured					
Term loans					
- from banks	[1]	83,347,113	128,329,361	53,548,853	47,607,959
- Vehicle loans	[2]	-	-	-	58,284
Unsecured					
Term loans					
- from banks	[3]	352,941,176	494,117,649	141,176,471	105,882,351
Deferred sales tax loan	[4]	48,868,277	57,017,767	8,149,487	6,720,580
		<u>485,156,566</u>	<u>679,464,777</u>	<u>202,874,811</u>	<u>160,268,974</u>

Footnotes:

S. No.	Lender	Terms of redemption/repayment	Loan outstanding as at 31 March 2015	Loan outstanding as at 31 March 2014	Details of securities/ guarantees
1	Kotak Mahindra Bank Limited	<ul style="list-style-type: none"> <li>Repayment terms: Monthly instalments</li> <li>Date of maturity: 21 July, 2015</li> <li>Number of instalments: 60</li> <li>Balance instalments: 4</li> <li>Amount of next 3 instalment: 833,333</li> <li>Amount of Last instalment: 833,354</li> <li>Rate of interest: 11.50%</li> </ul>	3,333,353	13,333,348	<ol style="list-style-type: none"> <li>First Pari - passu charge on all existing and future movable fixed assets of the borrower excluding units acquired under business transfer agreement</li> <li>Second Pari - passu charge on all existing and future current assets of the borrower excluding units acquired under business transfer agreement.</li> <li>First pari passu mortgage charge on immovable fixed assets of the borrower being land and building situated in Chennai, Mumbai and Noida.</li> </ol>
	HDFC Bank Limited	<ul style="list-style-type: none"> <li>Repayment terms: Quarterly instalments</li> <li>Date of maturity: 26 May, 2018</li> <li>Number of instalments: 16</li> <li>Balance instalments: 13</li> <li>Amount of next 12 instalment: 8,745,070.</li> <li>Amount of last instalment: 8,823,949</li> <li>Rate of interest: 11.70%</li> <li>Moratorium Period: 1 Year</li> </ul>	113,764,789	140,000,000	<ol style="list-style-type: none"> <li>First Pari - passu charge on the entire fixed asset of the company both movable &amp; immovable excluding units acquired under business transfer agreement.</li> <li>Second Pari passu charge on all existing present &amp; future current assets of the Company excluding units acquired under business transfer agreement.</li> </ol>
	Karnataka Bank Term Loan -I	<ul style="list-style-type: none"> <li>Repayment terms: Monthly instalments</li> <li>Date of maturity: 01 August, 2015</li> <li>Number of instalments: 60</li> <li>Balance instalments: 5</li> <li>Amount of next 4 instalment: 250,000</li> <li>Amount of last instalment: 231,219</li> <li>Rate of interest: 14.75%</li> </ul>	1,231,219	4,231,220	<ol style="list-style-type: none"> <li>Hypothecation of plant and machineries, equipments, utilities and tools purchased out of the proceeds of the term loan</li> <li>Hypothecation of existing plant &amp; machineries</li> <li>Equitable mortgage by deposit of original title deeds of leasehold industrial land and building situated at Handwar</li> </ol>
	Karnataka Bank Term Loan -II	<ul style="list-style-type: none"> <li>Repayment terms: Monthly instalments</li> <li>Date of maturity: 01 November, 2016</li> <li>Number of instalments: 60</li> <li>Balance instalments: 20</li> <li>Amount of instalment: 500,000</li> <li>Rate of interest: 14.75%</li> </ul>	10,000,000	10,000,000	<ol style="list-style-type: none"> <li>Hypothecation of plant &amp; machineries, equipments, furniture and fixtures purchased out of the proceeds of the term loan</li> <li>Hypothecation of existing plant &amp; machineries</li> <li>Equitable mortgage by deposit of original title deeds of leasehold industrial land and building situated at Handwar.</li> <li>Equitable Mortgage for factory building (front portion) located at Greater Noida belonging to M/s Tuff Engineering Pvt. Ltd</li> </ol>
	Karnataka Bank Term Loan -III	<ul style="list-style-type: none"> <li>Repayment terms: Monthly instalments</li> <li>Number of instalments: 60</li> <li>Balance instalments: 13</li> <li>Amount of instalment: varying instalment</li> <li>Rate of interest: 13.25%</li> </ul>	8,566,605	2,372,752	<ol style="list-style-type: none"> <li>Hypothecation of new machineries/equipments to be purchased.</li> <li>Equitable mortgage by way of deposit of original title deeds of industrial property, land and factory building constructed thereon situated at Handwar</li> </ol>
2	Kotak Mahindra Prime Ltd	<ul style="list-style-type: none"> <li>Repayment terms: Quarterly instalments</li> <li>Date of maturity: 10 November 2014</li> <li>Number of instalments: 17</li> <li>Balance instalments: 0</li> <li>Amount of instalment: 19430</li> <li>Rate of interest: 11.72%</li> </ul>	-	58,284	Secured by hypothecation of vehicles
3	Standard Chartered Bank	<ul style="list-style-type: none"> <li>Repayment terms: Quarterly instalments</li> <li>Date of maturity: 07 August, 2018</li> <li>Number of instalments: 17</li> <li>Balance instalments: 14</li> <li>Amount of instalment: 35,294,117.65</li> <li>Rate of interest: 11.50%</li> <li>Moratorium Period: 6 Month</li> </ul>	494,117,647	690,000,000	Secured by assets of the Minda Corporation Limited (Holding Company)
4	SICOM	<ul style="list-style-type: none"> <li>Repayment terms: Annual instalments</li> <li>Date of maturity: 30 April, 2021</li> <li>Number of instalments: Total instalments: 11, Balance instalments: 7</li> <li>Amount of instalments: Varying instalment</li> <li>Rate of interest: Not applicable</li> </ul>	57,017,767	61,738,147	Unsecured



	As at 31 March 2015	As at 31 March 2014
<b>2.4 Other long-term liabilities</b>		
Security deposit	1,640,000	1,490,000
	<u>1,640,000</u>	<u>1,490,000</u>
<b>2.5 Long-term provisions</b>		
Provision for employee benefits		
- Provision for gratuity (also refer to note no. 14)	35,334,707	24,450,530
- Provision for compensated absences (also refer to note no. 14)	12,309,952	10,569,085
Lease rent equalisation reserve	1,896,100	1,245,506
	<u>49,540,759</u>	<u>36,265,121</u>
<b>2.6 Short-term borrowings</b>		
	Foot note	
<b>Secured</b>		
Loans repayable on demand		
Cash credit from banks	[1] 262,859,268	277,075,882
Bank overdraft	[2] 27,231,735	55,124,262
Working capital demand loan	[3] 225,000,000	105,000,000
<b>Unsecured</b>		
Bills payable	[4] 340,257,669	312,659,702
	<u>855,348,672</u>	<u>749,859,846</u>

S. No.	Lender	Terms of repayment	Amount outstanding as on 31 March 2015	Amount outstanding as on 31 March 2014	Details of securities
1	Kotak Mahindra Bank Limited	<ul style="list-style-type: none"> <li>• Repayment term: On demand</li> <li>• Rate of interest: Linked to bank base rate applicable from time to time</li> </ul>	78,121,395	95,571,528	1. First pari-passu charge on all existing and future current assets of the borrower excluding units acquired under business transfer agreement. 2. Second pari-passu charge on all existing and future movable fixed assets of the borrower excluding units acquired under business transfer agreement. 3. Second pari-passu mortgage charge on immovable fixed assets of the borrower being land and building situated in Chennai, Mumbai and Noida.
	HDFC Bank Limited	<ul style="list-style-type: none"> <li>• Repayment term: On demand</li> <li>• Rate of interest: 3.05% above base rate</li> </ul>	50,766,758	38,130,826	1. First pari-passu charge on current assets of the company, both present and future. 2. Second pari-passu charge on all existing & future fixed assets of the company including equitable mortgage for company's plant at Mumbai, Chennai and Noida.
	Karnataka Bank Limited	<ul style="list-style-type: none"> <li>• Repayment term: On demand</li> <li>• Rate of interest: Linked to bank base rate applicable from time to time</li> </ul>	33,105,956	42,903,783	Exclusive first hypothecation charge on the inventories and trade receivables of the units situated at Greater Noida and Haridwar unit.
	Indusind Bank Limited	<ul style="list-style-type: none"> <li>• Repayment term: On demand</li> <li>• Rate of interest: 0.75% above base rate</li> </ul>	100,865,179	100,469,745	1. First pari-passu charge on the entire current assets of the company, present and future. 2. Second pari-passu charge on the entire fixed assets of the company, present and future.
2	Standard Chartered Bank	<ul style="list-style-type: none"> <li>• Repayment term: On demand</li> <li>• Rate of interest: Linked to bank base rate applicable from time to time</li> </ul>	27,231,735	55,124,262	1. First pari-passu charge on all existing and future current assets of the company excluding units acquired under business transfer agreement. 2. Second pari-passu charge on all existing and future movable fixed assets of the company excluding the units acquired under business transfer agreement. 3. Second pari-passu charge on immovable fixed assets of the company located at Mumbai, Noida and Chennai.
3	HDFC Bank Limited	<ul style="list-style-type: none"> <li>• Repayment term: On demand</li> <li>• Rate of interest: Linked to bank base rate applicable from time to time</li> </ul>	125,000,000	105,000,000	1. First pari-passu charge on current assets of the company, both present and future. 2. Second pari-passu charge on all existing & future fixed assets of the company including equitable mortgage for company's plant at Mumbai, Chennai and Noida.
	Standard Chartered Bank	<ul style="list-style-type: none"> <li>• Repayment term: On demand</li> <li>• Rate of interest: Linked to bank base rate applicable from time to time</li> </ul>	100,000,000	-	1. First pari-passu charge on all existing and future current assets of the company excluding units acquired under business transfer agreement. 2. Second pari-passu charge on all existing and future movable fixed assets of the company excluding the units acquired under business transfer agreement. 3. Second pari-passu charge on immovable fixed assets of the company located at Mumbai, Noida and Chennai.
4	Kotak Mahindra Bank Limited	<ul style="list-style-type: none"> <li>• Repayable within 45 days to 64 days from the date of disbursement</li> <li>• Rate of interest: 12.35%</li> </ul>	134,362,032	165,693,365	Unsecured
	State Bank of India	<ul style="list-style-type: none"> <li>• Repayable within 45 days from the date of disbursement</li> <li>• Rate of interest: At base rate</li> </ul>	195,649,539	142,208,168	Unsecured
	Indusind Bank Ltd	<ul style="list-style-type: none"> <li>• Repayable within 90 days from the date of disbursement</li> <li>• Rate of interest: Base Rate plus 1.25%</li> </ul>	10,246,298	4,766,169	Bill of Exchange drawn payable to Indusind Bank Limited (as payee) and duly accepted by authorised signatories of the drawee



	As at 31 March 2015	As at 31 March 2014
<b>2.7 Trade payables *</b>		
Trade payables	818,515,564	803,645,053
	<u>818,515,564</u>	<u>803,645,053</u>
*The Company had sought confirmation from its vendors on their status under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from 2 October 2006. Based on the confirmations received till date, the disclosure as required by section 22 of the MSMED Act are given below -		
<b>Particulars</b>		
Principal amount remaining unpaid to supplier as at the end of the year	28,196,738	52,623,709
Interest due on the principal remaining outstanding as at the end of the year	1,143,910	228,800
Interest paid under the Act beyond the appointed day during the year	-	-
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 the Act	-	-
Interest accrued and remaining unpaid at the end of the year	1,899,148	755,238
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, for the purpose of disallowance as a deductible expenditure under the Act	-	-
<b>2.8 Other current liabilities</b>		
Current maturities of long-term borrowings (also refer to note no. 2.3)	202,874,811	160,268,974
Interest accrued but not due on borrowings	266,716	400,720
Provident fund and employees' state insurance payable	3,509,259	3,348,003
Other statutory dues payable	22,469,575	29,716,126
Capital creditors	21,999,448	9,671,401
Advance from customers	5,924,869	13,580,807
Security deposits	85,000	85,000
Employee benefits payable	23,172,058	22,541,118
Other payables	133,740	121,868
	<u>280,435,476</u>	<u>239,734,017</u>
<b>2.9 Short-term provisions</b>		
Provision for employee benefits		
Provision for gratuity (also refer to note no. 14)	2,116,726	2,598,819
Provision for compensated absences (also refer to note no. 14)	2,614,675	907,913
Others		
Provision for income tax (Net of advance tax and tax deducted at source Rs. 51,184,567)	12,349,433	-
Provision for material rejection	-	1,853,014
Provision for price decrease	80,613,036	36,606,349
Lease rent equalisation reserve	38,492	45,569
Provision for loss on onerous contract (also refer to note no. 15)	-	3,421,153
	<u>97,732,362</u>	<u>45,432,817</u>



2.10: Fixed Assets

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2014	Additions	Deletions/ Adjustments	As at 31 March 2015	For the year	Deletions/ Adjustments	As at 31 March 2015	As at 31 March 2015
Tangible assets								
Land	3,281,725	-	-	3,281,725	-	-	-	3,281,725
Freehold land	30,802,259	3,898,122	-	30,802,259	438,966	-	3,370,846	27,431,413
Leasehold land	298,294,302	96,775,163	11,133,487	302,192,424	13,584,951	-	84,785,129	217,407,295
Buildings	767,197,456	44,768,829	891,794	846,839,132	88,026,215	9,840,207	158,275,196	488,563,936
Plant and machinery	39,489,108	3,436,340	51,725	44,647,920	4,341,830	891,449	15,588,109	29,059,811
Furniture and fixtures	31,512,459	5,970,786	588,216	42,873,723	9,794,807	6,455	18,164,991	24,708,732
Office equipment	4,253,525	744,170	837,051	4,160,644	9,831,688	563,668	25,030,568	11,264,461
Computer hardware	41,686,328	546,873	-	42,233,201	4,686,392	138,983	2,199,131	1,961,513
Vehicles	-	-	-	-	5,583,671	-	10,270,063	31,963,138
Leasehold improvements	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,261,285,991</b>	<b>106,142,339</b>	<b>13,502,273</b>	<b>1,353,926,657</b>	<b>132,089,225</b>	<b>11,440,762</b>	<b>518,284,033</b>	<b>835,642,624</b>

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2014	Additions	Deletions/ Adjustments	As at 31 March 2015	For the year	Deletions/ Adjustments	As at 31 March 2015	As at 31 March 2015
Assets given on lease								
Building	23,375,955	-	-	23,375,955	504,701	-	12,095,423	11,280,532
Plant and machinery	5,795,575	-	-	5,795,575	515,290	-	2,269,588	3,525,987
<b>Total</b>	<b>29,171,530</b>	<b>-</b>	<b>-</b>	<b>29,171,530</b>	<b>1,019,991</b>	<b>-</b>	<b>14,365,011</b>	<b>14,806,519</b>
<b>Total Tangible assets</b>	<b>1,290,457,521</b>	<b>106,142,339</b>	<b>13,502,273</b>	<b>1,383,097,587</b>	<b>133,109,216</b>	<b>11,440,762</b>	<b>532,649,044</b>	<b>850,448,543</b>

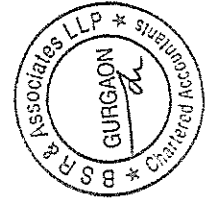
Particulars	Gross block			Accumulated amortisation			Net block	
	As at 1 April 2014	Additions	Deletions/ Adjustments	As at 31 March 2015	For the year	Deletions/ Adjustments	As at 31 March 2015	As at 31 March 2015
Intangible assets								
Computer software	38,351,392	10,772,263	-	49,123,655	7,471,206	-	27,765,779	21,357,877
<b>Total</b>	<b>38,351,392</b>	<b>10,772,263</b>	<b>-</b>	<b>49,123,655</b>	<b>7,471,206</b>	<b>-</b>	<b>27,765,779</b>	<b>21,357,877</b>
<b>Total Intangible assets</b>	<b>38,351,392</b>	<b>10,772,263</b>	<b>-</b>	<b>49,123,655</b>	<b>7,471,206</b>	<b>-</b>	<b>27,765,779</b>	<b>21,357,877</b>

Capital work in progress

133,830,192

Note

1. Depreciation of Rs 85,682 on revalued assets has been setoff against the revaluation reserve against these assets
2. Pursuant to the Companies Act, 2013 (the Act) being effective from 1 April 2014, the Company has revised depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. As a result of this change, the depreciation charge for the twelve months period ended 31 March 2015 is higher by Rs 18,604,675. Further, based on the transitional provision provided in note 7b of the Schedule II, an amount of Rs 11,029,213 (Rs. 16,708,397 less deferred tax of Rs. 5,679,184) has been debited to the opening balance of retained earnings in respect of fixed assets where life has expired as per the said Schedule II as on 31 March 2014.



2.10: Fixed Assets

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2013	Additions	Acquired pursuant to business transfer agreement #	Deletions/ Adjustments	As at 31 March 2014	For the year	As at 31 March 2014	As at 31 March 2014
<b>Tangible assets</b>								
Land								
Freehold land	3,281,725	-	-	-	3,281,725	-	-	3,281,725
Leasehold land	13,647,509	2,754,750	14,400,000	-	30,802,259	334,751	2,931,880	27,870,379
Buildings	224,185,609	63,021,300	13,944,358	2,856,965	298,294,302	10,776,787	71,200,178	227,094,124
Plant and machinery	558,840,278	111,367,356	106,911,429	9,921,607	767,197,456	61,762,089	289,089,188	487,108,268
Furniture and fixtures	38,746,680	4,601,325	2,883,723	1,462,899	44,768,829	2,539,146	12,137,728	32,631,101
Office equipment	21,062,345	14,123,534	5,379,525	1,076,296	39,489,108	1,407,038	8,376,639	31,112,469
Computer hardware	29,699,822	4,818,585	2,249,436	5,255,384	31,512,459	3,452,120	16,362,548	15,149,911
Vehicles	5,858,516	-	-	1,604,991	4,253,525	412,632	891,576	2,402,508
Leasehold improvements	34,123,887	104,818	8,393,563	935,940	41,686,328	4,572,127	4,686,392	36,999,936
<b>Total</b>	<b>929,446,371</b>	<b>200,791,668</b>	<b>154,162,034</b>	<b>23,114,082</b>	<b>1,261,285,991</b>	<b>85,256,690</b>	<b>397,635,570</b>	<b>863,650,421</b>

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2013	Additions	Acquired pursuant to business transfer agreement #	Deletions/ Adjustments	As at 31 March 2014	For the year	As at 31 March 2014	As at 31 March 2014
<b>Assets given on lease</b>								
Building	23,375,955	-	-	-	23,375,955	786,435	11,590,722	11,785,233
Plant and machinery	5,795,575	-	-	-	5,795,575	430,033	1,754,298	4,041,277
<b>Total</b>	<b>29,171,530</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,171,530</b>	<b>1,216,468</b>	<b>13,345,020</b>	<b>15,826,510</b>
<b>Total Tangible assets</b>	<b>958,617,901</b>	<b>200,791,668</b>	<b>154,162,034</b>	<b>23,114,082</b>	<b>1,290,457,521</b>	<b>86,473,158</b>	<b>410,980,590</b>	<b>879,476,931</b>

Particulars	Gross block			Accumulated amortisation			Net block	
	As at 1 April 2013	Additions	Acquired pursuant to business transfer agreement #	Deletions/ Adjustments	As at 31 March 2014	For the year	As at 31 March 2014	As at 31 March 2014
<b>Intangible assets</b>								
Computer software	30,009,723	8,502,325	1,641,306	1,801,962	38,351,392	7,028,333	20,294,572	18,056,820
<b>Total</b>	<b>30,009,723</b>	<b>8,502,325</b>	<b>1,641,306</b>	<b>1,801,962</b>	<b>38,351,392</b>	<b>7,028,333</b>	<b>20,294,572</b>	<b>18,056,820</b>
<b>Total Intangible assets</b>	<b>30,009,723</b>	<b>8,502,325</b>	<b>1,641,306</b>	<b>1,801,962</b>	<b>38,351,392</b>	<b>7,028,333</b>	<b>20,294,572</b>	<b>18,056,820</b>

# Also refer to note no. 16

Capital work in progress

5,782,379

Note : Depreciation of Rs.85,682 on revalued assets has been setoff against the revaluation reserve against these assets.



As to the financial statements as at 31 March' 2015  
amounts are in Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
<b>Non-current investments</b>		
<b>Other investments</b>		
<b>At cost, unquoted (long-term)</b>		
<b>Investment in equity instruments</b>		
2,834,938 equity shares (previous year - 2,834,938) of Almighty International Pte Ltd., a subsidiary, fully paid up of USD 1 each).	560,000,000	560,000,000
<b>Investment in preference shares</b>		
520,000 0.001% Cumulative Redeemable preference shares (previous year 520,000) of Rs.100 each in Minda Capital Limited. (fully paid up of Rs.100 each)	52,000,000	52,000,000
	<u>612,000,000</u>	<u>612,000,000</u>
<b>Long-term loans and advances</b> (Unsecured and considered good, unless otherwise stated)		
<b>To parties other than related parties</b>		
Capital advances	7,729,166	3,569,353
Security deposits	14,807,812	12,851,053
Loans and advances to employees/ ex-employees		
- Considered good	590,263	540,106
- Considered doubtful	1,317,000	1,317,000
Less: Provision for doubtful advance	(1,317,000)	(1,317,000)
Other loans and advances		
- Advance tax and tax deducted at source (net of provision for income-tax Rs. 309,233,548 ( previous year Rs.309,783,991))	9,261,874	8,724,591
- Prepaid expense	1,252,592	340,939
- Lease equalisation reserve	-	671,213
<b>To related parties</b> (Unsecured and considered good, unless otherwise stated)		
Capital advances*	-	150,000,000
Security deposits#	13,800,000	13,000,000
	<u>47,441,707</u>	<u>189,697,255</u>
*Minda Corporation Limited	-	150,000,000
#Minda Capital Limited	13,800,000	13,000,000





	As at 31 March 2015	As at 31 March 2014
<b>2.13 Inventories</b>		
Raw materials #	446,951,807	405,892,260
Add: Goods in transit	<u>13,034,745</u>	<u>11,964,934</u>
	459,986,552	417,857,194
Work-in-progress	<u>88,194,401</u>	<u>84,446,801</u>
	88,194,401	84,446,801
Finished goods *	81,683,758	50,695,372
Add: Goods in transit	<u>21,459,584</u>	<u>21,871,251</u>
	103,143,342	72,566,623
Stores and spares	6,668,366	5,189,266
	<u>657,992,661</u>	<u>580,059,884</u>

# Net of provision for obsolescence amounting to Rs. 6,421,716 (Previous year Rs.3,099,151)

\* Net of provision for obsolescence amounting to Rs. 2,855,518 (Previous year Rs. 1,683,302)

**2.14 Trade receivables\***

(Unsecured and considered good, unless otherwise stated)

Outstanding for a period exceeding six months from the date they are due for payment

- Considered good	6,442,869	3,638,595
- Considered doubtful	<u>4,146,744</u>	<u>3,720,308</u>
	10,589,613	7,358,903
Less : Provision for doubtful receivables	<u>4,146,744</u>	<u>3,720,308</u>
	6,442,869	3,638,595
Other receivables	1,218,269,351	1,059,427,418
- Considered good	<u>1,218,269,351</u>	<u>1,059,427,418</u>
	<u>1,224,712,220</u>	<u>1,063,066,013</u>

\*Trade receivables (unsecured, considered good) includes Rs. 38,360,285 (previous year Rs. 17,440,154) due from a private company in which one of the directors of the Company is a director.

**2.15 Cash and bank balances**

<b>Cash and cash equivalents</b>		
Cash on hand	1,180,348	1,192,072
Cheques on hand	11,123,259	3,341,576
Bank balances with scheduled banks		
-On current accounts	1,410,554	5,705,530
<b>Other bank balances</b>		
Deposits with original maturity of more than three months but less than 12 months*	4,995,025	2,671,328
	<u>18,709,186</u>	<u>12,910,506</u>

\*held as margin money with the bank for issuing bank guarantees.

**Details of bank deposits**

Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'

4,995,025	2,671,328
<u>4,995,025</u>	<u>2,671,328</u>



	As at 31 March 2015	As at 31 March 2014
<b>2.16 Short-term loans and advances</b> (Unsecured and considered good, unless otherwise stated)		
<b>To parties other than related related parties</b>		
Other loans and advances		
<b>Considered good</b>		
- Advances to suppliers	24,371,743	20,323,436
- Balance with government authorities	54,520,048	37,599,123
- Duty drawback receivable	-	14,232
- Prepaid expenses	6,952,162	3,879,108
- Advances to employees	3,898,512	2,503,399
- Security deposit	1,788,536	2,709,550
- Others	275,918	2,130,053
<b>Considered doubtful</b>		
- Advance to suppliers	422,722	422,722
Less : Provision for doubtful amount	422,722	422,722
<b>To related parties</b>		
- Advance to suppliers*	-	5,587,641
- Short term loan	295,670,588	359,200,000
- Other recoverable towards advance made**	294,096	-
- Recoverable from Minda Capital Limited (also refer to note no. 17)#	90,384,720	71,218,008
	<u>478,156,323</u>	<u>505,164,550</u>
 Minda Capital Limited #	 386,055,308	 430,418,008
Minda Corporation Limited*	-	5,587,641
Minda Vietnam Automotive Company Limited**	294,096	
 <b>2.17 Other current assets</b> (Unsecured and considered good, unless otherwise stated)		
<b>To parties other than related parties</b>		
Interest accrued on deposits and loans	107,086	1,284
Unbilled revenue	177,585	36,751,513
Insurance claim receivable	-	1,698,024
<b>Considered doubtful</b>		
- Insurance claim receivable	-	786,068
Less : Provision for doubtful amount	-	786,068
<b>To related parties</b> (Unsecured and considered good, unless otherwise stated)		
Interest accrued on deposits and loans*	55,886,852	55,886,850
	<u>56,171,523</u>	<u>94,337,671</u>
 * Minda Capital Limited	 55,886,852	 55,886,850



Minda SAI Limited  
Notes to the financial statements as at 31 March 2015  
(All amounts are in Indian Rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>2.18 Revenue from operations</b>		
<b>Sale of products</b>		
- Manufactured goods*	5,631,712,959	4,942,712,475
- Traded goods	-	4,221,219
Less: Excise Duty	<u>543,798,146</u>	<u>534,293,440</u>
Sale of products (net)	<u>5,087,914,813</u>	<u>4,412,640,254</u>
<b>Other operating revenue</b>		
- Scrap sales	14,489,716	12,451,522
- Duty drawback	140,580	14,232
- Royalty Income	3,000,000	3,000,000
- Job work income	<u>56,232,219</u>	<u>24,560,965</u>
<b>Other operating revenue</b>	<u>73,862,515</u>	<u>40,026,719</u>

\*Excise duty on sales amounting to Rs. 543,798,146 (previous year Rs. 534,293,440) has been reduced from sales in Statement of Profit and Loss and excise duty on increase/ (decrease) in stock amounting to Rs. 3,422,618 (previous year Rs. 520,375) has been considered as expense/ (income) in Note 2.24.

<b>Break up of Manufactured goods sold</b>		
Wiring harness	5,450,956,995	4,883,091,245
Auto components - plastic interior	148,980,964	59,621,230
Tools	<u>31,775,000</u>	
	<u>5,631,712,959</u>	<u>4,942,712,475</u>

**2.19 Other income**

Interest on fixed deposits	370,366	556,448
Interest on loans and deposits	39,054,488	51,778,482
Unclaimed liabilities written back	1,288,817	619,396
Provisions for doubtful debts written back (net)	1,509,136	1,098,144
Provisions no longer required written back	4,118,283	2,076,726
Profit on sale of non current investments	-	40,444,055
Rental income	5,801,491	6,744,031
Dividend income	520	520
Exchange gain (net)	7,278,945	-
Management fee	61,654	6,000,000
Technical consultancy fees	6,500,000	-
Liquidated damages received	-	4,970,402
Miscellaneous	580,631	1,339,122
	<u>66,564,331</u>	<u>115,627,326</u>

**2.20 Cost of materials consumed**

<b>Raw material consumed</b>		
Inventory at the beginning of the year	417,857,194	320,251,732
Add: Purchases during the year	3,549,950,393	3,218,300,323
Add : Acquired pursuant to business transfer agreements (also refer to note no. 16)	-	61,900,460
	<u>3,967,807,587</u>	<u>3,600,452,515</u>
Less: Inventory at the end of the year	459,986,552	417,857,194
	<u>3,507,821,035</u>	<u>3,182,595,321</u>



Minda SAI Limited

Notes to the financial statements as at 31 March 2015

(All amounts are in Indian Rupees)

	For the year ended 31 March 2015		For the year ended 31 March 2014	
<b>Break up of inventory of raw material</b>				
Wires	102,933,792		96,584,827	
Brass	31,886,972		22,609,246	
Others	325,165,788		298,663,121	
	<u>459,986,552</u>		<u>417,857,194</u>	
<b>Break up of raw material consumed</b>				
Wires	1,788,380,092		1,452,508,421	
Brass	224,672,492		110,780,575	
Others	1,494,768,451		1,619,306,325	
	<u>3,507,821,035</u>		<u>3,182,595,321</u>	
<b>Value of imported and indigenous raw materials consumed</b>	<b>Amount (Rs)</b>	<b>Percentage</b>	<b>Amount (Rs)</b>	<b>Percentage</b>
Imported	435,623,504	12.42	321,489,948	10.10
Indigenous	3,072,197,531	87.58	2,861,105,373	89.90
	<u>3,507,821,035</u>		<u>3,182,595,321</u>	
<b>2.21 Purchase of stock in trade</b>				
Acquired pursuant to business transfer agreements (also refer to note no.16)	-		4,235,498	
	<u>-</u>		<u>4,235,498</u>	
<b>Break -up of purchase of stock in trade :</b>				
Auto components- plastic interior	-		3,486,919	
Wiring Harness	-		748,579	
	<u>-</u>		<u>4,235,498</u>	
<b>2.22 (Increase) in inventories of work-in-progress, finished goods and stock in trade</b>				
<b>Closing stock</b>				
Finished goods	103,143,342		71,942,361	
Work-in-progress	88,194,401		84,446,801	
Stock-in-trade	-		624,263	
	<u>191,337,743</u>		<u>157,013,425</u>	
<b>Opening stock</b>				
Finished goods	71,942,361		45,764,858	
Work-in-progress	84,446,801		69,623,238	
Stock-in-trade	624,263		-	
	<u>157,013,425</u>		<u>115,388,096</u>	
	<u>(34,324,318)</u>		<u>(41,625,329)</u>	
<b>Finished goods - Wiring Harness</b>				
Opening stock	64,537,249		45,764,858	
Closing stock	90,173,358		64,537,249	
<b>Finished goods - plastic interior</b>				
Opening stock	7,405,112		-	
Closing stock	12,969,984		7,405,112	
<b>Stock-in-trade - Wiring Harness</b>				
Opening stock	172,874		-	
Closing stock	-		172,874	
<b>Stock-in-trade -plastic interior</b>				
Opening stock	451,389		-	
Closing stock	-		451,389	



	For the year ended 31 March 2015	For the year ended 31 March 2014		
<b>2.23 Employee benefit expenses</b>				
Salaries, bonus and allowances	721,336,515	568,598,654		
Contribution to provident and other funds	23,585,256	19,396,993		
Staff welfare	46,106,984	34,409,480		
	<u>791,028,755</u>	<u>622,405,127</u>		
<b>2.24 Other expenses</b>				
Stores and spares	16,939,358	14,433,162		
Management fees	50,868,611	55,161,447		
Technical consultancy fees	6,261,569	-		
Job work charges	37,536,640	58,288,037		
Travelling and conveyance	65,558,481	42,538,322		
Packing and forwarding	40,122,918	30,843,013		
Rent	74,545,017	58,935,963		
Power and fuel	43,525,992	32,713,998		
Repairs and maintenance	-	-		
- Plant and machinery	19,448,270	16,002,261		
- Buildings	4,955,783	4,892,214		
- Others	16,989,674	13,537,824		
Legal and professional	12,699,949	19,302,721		
Security	15,551,593	12,309,166		
Foreign exchange loss (net)	-	652,837		
Increase/ (decrease) of excise duty provision on closing stock of finished goods	3,422,618	520,375		
Sales promotion	3,389,636	2,785,035		
Printing and stationery	5,909,716	5,117,708		
Fixed assets written off	495,562	826,477		
Communication	6,626,770	5,293,634		
Rates and taxes	5,550,870	5,043,304		
Insurance	4,619,936	4,231,715		
Provision for bad and doubtful debts	1,935,572	1,181,168		
Payment to auditors (refer note below)	2,177,330	1,875,000		
Provision for doubtful advances	-	1,208,790		
Loss/(gain) on sale of fixed assets (net)	631,363	2,434,809		
Advance written off	31,892	140,464		
Bad debts written off	-	960,190		
Bank charges	3,361,029	2,520,715		
Corporate social responsibility expenses	1,677,776	-		
Miscellaneous	6,766,275	5,915,852		
	<u>501,600,200</u>	<u>399,666,201</u>		
<b>Note: Payment to auditors</b>				
As auditor				
Statutory audit	2,000,000	1,500,000		
Tax audit #	-	125,000		
Other matters #	-	250,000		
Payment of out of pocket expenses	177,330	-		
	<u>2,177,330</u>	<u>1,875,000</u>		
# Payment to other auditors				
<b>Value of imported and indigenous stores and spares consumed</b>				
	Amount (Rs)	Percentage	Amount (Rs)	Percentage
Imported	3,690,564	21.79	2,128,049	14.74
Indigenous	<u>13,248,794</u>	78.21	<u>12,305,113</u>	85.26
	<u>16,939,358</u>		<u>14,433,162</u>	
<b>2.25 Finance costs</b>				
Interest expense	142,386,337	80,749,212		
Other borrowing cost	5,360,351	4,660,192		
Financial assistance fee	6,000,000	-		
	<u>153,746,688</u>	<u>85,409,404</u>		



Minda SAI Limited

Significant accounting policies and notes to the financial statements

(All amounts in Indian Rupees)

Notes to the financial statements:

3. Expenditure in foreign currency (on accrual basis)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Travelling and conveyance	1,025,637	413,833
Rates and Taxes	-	1,105,899
Technical consultancy fees	6,261,569	
<b>Total</b>	<b>7,287,206</b>	<b>1,519,732</b>

4. Earnings in foreign currency (on accrual basis)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Revenue from exports on F.O.B basis.	9,283,973	6,744,418
<b>Total</b>	<b>9,283,973</b>	<b>6,744,418</b>

5. CIF values of imports

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Raw materials	369,400,828	328,038,773
Stores and spares	4,227,880	2,815,245
Capital goods	25,221,465	25,558,280
<b>Total</b>	<b>398,850,173</b>	<b>356,412,298</b>

6. Capital and other commitments

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Estimated amount of contracts remaining to be executed on capital account	20,427,544	5,545,408
<b>Total</b>	<b>20,427,544</b>	<b>5,545,408</b>

7. Accounting for leases

a) As a lessee

i. Operating leases

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Lease rentals recognized in the Statement of Profit and Loss during the year	74,545,017	58,935,963
<b>Total</b>	<b>74,545,017</b>	<b>58,935,963</b>



**Minda SAI Limited**

**Significant accounting policies and notes to the financial statements**

(All amounts in Indian Rupees)

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

Particulars	As at 31 March 2015	As at 31 March 2014
Not later than one year	67,820,097	49,924,177
Later than one year but not later than five years	219,862,241	151,108,302
Later than five years	39,100,000	66,700,000
<b>Total</b>	<b>326,782,338</b>	<b>267,732,479</b>

**b) As a lessor**

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

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Rental income recognized in the Statement of Profit and Loss during the year	5,801,491	6,744,031
<b>Total</b>	<b>5,801,491</b>	<b>6,744,031</b>

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

Particulars	As at 31 March 2015	As at 31 March 2014
Not later than one year	-	5,801,491
Later than one year but not later than five years	-	-
<b>Total</b>	<b>-</b>	<b>5,801,491</b>

**8. Segment Reporting**

The Company is engaged in the business of manufacture of auto components/ accessories which is a primary segment for the Company which constitutes a single business segment and accordingly disclosure requirements of Accounting Standard 17, "Segment Reporting", prescribed by the Companies (Accounting Standard) Rules 2014 in relation to primary segment are not required to be given. All the business activities of the Company are primarily conducted from locations in India. Therefore, substantially all the revenue and net assets are attributed to Indian operations. Accordingly, no additional disclosure for secondary segment reporting on the basis of geographical operations has been made in the financial statements.



**Minda SAI Limited**

**Significant accounting policies and notes to the financial statements**

(All amounts in Indian Rupees)

**9. Contingent liabilities**

Particulars	As at 31 March 2015	As at 31 March 2014
Claims against the company not acknowledged as debt in respect of:		
Income Tax	399,368	14,459,872
Sales Tax	2,432,500	2,803,635
Excise Duty	278,722	493,884
Service Tax	2,002,935	798,242
Guarantee	200,000,000	-
<b>Total</b>	<b>205,113,525</b>	<b>18,555,633</b>

**10. Earnings per share**

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

Particulars	Units	Year ended 31 March 2015	Year ended 31 March 2014
Profit after tax attributable to equity shareholders	Rs	124,255,103	164,741,165
<i>Computation of weighted average number of Equity shares of Rs. 100 each</i>			
- Number of shares at the beginning of the year	No.	5,577,108	3,077,108
- Shares issued during the year	No.	-	2,500,000
Total number of equity shares outstanding at the end of the year	No.	5,577,108	5,577,108
Weighted average of number of equity shares used in computing basic and diluted earnings per share	No.	5,577,108	3,104,505
Basic and diluted earnings per equity share of face value of Rs. 100 each.	Rs.	22.28	53.07





## 11. Disclosure in respect of un-hedged currency receivable/ payable:

The Company's exposure in respect of foreign currency denominated assets and liabilities not hedged by derivative instruments or otherwise are as follows:

Particulars	As at 31 March 2015			As at 31 March 2014		
	Foreign Currency		Amount	Foreign Currency		Amount
<b>Assets</b>						
Trade Receivable	USD	22,996	1,436,336	USD	40,161	24,06,272
	Euro	1,261	84,279			
<b>Liabilities</b>						
Trade payable	JPY	100,921,125	52,347,788	JPY	13,051,066	7,583,974
	USD	357,607	22,339,734	USD	422,595	25,328,254
	Euro	282,543	18,881,762	Euro	192,400	15,912,462
	CHF	74,090	4,733,884	CHF	4,233	297,101
	SD	-	-	SD	23,170	1,105,899

## 12. The components of deferred tax asset/ (liability) as required under Accounting Standards-22, Accounting for Taxes on Income are as follows:

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Deferred tax liability</b>		
Difference between written down value of fixed assets of Income Tax Act, 1961 and Companies Act, 1956	(57,909,772)	(65,025,962)
<b>Total deferred tax liability</b>	<b>(57,909,772)</b>	<b>(65,025,962)</b>
<b>Deferred tax asset</b>		
Provision for Compensated absences	4,337,215	3,382,079
Provision for gratuity	10,797,257	7,466,706
Provision for doubtful debts	1,395,132	1,237,369
Provision for doubtful advances	591,332	858,516
Provision for bonus	1,343,485	1,156,706
Provision for inventory obsolescence	-	1,625,556
Lease equalisation reserve	657,566	210,692
Expenses disallowed under section 40a(ia) of the Income tax Act, 1961	-	2,065,665
<b>Total deferred tax asset</b>	<b>19,121,987</b>	<b>18,003,289</b>
<b>Net deferred tax liability</b>	<b>(38,787,785)</b>	<b>(47,022,673)</b>



**Minda SAI Limited**

**Significant accounting policies and notes to the financial statements**

(All amounts in Indian Rupees)

**13. Related party disclosures as required under AS-18**

(A) Nature of relationship	Name of Company
<i>Related parties where control exists</i>	
Holding company and Ultimate holding company	• Minda Corporation Limited ('MCL')
Subsidiary	• Almighty International Pte.Ltd ('AIPL')
Step Subsidiaries	• PT Minda Automotive, Indonesia • Minda Vietnam Automotive Comapny Limited ('MVACL')
<i>Related parties with whom transactions have taken place during the current year and the previous year</i>	
Enterprises over which Directors of the Company are able to exercise significant influence	• Minda Stoneridge Instruments Limited ('MSIL') • MindaRika Private Limited ('MPL') • Minda Capital Limited ('MCAPL')# • Minda Valeo Security Systems Private Limited ('MVSSPL') • Minda Furukawa Electric Private Limited ('MFEPL') (upto 30 September 2014) • Minda Industries Limited ('MIL') • Tuff Engineering Private Limited ('TEPL') • PT Minda Automotive Trading ('PTMAT') • Whiteline Barter Limited ('WBL') • Mayank Auto Engineers Private Limited ('MAEPL') # • Minda KTSN Plastic Solutions Gmbh & Co. KG, Germany ('MKTSN')
Fellow subsidiaries	• Minda Management Services Limited ('MMSL') • Spark Minda Foundation ('SMF') • Minda Furukawa Electric Private Limited ('MFEPL') (w.e.f. 1 October 2014)
Key management personnel	• Praveen Gupta- Managing Director

# During the current year, pursuant to the approval of scheme of Amalgamation dated 8 September 2014 by Hon'ble High Court of Delhi, MAEPL has been amalgamated with MCAPL with effect from 1 April 2013. This has resulted in transfer of all amounts receivables from MAEPL to MCAPL.

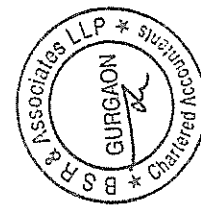






(C) Balances as at year end

Description	MCI	MAEPL	MBSL	MVACL	MFEPL	MPL	MSIL	MCAL	MIL	MVSSPL	TEPL	WBL	AIPL	Minda K/TSN
	For the year ended 31 March 2015	For the year ended 31 March 2015	For the year ended 31 March 2015	For the year ended 31 March 2015	For the year ended 31 March 2015	For the year ended 31 March 2015	For the year ended 31 March 2015	For the year ended 31 March 2015	For the year ended 31 March 2015	For the year ended 31 March 2015	For the year ended 31 March 2015	For the year ended 31 March 2015	For the year ended 31 March 2015	For the year ended 31 March 2015
Trade receivable	9,500,623	-	-	-	38,176,467	-	4,545,397	-	-	181,817	-	-	-	84,279
(11,730,135)	-	-	-	(17,440,154)	(1,235,816)	-	(435,307)	-	(769,367)	-	-	-	-	-
Trade payables	157,418	-	4,693,183	-	374,278	-	1,241,256	-	-	-	-	-	-	3,830,651
(1,629,986)	-	(8,769,458)	-	(1,261,459)	-	-	(2,154,597)	-	-	-	-	-	-	-
Other payables	684,980	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans and advances	-	-	-	294,096	-	-	-	295,670,588	-	-	-	-	-	-
(90,922)	-	-	-	(90,922)	-	-	-	(359,000,000)	-	-	-	-	-	-
Long term loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency outstanding	600,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-
(600,000,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity shares issued outstanding	557,710,800	-	-	-	-	-	-	-	-	-	-	-	-	-
(557,710,800)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in equity shares outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in preference shares outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest (Receivable)	-	-	-	-	-	-	-	52,000,000	-	-	-	-	-	-
(52,000,000)	-	-	-	-	-	-	-	(52,000,000)	-	-	-	-	-	-
Accrued interest (Receivable)	-	-	-	-	-	-	-	55,886,852	-	-	-	-	-	-
(55,886,852)	-	-	-	-	-	-	-	(55,886,852)	-	-	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Advance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan advance	(150,000,000)	-	-	-	-	-	-	-	-	-	-	-	-	-
5,896,108	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(5,887,641)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivable arising from acquisition of business	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Deposits outstanding	-	-	-	-	-	-	-	90,384,720	-	-	-	-	-	-
(71,218,008)	-	-	-	-	-	-	-	(71,218,008)	-	-	-	-	-	-
Dividend receivable	-	-	-	-	-	-	-	13,800,000	-	-	-	-	-	-
(13,800,000)	-	-	-	-	-	-	-	(13,800,000)	-	-	-	-	-	-
Advance from Customers	-	-	-	-	-	-	-	1,040	-	-	-	-	-	-
(520)	-	-	-	-	-	-	-	(520)	-	-	-	-	-	-
Guarance given by the company	-	-	-	-	(13,460,807)	-	-	-	-	(130,000)	-	-	-	-
200,000,000	-	-	-	-	-	-	-	-	-	200,000,000	-	-	-	-
(200,000,000)	-	-	-	-	-	-	-	-	-	(200,000,000)	-	-	-	-



(All amounts in Indian Rupees)

**14. Employee benefits**

The following table sets out the status of the gratuity plan as required under AS-15 (revised), "Employee Benefits" as at 31 March 2015 and 31 March 2014:

**a) Defined Contribution Plan:**

Amount of Rs. 23,585,256 (previous year Rs.19,396,993) pertaining to employers' contribution to provident fund and other funds is recognised as an expense in note no.2.23

**b) Defined benefit Plan (Gratuity):****i. General description of defined benefit plan/other long term benefit plan:****Gratuity plan**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vest after five years of continuous service. Gratuity benefits valued were in accordance with the payment of Gratuity Act, 1972.

**Compensated absences plan**

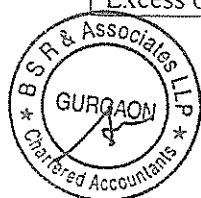
The Company operates compensated absences plan, where in every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 56 accumulation of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

**ii. The changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows:**

Particulars	As at 31 March 2015	As at 31 March 2014
Present value of obligation as at the beginning of the year	31,759,657	21,160,232
Present value of obligation acquired during the year	1,138,346	5,183,978
Interest cost	2,699,571	2,239,258
Current service cost	5,578,311	4,417,532
Benefits paid	3,865,893	1,627,886
Actuarial (gain)/ loss on obligation	5,016,438	386,543
Present value of obligation as at the end of year	42,326,430	31,759,657

**iii. The changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:**

Particulars	As at 31 March 2015	As at 31 March 2014
Fair value of plan assets at the beginning of the year	4,710,308	3,942,647
Actual return on plan assets	423,928	342,638
Contributions	98,951	637,529
Benefits paid	(348,951)	(212,506)
Fair value of plan assets at the end of the year	4,874,997	4,710,308
Excess of actual over estimated return on plan assets	(9239)	(2344)



## iv. The amounts recognised in Balance Sheet are as follows:

Particulars	As at 31 March 2015	As at 31 March 2014
Present value of obligation as at the end of the year	(42,326,430)	(31,759,657)
Fair value of plan assets as at the end of the year	4,874,997	4,710,308
funded/ (unfunded) status	(37,451,433)	(27,049,349)
Excess of actual over estimated	(9239)	(2,344)
Net liability recognized in Balance Sheet*	(37,451,433)	(27,049,349)

\*The said liability has been classified into current liabilities amounting to Rs. 2,116,726 (previous year – Rs. 2,598,819) and non-current liabilities amounting to Rs.35,334,707 (previous year Rs. 24,450,530). Also refer to note no. 2.5 and note no. 2.9.

## v. The amounts recognised in Statement of Profit and Loss are as follows

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Current service cost	5,578,311	4,417,532
Interest cost	2,699,571	2,239,258
Expected return on plan assets	(423,928)	(344,982)
Net actuarial (gain)/ loss recognized in the year	5,025,677	388,887
Expenses recognized in the Statement of Profit and Loss	12,879,631	6,700,695

## vi. Principal actuarial assumptions at the Balance Sheet date are as follows:

Particulars	As at 31 March 2015	As at 31 March 2014
Discount rate	7.75% p.a	8.50% p.a
Expected rate of return on plan assets	9.00% p.a	8.75% p.a
Salary growth rate	6.50% p.a	6.50% p.a
Retirement age	60 years	60 years
Mortality	IALM(2006-08)	IALM (2006-08)

**Economic assumptions**

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the prevailing market yield of government bonds as at the Balance Sheet date for the estimated term of the obligation and the estimates of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.



## Experience adjustments

## vii. Amount recognized in current year and previous four years:

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Present value of obligation as at the end of year	42,326,430	31,759,657	21,160,232	15,944,879	12,748,402
Fair value of plan assets at the end of the year	4,874,997	4,710,308	3,942,647	3,186,186	2,958,843
Surplus / (Deficit)	(37,451,433)	(27,049,349)	(17,217,585)	(12,758,693)	(9,789,559)
Experience adjustment on plan Liabilities (loss)/ gain	(819,129)	(386,543)	(760,621)	(653,759)	(2,769,190)
Experience adjustment on plan Assets (loss)/ gain	2,537	(2,344)	(4,691)	(10197)	32,073

## viii. Experience on actuarial gain/ (loss) for Projected benefit obligation and plan assets:

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
On plan projected benefit obligation	-	-
On plan assets	2537	(2,344)

## ix. Investment details of plan assets:

100 % of the plan assets are with the Insurer managed funds.

## x. Defined benefit plan (Compensated absences)

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

Assumptions	Year ended 31 March 2015	Year ended 31 March 2014
Discount rate	7.75% per annum	8.50% per annum
Salary escalation rate	6.50% per annum	6.50% per annum

The defined benefit obligation of compensated absences in respect of employees of the Company as at 31 March 2015 amounts to Rs. 14,924,627 (previous year Rs.11,476,998). Further, the said liability has been classified into current liabilities amounting to Rs. 2,614,675 (previous year Rs. 907,913) and non-current liabilities amounting to Rs. 12,309,952 (previous year Rs.10,569,085). Also refer to note no. 2.5 and note no. 2.9.





## 15. Provisions for onerous contracts

Particulars for onerous contracts	Year ended 31 March 2015	Year ended 31 March 2014
At the commencement of the year	3,421,153	-
Provision acquired pursuant to business transfer agreement	-	4,303,787
Utilised during the current year	3,421,153	882,634
At the end of the year	-	3,421,153

The above represents expected loss on a contract to supply tools to customers.

16. During the year ended 31 March 2014, the Company had acquired two business divisions under a Business Transfer Agreement with Mayank Auto Engineers Private Limited ("transferee Company") to acquire all the assets and liabilities of the units located at Greater Noida and Haridwar. The said acquisition was done on a going concern on slump sale basis with effect from 1 October 2013 for a lump sum consideration amounting to Rs.153,213,554 (adjusted subsequently between the parties). The consideration paid was allocated to acquired assets and liabilities on the basis of fair valuation.

The summary of the fair values of assets and liabilities acquired was as follows:-

(Amount in Rs)	
Particulars	Total
Non-current assets	159,620,697
Current assets*	315,163,978
<b>Total assets (a)</b>	<b>474,784,675</b>
Borrowings	46,812,460
Current liabilities and provisions#	269,052,583
<b>Total liabilities (b)</b>	<b>315,865,043</b>
<b>Total fair value of net assets acquired (C) = (a)-(b)</b>	<b>158,919,631</b>
<b>Amount of purchase consideration (d)</b>	<b>153,213,554</b>
<b>(Capital reserve) / Goodwill (d-c)</b>	<b>(5,706,078)</b>

\*includes amount receivable from Minda SAI Limited amounting to Rs. 52,564.896 and cash and bank balance of Rs.1,507,727.

#includes amount payable to Minda SAI Limited amounting to Rs. 10,888,335.

17. The Company had given advance to Mayank Auto Engineers Private Limited amounting to Rs. 182,750,000 pertaining to business acquisition agreements which was then adjusted against net purchase consideration amounting to Rs. 111,531,992 (gross purchase consideration amounting to Rs. 153,213,554 net of receivable amounting to Rs. 52,564,896 and payable amounting to Rs. 10,888,325). The balance outstanding is recoverable from Mayank Auto Engineers Private Limited (now merged with Minda Capital Limited)



Minda SAI Limited

Significant accounting policies and notes to the financial statements

(All amounts in Indian Rupees)

18. During the current year, as required under section 135 of the Act, the Company has spent Rs. 1,677,776 towards the corporate social responsibility (CSR activity). Relevant disclosures for amount to be spent vis a viz amount spent during the year are as below.

Amount required to be spent during the year

Particulars	Amount
Gross amount required to be spend by the Company	4,836,053

Amount spent during the year on:

S. No.	Project/ Activity	Paid in cash	Yet to be paid in	Total (Rs.)
1	Vocational training to unemployed women	951,727	-	951,727
2	Contribution to Company formed under section 8 of Companies Act 2013 for the purpose, including promoting and preventing Health care & sanitation	700,000	-	700,000
3	Other purpose	26,049	-	26,049
	<b>Total</b>	<b>1,677,776</b>	<b>-</b>	<b>1,677,776</b>

19. The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.

For B S R & Associates LLP

Chartered Accountants

Firm Registration Number: 116231W/W-100024



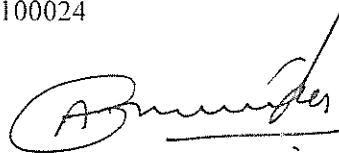
Manish Gupta

Partner

Membership No. :095037

For and on behalf of Board of Directors of

Minda SAI Limited



Ashok Minda

Director

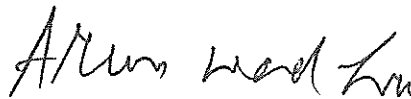
DIN : 00054727



Praveen Gupta

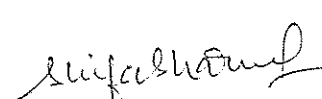
CEO & Managing Director

DIN : 01885287



Arun Wadhwa

CFO



Shifa Badri

Company Secretary

Place: Gurgaon

Date: 25 May 2015

Place:

Date: 25 May 2015

B S R & Associates LLP