



**Narrowing Focus  
Deepening Capabilities**

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## Cautionary Statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# Narrowing Focus Deepening Capabilities

**“Do whatever you do intensely.”** —Robert Henri

FY21 was a year of ‘business as unusual’ being very usual. It was a year where individual, communities, companies and even nation had to think and act differently. While for many companies, it was a year of reckoning and a sharp wakeup call of doing business in a new normal situation and were forced to refocus their strategies, at Spark Minda it was ‘business as usual’.

Over the years, we have been focussing on building a company which has a sustainable competitive advantage, profitable growth and enhance shareholder value. All these years, we have been focussing and, to quote noted Harvard professor and the foremost authority on competitive strategy, Michael Porter, “the essence of strategy is choosing what NOT to do.”

We have been working to ensure that Spark Minda’s profitability is above the industry average and the simple way of above-average profitability in the long run is sustainable competitive advantage. To achieve such a competitive advantage, we have focussed on ‘low cost’ for volume products but more importantly adopted a ‘differentiation’ for our products.

We have still some way to go in this journey, but clearly everyone in Spark Minda is on board for this journey, which is also the theme of the annual report – **‘Narrowing Focus, Deepening Capability’**.

Such a narrow focus has made things easier for everyone at Spark Minda. Our people are aligned more clearly and our story to the market and our customers is certainly simple, clearer and more succinct. It has helped to deepen our capabilities in these limited areas and invest more in few high value products. Beyond products, this way of thinking is imperative in the way we work with our customers. We have been working to ensure that our customer experience is laser-focused as we not only address the user needs but also helping plug in the gaps and get more value per customer.

We have still some way to go in this journey, but clearly everyone in Spark Minda is on board for this journey, which is also the theme of the annual report – ‘Narrowing Focus, Deepening Capability’.





# We are Minda Corporation

Minda Corporation is one of the leading automotive component manufacturing companies in India with a pan-India presence and significant international footprint. The Company was incorporated in 1985. It is the flagship company of Spark Minda, which was part of the erstwhile Minda Group. The Company has a diversified product portfolio that encompasses Mechatronics, Information and Connected Systems, Interior Plastic and Electronic for auto OEMs. These products cater to 2/3 wheelers, passenger vehicles, commercial vehicles, off-roaders and after-market. The Company has a diversified customer base including Indian and global original equipment manufacturers and Tier-1 customers.

For assimilating the latest technologies, The Company has a dedicated R&D facility and collaborations with the pioneers and leaders of the automobile industry. This has provided it with the cutting-edge in product design and technology to meet strict international quality standards.



## Mission

Our mission is to be an Automotive System Solution provider and build a brand recognized by vehicle manufacturers progressively all over the world, as an organization providing products and systems, unparalleled in Quality and Price.



## Vision

“To be a Dynamic, Innovative and Profitable Global Automotive Organization for emerging as the Preferred Supplier and Employer, to create value for all Stakeholders.”



## Values

### Commitment to Stakeholders

Demonstrate loyalty and dedication to the organization.

### Passion for Excellence

Relentlessly improving and continuously raising the bar in everything we do.

### Open Communication

Reasoning, knowledge, experience sharing, confronting fearlessly for the good of the organization.

### Integrity & Fairness

Fair and upright in intention and actions - always complying with conscience.

### Nurture Talent, Competency & Willingness

Create challenging opportunities and provide support for development of self and team members. Encourage experimentation & willingness to accept challenges.

### Respect & Humility

Must be Courteous, Compassionate, Caring, Humane and Humble in all our interpersonal exchanges.

Innovation & Improvement Orientation  
Challenge status quo. Demonstrate creativity for improvement and breakthrough.

### Partnering

Leverage interdependence, cooperative, readily provides support and assistance to others.

### Responsibility

Take ownership for the consequences of one's decisions and actions.

### Cross Cultural Diversity

Build a vibrant workforce with different ethnicity, cultural orientation with no prejudice due to sex / caste / creed / colour and to cherish our diversity.

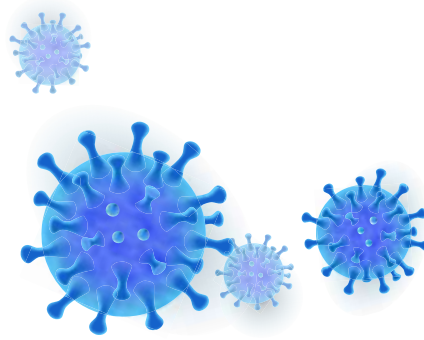


# COVID-19 response

FY21 was a year of the COVID-19 pandemic, an unprecedented and challenging year for the entire world. Whether it was 'business as unusual' or the 'new normal', the need for the hour was agility, customer and employee centricity. As Spark Minda heard about the pandemic, it immediately put together a 'Group Response Team' as the core team to tackle the pandemic. With employee safety as the top priority, it dedicatedly defined various standard operating procedures, relooked at the processes and safety guidelines across the organization. It ensured daily health monitoring at the time of entry and exit, regular sanitation and installation of sanitizer dispensers at all the common points and actions to be taken in case of direct or indirect exposure to COVID.

With the lockdown, there was a demand to shift the normal ways of working to a 'new normal'. The Company focused on digital technology to make the shift seamless and smooth for its employees.





The company leveraged the lockdown period effectively to hone among the people a culture of learning and development and introduced various improvement projects. Multiple initiatives like 'Learn from Leaders' were introduced along with regular connect and communication to ensure that people were given the right information at the right time.

The Company introduced a digital portal called 'Jeet Hamaari' for employee awareness 'Get well Soon' kits given to all COVID Warriors. The Group Response Team wholeheartedly extended support like arranging medical resources, etc to the employees and their families.

The Company was cognizant of the challenges of working from home in a stressful time like the pandemic and ensured conducting COVID-19 awareness sessions through reputed medical institutes. It did not lose focus on the mental stress of its employees and regular mental wellness sessions were conducted to equip people with the tools to fight against the challenging times. The Company continued to work with its customers and connected with them on digital platforms and doubled its number of interactions with its customers.

As the lockdown was lifted, the Group Response Team issued work week guidelines to safeguard the business and people. Employees who could work remotely continued to work from home with detailed guidelines in place. Plants operated as per indent, customer requirement and government guidelines for social distancing.

While Spark Minda Group successfully sailed through the first wave, the danger is far from over. With the second wave hitting India, it initiated vaccination drive to ensure vaccination of its entire workforce and thus combat this pandemic. Medical teleconsultation services for the employees and family members have been introduced to further ensure the comfort and care.



# FY 2022

It was a year of COVID-19, but at MCL it was business as usual. Key events during the year...

## Q1

- Setting up of a New Vertical Electronic Manufacturing Excellence
- Installation of solar panel at Kakkalur, Chennai
- Won order for Shark Fin Antenna from a leading passenger vehicle manufacturer
- Spark Minda (Minda Stoneridge) extended technical support to Mahindra and Mahindra Group to engineer affordable and life-saving ventilators by developing ventilator gauge.
- Awarded '20 Best Companies To Work For in 2020' by CEO Insights
- Mechatronics vertical bags lifetime order worth around ₹ 3,976 million (mn), Information & Connected Systems vertical bags lifetime order worth around ₹ 3,270 mn and Plastics & Interiors vertical bags lifetime order worth around ₹ 134 mn

## Q2

- Strategic Investors Phi Capital taking stake in the Company
- Launch of all new Thar by M&M and Spark Minda is a proud component supplier to the vehicle
- Minda Stoneridge Instrument Ltd receives Q1 Award, the highest designation for a Supplier, from Ford Motor
- Minda Stoneridge wins numerous awards at QCFI Kaizen Competition
- Mechatronics vertical bags lifetime order worth around ₹ 5,365 mn, Information & Connected Systems vertical bags lifetime order worth around ₹ 25,000 mn and Plastics & Interiors vertical bags lifetime order worth around ₹ 42 mn





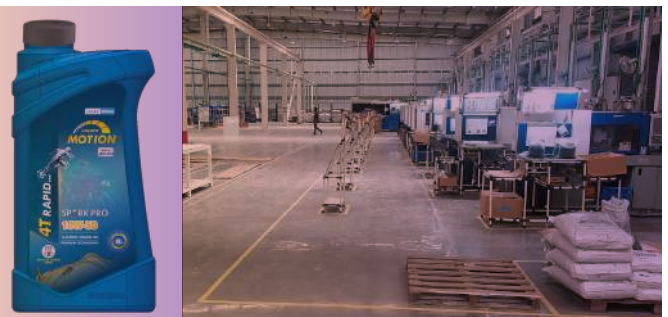
# 1 in action

## Q3

- Commercial production of Intelligent Transport System 2.0
- Formation of a new company, Spark Minda Green Mobility, to focus on EV opportunity
- Minda Stoneridge bags the Ford Motor's Quality Circle Award for FY2019-20
- Mechatronics vertical bags lifetime order worth around ₹ 4870 mn, Information & Connected Systems vertical bags lifetime order worth around ₹ 11,160 mn and Plastics & Interiors vertical bags lifetime order worth around ₹ 310 mn

## Q4

- Signing of a TLA with the Israel based company Ride Vision for two-wheeler ADAS
- Commencement of production from new plant in Gujarat for Interior Plastic division
- Strengthening the ESG framework in the Company
- Launch of two-wheeler lubricant under 'Spark Minda' brand in Aftermarket
- Minda Stoneridge awarded 17th National Awards for excellence in cost management by ICAI
- Mechatronics vertical bags lifetime order worth around ₹ 6559 mn, Information & Connected Systems vertical bags lifetime order worth around ₹ 3,106 mn and Plastics & Interiors vertical bags lifetime order worth around ₹ 794 mn





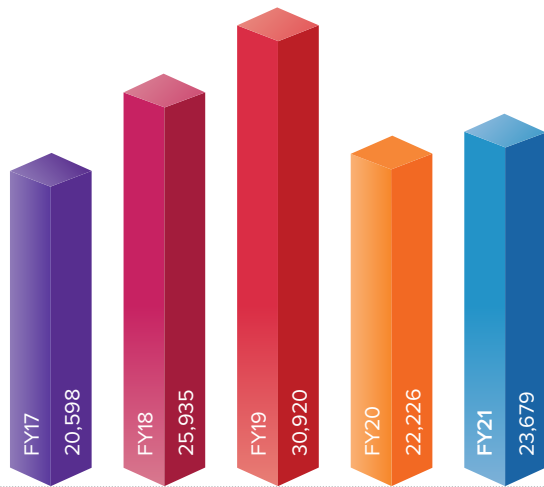
# Financial Highlights

₹ In Million	FY 2021*	FY 2020*	FY 2019	FY 2018	FY 2017
Operating Revenue minus Excise duty	23679	22226	30920	25935	20598
Cost of Goods Sold	14925	13385	19032	15586	12265
Employee Benefit Expense	3827	3566	5092	4413	3714
Other Expenses	2757	2821	3872	3207	2732
EBITDA	2170	2454	2924	2729	1887
Other Income	332	426	355	163	405
Depreciation & Amortisation	936	866	883	738	577
Finance Cost	358	389	490	371	269
PBT before exceptional item & profit/(loss) from JV	1208	1625	1905	1783	1446
Share of Profit/(Loss) of joint ventures/associate	39	125	280	131	(137)
Exceptional item	-	-	175	-	-
Profit Before Tax on Continued Operations	1247	1750	2360	1914	1309
Tax on Continued Operations	312	394	668	487	288
Profit After Tax from Continued Operations	935	1356	1692	1427	1021
Profit/(loss) from Discontinued Operations	9	(361)	-	-	-
Exceptional item in Discontinued Operations	(416)	(2933)	-	-	-
Tax expense related to discontinued operations	-	60	-	-	-
Loss from discontinued operations (after tax)	(407)	(3354)	-	-	-
Profit/(loss) for the year	528	(1998)	1692	1427	1021
Equity including minority Interest	11466	9750	11950	7407	6221
Gross Debt	4832	5319	6806	7232	5491
Cash & Cash equivalent	4994	4724	3670	261	334
Net Debt	(162)	595	3136	6971	5157
Receivables	4420	3898	5464	5705	3741
Inventory	3959	3949	4464	4479	3064
Trade Payables	4847	5093	4103	4409	2640
Capex	1306	1461	1182	1939	1384
Gross Profit %	37.0%	39.8%	38.4%	39.9%	40.5%
EBITDA %	9.2%	11.0%	9.5%	10.5%	9.2%
EBIT %	6.5%	8.9%	7.7%	8.3%	8.2%
PBT %	5.2%	7.7%	7.5%	7.3%	6.2%
PAT %	3.9%	6.0%	5.4%	5.5%	4.9%
Net Debt/Equity	(0.01)	0.06	0.26	0.94	0.83
EBITDA/Net Debt	(13.47)	4.12	0.93	0.39	0.37
ROCE	12.0%	17.8%	16.4%	15.9%	13.9%
Dividend Payout	32.5%	17.5%	35%	30%	25%
Basic EPS from continued Operations	4.13	6.09	7.69	6.99	4.88

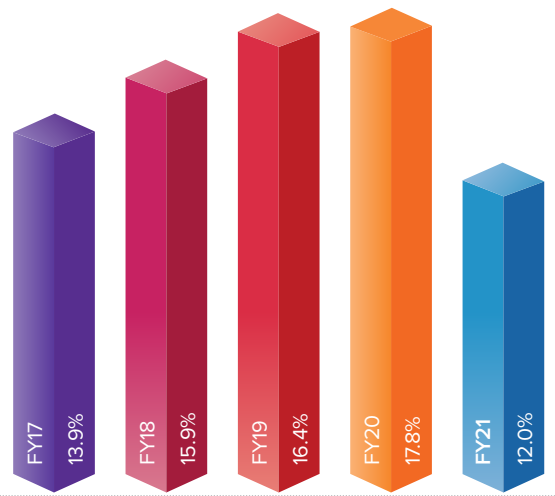
\* Note: The Financials of FY2021 and FY2020 on continued operations does not include MKTSN as it has been classified under discontinued operations for both the years.

## Operating Revenue

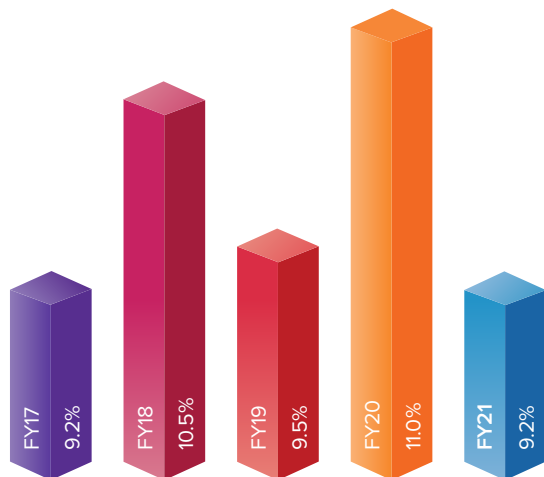
₹ in Million



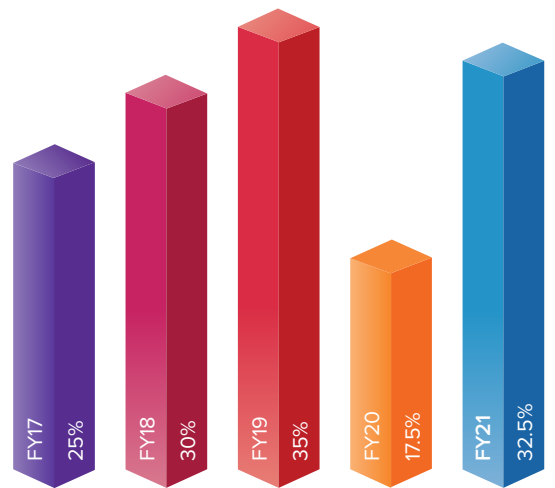
## ROCE



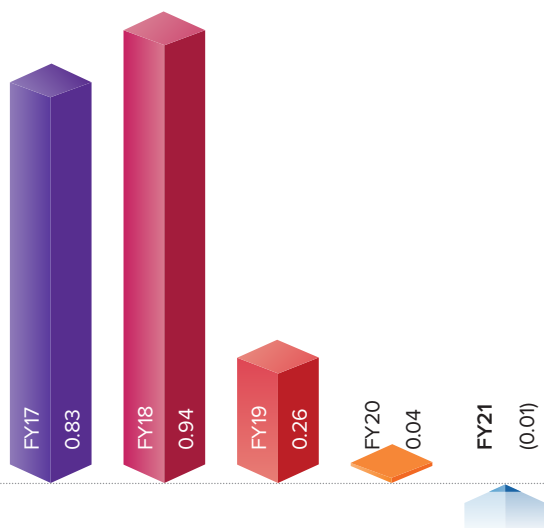
## EBITDA



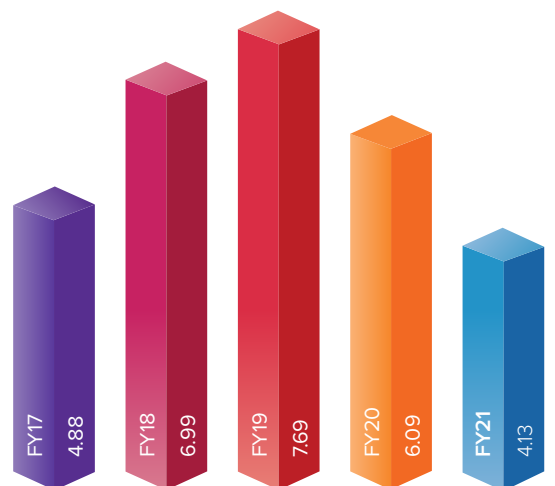
## Dividend Payout



## Net Debt/Equity



## Basic EPS





# Chairman's Letter to Shareholders

## Dear Shareholders,

These are extremely difficult, uncertain times. In such a time, I hope and pray for the safety of all our shareholder members and their families. Additionally, I hope that you and your family members are safe and following all safety protocols, precautions and guidelines in days of these crisis. With the second wave hitting India hard, it becomes extremely important to take all necessary precautions and adhere to the Government's guidelines as this is the only way we can protect ourselves against the Coronavirus.

FY21 was an extremely challenging and difficult year for all of us. You are aware that the COVID-19 pandemic raged across the world. In India, we saw the fiscal beginning on a cautious note as the country was under a lockdown. This saw mass exodus of the migrant population from the cities. The other issue related to the lockdown (and specially the first quarter of the fiscal) was the plummeting demand for products and services. It was an extremely tough quarter for us as well and we reported a quarterly loss of on the operational front, something that we have not seen in a long time. A look at the auto industry numbers gives a sense of the challenges we were facing.

According to data from the Society of Indian Automobile Manufacturers, the automotive industry saw a whopping decline of 79% in its Q1 numbers. While the industry did see demand revival in the subsequent quarters, it still could not avoid a contraction in the numbers and posted a 13.6% decline for FY21 over its previous year. Each segment in the industry bore the brunt of the pandemic. The Passenger Vehicle segment was down by 2.2% with a total sale of 2.7 million units, as compared to 2.8 million units for FY20. A clear slowdown of economic activity and other issues played up for the Commercial Vehicle segment which continued to show a year-on-year decline in FY21 of 20.8%. The volume driver for the industry, Two wheelers and Three wheelers accounting for over 80% of the total units sold in the country, saw negative growth of 13.2% and a whopping 66.1% respectively for the year. Despite these challenges and uncertainties, I am delighted to report that your Company closed the fiscal with a top line of ₹ 2,3679 million with growth of 6.5% and a net profit of ₹ 935 million from continued operations.

However, we do not look at such a bounce back from a quarter or two perspective. It is a testimony of our culture of resilience and optimism where we have learnt to treat challenges as opportunities. We have narrowed our focus and have deepened our capabilities as I think this will help us create value for all our stakeholders. We have been working on three aspects - Enhancing the Core, Technology & Digitization, and Customer Centricity. Each of these focus areas implies that we are working on building deep capabilities in what we consider the core of the business. For instance, with 'Enhancing the Core' we are working on getting the Cost leadership position in operations, we have a greater focus on ensuring manufacturing excellence and sourcing; improving working capital, employee cost and raw material cost; ensuring that the Wiring Harness division get closer to double digit

EBITDA margin, etc. Similarly with Technology and Digitization, we are talking about being a thought leader in technology, filing more patents and creating IPs and the Company's acute focus on Light weight, Safety, Connected, Electronics and EV to name a few. With Customer centricity, we are stressing on early engagement which will result in resolving the pain areas of our customer. Increasing kit value by way or premiumization of product or adding new product for the need of the customer is what the Company focus is.

Our focus on employees has helped us to build a stellar team, emphasis on developing our R&D talent pipeline and leveraging various platforms for learning and development is ensuring that our people are ready for whatever the environment throws at us. The second focus area – customers - the reason why we exist. As we attempt to fulfil the current demands of our customers, we are preparing ourselves to anticipate and address their future requirements. Customer outreach plays an important part in our this objective and remains a crucial element for all our verticals and the pandemic year was no different. Infact, for FY21, we leveraged technology to the hilt and doubled the number of customer interactions as compared to any normal year.

Despite the difficult conditions, I am very pleased that we, as a leading Auto Ancillary Company, have risen high to collectively support our Company and our Customer last year. We have got the strategic investor PHI Capital. PHI Capital has industry stalwarts on their advisory board from the auto sectors. We can leverage the wealth of these industry stalwarts to support Minda Corporation in identifying possible value creation opportunities, improvement in performances, and help us in the long-term to create sustainable values. We also signed a Technical Licensing Agreement with Ride Vision, a leading ADAS (rider assistance systems) solutions company from Israel. This will bring range of Artificial Intelligence-enabled Collision Avoidance Technology (CAT™) products for the Indian two-wheeler market that can make roads safer in India.

I am personally invested in the work that we do for our communities. It is something which is close to my heart and I am proud of the work that the teams are doing to empower the communities and support people with disabilities. During the financial year, we continued with our multiple programmes around Education and Livelihood Promotion, Empowerment of Persons with Disability, Healthcare, Community Infrastructure and Environment. We continued to be recognised for the stellar work being done with the communities and were honoured as the Company was the 1st Runner Up for the category 'Best Employer for PWDs' at the ASSOCHAM's Diversity and Inclusion Awards 2021.

With the second wave hitting India and threatening the rural hinterland along with talks about a possible third wave, the year ahead will be uncertain and challenging. However, crisis or no crisis, I am confident in Team Spark Minda. I am confident of our people and their ability to deliver innovative and best-in-class products and solutions to our customers. While we will

continue to streamline our cost structure, we will ensure investment in R&D, brand building, digitalisation and building capability internally. We are ready to take on any challenges!

I take this opportunity to thank each one of you for continuing to believe in our vision and work. Equally I like to acknowledge the contribution of all our employees, network and business partners and customers for reposing faith in Minda Corporation and actively working for our combined success.

Regards  
Ashok Minda

**“ It is a testimony of our culture of resilience and optimism where we have learnt to treat challenges as opportunities. We have narrowed our focus and have deepened our capabilities as I think this will help us create value for all our stakeholders. We have been working on three aspects - Enhancing the Core, Technology & Digitization, and Customer Centricity.**



“ We have already developed and commercialised new products for EV, where as most of our existing products are EV agnostic and it only will result in content increase due to higher electronic content.

- Aakash Minda

# Strategic review with the Executive Director

## What are the trends that you are keeping a keen watch on?

We continuously scan the global and domestic environment to have a firm grip on our own industry. We see big global trends like increasing Urbanisation, movement towards Sustainability, rise of the GenZ, COVID-19 and the march towards Digitalisation. And these trends are shaping the trends of the automotive industry as well. We hear a lot of talk around connected ecosystem, self or autonomous driving, shared mobility and, of course the big one, electrification of vehicles. These global automotive trends are also defining the trends in India. We see aspects like connectivity and shared mobility, passenger and vehicle safety, light-weighting of vehicles, electronification, focus on vehicular emission and rise of EVs. We have a pulse on these trends and given the long term nature of the mega trends, we have ensured that we have products catering to the trends. For instance, OEMs are demanding products and solutions for connectivity and shared mobility and we offer the best in class products / solutions including Telematics, intelligent transport system, Antennas and connected digital cluster to name a few. Similarly, for Electronification, we have a wide range of product and solution offering including Key Less entry, Immobilizers, TFT Cluster, etc.

## How has R&D played a role in Minda Corporation leadership?

I think we realised very early that if we have to compete with giants, we could not leverage manufacturing and the low cost advantage for a long time. Hence, we shifted focus on R&D and in-house development and today the results are there to see for everyone. We have around 170 Patents / IPs and R&D has helped us develop end-to-end products and solutions. Today, we can compete with the best in the industry easily. A focussed approach on this has helped us to build strong engineering capabilities to address future trends including electronic hardware, embedded software, product validation, mechatronics engineering, etc. We continue to strengthen the department across and now have over 450 talented people with us working in diverse areas and helping us drive our leadership journey. Further, we have focussed on upgrading the entire R&D and engineering. We have not only added new facilities but also ensured that we have put in the systems, processes, software, hardware and testing validation facilities across.

## What is your view on Minda Corporation positioning in the fast growing EV space?

I don't think anyone has any doubts anymore about the growth of the EV space. In India, we have on the cusp of a dramatic increase in EV product offering in 2W, 3W and even passenger

car at entry level for shared mobility. For many companies in the auto ancillary space, the EV march is seen as a threat to the ICE business. However, we had anticipated this and see the EV space as a huge opportunity. We have already developed and commercialised new products for EV, where as most of our existing products are EV agnostic and it only will result in content increase due to higher electronic content. Given our approach of making end-to-end products, we will reap a rich dividend in the years to come. Further, all our verticals have a direct engagement with EV space. We have also created a separate company called Spark Minda Green Mobility to further enhance our focus in this area. We have already developed few products like DC-DC Converter, Battery Charger, Motor Controller for EVs. We are also looking at technology licensing and joint ventures to further bring more components in this space.

## What are the business priorities for FY22?

The focus of the management for the current fiscal is on sustainable growth, strong corporate governance and enhanced transparency. We will be working hard to ensure that we convert our wiring harness division, where we have been underperforming in the last one year and that has been the concern of the investors, into a high profitable business. We have put in place a complete roadmap for this business on how to improve the profitability for the current fiscal and beyond.

We are working on increasing the profitability of our JVs. We are also qualifying for the Government of India's PLI scheme and other initiative for manufacturing.

We have been working on our premiumization strategy where all our products are going through a premiumization cycle in terms of electronification and from the safety / regulatory aspects. We will focus on the marketing side to ensure that we have more products per customer and we increase our share of business with each customer. We will continue to strongly look at Exports and Aftermarkets as I think we have a huge untapped potential in these areas. In all this, we will not forget about improving our key financial metrics like EBIDTA, ROCE, cash flows, etc.

## Where do you see Minda Corporation in five years for now

I think Minda Corporation will aspire to become both a thought leader and a cost leader. Thought leadership is in terms of the positions of our product lines, innovation, end-to-end products and solutions, marketing strategies, alliances, etc. In terms of cost leadership, our aspiration is to offer the products at the best value to our customers, without losing focus on product profitability.



# Leadership Team



Ashok Minda

**Chairman & Group CEO >>**

Ashok Minda has over 36 years of rich experience in the automotive component industry. His able leadership, futuristic approach and long-term vision has ensured that Spark Minda has grown into a multifarious and multi-product automotive component organization with presence across the globe. He has a successful track record of partnering with leading global auto component companies of US, Germany, Japan and France and he has been instrumental in initiating Greenfield projects in Indonesia and Vietnam

**Executive Director - Group Finance & Strategy and CEO, Plastics & Interior >>**

Akash Minda holds a Bachelor degree from Cox School of Business, France and Executive MBA from Indian School of Business.

He has over 7 years of experience in the automotive space. He started his journey with Schaeffler Group as a management trainee. He joined Spark Minda with his first assignment to look after the newly acquired company, Minda Autoelektrik Ltd. A well rounded experience in the group, he led the Spark Minda's European subsidiary, Minda KTSN Plastic Solutions GmbH & Co as its Managing Director and was instrumental in improving the cash flow and working capital of the company.

He took the mantle of MCL's Interior Plastic division as its CEO in June 2020. In September, he was elevated to the Board as Executive Director for Strategy & Finance. He also leads the newly created division, Electronic Manufacturing Excellence, as its CEO



Akash Minda



Arvind Chandra

**CEO, Mechatronics >>**

Arvind Chandra has an MS Degree in Industrial Engineering & Management from Oklahoma State University along with an MBA in Marketing & Strategy from University of Michigan.

He has over 25 years of industry experience and has worked with premier companies including Wabco Corporation, Faurecia Corporation, Delphi Corporation and General Motors. Before joining Spark Minda, his consulting firm AC Consulting & Investments with operations in Germany and Spain supported strategy transformation for companies like Toyota, Aptiv, etc to enable digital and powertrain technology disruption.

He came on board Spark Minda in early 2020 to heads its Mechtronics vertical and is responsible for strategising and executing the business plans of the vertical.

**CEO, Information & Connected System >>**

Biranchi Mohapatra completed his B. Tech in Mechanical Engineering from National Institute of Technology, Rourkela. With over 29 years of experience in diverse industry, he has a rich experience of setting up and growing diverse business portfolios. He has spent the last 15 years primarily specializing in turnaround successes and growing businesses multi-fold through a mix of organic and inorganic strategies, while maintaining a rigorous focus on driving operating margins and free cash flows. He has worked with well-known companies including Continental Engines, Varroc and Ashok Leyland. Before joining Spark Minda, he was associated with Plastic Omnium India as its Managing Director.

He joined Spark Minda in early 2020 to head its Information and Connected Systems vertical and is responsible for establishing the strategy roadmap and business plan for the vertical.



Biranchi Mohapatra



Neeraj Sharan

**CEO, Aftermarket >>**

Neeraj Sharan completed his BE Degree from IIT Dhanbad and followed it with an MBA degree in Marketing and Finance from Xavier Institute of Management, Bhubaneswar.

He has around 30 years of industry experience having worked with some of the well-known brands including Greaves Cotton Limited, India, Doosan Infracore India Pvt Ltd, and Tractor India Limited. Prior to joining Spark Minda, he was the the CEO of Lohia Global Solutions, a subsidiary of Lohia Corp Limited.

He joined Spark Minda in 2020 and leads the Aftermarket vertical. He is responsible for strategizing and executing the business plans of the vertical. He is responsible to build the Aftermarket into a sizeable business along with establishing a strategy roadmap and strengthening existing distribution channels and develop new channels for sales.





Neeraj  
Mahajan

**Group Chief Marketing Officer >>**

Neeraj Mahajan completed his PGDBM in Sales and Marketing from Bhartiya Vidya Bhawan, New Delhi and PG Diploma in Industrial and Personnel Relations.

He brings in a strong industry experience of 30 years and has worked with many reputed brands in the automobile industry including Genacvo LLC-UAE, Sona BLW, AI Naboodah Group & Arabian Automobile Co., Toyota Kirloskar Motors, Kirloskar Brothers, ARB Bearing, etc. Prior to joining Spark Minda, he was the Chief Marketing Officer at JTEKT India. He has strong experience and insight in areas like strategy, business planning and operations, new business development, Greenfield projects, distribution channel set-up and building customer orientated organizations.

Neeraj joined Spark Minda in early 2020 to leads its Group Marketing with a responsibility to make Spark Minda one of the most trusted and valuable automotive brands in the India.

**Chief Technological Officer, Spark Minda Group and CEO of Spark Minda Technological Centre**

Suresh D holds a BE in Electronics & Communication from Bharathiyar University in Coimbatore. A hard core R&D person, he has over 20 years of experience in the automotive industry across a span of functions including automotive products development, engineering and industrialization. He has worked with reputed companies in their R&D functions including Pricol and Bosch. Before joining Spark Minda, he was the 'Chief Engineer' at Bosch India and was responsible for the development of various Electronic Control Units for automotive engine management systems and spear headed the set-up of hardware development and product development out of India for automotive business. He joined the Company in 2016 and as the CEO of SMIT, he drives the advance engineering and research projects and is responsible for the new products design and development for all group verticals.



Suresh D



N K  
Modi

**Executive Director & President >>**

Naresh Kumar Modi is a Chartered Accountant and a Company Secretary. With over overall 32 years of rich experience, he has worked with E&Y and Birla Group before joining Spark Minda Group.

He has over 24 years of experience at Spark Minda Group and has taken various roles internally in various areas of business including strategy, finance, human resource and operations. He was the Business Head at Minda Stoneridge Instruments and Group CHRO and CEO of the Information & Connected System vertical.

Currently Mr. N K Modi looks after strategic sourcing at group level and is responsible for effective vendor management, supplier risk management, developing common policies and processes for material function.

**Group Chief Operation Officer >>**

Ashim Vora is an engineer by qualification and has over 35 years of rich industry experience with over 32 years in Spark Minda. He has served the CEO of Die Casting division and COO of the Mechatronics vertical. As the CEO of the Die Casting division, he was instrumental in turnaround of the business and taking it to a new height.

As Spark Minda, he leads the Business Excellence and Manufacturing Engineering at the Group Corporate level. He is responsible for development, improvement and adherence of systems and process. He leads the Manufacturing and Industrial Engineering including IT enablement of processes



Ashim  
Vohra



Vikas  
Thapa

**Group Chief Human Resources Officer>>**

Vikas Thapa holds an MBA Degree and PG Diploma in Industrial Relations from Indore University. With over 27 years of industry experience, he has worked with some of the best-known brands including Cummins India, the Tata Group and the Indian Army. He has a rich experience in areas like HR strategy, talent management, labour relations, leadership development, team-based work system and has set up many greenfield plants. He is a certified six-sigma green belt and also practitioner and coach of Myers-Briggs Type Indicator (MBTI), FIRO-B and HR Change agent.

Vikas joined Spark Minda in early 2020 and was responsible to lead its Group HR function. He is the lead for strategizing and executing the people and growth agenda of group including workforce planning, building a robust talent pipeline, ensuring growth driven performance-oriented culture and promoting workplace inclusion.



# Narrowing Focus



We are not worried about the results. To quote Mike Hawkins, award-winning author, - **“You don’t get results by focusing on results. You get results by focusing on the actions that produce results.”**

The first part of our theme is ‘Narrowing Focus’. We believe that the key to our sustainable, profitable growth journey is a focussed approach on Vehicle Access Systems solutions, Connected Mobility solutions, Light Weighting solutions and Future Mobility solutions high in electronic content. These areas have helped us to focus on few things, invest more time and efforts on these few things with a simple objective - deliver world class products and solutions to our customers.

In the long run, such a laser sharp focus will help us to move up the value chain as we build premium products through electronification, components to systems supplier, etc. This is setting in a culture and helping us become a future ready enterprise as the focus will help us to prudently invest our capital in areas like digitalisation, technology and R&D.

For profitable growth, our intent is clear – move out of businesses where we have low revenue and low margins. Yet, we are willing to take a hit in the margins if the business falls in a strategic bucket and has the potential to get more business from the same customer. One of our motto is ‘More products per customer, More customers per product’ and this has helped us to get higher revenue from our customers. For the Aftermarket vertical, we see the huge potential in non-India markets for our products and solutions. The easy way would be to set up offices across the globe and start selling. However, instead of focusing on all markets, we have decided to focus on few countries. We are in the process of ensuring that our sales network have a delightful customer experience and we generate profitable revenue before we move to other markets.

The other aspect of sustainable profitable growth is cost management and we are relentlessly working on improving our working capital, our employee cost and raw material cost. The focus on return on our investments has helped us create a new vertical - Electronic Manufacturing Excellence – which will shape our technology movement for all products with high electronic content.

With a clearly defined and narrowed focus on customers, products, processes and employees, the Company spends lot of energy, efforts and investments on these areas. Following the Pareto principle, the 80:20 principle is being followed across the organisation i.e. towards customers, products, processes, employees etc

Given the scale of our manufacturing, we realize that if we have to become global leaders in the products and solution, we have to have excellence in manufacturing – this is another example of the focus theme for the company. Excellence in manufacturing will not only help us see a significant shift in the product quality but also support the journey in controlling operating costs and increasing profitability.

We are clear of our focus areas and now it is time to do the actions.



# Deepening Capabilities

A narrow focus cannot work in isolation. Narrowing focus is just a map you have at the start of the trip. It will only work if you have the right skillset to do the trip. And this is the second part of our theme – Deepening Capabilities. This helps us to be ready to take the actions for our focus areas. At Spark Minda, that is exactly what we have done. Over the past few years, one of the first actions to implement ‘Narrowing Focus’ has been to ‘Deepening Capabilities’.

The focus on deepening capabilities has been around R&D and technology, localisation of raw material sourcing, value engineering, building a strong senior management team and focusing on having a strong talent pipeline capable to work with new technologies.

We have brought in the best of people with the right experience as vertical heads and this has helped us to clearly chart the direction for the company and its various business

verticals. To deepen our capabilities, we had set up Spark Minda Technical Centre and now have over 450 plus people working on advanced engineering and electronics. We now have skillset in areas like electronics hardware, embedded software, product validation and mechatronics engineering and are ready to address future automotive trends. Our SMIT team has the capacity to work on any project from ‘Concept to Realization’ – from ideation and conceptualization to design and development to closing with training and product support. Simply put – end-to-end product development!

We have also tied up with automotive leaders to support our objective of building capability. Over the years, we have established strong ties with Stoneridge Inc, VAST, Furukawa Electric and INFAC Elecs. In FY21, we tied up with Israel based Ride Vision for 2W advanced driver assistance systems solution.

Beyond companies with strong tech foundation, we have been actively engaging with academia, universities and such institutions. We collaborate with the young minds for technology and product solutions and have found the engagement insightful and a win-win for all stakeholders.

All these actions and building capacities is giving us a leadership position in the Industry. For instance, in the Mechatronics vertical, our R&D has brought in innovative design which has helped us to club three-four components into one, giving more products to the customer and more revenue to the company. We have filed over 170 IPs / Patents and this is a testimony to commitment to building deep capability in the company.

This philosophy has helped us and we are now ready for the next big automotive revolution – electric vehicles. All our efforts to build capacities in the various verticals will come in play here and we are ready for this revolution. While most of our products are electric vehicle agnostic but we can offer an unbeatable product offering for the vehicles.

With a laser sharp focus and deep capabilities already built in, we are ready to take the right actions to create a future proof organisation.



**Our SMIT team has the capacity to work on any project from ‘Concept to Realization’ – from ideation and conceptualization to design and development to closing with training and product support. Simply put – end-to-end product development!**



# System solution

The Company has taken a lead in working on end-to-end development as part of its strategy 'more product per customer'. This Company continues to make deep headways in areas like Connected Mobility solutions, Intelligent Transport solutions and Key Less System solutions.



## Connected Mobility

The Company has created a connected mobility solution by in-house development of a complete solution of a Telematics Gateway Unit (TGU). The TGU is normally connected to the Controller Area Network (CAN) of the vehicle which carries a cellular modem to connect to the Internet. With the continuous stream of data coming in from the network, it can be viewed, analysed and acted upon by a remote user. The technology is useful for the OEMs to collect data of the vehicle usage, driver patterns, faults on the vehicle, battery performance, as a deeper data analysis yields better product development, identification of key user features and better marketing of the user benefits. It also provides the end user, the facility to track the vehicle and provide asset security, upgradability of the vehicle ECUs without having to take it to a service station and lower cost of maintenance by stretching the mileage between services. For a fleet operator, it provides fleet dispatch, tracking, geofencing and other business facing features. In short, the TGU converts a vehicle into a smart vehicle.

The Company has created the TGU for every EV two-wheelers. The Company's has developed the technology which enables it to embed telematics into a battery pack or a Vehicle control unit (VCU), a speedometer or a standalone TGU. With this solution, the Company can now address the entire two-wheeler EV space which is expected to be over two million two-wheeler EVs per annum in a few years. The Company can create a revenue stream from software subscriptions and data. It also places the Company high on the electronics and software value chain of the OEMs, ensuring additional revenue and higher profitability. Importantly, it will help the Company to be a SAAS vendor in the connectivity services marketplace.



## Intelligent Transportation System

Intelligent Transport System (ITS) aims to achieve traffic efficiency by minimizing traffic problems. It aims to reduce time of commuters as well as enhances their safety and comfort. ITS is being mandated on all public transportation city buses across the globe as well as India. The ITS solution includes multiple components and solution being integrated into a single solution. It includes a mobile video surveillance system allowing the central monitoring station to monitor and view the buses plying. It also includes the a passenger information system which provides LED destination sign boards in the front as well in the side of the bus and provides automatic voice announcement informing the passengers of the approaching



bus stops and other messages. ITS solution also has a vehicle health and diagnostics management and generates alerts automatically, over the cloud, if any threshold limits are crossed. ITS is a fairly complex electronic and software system comprising of a dozen individual components. It involves in-vehicle networking, cellular internet technologies, video uplinking capabilities, CAN bus monitoring and driver information display. Also, the software content in this system is 5 times that of a typical cluster.

The Company is targeting the passenger bus transportation vehicle segment.

The rapid march in ITS and connected mobility has been possible with the help of the EI Labs, an acquisition by the Company in FY2018. Along with EI Labs and SMIT, the Company can now deliver inter-disciplinary products in the connected mobility and IoT arena as it now has developed the latest devices and solutions and brought in state-of-the-art technologies in the automotive connected mobility management devices and solutions domain. This has helped the Company to demonstrate its capabilities in next generation connected mobility and IoT space as it shifts from being a component player to a system supplier. Also, the futuristic connected mobility solution will give the much required value add and competitive edge to its customers

## Key Less System

The Company offers a path breaking SMART Key solution that enable to not only allow access but authenticate the powertrain whether it is an electric vehicle or ICE vehicle to complete crank cycle. This type of SMART Key solution enables the rider to unlock the glovebox and seat lock with one single push of the button at the handle bar console panel. The solution is based on LF (Low Frequency) and RF (Radio Frequency) type communication band and also comes with a stylish Key FOB that enables the rider to find the vehicle through an innovative vehicle finder feature. With one press of vehicle finder button on the key fob, the two wheeler parking lamp flashes with a buzzer to easily locate the vehicle which provides a lot of customer comfort in busy public parking places, where often hundreds of similar vehicles are parked side by side.

With the solution, the Company also addressed the issue of vehicle security and safety. The vehicle equipped with complete SMART Key system is more secured due to an advance security encrypted algorithm instead of mechanical ignition locking mechanism, which is prone manual duplication of key. The adoption of SMART Key system solution is prominent for both EV's and ICE Vehicle platform. It provide high value attributes and enable the Company to a mechatronic/electronics system solution provider for OEMs in India as well as globally.





# Electric Vehicle



There is a clear future for electric vehicle (EV). According to estimates, the global electric vehicle market expected to grow at a CAGR of 29% from 2021 to 2026. The major drivers for this market are increasing fuel prices, government subsidies as tax benefits to promote electric vehicles and growing concerns for environmental pollution. While India has a little late in the EV revolution, multiple initiatives by the Central and State governments will ensure that the market will grow rapidly in the coming years.

According to estimates, the India Electric Vehicle Market was valued at UD\$ 5 billion in 2020 and is expected to reach UD\$ 47 billion by 2026 registering a CAGR of above 44% during the forecast period. Further, the Government of India has proposed that two wheelers less than 150cc sold in the country after Mar 31, 2025 should be electric ones only and three wheelers (last mile connectivity) should be electric after Mar 31, 2023. This is expected to give a huge boost to the electric mobility as 80% of the unit sold by the automotive industry is 2W and 3W.

As part of its strategy to focus on the EV space, the Company set up its in-house R&D facility for EV solutions while scouting for partners to bring in quality, scalable, cost effective EV solutions. As a result of this future thinking, the Company is ready with multiple products for this space including DC/DC

convertors, battery chargers, motor controllers, vehicle control units, etc. Most of the legacy products are electric vehicle agnostic and the it's content will only increase when the shift to Electric Vehicle take place.

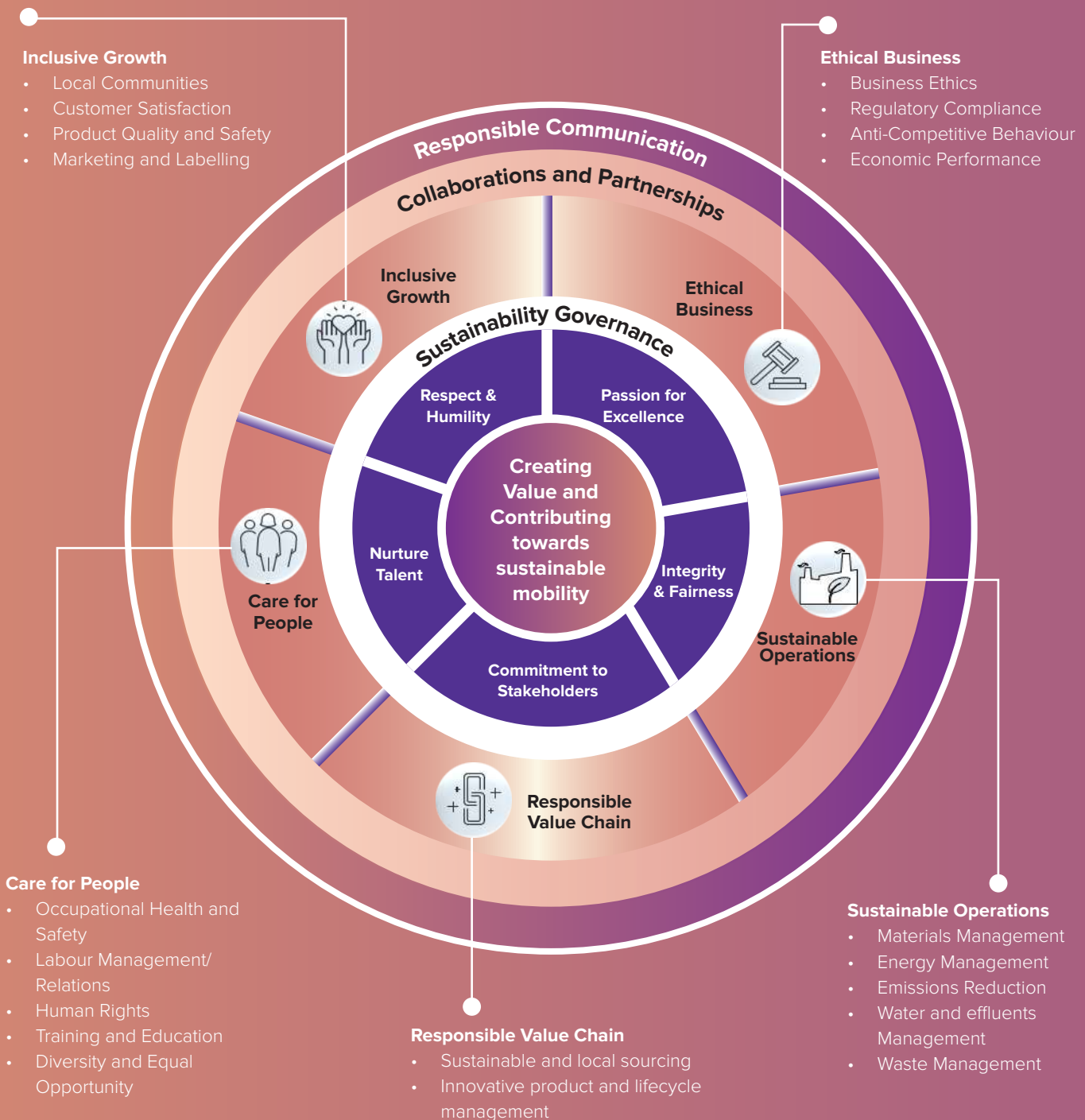
The Company commercialised its DC-DC convertor in FY21 and has many OEMs as its customers. The Company has developed a Cost competitive DC-DC convertor solutions with a platform solutions approach covering all specification range and price range, giving the solution a key advantage over competition. With in-house engineering capability and testing facility, the Company's modular design with in-built protections solution is the best fit for the OEM requirements, giving it the first mover advantage.



# ESG Framework

The Company is committed to create value for all stakeholders by offering solutions that contribute towards sustainable mobility.

The Company’s ‘Sustainability Policy’ spells out its philosophy and approach to manage the various pillars - Ethical Business, Sustainable Operations, Responsible Value Chain, Care for People and Inclusive Growth - of its sustainability framework. This is helping the Company minimize its impact on the environment and maximize value for all its stakeholders.



During the fiscal, the Company continued to strengthen its commitment to pursue sustainability by bringing in additional review mechanisms, assessing emerging challenges in domains like climate induced risks and setting a roadmap on sustainability.

## As part of the Sustainability Policy, the Company has committed to multiple objectives to ensure sustainable growth. Some of these include...

- Ensure compliance obligations with all applicable environment, labour and legal regulations and requirements including customer specific requirements;
- Define goals and implement management systems for effective planning, implementation and monitoring of sustainability initiatives;
- Optimise our operations to reduce consumption of resources and improve efficiency;
- Continually explore and implement initiatives that support water positivity, carbon neutrality and zero waste to landfill;
- Develop or deploy sustainable technologies in all our operations and undertake initiatives to promote greater environmental responsibility;
- Collaborate with supply chain partners to actively promote environment stewardship and social responsibility;
- To the extent possible encourage local sourcing and work with suppliers to raise their awareness on sustainability aspects;
- Promote safe and healthy working culture for our workforce, suppliers and other stakeholders;
- Respect fundamental human rights in our operations, our value chain, and in the communities where we operate and adhere to guidelines of Universal Declaration of Human Rights and International Labour Organization's (ILO) conventions;
- Promote professional and personal development activities to nurture employee's physical and mental well-being;
- Support inclusive environment with fair and equal treatment of all employees;
- Create impact in lives of community members by implementing Community Development Programmes in line with our CSR framework;
- Continually improve the way we work to ensure that our solutions and products delivered to customers exceed their expectations;
- Execute measures to maintain product safety in all processes extending from product design to production, sales, and after sales service;

Showcasing its commitment to the ESG framework, the Company plans to set a governance structure led by the CSR & Sustainability Committee with representations of the members of the Board. This will be a conduit between the Board and the Company and will provide an oversight on sustainability issues of critical significance and guide the Company towards achieving sustainability objectives. The committee is responsible for setting up of an overall vision.



# Corporate Social Responsibility

**Spark Minda Foundation (SMF) plans and executes the CSR programmes for the entire Spark Minda Group. The key themes for CSR are...**

## Education and Livelihood Promotion

The Company runs multiple initiatives under this theme including Aakarshan Skill Development Programme, HP WoW, Dual System of Training programme and Business Integrated Prison Programme. These programmes run across many states in the country including states like Uttar Pradesh, Maharashtra, Tamil Nadu, Uttarakhand and Haryana.



## Empowerment of Persons with Disability

The Company runs its flagship initiative, 'Saksham', under this theme. The programme is designed to help persons with disability (PwDs) in their mobility, skilling and employability.

“To build a sustainable society through improving the quality of life; protect the planet through affirmative actions and establish integrated and inclusive growth of people and environment.”

### Healthcare, Community Infrastructure and Environment.

‘Shakti’ is the Company’s programme aimed to help rural women to improve their health status through menstrual hygiene, family planning, reproductive health, nutrition and maternal and child health. The Company has extended this initiative and introduced it in prisons in Haryana. Another programme revolves around ‘Eye Healthcare’ and this initiative ensures accessible and affordable eye care services for the rural population of Uttarakhand and Haryana.



The Company was the 1st Runner Up for the category ‘Best Employer for PWDs’ at the ASSOCHAM’s Diversity and Inclusion Awards 2021.





# Management Discussion and Analysis

## Economic overview

It was a year of COVID-19 and it subsumed everything! FY20 was about trade war between US and China and the ensuing geopolitical tensions, elections in India, etc along with being a witness to the start of the COVID-19 pandemic. FY21 was simply about COVID-19 and individuals, communities, companies and nations managing the pandemic.

According to the International Monetary Fund (IMF), US's GDP growth for Calendar Year (CY) 2020 de-grew by 3.5% as against a growth of 2.3% CY 2019. Overall, the Advanced Economies too posted negative growth of 4.7% with the sharpest falls by Spain, the United Kingdom and France with a de-growth of 11%, 9.9% and 8.2% respectively. Even the traditional growing Emerging Markets & Developing Economies too could not escape the clutches of the pandemic as they collectively posted a fall 2.2%. China seemed the only bright spot amongst all the economies with a growth of 2.3%, as per the IMF's data.

India, the usual bellwether and the country usually leading the growth chart, faced an uncertain FY21. The financial year began with a lockdown leading to multiple issues like the exodus of the migrant population from most metros creating labour issues for companies, demand coming to a halt barring for few industries, etc. No wonder, Quarter One of the fiscal was a wash out for the economy and its industries. However, as the lockdown was lifted, aggressive government policies to spur the economy and pent up demand saw industries witnessing some recovery.

As per the data from India's National Statistical Office, the country's GDP contracted by 7.3% for FY21 as compared to the growth rate of 4.2% in the previous fiscal

## Industry overview

With the COVID-19 pandemic spread throughout the year, the Indian automobile segment continued its tepid performance, now for the third year running. With automotive growth rate of 5.2% in FY19, the growth rate had slipped to a negative 14.2% for FY20 due to overall economic slowdown, lack of government stimulus for the industry, liquidity crisis and poor consumer sentiments. FY21 was a year of COVID-19 pandemic. While the industry saw a quick trailer of the COVID-19 pandemic in March 2020, it faced the full brunt of the pandemic during the year. However, despite the pandemic, the industry saw a see-saw in performance with an extremely low Q1 and steady picking of demand during the balance quarters. As per data from Society of Indian Automobile Manufacturers (SIAM), the Passenger

Vehicle (PV) segment closed the financial year with a sale of 2.7 million units, as compared to 2.8 million units FY20, down by 2.2%. The saviour for the segment was the continued demand for the Utility vehicles which saw a healthy growth of 12.1% to close the year at 1.1 million units, accounting for 39% of the total PV market, up from 34% in FY20. In the electric vehicle (EV) space, the industry saw registration of 4,588 units, compared to 3,000 units in FY20, a jump of 53%. The need for personal transport due to COVID-19 pandemic helped the segment to arrest the de-growth.

The Commercial Vehicle (CV) segment continued its downward spiral of FY20, as sales was pegged at 0.57 million as compared to 0.72 million units and saw a contraction of 20.8%. Two wheelers (2W) and Three wheelers (3W), which account for over 80% of the total units sold in the country, saw negative growth of 13.2% and a whopping 66.1% respectively for the year. Overall, the automobile industry remained in the negative growth zone as it posted a 13.6% decline over its previous year.

## Performance review

The Company is a leading automotive component manufacturing company in India with significant presence in the international market mainly through export. With 33 manufacturing plants & offices, it has geographical spread providing support to its Original Equipment Manufacturers (OEMs) customers across India, Europe, Southeast Asia and North America.

India continues to be the dominant market for the Company and accounts for around 86% revenue, followed by Europe and US with around 9% and the balance 5% business coming from markets in South East Asia. In terms of end markets, 2W and 3W accounts the largest pie of the business with a 52% revenue coming from this segment, followed by CV at 21% and PV at 11%. Aftermarkets account for approx 16.0% of total revenue.

For FY21, the Company's revenue was pegged at ₹ 23,679 million, a growth of 7% against last year even as the Auto industry production fell by 13%. The growth was achieved on back of good growth coming from Export and Aftermarket business. Moreover, the transition from BS IV to BS VI resulted in robust business for the wiring harness from the 2Ws segment.

The Company classifies its business in five business verticals including Mechatronics. Information and Connected System, Interiors & Plastics, Aftermarket and Electronic Manufacturing Excellence.





## Mechatronics

The Mechatronics business continued to be a key driver in the Company's growth journey. The business has multiple product lines which includes electronic and mechanical security systems (ignition switch cum steering locks, smart key systems, mechatronics handles and immobilizers system); die casting components (aluminium high pressure die casting and compressor housing); and starter motors and alternators. As the electronics and mechatronics share in vehicles increase at a rapid pace, the business continued its laser sharp focus to develop products which enhances the safety and comfort, cost innovations to get healthy contribution, entry into new vehicle segments mainly construction and agriculture vehicles.

It has been the Company's core philosophy to focus on building stronger relationship with its existing partners / OEMs and new nurturing new relationship as well. The pandemic year was no different and the business unit reached out to its partners virtually and further strengthening the bonds.

Product Portfolio	Key Divisions/ Companies	Key Customers	No. of Plants	Plant Locations
Electronic and Mechanical Security Systems including Ignition Switch Cum Steering Locks, Smart Key Systems, Mechatronics Handles and Immobilizers System; Die Casting: AL (HPDC, GDC, LPDC) and Zn (Hot Chamber) such as Housing Compressor; Starter Motors, Alternators.	Safety Security Divisions	Bajaj Auto, Ashok Leyland, TVS, Yamaha, Honda Motors & Scooters, Suzuki Motors, Hero Motocorp, Triumph	4	Pune, Noida, Pantnagar, Aurangabad
	Die-Casting Divisions	Bajaj Auto, Borgwarner, Endurance, Garrett Motion, Keihin India	3	Pune, Greater Noida
	Starter Motors & Alternators Division	Escorts, Magneton, ITL, TAFE, CNH	1	Bawal
	Asean Business	Yamaha, Suzuki, Kawasaki, Piaggio	2	Indonesia, Vietnam
	Minda VAST Access System Limited	Maruti Suzuki, Tata Motors, Mahindra & Mahindra, Nissan	2	Pune & Manesar

### Safety Security Division

Globally, the automotive industry is seeing higher expectation of safety along with greater mix of technology. Adding to the complexities is the regulatory changes across the globe. This is forcing the automobile industry to carve a new path which fulfils these at the best value. For Spark Minda, these changes imply that its customers have equally higher expectations along with pricing pressures. The Safety Security division continued to focus on bringing out innovative and best-in-class products. Further, with the increasing share of electronics and mechatronics in vehicles along with the Company's strong R&D focus in these areas have ensured that it occupies the pole position in the industry. The Company is a major player in the industry and its products including Ignition Switch cum Steering Locks, Smart Key Systems, Immobilizers System, etc continued

to win the loyalty of customers in FY21 ensuring repeat orders from some the biggest and best-known OEMs. The Company has been actively working to shrink the mechanical keys, expand its Key Less systems and work towards ensuring that it address any cyber security challenges for future.

The Company supplies its product portfolio to the top auto makers across regions including tech savvy European and US markets and cost competitive Indian & ASEAN markets. Given the domestic requirements, the Company is focussing the OEMs' emission regulations journey from BS IV to BS VI and supporting them to manage their cost pressures. Given the disruption of the global supply chain during the COVID-19 pandemic, the division focussed on building a strong supplier base in India and reduction in raw material through value addition / value engineering.





The Company's winning mantra – 'Zero Defect' - has further strengthened its resolve to continuously invest in in-house design and development capability for Electronic and Mechanical Security Systems, with focus on product innovation, reliability and first-time right approach.

#### Strong patent portfolio

The Company's relentless focus on Intellectual Property Rights (IPR) creation is the prime reason for the strength in the patent portfolio. The patents portfolio till FY21 stands tall at 166 patents with 93 for conventional lock sets and further 21 for smart key solutions.

#### World class in-house R&D facility - SMIT

The state-of-the-art, in-house R&D facility Spark Minda Technical Centre (SMIT), Pune continues to yield rich dividends, in terms of enriching the IPR portfolio and enhancing product line.

#### Proximity to Customers

The facilities are strategically located in close proximity to customer locations, providing us with an inherent edge by saving on valuable time and transportation costs.

## Die-Casting Division

The die-casting division hosts all the die-casting facilities under one roof - LPDC, GDC, HPDC – Aluminium and Zinc. With complete integration due to in-house processes and state-of-the-art testing facilities, the Company can offer the best price-value offering to its customers in the domestic and overseas markets. The product range includes:

- **GDC:** Upper Bracket and Handle holders for 2W, Compressor Housings for Turbochargers, Engine Mounting Brackets for 4W, Intake Manifolds, Brake Callipers, Tandem Master Cylinders for brake application, Housings for steering mechanism, Thermo Housing for water and Oil pump application
- **LPDC:** Cylinder Heads and Upper Bracket for 2W
- **HPDC:** Master Cylinders for 2W brake application, Seal plates for Turbochargers, Starter motor cover, Head Cover

- **Zinc:** Ignition lock, Fuel Tank cap parts for 2W and 4W

During the fiscal, the Company has got good traction for the division from exports market and also from the leading domestic players. Thanks to high quality and competitive costing, export is also value-accretive and supports the Company's journey in higher profitability.

The division is geared up to diversify its business into other area like Aerospace, Rail, Defence and Marine because of its deep understanding and knowhow of the various businesses. It is also helping the OEMs and Tier 1 supplier to meet the changes in regulations, which are taking place in fuel injection, braking and emission system. To enhance the competency, the division is implementing automation in a phased manner, optimizing machining cost and other cost including lowering the raw material cost.

## Starter Motors & Alternators Division

The division is engaged in the business of manufacturing and selling of starter motors and alternators. It is a leading manufacturer of GRS Starter Motors and Alternators with technology from Magnetron, Czech Republic. It is the pioneer in India to introduce Starter Motors with Offset Gear Reduction Technology, which gives the Company a technical edge over conventional starter motors like more power in compact size, high efficiency and reliability and less current drainage from battery. It caters to a range of automotive sectors including tractors, agriculture machinery, stationary engine and construction equipment in India and Europe. The Company has installed multiple testing activities including Salt Spray Chamber, Engine Control Unit, Hot Chamber and Thermal Shock Chamber. These testing facilities will further support in offering best in class products in the best value price performance.

The division is further working on product and value engineering to enhance profitability. The engineering team is reducing the product development time by 'Virtual Product Validation' during the product development which has reduced cost of development. The team is comparing the use of alternate materials to reduce weight and cost. It further develop products with weight optimisation to save material. Reliability testing, life calculations and comparison of alternative design for making right products. Products are being tested on live engine for evaluation and durability.

## ASEAN Business

The Company's ASEAN business is conducted through two locally incorporated subsidiaries namely PT Minda Automotive (Indonesia) and Minda Vietnam Automotive Co. Ltd. These Companies cater to the large and growing markets in the ASEAN region, with Greenfield manufacturing facilities in Indonesia and Vietnam. This helps the Company to live up to its core philosophy of being 'near to the customer' and 'supplying the best quality products'. With the plants, the Company supplies not only to OEMs in Indonesia, Malaysia, Vietnam, Singapore, Philippines, China, Japan, etc., but also to OEMs in distant Brazil and Columbia. It is a testimony to the success of the vision of the Company.



The Companies supply a wide range of products to its customers including Ignition switch (with or without Magnet Shutter), Fuel Tank Cap, Side Cover Lock, Seat Latch / Locks.

It remains a one-stop solution for Lock, Wiring Harness, Speedometer, EV and other group products from one facility in ASEAN. During the year, the Company continued its philosophy of investing in automation and tools to ensure early vendor involvement, develop new channels for raw material procurement and develop best products for the business.

The technological capability of the Companies is backed up by a strong R&D teams in India, with a design office in Japan.

### Minda VAST Access Systems

Minda VAST Access Systems Private Limited is a 50:50 joint venture between VAST, USA and Minda Corporation Limited and is headquartered at Pune. VAST, USA is a well renowned global supplier of security / access control products for the motor vehicle industry and is one of the global market leaders in the security / access systems. VAST is an alliance of three organizations and related operating entities that is directed by

a single management team in order to effectively serve global customers. The organizations of VAST are WITTE Automotive from Velbert, Germany; STRATTEC Security Corporation from Milwaukee, WI; and ADAC Automotive from Grand Rapids and MI, USA.

With new technologies, focus on electric vehicles, autonomous driving, the automotive industry is witnessing structural and rapid changes. It is imperative to meet these challenges with innovation across product segments and conceptualize, design, develop new and unseen products, components and systems. The Company has been successful in moving with the changing trends, i.e. shift from Mechanical to Mechatronics; and developing products with the help of SMIT and VAST like bracket less handles, electric steering column locks, power lift gates. The JV also has state of the art robotic paint shop. In-house tool making capabilities along with product testing and validation enhances the core engineering capabilities of the company. New product development and penetration to new customers - both in the domestic and global markets, remain the key strategies for growing this business.

## Information and Connected System

This business vertical includes products like instrument clusters (speedometers); wiring harness, junction box; sensors like positional, temperature, speed and exhaust gas temperature (EGT); The Company caters to the leading Indian and global OEs with its high-quality product offering. The vertical saw its products parts being supplied in one of the biggest events in the automobile industry – launch of the all new Thar by Mahindra. The Thar uses multiple products by the Company including wire harness, one of the most advanced TFT instrument cluster and EGT sensor supplied from this vertical.

Product Portfolio	Key Divisions/ Companies	Key Customers	No. of Plants	Plant Locations
Wiring Harness, Connectors, Terminals, Components; Instrument Clusters, Dashboard, Sensors like speed, temperature, position, pressure, exhaust gas etc;	Wiring Harness Divisions	TVS, Ashok Leyland, Bajaj Auto, Honda Motors & Scooters, Hero Motocorp, Piaggio	8	Pune, Greater Noida, Chennai, Murbad, Pithampur, Haridwar, Mysore
	Component Divisions	In-House Divisions, JV Companies	1	Greater Noida
	Minda Stoneridge Instruments Limited	M&M, Bajaj Auto, Ashok Leyland, Honda Motors & Scooters,	2	Pune, Chennai
	Furukawa Minda Electric Private Limited	Maruti Suzuki, Renault-Nissan, Honda	1	Bawal



## Wiring Harness Division

During the year, the transition from BS IV to BS VI brought about significant revenue growth thanks to extensive and advanced wiring harness requirement for all vehicle classes. There is increased electrification and electronification in new type of wiring harnesses. And hence it was a revenue accretive shift for the business. However, with new components requirement as part of the wiring harness, the division's dependence on imported components shot up from 5% to 35%, impacting margins. In order to reduce import dependence, the Company started a phased localisation of these components. It started its localisation campaign for high volume supplies under various customer programs. Teams are working on a range of initiatives to localize the terminals and connectors mainly in the wiring harness for BS VI. The vertical is also concentrating its efforts on value engineering and value addition as a key driver to increase profitability. All these initiatives have incrementally helped the division improve month-by-month and quarter-by-quarter. The Company had put in place key account management to further strengthen the relationships. The strategy is helping the company and division to further consolidate its market leadership position. It continued to explore exporting Wiring Harness to global OEMs, who are its customers for other products. The endeavour saw success as during the financial year, the division achieved a major milestone as its wiring harness made an entry into EURO-5 compliant two wheelers for the largest European 2W makers. Pan-India presence near automotive hubs, along with consistent quality is helping it retain strong customer relationships and enhancing the brand image of the group. The year also saw Wiring Harness business to grow itself in the Export market. The Company will try to tap OE players in Europe for its wiring harness business. The Company continued with its plan to expand and increased its capacity in Mysore, India.

## Minda Stoneridge

Minda Stoneridge (MSIL) is a 51:49 joint venture between Minda Corporation Limited and Stoneridge Inc, USA, a leading manufacturer of electronic instruments and automotive sensors. The Company has exclusive manufacturing and marketing rights for India and various Asian countries including Malaysia, Indonesia, Philippines, Singapore, Thailand, Vietnam, etc. Premiumization of product, due to safety and aspirational needs of the customers will be the driving factor for volume growth in the cluster segment, whereas regulatory push i.e. shift from BSIV to BSVI is going to result in increase in revenue from sensor business.

Focus on cost leadership by design and material optimization has helped it to retain market leadership in CV, tractors and 3W in the cluster segment. The Company is working to increase its penetration in 2W along with PV, as the trend





towards connected mobility increase over the coming years. The Company is working with Telematics and Electric Mobility division of Minda Corporation and Stoneridge, for integrating the cluster with telematics.

Emissions, Safety and Fuel Economy are driving the growth in Sensor business. Addition of new customers for existing sensors will also help in increasing the revenue.

The JV is working very closely with Stoneridge to explore other products which can be moved to the JV, so that it can continue to supply global customers of Stoneridge and explore penetrating into the domestic customers with whom it has strong relationships.

Going forward, Minda Stoneridge is focusing on market penetration by getting new customers in 2W segment and also into digital cluster in 2W. The Company is looking to upgrade instruments w.r.t EFI, ABS, BS VI norms / legislations and adding features like integrated immobilizers, flashers, TPMS, etc. Minda Stoneridge is also looking to develop its market beyond India. Penetration into ASEAN CV business to increase its presence in ASEAN as an addition to its 2W presence is of high importance. The Company is looking to penetrate into European and North American 2W instruments business by adding new customers.

### Furukawa Minda

Furukawa Minda is a 75:25 joint venture between Furukawa Group of Japan and Minda Corporation. The Company develops and produces the entire range of Wiring Harness and components related to wiring harness e.g. relay box, junction box and steering

roll connectors used for the airbag systems. for Japanese 4W customers. In addition to the Wiring Harness, it is a pioneer in Steering Roll Connectors (SRC) technology in India.

After successfully implementing the revival strategy, the Company divested some of its stake to the JV partner and reduce its stake from 51% to 25% in FY2019. The Company is optimistic about its future growth potential, as regulations become more stringent and demand improves. With the onset of BS VI from 1st April 2020, the content in wiring harness has increased.



## Interior Plastic Division

One of the key vertical which will grow exponentially in coming year for the Company is the Interior Plastic Division with a vast product range including glove boxes, centre consoles, cup holders, ash trays, louvers, oil slumps, cylinder heads, and battery trays. The Company uses its patented technologies for production and reduction of vehicle weights for better performance of vehicles. The Company has successfully localised the technology and is seeing robust business coming from this segment. The segment started to show positive growth in terms of new businesses as new products are introduced along with new customers being added.

Product Portfolio	Key Divisions/ Companies	Key Customers	No. of Plants	Plant Locations
Glove boxes, centre consoles, cup holders, ash trays, louvers, , oil slumps, cylinder heads, and battery trays	Interiors & Plastics	Mahindra & Mahindra, Maruti Suzuki, Cummins	2	Greater Noida, Gujarat

## Aftermarket

The Company has a strong presence in the Aftermarket space as it markets and sells all products manufactured by its group companies and also offers certain outsourced products. The products include filters, clutch plates, bearings, wiper blades, brake shoes and cables and looks at segments including 2W, 3W, PV, tractors, CV and off-road vehicles. The Company continued to invest in strengthening its brand profile in the segment along with a strong focus on developing its dealer network. With a robust all-India network of 450 business partners, the Company has access to over 10,000 retail network in the country. During FY21, the Company addressed policy issues in its attempt to become a distributor friendly company. It ensured that turnover discount was linked with growth and not growth potential and non-essential policies were scrapped. Further, the Company did a market wise gap analysis to understand the issues being played out in the market. The Company rolled out new promotional schemes for weaker products in various regions to beef up the product sales in these regions. Further, the Company is steadily building its presence in the aftermarkets in countries like Sri Lanka, Nepal, Bangladesh and Bhutan. Last year, the Company added 2W lubricant in its portfolio. Going ahead, the Company will look to add more products especially in 3W category and look at opportunities in export market on its own or through merchant exporters.

Going forward, the Company is focusing on capacity enhancement at warehouse as it aims to cut down fulfilment time from 25-30 days to a reasonable time period and taking the satisfaction levels among customers. Automation is another area where the business will focus along with implementing Power BI tool to get data till the city level.

## Electronic Manufacturing Excellence

This vertical consist of products related to electric vehicles, connected systems, Antenna and surface mounting technology i.e. PCBA etc. All the new products which the Company will develop or will do Joint Ventures, Technical Licensing or agreement with high electronic content will fall under this vertical.

Product Portfolio	Key Divisions/ Companies	Key Customers	No. of Plants	Plant Locations
DC-DC Convertor, Battery Charger, Motor Controller, Intelligent Transport System, Telematics, Connected Clusters, MFECU, VCU etc.	Electric Vehicle & Connected Systems	Ashok Leyland, Amphere, Polarity, Etergo, Ola Electric, Bajaj Chetak, TVS iCube	2	Bangalore, Pune
Rod Antenna, Micro Pole Antenna, Shark Fin Antenna, LF Antenna etc.	Antenna	Maruti Suzuki, Hyundai, Kia	1	Pune



## Electric Vehicle & Connected Systems

This division was earlier known as Telematics & Electric Mobility division and part of the Information and Connected vertical. During the fiscal, the Company decided to make it part of the Electronic Manufacturing Excellence vertical, given the commonalities of both businesses. It delivers inter-disciplinary products in the connected mobility and IoT arena. The Company's in-house R&D centre SMIT, along with the acquisition of a start-up, EI-Lab, in 2018 has enabled it to develop the latest devices and solutions, bringing state-of-the-art technologies in the automotive connected mobility management devices and solutions domain. It is bringing a full spectrum of solutions to reinforce developments in next generation connected mobility and IoT space and demonstrate its capability in moving from part to a system supplier. This futuristic connected mobility solution will give the much-required value add and competitive edge to its customers. Further, SMIT has built various products related to electric vehicle like DC-DC convertor, Motor Controller, Battery Charger, etc. During the year, the Company developed a complete modular Intelligent Transport System architecture (hardware and software) for BS VI range of fully built buses.

## Antenna

The Company had signed a Technical Assistance Agreement with INFAC Corporation of South Korea for various kind of Antenna products in 2019. The various advanced Antenna

includes Micro Pole Antenna, GPS Antenna, Combi Shark Fin Antenna, Glass Antenna and LF Antenna. During the fiscal, the Company showcased its entire product line and won substantial business from India OEMs. It has successfully won business from the largest Passenger Vehicle manufacturer in India. It is looking to form a JV with INFAC going ahead to start supplies to its own OEM customers but explore to Indian customers of INFAC.

Particulars	FY 2021	FY 2020
Debtor Turnover (Days)	67	63
Inventory Turnover (Days)	95	106
Interest Coverage Ratio (x)	4.4	5.2
Current Ratio (x)	1.4	1.3
Net Debt to Equity Ratio (x)	-0.01	0.06
EBITDA Margin (%)	9.20%	11.00%
Net Profit Margin* (%)	3.90%	6.00%
Return on Net Worth*	8.20%	13.90%

\*Net Profit Margin and Return on Net Worth Is calculated based of Profit from continued operations





## Human capital and IPR

FY21 has been a challenging year for businesses and people across the globe. It was a year of unprecedented times and thus called for unprecedented actions. As we were combating the global pandemic, the safety and health of the employees were of utmost priority while keeping the business afloat.

In this new normal, the Human Resource function has demonstrated agility by ensuring new systems and processes to cater to the needs of changing times. Different SOPs related to safety and work from home were formalized to ease the operations of the business and people. Staying connected with employees, leadership connect and employee motivation were the key focus areas. The Company has 3,066 permanent employees as on March 31, 2021.

Technology and automation in Human Resource Management enabled the analytics-driven decision-making and creating One Spark Minda where every employee experiences consistency in HR practices and policies across the Group. Being a core manufacturing organization, the Company has successfully moved to the virtual world of working.

The HR initiatives continued to focus on hiring talent with the right attitude, develop and groom them and build the leadership pipeline. It shifted its needle towards grooming internal talent and successfully filled few senior roles through internal talent. Aiming at diversity and gender inclusion, the Company continued to bring in more women employees at senior roles.

The Company has well-crafted and employee-friendly HR policies, and hence it enjoys a cordial relationship with its

employees. It has not experienced any major work stoppages due to labour disputes or cessation of work in the last many years.

It continues to emphasize and focus on safety and security at the workplace by prescribing policies and procedures, creating awareness and imparting training to the workforce. It also has an established mechanism that fosters a positive work environment that is free from harassment of any nature. Prevention of sexual harassment initiative framework is in place to address the complaints of harassment at the workplace.

## Internal control

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. Given the changing needs, the Company has deepened the focus for the function and enhanced the scope of internal audit department and included areas including establishing corporate governance policy, internal control framework, conducting internal audits, management audits, IT audits, drafting and implementing policies and procedures, complying with environmental laws, reviewing and reporting of statutory compliances, etc. Accordingly the function has been renamed as Corporate Audit & Governance (CAG).

The Company follows a strong system of internal controls to ensure that all assets are safeguarded and protected against loss from any unauthorized use or disposition and that the transactions are authorized, recorded and reported quickly. It reviews the adequacy of internal control systems from time to time. The internal controls are designed to maintain the transparency and adequacy of the financial and other records, which are reliable resources for preparing financial reports and other data.



The Company's Audit Committee reviews adequacy and effectiveness of its internal control environment and monitors the implementation of audit recommendations, including those related to strengthening of the Company's risk management policies and systems.

## Risk management

The Company robust risk management framework aims to continuously identify the various risk and the Risk Committee plans for risk mitigation. The Company has identified the below mentioned risk and suggested the mitigation strategy.

### Risk of COVID-19 pandemic

The economic fallout from the pandemic is hurting both at the demand and supply side. While it will hurt discretionary consumption, the lockdown and the slow unlocking has impacted the supplier. The automotive entire chain i.e. supplier, manufacturing to distributors are getting impacted. Further, ramping up of production while maintaining social distancing and ensuring safety of worker is a concern.

**Mitigation:** The Company has set in protocols for its plant/office and people in accordance with local and national governments' guidelines. It has established top-level committee to drive systems and processes to monitor the situation and prevent the spread of COVID-19. Moreover, the Company has taken decision to vaccinate all its permanent and temporary employee.

### Risk of losing opportunity to alternate mobility solutions

With the emergence of electric vehicles as the vehicles of choices for consumers, the automotive industry is going through massive changes with new areas of growth in products and services with high technology and electronic content. Similarly, the auto-ancillary companies need to invest significantly in R&D to develop products for the emerging growth area, else risk obsolesce.

**Mitigation:** With the dedicated R&D facility, the Company is investing in high tech R&D to support its innovation in areas like electric vehicle components, telematics. It also continues to work on making its own legacy product obsolete by developing products which are high in technology and electronic content.

### Risk of building future capacity and capability

The automotive industry is changing at a pace never seen before. New technologies are being integrated quickly making current technologies redundant. Further the fast-changing consumer behaviour brings in additional challenges. The need to strengthen the capacity and capability for future product development is being felt by most of the organization.

**Mitigation:** The Company has a robust process of people development, employment practices and succession planning. It continues to invest in skilling and upskilling of its employees on new and advanced technologies, grooming employees and creating a talent pool and also has leading industry measures to motivate and retain the talent.

### Risk associated with divestment or merger & acquisition

The Company regularly examine a range of corporate opportunities, including acquisitions and divestments, with a view to enhance its strategic position, financial performance and create value for all the stakeholders. Potential changes to the Company's business through acquisitions and divestments may have a material adverse effect on its future results and financial condition.

**Mitigation:** The Company's has multiple internal governing bodies including the Board of the Company to evaluate its decision in respect to divestment or merger & acquisitions. The Company has made very stringent process to evaluate any opportunity on merger & acquisition.

### Geo-Political Risks

The Company's has manufacturing footprint in ASEAN. Further, it has busines footprints in the region as well as Europe. Any unexpected uncertainties and volatilities in these economies may have an adverse impact on business and profitability. Such uncertainties may be in the nature of any new regulation or norms affecting the automobile industry, climate change regulations, political or trade disruptions, etc.

**Mitigation:** The Company regularly track events in these geographies and analyses the possible impact. Further, it continues to enhance its relationship with the customer by way of early engagement in its product development.

### Foreign exchange Risks

The Company has operations in many countries and is prone to the currency fluctuations due to export and import transactions. Currency fluctuations are likely to impact the products' pricing and profitability.

**Mitigation:** The Company tries to have back-to-back arrangement with customer for currency fluctuations. Wherever not possible, it keeps track of currency risk and takes appropriate positions in forward contracts and hedging currencies to mitigate the risk in the jurisdictions where it has facility to do so, as per its Risk Management policy.

### Risk due to technology innovation

The Company manufactures different auto components that need continuous technological upgradation.

**Mitigation:** The Company has been investing in R&D and have joint ventures with leading global automotive companies, With SMIT and access to latest technologies, it is upgrading its legacy products (Safety and Security products) and also help in building non-legacy products (products required for connectivity and electrification).

### Risk associated with raw material and supply

The Company purchases raw materials which are prone to price fluctuations. The increase / decrease in the cost of raw materials has a direct impact on profitability.



**Mitigation:** The Company has back-to-back arrangements with most of its customers for change in the commodity price and is in process to add more customers in this kind of arrangement. Moreover, the Company tracks the changes in the prices of raw materials and maintains an inventory for the operating cycle to avoid purchasing them at high prices.

### Human Resource risks

Attrition of key people and leadership team members could impact business operations and growth.

**Mitigation:** The Company addresses this risk with the help of its People's team (HR). HR ensures best-in-class remuneration, ample learning and development opportunities, effective work-life balance through various festive celebrations, regular management communications through town-halls and newsletters, in order to keep the workforce engaged and in high spirits.

### Competition Risks

Global auto ancillary companies, with deep pockets, are setting up plants in India to ensure that the upcoming regulatory requirements are met.

**Mitigation:** The Company addresses this risk with the help of sizeable investments required for new technology, R&D, joint ventures or technology licensing. The Company is also working to localize the components required for various products through frugal engineering, so that the solutions provided to the OEMs not only meet the stringent quality but is also cost effective. The Company has a strong balance sheet and the focus remains to ensure that the Capex requirements is met through operating cash flow and it should generate enough free cash flow.

### Vendor rationalization Risks

OEMs are reducing the number of platforms and are building new platforms which are modular in nature. This is helping them to rationalize the number of vendors with whom they have to deal with.

**Mitigation:** The Company addresses this risk by early engagement with the OEMs and help in providing cost-effective technological solutions for their requirements. Moreover, the Company is moving up the value chain, from sub-component provider to modular vendor and system supplier.

### Customer concentration Risks

High dependency on few OEMs result into the business being tied with the performance of those OEMs.

**Mitigation:** The Company has a policy to diversify its risks and business from its major OEMs does not account for more 15% of its total revenue. While, the Company does have customer concentration in relation to few product or division, but it is looking to add more OEMs or increase its SOB with existing OEMs. The Company has also identified Aftermarket as a division which helps it not only to mitigate the risk arising out of customer concentration, but also helps in mitigate the cyclicity associated with the demand of OEMs product.

### Electronic Component Shortage Risk

The electronic component demand and usage is increasing in every sphere of human life. Even in vehicle the content of electronic is increasing and certain raw material like semiconductor needed for these is highly concentrated and can be impacted by many factors including adverse weather conditions, unprecedented demand, and limited foundry space

**Mitigation:** The Company if faced with such problem will look to increase their usage of alternate and cross components as a mitigation measure. Moreover online electronic component marketplaces can also be enormously useful in helping OEMs find appropriate part replacements. Nonetheless the Company is aware that these mitigation measures may not be sufficient if the shortage is acute and demand outpace the supply for longer period of time.

### Corporate Social Responsibility

The Company plans and executes its CSR programmes through its foundation - Spark Minda Foundation (SMF). The key themes for CSR are...

#### Education and Livelihood Promotion

##### Aakarshan Skill Development Programme

This is the Company's flagship programme since 2013. This initiative supports the Indian Government's 'Skill India Mission' objective as it aims to provides quality education and skill to the underprivileged children and youth with a special focus on the women community in rural India. During the fiscal, the Company ensured that it continue the programme, despite the pandemic, and converted it to an online platform. It provided online e-Certified courses and continued imparting knowledge and skills in the community. With this added benefit, the programme is no longer confined to few geographies but has the potential to reach people all across the nation. The Company also conducted seminars, awareness sessions and competitions for its students, to help them with their confidence and look at holistic development.

**Locations:** Seven Aakarshan Skill Development centres in states like Uttar Pradesh, Maharashtra, Tamil Nadu, Uttarakhand and Haryana.





**Courses offered:** Tailoring, Spoken English, Digital Literacy, Beauty Culture & Wellness training.

**Benefits:** The programme reached out to over 1,498 learners students during the year.

### HP WoW

A collaborative effort between HP, Moga Devi Minda Charitable Trust and Bharat Scouts and Guides, the programme aimed at ensuring Digital Literacy of a rural community.

**Locations:** Hasanpur, Haryana

**Courses offered:** Digital Literacy.

**Benefits:** The programme reached out to over 76 learners, including 42 females in the community..

### Dual System of Training programme

The programme is a result of the tie-up between Directorate of Training and Technical Education, Govt. of NCT of Delhi and the Company. The initiative aims to build a connect between ITI and the industry. It gives the ITI students an exposure to the practical applicability of their learnings. Apart from these learnings, the programme also benefits the learners with additional trainings on personality development through a soft skill module by Wadhvani Foundation.

**Course offered:** A 2-year industry tailored course including theoretical understanding on trade press, tool jigs and fixtures and 9-months hands-on learning in the Group's factories.

**Benefits:** The programme reached out to 48 students till date, helped inculcate practical knowledge with theoretical learning.



### Business Integrated Prison Programme

A one-of-a kind initiative, the programme provide employment accessibility to inmates in the prisons of India and create a crimeless society by empowering inmates with skills and earning capability. Introduced in 2014, this programme launched manufacturing automotive components in some Indian prisons. It started with the setting up a manufacturing facility in Tihar jail in Delhi. Since then, the programme has expanded to encompass a few prisons in Maharashtra.

**Locations:** Delhi. (Tihar) and Maharashtra (Yerwada, Nagpur and Aurangabad).

**Benefits:** A total of 105 inmates are engaged in the manufacturing process.

### Empowerment of Persons with Disability

#### Saksham

The programme is designed to help Persons with Disability (PwDs) in their mobility, skilling and employability. During the FY21 fiscal, the Company organised a celebration on the Disability Day to appreciate the PwD employees and to increase their engagement. Apart from helping PwDs with job opportunities, the programme aims to be a one-stop facility for the PwDs to enable them to avail benefits of free of cost assistive aids and Unique Disability ID registration (UDID).

**Benefits:** The programme reached to around 300 PwDs with fitments, assistive aids, UDID registrations and employment opportunities.

### Healthcare, Community Infrastructure and Environment.

#### Shakti

This programme aims to help rural women to improve their health status through their menstrual hygiene, family planning, reproductive health, nutrition and maternal and child health. The programme aims at raising awareness about safe management practices and reinforces the importance of hygiene and health, especially for them and their future generations.

**Location:** Bagla, Haryana.

**Benefits:** Since 2014, more than 3,000 women and adolescent girls have been trained on the subjects of biological aspect of menstruation and taboos associated with it, importance of hygiene family planning, various methods of contraceptives, healthy timing and spacing etc.

**Milestone:** Achieved the United Nation's commitment to reach 3,024 women and adolescents form Menstrual Hygiene, Family Planning and Reproductive Health.

#### Shakti in Prisons

During FY21, the Shakti programme was introduced in the prisons of Haryana. In collaboration with India Vision Foundation and Pathfinder International, the programme aims to introduce the female inmates with menstrual hygiene management



practices. As part of the first phase, the programme installed sanitary napkin vending machines and incinerators across 13 prisons of Haryana. This will be followed by awareness and training sessions. The final leg of the project would be focused on making the entire process sustainable by manufacturing sanitary napkins in the prison itself.

**Location:** Haryana (Jhajjar, Rohtak, Karnal and Faridabad)

**Benefit:** The programme has helped close to 600 women inmates with access to sanitary napkins.

### Eye Healthcare

The programmes endeavours to provide affordable access around eye healthcare to the rural community. The Company has found that due to various reasons, many people in rural areas do not get treated for eyes related issues.

**Location:** Uttarakhand and Haryana.

**Benefits:** The programme reached out to over 1,641 beneficiaries in this financial year.

### COVID-19

The Company reached out to people who are facing hunger and starvation in the absence of daily wages and / or loss of livelihoods. The Company took a few initiatives to support and mitigate the problems faced by people during COVID-19.

### Confederation of Indian Industry(CII)

The Company collaborated with CII and the District Administration and reached out to NGOs supporting PWD shelter homes. It provides raw food items under the COVID-19 Relief and Rehabilitation.

**Location:** New Delhi



### The Associated Chambers of Commerce and Industry of India (ASSOCHAM)

The Company joined hands with ASSOCHAM and supported the healthcare staff at the Safdarjung Hospital in arranging food and hospitality. These staff were appointed for the care of COVID-19 infected patients. 1,000 lunch and dinner boxes were distributed

Grocery items distributed to 30 PWD workers at MCL Pantnagar

**Location:** New Delhi

### Distribution of cooked food packets

The Company distributed around 19,200 cooked food packets to the underserved community in the Khed block, Pune.

**Location:** Maharashtra (Pune)

### Distribution of medical accessories and other utilities

Medical accessories and other utilities like bench, partition, medicine tables and foot rest was provided in collaboration with Bajaj Auto Vendor Association to Jawahar Lal Nehru District Hospital in Rudrapur. Testing Kits, Personal Protective Equipment and sanitizers were arranged for the medical professionals and community

**Location:** Uttarakhand (Rudrapur)

### Sadhbhavana Project

Ration and medical kits for around 300 people were distributed at Jammu villages including Mahore, Gool and Bagga.

**Location:** Jammu

## Business outlook

The global and domestic economic outlook remains highly uncertain for FY22. India is witnessing a deluge of infections and have concern of COVID waves. New virus mutations and the accumulating human toll will be the daily news feed for some more months in India. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support. Also, for the auto industry, Indian and global OEMs are reeling under the semiconductor supply crisis.

The outlook for FY22 will certainly depend on how fast the vaccination is done throughout the population.

We are cautiously optimistic for FY22 due to higher spend in infrastructure, PLI scheme, scrappage policy and the work done so far within the Company to make it more nimble, agile, future ready with best-in-class leading quality of products of advanced technology through innovation for our customers.



# DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 36th (Thirty sixth) Annual Report on the business and operations of the Company together with the audited financial statements for the financial year ended March 31, 2021.

## FINANCIAL SUMMARY

(Amount ₹ in Million)

Particulars	Standalone		Consolidation	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
<b>Income</b>				
Revenue from operations	22,888	21,305	23,679	22,226
Other income	303	479	332	426
<b>Total income</b>	<b>23,191</b>	<b>21,784</b>	<b>24,011</b>	<b>22,652</b>
<b>Profit from operation before Interest, Depreciation, Other Expenses, taxes and share of profit/ (loss) of joint ventures/associate</b>	<b>5,056</b>	<b>5,548</b>	<b>5,259</b>	<b>5,701</b>
Finance costs	358	389	358	389
Depreciation and amortization expense	897	823	936	866
Other expenses	2,666	2,678	2,757	2,821
<b>Profit from continuing operations before share of profit of joint ventures/ associate and taxes</b>	<b>1,135</b>	<b>1,658</b>	<b>1,208</b>	<b>1,625</b>
Share of profits of joint ventures/associate (net of taxes)	-	-	39	125
<b>Profit from continuing operations before income tax</b>	<b>1,135</b>	<b>1,658</b>	<b>1,247</b>	<b>1,750</b>
<b>Tax expense</b>				
Current tax	312	480	327	492
Deferred tax	(14)	(77)	(15)	(98)
<b>Total tax expense</b>	<b>298</b>	<b>403</b>	<b>312</b>	<b>394</b>
<b>Profit from continuing operations</b>	<b>837</b>	<b>1,255</b>	<b>935</b>	<b>1,356</b>
<b>Loss from discontinued operations before exceptional item and income tax</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>(361)</b>
Exceptional item	-	(3,666)	(416)	(2,933)
<b>Loss from discontinued operations (before tax)</b>	<b>-</b>	<b>(3,666)</b>	<b>(407)</b>	<b>(3,294)</b>
Tax expense related to discontinued operations	-	-	-	60
<b>Loss from discontinued operations (after tax)</b>	<b>-</b>	<b>(3,666)</b>	<b>(407)</b>	<b>(3,354)</b>
<b>Profit/(loss) for the year</b>	<b>837</b>	<b>(2,411)</b>	<b>528</b>	<b>(1,998)</b>
<b>Other comprehensive income</b>				
<b>(a) Items that will not be reclassified subsequently to profit or loss</b>				
Remeasurement of defined benefit liabilities	-	(18)	6	(22)
Income tax relating to items that will not be reclassified subsequently to profit or loss	-	4	(1)	4
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>	<b>-</b>	<b>(14)</b>	<b>5</b>	<b>(18)</b>
<b>(b) Items that will be reclassified subsequently to profit or loss</b>				
Exchange Difference in translating financial statement of continuing foreign operations	-	-	39	(10)
Exchange Difference in translating financial statement of discontinued foreign Operations	-	-	368	82
<b>Net other comprehensive income to be reclassified subsequently to profit or loss</b>	<b>-</b>	<b>-</b>	<b>407</b>	<b>72</b>
<b>Other comprehensive income for the year (net of tax)</b>	<b>-</b>	<b>(14)</b>	<b>412</b>	<b>54</b>
<b>Total comprehensive income for the year</b>	<b>837</b>	<b>(2,425)</b>	<b>940</b>	<b>(1,944)</b>

For details, refer Notes to Accounts forming part of this Annual Report.

## COMPANY PERFORMANCE

The financial statements have been prepared as per the IND-AS prescribed by the Institute of Chartered Accountants of India (ICAI).

**Standalone Financials:** During the year under review, your Company has achieved a turnover of ₹ 22,888 Million against ₹ 21,305 Million during previous year. The Company has reported a Profit of ₹ 837 Million as against Profit of ₹ 1,255 Million during previous year.

**Consolidated Financials:** During the year under review, your Company has achieved a consolidated turnover of ₹ 23,679 Million against ₹ 22,226 Million during previous year. The Company reported a Profit of ₹ 935 Million from continuing operations as against Profit of ₹ 1,356 Million earned during previous year.

During the year under review, your company has reported a loss from discontinued operations of ₹ 407 Million as against ₹ 3,354 Million during the previous year.

## DIVIDEND

The Board of Directors of your Company has recommended a final dividend of ₹ 0.35 per share (i.e. @ 17.5%) on 239,079,428 Equity Shares of ₹ 2/- each fully paid up for the year ended March 31, 2021. The dividend proposal is subject to the approval of members at the ensuing Annual General Meeting scheduled to be held on July 9, 2021. This is in addition to the interim dividend of ₹ 0.30/- (i.e. 15%) per equity share declared by the Board in its meeting held on February 03, 2021. The total dividend for FY 2020-21 aggregates to ₹ 0.65/- (i.e. 32.5%) per equity share as against ₹ 0.35 /- (i.e. 17.5%) per equity share paid for the last year.

## DIVIDEND DISTRIBUTION POLICY

In line with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, your Company has formulated a Dividend Distribution Policy which is available at the Company's website i.e. <https://sparkminda.com/wp-content/uploads/2020/04/Dividend-Policy.pdf>

## INCORPORATION OF WHOLLY OWNED SUBSIDIARY

During the year under review, your Company has incorporated a Wholly Owned Subsidiary i.e. Spark Minda Green Mobility Systems Private Limited vide Certificate of Incorporation dated February 22, 2021 issued by the Registrar of Delhi NCT of Delhi Haryana. The main object of the said subsidiary is to carry on the business of Design, Development and Manufacturing of Electric Vehicle's Parts and Components.

## INDUSTRY UPDATE

With the COVID-19 pandemic spread throughout the year, the Indian automobile segment continued its tepid performance, now for the third year running. With automotive growth rate of 5.2% in FY19, the growth rate had slipped to a negative 14.2% for FY20 due to overall economic slowdown, lack of government stimulus for the industry, liquidity crisis and poor consumer sentiments. FY21 was a year of COVID-19 pandemic. While the

industry saw a quick trailer of the COVID-19 pandemic in March 2020, it faced the full brunt of the pandemic during the year. However, despite the pandemic, the industry saw a see-saw in performance with an extremely low Q1 and steady picking of demand during the balance quarters.

In the financial year FY20-21, there was a de-growth in sales of all segments compared to the previous years (-) 2.24% for Passenger Vehicles with sales of 27.11 Lakhs units; (-) 13.19% for Two-Wheelers with sales of 151.19 Lakhs units; (-) 20.77% for Commercial Vehicles with sales 5.69 Lakhs units and (-) 66.06% for Three-Wheelers with sales of 2.16 Lakhs units.

## IMPACT OF COVID-19

Having endured and managed to recover from the disruptions induced by a once-in-a-century event, your Company is cautiously looking forward to 2021-22 with hopes of putting up a better show in the post-COVID-19 world, although a lot will hinge on how the economy grows.

In order to overcome the unprecedented challenge, your Company embraced digitization to adapt to the new normal to serve customers while learning to be nimble footed to keep factories running under COVID-19 SOPs (Standard Operating Procedures) and concentrating on financial health by reducing costs and generating free cash flows.

Post Lockdown, as the number of COVID-19 cases were reduced and launching of Corona Virus vaccine, your Company ramped up the operations with strict adherence to safety protocols.

The Company has issued safety guidelines for its employees and workers.

- All safety protocol related to COVID-19 as advised by the government are already implemented and being followed.
- Detailed shop-floor precautions & safety systems have been implemented with appropriate training to staff and workmen.
- Regular Fumigation of offices and shop floors is being carried out.
- Social distancing norms being strictly followed at factories and offices.
- Sanitization and thermal screening of employees, truck drivers, other entrants and sanitization of loading vehicles at the entry gate of factories.
- Bus Transports are being used with 50% capacity to ensure distance among passengers in its Offices.
- All working area is hygienic. Sanitizer & soaps in sufficient quantity at all common points.
- No Physical Meeting - Use VC, Teams for meeting
- Roaster and Work from home depending on severity of cases in the cities where we operate

## CREDIT RATING

India Ratings & Research (Ind-Ra) and CRISIL have assigned below credit ratings to the Company:



Rating Agencies	Instrument	Ratings
India Ratings & Research	Term Loan	IND AA-/Stable
	(Fund-based and Non-fund-based) Working Capital Limits	IND AA-/Stable
CRISIL	Long-term Rating	CRISIL A+/ Stable
	Short-term Rating	CRISIL A1

The Rating Agency have re-affirmed the credit rating during the year under review.

### PREFERENTIAL ISSUE

During the year under review your Company has issued and allotted 11,857,143 (Eleven Million Eight Hundred Fifty-Seven Thousand One Hundred Forty-Three) equity shares of face value of ₹ 2 each (the "Equity Shares"), fully paid-up, on a preferential basis to PHI Capital Trust – PHI Capital Growth Fund - I (the "Preferential Issue"), at the issue price of ₹ 70/- (Rupees Seventy Only) per Equity Share (including premium of ₹ 68 per Equity Share) aggregating to ₹ 830,000,010 (Rupees Eight Hundred Thirty million and Ten Only), determined in accordance with the relevant provisions of Chapter V of SEBI ICDR Regulations. The total issue expenses are ₹ 6 Million. The said Equity Shares have been listed on the BSE and NSE. The main object of the issue was to enhance shareholder's value with increase in market cap of the Company and to bring additional Capital as part of Company's commitment to achieve the common goals. Fund from the said preferential issue has been utilised for repayment of a part of existing loans /borrowing(s) of the Company. The said shares are subject to Lock-in-Period of one year from January 21, 2021 to January 20, 2022.

### SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2021 is ₹ 478,158,856 (Rupees Four Hundred Seventy Eight Million One Hundred Fifty Eight Thousand and Eight Hundred Fifty Six Only) divided into 239,079,428 (Rupees Two Hundred Thirty Nine Million Seventy Nine Thousand Four Hundred Twenty Eight Only) Equity Share of ₹ 2/- each. The authorized share capital of the Company is to an aggregate amount of ₹ 1,577,000,000 (Rupees One Thousand Five Hundred Seventy Seven Million only) and the authorized share capital of the Company has been re-classified as divided into 692,500,000 (Six Hundred Ninety Two Million and Five Hundred Thousand only) equity shares of ₹ 2/- (Rupees Two only) each aggregating to ₹ 1,385,000,000/- (Rupees One Thousand Three Hundred Eighty Five Million Only) and 240,000 preference shares of ₹ 800/- (Rupees Eight Hundred only) each aggregating to ₹ 192,000,000 (Rupees One Hundred Ninety Two Million Only).

### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by

the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year under review, the Company has transferred the unclaimed dividend of ₹ 27,730 and 420 equity shares to IEPF Authority. Year-wise amounts of unpaid / unclaimed dividends transferred to IEPF and the corresponding shares, is provided in the Shareholder Information Section of Corporate Governance Report and are also available on Company's website at [www.sparkminda.com](http://www.sparkminda.com).

The details of the nodal officer appointed by the Company under the provisions of IEPF Rules are available on the website of the Company i.e. [www.sparkminda.com](http://www.sparkminda.com).

### EMPLOYEE STOCK OPTION SCHEME 2017

Your Company with the objective of introducing a long term incentive tool to attract, motivate, retain talent and reward loyalty, formulated Minda Corporation Limited Employee Stock Option Scheme 2017 ("ESOP 2017") for grant of a maximum of 5,341,840 stock options to the eligible employees of the Company. Nomination and Remuneration Committee of the Company has granted total 3,730,000 stock options to the eligible employees of Minda Corporation Limited and its subsidiaries. A certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the applicable SEBI Guidelines and the resolution passed by Members would be placed at the Annual General Meeting for inspection by Members. There is no material change in the scheme, the same follows the applicable regulations. The necessary disclosure pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) with regard to Employee Stock Option Scheme of the Company is available at Company's website i.e. [www.sparkminda.com](http://www.sparkminda.com).

### FIXED DEPOSITS

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

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report (MD&A) for the year under review, as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of this Annual Report.

### CORPORATE GOVERNANCE

Your Company follows the highest standards of Corporate Governance best practices. It adheres to and has implemented the requirements set out by SEBI's Corporate Governance norms. A separate section on Corporate Governance forms a part of the Directors' Report.

A certificate confirming the compliance of conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from Ranjeet Pandey & Associates, Practicing Company Secretaries, is forming part of the Annual Report.

## BUSINESS RESPONSIBILITY REPORT

As stipulated under Regulation 34 of the SEBI Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from environmental, social and governance perspective forms part of this Annual Report.

## CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Companies Act, 2013 ("the Act") and Indian Accounting Standard (Ind AS) 110 on Consolidated Financial Statements read with Ind AS 28 investment in associate and joint ventures and Ind AS 112 on disclosure of interest in other entities, the audited consolidated financial statement is provided in the Annual Report.

The performance of the Company on consolidated basis is also discussed at length in the Management Discussion and Analysis, which forms part of this Directors Report.

## DIRECTORS/KEY MANAGERIAL PERSONNEL-APPOINTMENT, RE-APPOINTMENT & RESIGNATION

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ashok Minda, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

Mr. Aakash Minda (DIN: 06870774) was appointed as Additional Director of the Company by the Board of Directors at its meeting held on November 05, 2020 to hold office upto the date of ensuring Annual General Meeting of the Company. He was also appointed as Executive Director of the Company w.e.f November 05, 2020 for a period of 5 years as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors in their meeting held on November 05, 2020 and also approved by shareholders in the Extra Ordinary General Meeting held on December 01, 2020.

Mr. Naresh Kumar Modi (DIN: 00089536) has been appointed as Executive Director of the Company w.e.f December 11, 2020 for a period of 5 years as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors in their meeting held on December 11, 2020 subject to the approval by shareholders of the Company. Mr. Modi has also been appointed as CFO of the Company and designated as Executive Director & CFO of the Company w.e.f May 18, 2021.

Mr. Ravi Sud (DIN:00074720) has been appointed as Non-Executive Non- Independent Director of the Company w.e.f March 25, 2021 (A nominee director of Phi Capital Trust – Phi Capital Growth Fund - I) to hold office up to the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier.

Further, the Board of Directors of the Company at its meeting held on March 25, 2021 given its consent for re-appointment of Ms. Pratima Ram (DIN: 03518633) as Independent Directors of the Company w.e.f November 10, 2021 to hold office for a consecutive period of 5 years i.e. up to November 09, 2026 as per the recommendation of Nomination and Remuneration Committee of the Company at its meeting held on March 25, 2021. Ms. Pratima Ram has furnished the requisite declaration

as prescribed under section 149(6) of the Companies Act, 2013 stating that she fulfils the criteria of Independence. The approval of shareholders is being obtained for her re-appointment at the forthcoming Annual General Meeting of the Company by way of Special Resolution. Ms Pratima Ram shall be completing her age of 75 years, therefore her re-appointment is proposed through Special Resolution pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The Board of Directors in their meeting held on August 12, 2019 has designated Mr. Avinash Parkash Gandhi as the Lead Independent Director of the Company. The role of the Lead Independent Director is available on the Company's website <https://sparkminda.com/wp-content/uploads/2019/09/Role-of-Lead-Independent-Director.pdf>

During the year under review Mr. Laxman Ramnarayan has resigned from the post of Executive Director and Group Chief Financial Officer w.e.f January 01, 2021 and also resigned from the position of Non-Executive Director of the Company w.e.f March 25, 2021 due to some personal reasons.

During the year under review Mr. Ajay Sancheti resigned from the position of Company Secretary & Compliance Officer of the Company w.e.f August 1, 2020 and Mr. Pardeep Mann was appointed as Company Secretary & Compliance Officer of the Company w.e.f August 1, 2020.

## DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations to the effect that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 read with Regulation 16 of SEBI (Listing obligations and Disclosures Requirements), Regulations 2015. In the opinion of the Board, Independent Directors fulfil the conditions specified in the Act, Rules made there under and Listing Regulations.

## BOARD EVALUATION

Pursuant to the corporate governance requirements as prescribed in the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, a formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out for FY 2020-21. Led by the Nomination & Remuneration Committee, the evaluation was carried out using individual questionnaires covering, amongst others, composition of Board, conduct as per company values & beliefs, contribution towards development of the strategy & business plan, risk management, receipt of regular inputs and information, codes & policies for strengthening governance, functioning, performance & structure of Board Committees, skill set, knowledge & expertise of Directors, preparation & contribution at Board meetings, leadership etc. Further, the Committees were evaluated in terms of receipt of appropriate material for agenda topics in advance with right information and insights to enable them to perform their duties effectively, updating to the Board on key developments, major recommendations & action plans, stakeholder engagement, devoting sufficient time & attention on its key focus areas with open, impartial & meaningful participation and adequate deliberations before approving



important transactions & decisions. The performance evaluation of the respective Committees and that of Independent and Non-Independent Directors was done by the Board excluding the Director being evaluated. The actions emerging from the Board evaluation process were collated and presented before the Chairman of Nomination and Remuneration Committee as well as the Board. Suggestions/feedback concerning strategic, governance and operational matters are actioned upon by the team.

As part of the evaluation process, the performance of non-independent directors, performance of the Board as a whole, performance of the Committee(s) of the Board and the performance of the Chairman was evaluated by the Independent Directors in a separate meeting of independent directors held on February 18, 2021, taking into account the views of other directors.

### BOARD AND COMMITTEE MEETINGS

During the year under review, 7 (seven) Board Meetings, 6 (six) Audit Committee Meetings were convened and held apart from other Committee's meetings of the Company. The details of all the meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The calendar of Board and Committee Meetings were prepared and circulated in advance to the Directors.

### COMMITTEES OF THE BOARD

As on March 31, 2021, there are 6 (six) Committees of the Board viz: Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Securities Issue Committee. A detailed note on the composition of the Board and its Committees is provided in the Corporate Governance Report section of this Annual Report.

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Pursuant to the provisions of section 134(3)(e) and Section 178(3) of the Companies Act, 2013 and the SEBI Listing Regulations, the policy of the Company on Directors' appointment and remuneration, including the criteria for determining qualification, positive attributes, independence of directors and other matters like Board Diversity are given on the website of the Company at [www.sparkminda.com](http://www.sparkminda.com)

#### The salient features of the Remuneration and Board Diversity Policy are as under:

- a) To determine remuneration of Directors, KMP, other senior management personnel and other employees, keeping in view all relevant factors including industry trends and practices.
- b) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V and other applicable provisions.

- c) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- d) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- e) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- f) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- g) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- h) The remuneration / compensation / commission etc. to the Whole-time Director, KMPs and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.
- i) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act. The loans/advances to employees shall be in accordance with the conditions of service applicable to employees and are also in accordance with the Group Human Resource Policy.
- j) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- k) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and no material departure was made for the same. The financial statements of the Company for the financial year ended March 31, 2021, have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with the relevant rules made thereunder and other accounting principles generally accepted in India;



- b) Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period ended on March 31, 2021;
- c) Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual financial statements have been prepared on a going concern basis;
- e) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) Proper systems had been devised to ensure compliance with the provisions of all applicable laws and were adequate and operating effectively.

#### NATURE OF BUSINESS

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

#### CODE OF CONDUCT

The Company has in place a comprehensive Code of Conduct ("the Code") applicable to Directors, Independent Directors and Senior Management Personnel. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code is available on the Company's website at the link: <https://sparkminda.com/wp-content/uploads/2020/07/Code-of-Conduct-under-Insider-Trading.pdf>. The Chairman & Group CEO of the Company has given a declaration that the member of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of the Board of directors and Senior Management in terms of Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### TRANSFER TO RESERVES

During the financial year under review there was no transfer to General Reserve by the Company.

#### RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year ended on March 31, 2021 were on an arm's length basis and in the ordinary course of business under Section 188(1) of the Act and the Listing Regulations. Details of the transactions with Related Parties are provided in the accompanying financial statements (note no. 2.39 of Standalone Financial Statement) in compliance with the provision of Section 134(3)(h) of the Act. The policy on Related Party Transactions as approved by the Board may be accessed on the Company's website at the link: <https://sparkminda.com/wp-content/uploads/2020/04/Related-Party-Transactions-Policy.pdf>

#### PARTICULARS OF INVESTMENTS MADE, LOANS GIVEN, GUARANTEES GIVEN AND SECURITIES PROVIDED

Pursuant to Section 134(3)(g) of the Companies Act, 2013 particulars of loans, guarantees or investments and securities provided under Section 186 of the Companies Act, 2013 along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement (Please refer to Note 2.37 for contingent liability, 2.4 and 2.5 to the Standalone Financial Statements).

#### CORPORATE SOCIAL RESPONSIBILITY

Your Company has the policy of giving back to the society and has carried a host of CSR activities this year. In line with the requirement of Section 135 of the Companies Act, 2013, your Company having a Corporate Social Responsibility Committee. The details of Committee are provided in Corporate Governance Report. The CSR Policy of the Company is available on its website at the link: [https://sparkminda.com/wp-content/uploads/2021/03/CSR\\_Policy.pdf](https://sparkminda.com/wp-content/uploads/2021/03/CSR_Policy.pdf) Spark Minda Foundation (A wholly owned subsidiary of the Company) a non-profit Company registered under Section 8 of the Companies Act, 2013 is the implementing agency for implementation of CSR activities. A robust system of reporting and monitoring has been put in place to ensure effective implementation of planned CSR initiatives. During the year, the Company has spent ₹ 15.15 Million on CSR activities through its implementing agency as per annexed herewith at **Annexure-I** to this report.

A detailed discussion on CSR Projects and initiatives are included as a separate section in the Annual Report.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

#### EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in **Form MGT 9** is annexed herewith at **Annexure-III** to this Report.

#### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The percentage increase in remuneration, ratio of remuneration of each director and Key Managerial Personnel (KMP) (as required under the Companies Act, 2013) to the median of employees' remuneration, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given at **Annexure-IV** to this Report.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate exhibit forming part of this report and is available on the website of the Company.



The Annual Report and accounts are being sent to the shareholders excluding the aforesaid exhibit. Shareholders interested in obtaining this information may access the same from the Company website or send a written request to the Company at [investor@mindacorporation.com](mailto:investor@mindacorporation.com).

In accordance with Section 136 of the Companies Act, 2013, this exhibit is available for inspection by shareholders at the website of the Company and at the Registered Office of the Company during business hours on all working days, 21 days before the Annual General Meeting and copies may be made available on request.

### STATUTORY AUDITORS AND REPORT

At the Annual General Meeting held on September 22, 2016, B S R & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. 101248W/W-100022) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 36th Annual General Meeting of the Company to be held in the calendar year 2021. Their term expires at the conclusion of 36th Annual General Meeting of the Company.

For next term, Audit Committee of the Company and the Board of directors have recommended S.R. Batliboi & Co. LLP, Chartered Accountants (Registration No. 301003E/E300005) for appointment as Statutory Auditors, for a period of five years, to hold office from the conclusion of 36th Annual General Meeting until the conclusion of 41st Annual General Meeting at such remuneration as may be mutually agreed. Consent of members is being sought in the notice convening the 36th Annual General Meeting seeking appointment.

Audit Reports on Standalone Financial Statements and Consolidated Financial Statements are self-explanatory and do not call for any further comments under Section 134 of the Companies Act, 2013. The Auditors Report to the shareholders for the year under review does not contain any adverse qualification. No frauds have been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

### SECRETARIAL AUDITORS AND REPORT

Ranjeet Pandey and Associates, Company Secretaries (FCS-5922; C.P. No. 6087) were appointed to conduct the secretarial audit of the Company for the financial year 2020-21 as required under Section 204 of the Companies Act, 2013 and Rules made there under. The Secretarial Audit Report for financial year 2020-21 forms part of this Annual Report as Annexure-V to this Directors' Report. There is no observation or Negative qualification in the report except the following: -

1. *The Company has generally complied with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except non-compliance with Regulation 30 wherein one of the filing to the Stock Exchange was delayed by one day. Apart from that, the Company has complied with all the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;*

Your directors are of the opinion that the delay of one day as given in above observation was due to failure of internet

connectivity while the concerned officer was reporting the aforesaid event of allotment of ESOP Shares to the stock exchanges was working from home during COVID-19 pandemic lockdown. It will not carry any financial or monetary loss to the investors of the Company.

2. *One of the employees has sold 100 equity shares of the Company at the aggregate value of ₹ 9,166 (Nine Thousand One Hundred Sixty Six) in the market on 21.12.2020 before the expiry of six months from the date of last transaction in November, 2020 and another employee has purchased 20 equity shares of the Company at the aggregate value of ₹ 1,854 (One Thousand Eight Hundred Fifty-Four) on 04.01.2021 during the closure of trading window. On becoming aware, proper intimations were given by the Company to Stock Exchange regarding the non-compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015, Board of directors of the Company was apprised and due penalties were imposed on the employees of the Company.*

Your directors are of the opinion that the aforesaid observation is self-explanatory and do not call for further explanation. An awareness campaign had been launched across all Designated Persons to avoid such violation in future.

### COST AUDITORS

The Board of Directors has appointed Chandra Wadhwa & Co., Cost Accountants as Cost Auditors (Firm Registration No. 00239) for conducting the audit of cost records made and maintained by the Company for the financial year 2021-22 pursuant to Section 148 of the Companies Act, 2013.

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditor for FY 21-22 is required to be ratified by the members; the Board recommends the same for approval by members at the ensuing AGM.

### LISTING

Equity Shares of your Company are presently listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Annual Listing fees for FY 2021-22 have been paid to the concerned Stock Exchanges.

### SECRETARIAL STANDARDS

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

### ANNUAL RETURN

Pursuant to sub-section (3) of section 134 of the Act the annual return has been placed on the website of the Company i.e. [www.sparkminda.com](http://www.sparkminda.com)

Further pursuant to Rule 12 of the Companies (Management and Administration) Rules, 2014 an extract of the annual return in such form as may be prescribed shall form part of the Annual Report. The Companies (Amendment) Act, 2017, amended sub-section (3) of section 92 of the Act a copy of the annual return is available on the website of the Company. The web-link of such annual return is <https://sparkminda.com/other-disclosures/#>

### SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES

Pursuant to Section 129 of the Companies Act, 2013 a statement in the prescribed Form-AOC-1, relating to subsidiaries and Joint Ventures for the year ended on March 31, 2021 has been attached with the Consolidated Financial Statements of the Company for the financial year ended March 31, 2021.

The Financial Statements of the subsidiaries shall be made available to the shareholders seeking such information and shall also be available for inspection at its Registered Office.

The Policy for determining material subsidiaries as approved may be accessed on the Company's Website in investor section: <https://sparkminda.com/wp-content/uploads/2020/04/Policy-on-Material-Non-Listed-Subsidiary.pdf>

### INTERNAL FINANCIAL CONTROL

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

### RISK MANAGEMENT

The Board of Directors has re-constituted the Risk Management Committee on March 25, 2021 pursuant to the provisions of SEBI (Listing obligations and Disclosures Requirements), Regulations 2015 to assess risk and to make mitigation procedures. The Risk Management Policy can be accessed on the Company's website at the link: <https://sparkminda.com/wp-content/uploads/2020/04/Risk-ManagementPolicy.pdf>

This policy forms part of the internal control and corporate governance process of the Company. Basically the aim of this policy is not to eliminate risks, rather to mitigate the risks involved in the Company activities to maximize opportunities and minimize adversity by considering the following:-

- Identification of risk, define ownership with clearly defined roles and responsibilities;
- Balance between the cost of managing risk and the anticipated benefits;
- Contributing to more efficient use/allocation of capital and resources;
- To encourage and promote a pro-active approach towards risk management;
- Identifying any unmitigated risks and formulating action plans for its treatment through regular review.

### HUMAN RESOURCES

FY 2020-21 has been a challenging year for businesses and people across the globe. It was a year of unprecedented times and thus called for unprecedented actions. As we were combating the Global pandemic, the safety and health of the employees were of utmost priority while keeping the business afloat.

In this new normal, the Human Resource function has demonstrated agility by ensuring new systems and processes to cater to the needs of changing times. Different SOPs related to safety and work from home challenges was formalized to ease the operations of the business and people. Staying connected with employees, leadership connects and employee motivation are the key focus areas.

Technology and automation in Human Resource Management enabled the analytics-driven decision-making and creating One Spark Minda - every employee experiences consistency in HR practices and policies across the Group. Being a core manufacturing organization, we were successfully able to transit ourselves to the virtual world of working and incorporated the virtual training.

The HR initiatives continue to focus on hiring the talent with the right attitude, develop and groom them and build the leadership pipeline. We have shifted our needle towards grooming out internal talent and were able to successfully fill few senior roles through internal talent. We are also striving to bring in more women employees at senior roles. We have also worked towards becoming a performance-driven organization.

The company has well-crafted and employee-friendly HR policies, and hence it enjoys a cordial relationship with its employees. We have not experienced any major work stoppages due to labour disputes or cessation of work in the last many years.

It continues to emphasize and focus on safety and security at the workplace by prescribing policies and procedures, creating awareness and imparting pieces of training to the workforce. It also has an established mechanism that fosters a positive work environment that is free from harassment of any nature. Prevention of sexual harassment initiative framework is in place to address the complaints of harassment at the workplace.

### AWARDS

During the year under review, your Company has received awards and recognitions, which have been mentioned in Award section of this Annual Report.

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

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



The same has also been displayed on the website of the Company and the link for the same is: <https://sparkminda.com/wp-content/uploads/2020/04/Whistle-Blower-Policy.pdf>

#### PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE POLICY

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

#### GENERAL

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOP referred to in this Report.
3. Neither the Executive Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
4. No significant material orders have been passed by the

regulators or court(s) or tribunal(s) which would impact the going concern status of the Company and its future operations.

5. No such order is passed by any Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

#### EVENT OCCURRED AFTER BALANCE SHEET DATE

No major events have occurred after the date of balance sheet of the Company for the year ended on March 31, 2021.

#### APPRECIATIONS AND ACKNOWLEDGMENTS

We thank our customers, vendors, business associates, investors and bankers for their continued support during the financial year. We also place on record our sincere appreciation for the enthusiasm and commitment of Company’s employees for the growth of the Company and look forward to their continued involvement and support. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board of  
Minda Corporation Limited

Place: Delhi  
Date: May 18, 2021

Sd/-  
Ashok Minda  
Chairman & Group CEO  
DIN: 00054727

# ANNEXURE I - TO DIRECTORS' REPORT

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. Brief outline on CSR Policy of the Company.

The Company's focus areas are Education & Skill Development, Empowerment of persons with disability, Health & Wellness and Environmental Sustainability. The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. A detailed discussion on Company's CSR Policy and Activities is provided in 'CSR and Sustainability' section of Annual Report.

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Pratima Ram	Chairperson (Independent Director)	(2) Two	(2) Two
2.	Mr. Avinash Parkash Gandhi	Member (Independent Director)		(2) Two
3.	Mr. Ashok Minda	Member (Chairman & Group CEO)		(2) Two

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

CSR Policy can be viewed at the following link: [https://sparkminda.com/wp-content/uploads/2021/03/CSR\\_Policy.pdf](https://sparkminda.com/wp-content/uploads/2021/03/CSR_Policy.pdf)

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - Not Applicable

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any-

Sl. No.	Financial Year	Amount available for set- of from preceding financial years (In ₹)	Amount required to be set- off for the financial year, if any (In ₹)
1.	2020-21	Nil	Nil

6.	Average net profit of the Company as per section 135(5)	₹ 1,493.32 Million
7.	(a) Two percent of average net profit of the company as per section 135(5)	₹ 29.87 Million
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	₹ 0.23 Million <sup>#</sup>
	(c) Amount required to be set off for the financial year if any	NIL
	(d) Total CSR obligation for the financial year (7a+7b-7c)	₹ 30.10 Million

<sup>#</sup> The Surplus amount as shown in the above table belongs to Spark Minda Foundation, a section 8 Company (Operating Agency) which is taking up all CSR projects on behalf of the Company.

### 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ In Million)	Amount Unspent (₹ In million)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
29.87	NIL	NIL	NIL	NIL	NIL



(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the Project.		Project duration.	Amount allocated for the project (in ₹) *	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 35(6) (in ₹).#	Mode of Implementation – Direct (YES/NO).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Aakarshan-Skilling & Education Livelihood	Education	Yes	Tamil Nadu	Chennai Greater Noida	Ongoing	15.45	11.09	4.36	NO	Spark Minda Foundation	U85100DL2014NPL273844
2	Saksham-Empowering of People with disability	Empowerment of Disable person	Yes	Maharashtra	Pune	Ongoing	12.85	3.00	9.85	NO	Spark Minda Foundation	U85100DL2014NPL273844
3	Admin Exp	Education/ Empowerment	Yes	Haryana	Gurgaon	Ongoing	1.5	0.75	0.75	NO	Spark Minda Foundation	U85100DL2014NPL273844
4	Donation Paid	Under 80G IT act provision	Yes	Delhi	Delhi	NA	0.3	0.29	0.01	NO	Spark Minda Foundation	U85100DL2014NPL273844
<b>TOTAL</b>							<b>30.10</b>	<b>15.13</b>	<b>14.97</b>			

# The unspent amount as shown in the above table belongs to Spark Minda Foundation, a section 8 Company (Operating Agency) which is taking up all CSR projects on behalf of the Company. The Company has paid 100% of its CSR contribution to Spark Minda Foundation during the year under review.

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Nil

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹).	Mode of Implementation –Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
<b>NIL</b>									

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year: **29.87 Million (contribution made to implementing agency)**

(g) Excess amount for set off, if any: NIL

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	NIL
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years	NIL

## 9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135-6 (₹ In Million)	Amount spent in the reporting Financial Year (₹ In Million)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (₹ In million)
				Name of Fund	Amount (in ₹)	Date of transfer	
NIL							

## (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ In Million)	Amount spent on the project in the reporting Financial Year (₹ in million)#	Cumulative amount spent at the end of reporting Financial Year (₹ In Million)	Status of the project - Completed /Ongoing.
1	1	Aakarshan-Skilling & Education _Livelihood	2020-21	4 years	15.45	15.45	15.45	Ongoing
2	2	Saksham-Empowering of People with disability	2020-21	4 years	14.35	14.35	14.35	Ongoing
3	3	Donation Paid	2020-21	NA	0.30	0.30	0.30	One Time
<b>TOTAL</b>					<b>30.10</b>	<b>30.10</b>	<b>30.10</b>	

# Out of total amount of CSR obligation of ₹ 30.10 Million, the implementing agency has spent an amount of ₹ 15.13 Million and an amount of ₹ 14.97 Million remain unspent during the year under review.

## 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- Date of creation or acquisition of the capital asset(s). No Capital Assets - Nil
- Amount of CSR spent for creation or acquisition of capital - asset - Nil
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Nil
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - Nil

## 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company has made 100% contribution of its CSR obligations amount equivalent of two per cent of the average net profit as per section 135(5) to Spark Minda Foundation (Implementing agency) Section 8 Company registered under Companies Act, 2013. However, the implementing agency could spend ₹ 15.13 Million due to an unprecedented health crisis across the world, with COVID-19 pandemic taking the world by a storm.

## For Minda Corporation Limited

Sd/-  
Ashok Minda  
Chairman & Group CEO  
DIN: 00054727

Place: Delhi  
Date: May 18, 2021

## For CSR Committee of Minda Corporation Limited

Sd/-  
Pratima Ram  
Chairperson of CSR Committee  
DIN: 03518633

Place: Bengaluru  
Date: May 18, 2021



# ANNEXURE II - TO DIRECTORS' REPORT

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

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

## A. CONSERVATION OF ENERGY:

### a) Steps taken or impact on conservation of energy Die-Casting Division

- 1 Replacement of normal induction motor to servo motor of HPDC Machine – 02 Nos.
- 2 Provide thyristor control panel instead of contactor control logic to reduce energy consumption – 05 nos
- 3 Optimization of air pressure from 7.5kg to 6.5kg for both DCD Units
- 4 Conversion of normal induction motor with energy efficient IE-3 grade motors- 06 nos
- 5 Minimise difference KWH & KVAH through change of feedback logic
- 6 Installation of VFD for Buffing motors, Cooling Tower Pump, Shot blasting dust collector & Air Compressors
- 7 Optimize ideal trip time of machines
- 8 Relining of Melting & holding furnace to reduce heat losses
- 9 Introduce Recupartor for melting furnace & reduce fuel consumption
- 10 Installation of fuel catalyst to reduce fuel consumption for all melting furnaces
- 11 Eliminate water heater of washing machine through use of cold wash chemical

### Security System Division

1. VFD Installed for ETP input Pump
2. Timer Installed for wall mounting fans of Canteen
3. Timer Installed for wall mounting fans of QA LAB
4. Controlling of LT VOLTAGE Between 395 TO 410 V
5. Power Factor Maintaining by unity
6. Both cooling Tower fan control with Req. water temp.
7. Uses of motion sensors in office AC's and office Lights
8. Installation of Air blower in PT tank for air mixing
9. C101 EVAPO testing fixture convert for Pulsar to reduce run testing in single shift / Sunday running

### Starter Motor & Alternator Division

- 1 VFD In Air compressor
- 2 Shop Floor and admin Lighting Reduction by 40%
- 3 Thirstier in armature and Rotor varnish plant

### b) The steps taken by the Company for utilizing alternate sources of energy Die-Casting Division

- 1 Implementation of Rooftop Solar Power Project MCL DCD Plant 01- 265 kw & MCL DCD Plant 02- 785 kw
- 2 Installation of Transparent sheet for natural light in shop floor
- 3 Uses of natural gas with implementation of energy efficient tower melting furnace 500 kg/hr capacity- 02 no
- 4 Installation of Solar street lights 05 nos at DCD Plant 01 unit

### Security System Division

- 1 Utilization of 617.5 Kwp Solar plant in Company

### c) The capital investment on energy conservation equipment

#### Die-Casting Division

- 1 ₹ 13.0 lac for servo motor implementation for 02 Nos. machine
- 2 ₹ 7.5 lac for Thyristor control system for 05 nos furnace
- 3 ₹ 5.0 lac for Energy efficient motor & VFD installation
- 4 ₹ 15.0 lac for fuel catalyst – 05 furnace
- 5 ₹ 3.0 lac for Melting furnace recupartor implementation- 02 furnace

## B. TECHNOLOGY ABSORPTION: 2020-21

### i) Research & Development (R&D) – FORM 'B'

#### 1. Specific R&D areas in which R&D carried out by the Company

During recent times, there are increasing technology trends, upcoming regulations, increasing quality and reliability requirements, increasing cost reduction pressures from customers; the Company has increased its focus on product reliability and innovation. For domestic as well as International customers, Company focused on developing products which meet the changing emission regulations i.e. BS IV to BS VI Cost innovations to get entry into new vehicle segments mainly Construction, all-terrain vehicles and Agriculture vehicles. Company is developing mechatronic & electronic products and co-development with customers on R&D projects.

EV Components: With the recent FAME II policy in EV, the OEMs are expected to focus on local sourcing rather than importing the components from elsewhere.

- AIS004 part 3 compliance DC-DC converter is ready for mass production.



- CISPR25 compliance DC-DC converter is ready for mass production.
- Battery Charger upto 750W is in final testing phase.
- Electric vehicle specific tracking device (telematics) with added assist features like last mile connectivity etc.
- IS 16833 automotive tracking device specification, which also included the in vehicle video surveillance system.
- IS 16490 passenger information systems.
- Intelligent ECU for Tractor rotavator application to help the farmers in getting the better yield.

#### Instrument clusters:

The company has been working on creating indigenous technology meeting these specifications. Instrument clusters have evolved from analog versions that had mechanical dials and gauges to fully digital clusters which have rich graphical renderings of the same dials in digital form. Digital instrument clusters enable automakers to differentiate their products by offering their customers an infinite choice of customized looks, moods, themes and even animation. In addition, fully digital instrument clusters are fundamental to consolidated cockpit domain controllers. The industry is expected to witness heavy expansion trend due to increasing implementation in premium & luxury cars. Majority of the vehicles currently include analog instrument cluster systems due to low cost and high availability across all regions. However, advanced user interactivity, customizable features, and control of driving assistance functions offered by these solutions are major factors supporting the industry expansion prospects. Growing electrification and digitization of newly developed passenger and luxury vehicles are driving the automotive digital instrument cluster market growth. At MSIL, we are forefront working on these technologies for 2W, CV, SUV and Tractor segment.

#### Some of the areas where R&D effort was put are:-

##### Intellectual Property Rights

- Filed 20 (Twenty) new patent applications for new concepts in various Product and Process design in 2019-20. Highlight was the granting of first patent in Japan for Key Less Ignition Switch cum steering Lock.
- For SSD – 8 (Eight) new patent applications filed and 2 were granted, one in Thailand – protective device for cylinder lock and one in Indonesia improved ignition switch cum steering lock.
- For SMAD – 1 (One) patent filed.
- For IPD – 1 (One) new patent application filed: Touch screen air vent being installed in dashboard of the automobile used to set the direction ability through touch function.

##### EV & Telematics -

- “Resetting Electronic latch” in DC-DC converter.

- “Synchronous buck converter”, MOSFET failure protection in DC-DC converter.
- A design patent has been filed for a novel passenger LED display system with the mechanical structure designed for safety.
- A patent has been filed towards a novel pin generation scheme for two wheelers with key less entry for ride share market.

#### Some of the areas where R&D effort in Cluster domain was put are:

- 3.5 inch Mono Chrome and Color TFT based Clusters for SUV and MPV segment with high end adventure features (SUV) and graphics.
- 5 inch Color TFT cluster for global market with multi-lingual support.
- LCD/ Dot Matrix Digital cluster for export market integrated with Immobilizer and Flasher.
- LED Bar graph based cluster for LCV and Tractor segments.

In the sensor segment, emission norms are driving need for new and precise sensors to be used for measuring emission related parameter and other supporting variables like Speed, temperature etc. At MSIL, along with our JV partner Stoneridge, we brought key niche technology sensor product like EGT and EGRT sensor and went into SOP with home grown sensors in Engine Speed, Engine Oil Temperature measurement. The team has also developed Side Stand Switch which is becoming a mandatory feature for 2W segment.

#### Mechanical Products:-

For IPD Circular louver frugal design & development conducted for major SUV manufacturer Glove box latch side locking concept developed and implemented in a vehicle for major SUV manufacturer. SGF PP material development started with RM manufacturer for structural parts.

- Fuel Tank Caps meeting BS VI regulations design activities executed for major two wheeler OEMs.
- Sealed Ignition switch 3P and 4P for ATV – Product validated and regular supplies started.
- New concept Steering lock for Triumph – Under development.
- Fuel Tank Cap with high flow rate of 10 litre / minute.
- New concept for Ignition Switch cum Steering Lock integrated with Cable actuation Mechanism developed – under validation.
- Seat lock and latch cable developed first time in India with Dia. 2.5 – 7 x 19, Dia. 1 – 1 x 7 and Dia. 2.5 – 1 x 19 GI+SS.

The electronics & mechatronics share in vehicle is increasing at a rapid pace. Highly reliable microcontroller based solutions enable the advanced safety & security requirements of the



vehicle. Company is also focusing on electronic, mechatronic and Biometric systems. We have set up a world class facility called Spark Minda Technical Centre (SMIT) in Pune with an objective to have state of the art centralized facility for Software & Hardware design and Electronics reliability testing. Most of the Mechatronic and Electronic developments are happening with active role of SMIT.

The various products we have developed/under development in Electronics/Mechatronics area are:-

**Electronic/ Mechatronic Products**

- Semi-Automatic smart key system integrated with cable actuation.
- Automatic Steering Lock.
- Semi-Automatic smart key system for Scooters.
- Smart Glove Box Lock and Seat Latch.
- Automatic Steering Lock for Bolt Mobility – Netherlands.
- Smart Rotavator Control Unit (Blue Eye 4.2) for assisting the farmers to optimally control engine speed during seeding.
- Reverse Speed Alert System for tractors based on a regulatory requirement.
- Electronic Seat Latch.
- LF immobiliser for motorcycle.
- Semi – Automatic Smart Key for motorcycle.
- Electronic Flashers for commercial vehicles and tractors. EV subsystem related products
- DC-DC converter
- Battery charger
- BLDC Motor Controller Telematics related products
- Intelligent Transport solution (with passenger information system).
- ITS - Integrated with MNVR for Video streaming and monitoring
- Telematics solution for shared mobility and fleet tracking. (2G based)
- Battery Telematics - Solutions for Battery Swapping Centres
- Telematics Platform, create scalable telematics devices with LTE, BLE, NBloT including a web platform for data Analysis, Prognosis and Diagnostics.

The focus on product innovation also calls for focus in process innovation. The rapid changing product technologies, regulatory requirements, cost reduction pressures has made us develop low cost highly reliable SPMs through in house capability development. Some of the new initiatives in ME include: -

- Standardisation of precise grease application implemented across MCL.

- State of art EOL development for Smart Key system with 100+ function tests with advance Lab View software with repeatability of micro seconds.
- State of art assembly line development for SCU and FOB assembly and pairing.
- Spring automatic assembly system development of automatic spring feeding – 14 springs in one time in lock barrel.
- Complete Testing & Validation facility of Mechanical Control cables set up for our New Product line.
- In Tooling, development started efforts for Yield improvement, Tool Quality improvement & Tool life improvement.
- Structural & Process simulations software for Zinc & Aluminium castings purchased to improve the Tooling development – Cast Designer.
- 100% fitment, function testing of parts made on assembly lines through robust End of line testing fixtures designed & developed in house.
- Battery cable with Aluminium cable prototype developed and offered to OEM's: One OEM has revised the drawing for one project with Aluminium Cable. 2 Vehicles were built but the project is slowed down as the OEM's are busy in implementation of BSVI.
- Exploring welding process of the terminal to Aluminium cable with Komax: Welding feasibility analysis done. This is linked to Aluminium cable project only. The welding process and its advantages were explained to the customer but no further actions is taken as of now till customer revives the project.
- Proto-type developed for Fuse blow indicator: Trial planned on vehicle with an OEM. The Trial was successfully conducted on the vehicle and further improvement has been done on the solution. SMIT is also working on a solution called PCB Junction Box.
- PCB Based Junction Box project initiated by SMIT and a design partner from overseas country Identified. The idea of overseas design partner is dropped because of un-agreeable terms. SMIT is now developing the solution and a functional prototype is made. The demonstration to OEM's will start after the Demo Kit is ready.
- Based on the success of the PCB bases Junction Box project, next phase of developing a Smart Junction Box is initiated. This will include adding the functionalities of Power Distribution as well as integrating Body Electronics feature sets in the same Junction Box. Feasibility of incorporating Vehicle network protocols is also planned for subsequent phase.
- Application of Flex PCB Technology to replace the conventional wire harness is identified for certain applications. The feasibility analysis, cost benefit analysis and Proto Development is initiated.

- New Stackable Ring terminal for earth connection is under design phase. Same is proposed to an OEM. Provisional patent filed for the design.
- IP 67 capable Starter motor designed and developed.
- IP 67 capable Alternator designed. Patent filled.

## 2. Benefits derived as a result of above R&D

Company has developed indigenous technology in EV power electronics solutions, electronic control units and telematics. These developments have been spearheaded at the companies advance technology centre called SMIT in Pune. The experienced team did enough benchmarking of the products in the field and came out with a differentiated product that had a clear and sellable USP's. Specific achievements include the nomination from major Indian two wheeler OEM's start up OEM's and the major truck OEM from India.

- Seeing MCL's competencies, customers like Honda, Yamaha, Polaris, Bajaj, Triumph, KTM etc. are co-developing with Company starting from R&D stage. Company has co-developed a new FT cap for one of its major customers.
- Company's focus & competence building on Electronic & Mechatronic system has given good confidence to Customers – Received orders for Semi-Automatic smart key system integrated with cable actuation, for Automatic Steering Lock. Working with Yamaha Japan for Marine system security development.
- The new products for Off road segment have resulted into business from ATVs, Construction Vehicles & Tractor manufacturers.
- Cost innovations at the Company has resulted in increase in orders from customers like Hero Moto Corp, Royal Enfield, HMSI, Suzuki, TVSM and Yamaha.
- Company's competency in developing fuel tank caps meeting BS VI regulations has resulted in getting business from majority of Indian & Japanese customers for FT Caps.
- Company has already started supplies for Mechanical Control Cables for Kawasaki India and Okinawa. Samples under development for customers like Yamaha, RE, TVSM and Hero Motor Corp.
- Aluminium cable solution can reduce weight and cost of wiring harness. The terminal design has been done in-house based on benchmarking for a customer.
- Welding of terminal instead of crimping can help in overcoming creep problem of aluminium which can occur in crimping.
- Fuse blow indicator is a system in which the driver will get immediate intimation if there is any fuse blow for critical circuit. This is meant for the critical function where the driver will not notice anything till the system has reached extreme level of mal function (e.g Radiator fan). This system will help driver to take action immediately when the fuse blows.

- PCB Based junction box is next generation Power distribution system which will become predominant in high content vehicles like Passenger and Utility Vehicles. Combining the functionalities of conventional Body Control Module and Fuse / Relay Box is a must need technology going forward when the vehicle feature content and in turn no. of ECUs, will increase. This product will help provide value added technology and product for upcoming vehicle platforms for our OEMs.

- Stackable Ring terminal is a simple solution for complex grounding.
- Reduction in Warranty and improves customer satisfaction.
- Application of Flex PCB technology can help to reduce the weight of conventional Wiring Harness, improving reliability of the product and also helping OEM to reduce the overall assembly time of the vehicle. The technology though today used in premium vehicles, but can always find application in limited way in conventional vehicles (e.g. Roof Wiring Harness OR Door Wiring Harness)

Business acquisition from Volvo Eicher, repeat business from M&M for supply of cluster for their top selling MUV

- EGT sensor RfQ for Tractor from M&M.
- RFQ's from AL, TVS, Daimler, Piaggio, CNH which are have reached a serious level of discussions.
- Built competency for TFT and LCD based HMI and cluster software.

## 3. Future Plan of Action

- Focus on reliability will further increase to ensure Zero defect in complete product life cycle – Zero defect initiative drive started across the Group and Zero defect product policy will be adopted as our winning mantra.
- For markets like India & ASEAN cost innovation is happening through usage of alternative materials like Zinc to Aluminium or Zinc to Plastic. Company is also working on increasing the Tool life from 2 times to 3 times to reduce the recurring cost as the use of Aluminium increases (having one fifth tool life as compared to Zinc tools).
- More focus will be there in automating the assembly lines to reduce process cost due to ever increasing manpower cost & increase reliability. Fixed cost will be reduced by putting more focus on implementing low cost flexible automation on assembly lines.
- More focus on investments on R&D and Technology to further improve quality, deliver greater customer satisfaction, strengthening future competitiveness and bring in innovative products & new technologies including green & smart technologies.
- Company is working with all the major OEM's also on ROHs, REACH & ELV compliance to improve environment friendliness of our products.



- Competency is being created for design and development of PCB based Junction Box: Project Identified, Partner Identified, Customer Engagement planned to start in this financial year.
- Functional Prototype Ready.
- Development of FI system connectors for 2W: OBD II Connector, Water-Proof Connectors.
- Localization plan ready development started as per the plan. Capability enhancement plan is to engage with external experts.
- Focus on patents to enhance innovation culture in the Company.
- Application of TPV, TPU: Currently working on blend of NBR and PVC to replace Neoprene material whose cost is increasing. Proposal submitted to the OEM and currently under review.
- A Spice Level 2 process deployment and certification in coming 2 years
- Create a scalable clusters platform for CV, 2W, Tractor segments.
- Build integrated system solutions – clusters and security access features / Connectivity features
- Increase product portfolio in Sensors domain
- Increase robustness of software with usage of standard stacks and HIL based testing

EV Components

- a) **Battery Charger:** 750W battery charger is undergoing the final testing along with the 3.3 Kilowatts charger which is being developed for one of the 2W OEM.
- b) **Motor Controller:** 1.2 KW POC in progress, common platform for Trapezoidal & Sine wave motor with sensor & sensor less provisions in the design.
- c) **Intelligent Transport Systems:** To prepare a complete certified ITS product line as per IS16490 and IS 16833.
- d) **Telematics device 4G:** Create a scalable telematics 4G platform including a web platform for data capture and rendering.
- e) **Multifunction ECU's:** Various electronic control unit concepts are developed for 2W,3W, SUV and LCV applications. Novel concept developed for a tractor OEM, this product had clear differentiator from the competition with respect to the yield of the farmer. Further extension of these solutions on the way to bring the electronification solutions from the group.

4. Expenditure on Research and Development

(₹ in Million)

Particulars	2020-21	2019-20
a. Capital Expenditure	28	16
b. Recurring Expenditure	287	221
c. Total	315	237
d. Total R & D expenditure as a percentage of total turnover	1.37%	1.11%

ii) Technology absorption, adaptation and innovation

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

- a) Technology mapping being done by benchmarking with competitor products, engineers' participation to various technical conferences & exhibitions. Patent landscaping being done on regular basis to see the technology trends.
- b) Structured Reward & Recognition policies have been implemented to create culture of innovation.
- c) State of art electronic competency centre (SMIT) put up at Pune for next generation electronic & mechatronic products. The centre is focused on developing advance engg solutions in hardware, software and does reliability testing of electronic products.
- d) Technical consultants (Subject matter experts) hired to guide engineers on various technical areas like materials, processes, mechanisms & Patents.
- e) Technical Tie-ups with premier institute in India for project-based solution like IIT Delhi, IIT Chennai & CECRI Kariuki.
- f) Technical standards, manuals & check sheets being made/updated on regular basis to build strong knowledge base of product & process technology.
- g) Engineers being regularly trained on high end design software, structural simulation software & process simulation software, new technologies in tool & die making, rapid prototyping techniques. Built rapid prototyping facility in-house through installation of 3D printer.
- h) As part of group initiative, Project (Current business-technology and product gap) there is continuous mechanism for product benchmarking, prioritizing and development of the project which is reviewed at different levels.
- i) Engagement with overseas Design houses for joint development of technology product-line like PCB Junction Box.
- j) Several projects running with SMIT for new product-line development: Fuse Blow Indicator. PCB Bases Junction Box, Wireless Modules, vehicle-Networking.

- k) 24V Alternator with 55A output developed in 5" frame size.
- l) 12V Alternator with 55A output developed in 4" frame size.
- m) PMGR starter motor design completed. Proto under development.
- n) Competitor product benchmarking, studying market requirements within a segment and building upon a Product line Approach to address maximum customer needs within a segment.
- o) Movement of R&D team away from production location to "Fit for R&D" location with re- jig of HR policies etc to ensure team attraction, retention & motivation.
- p) Purchasing key infra items for Designing, Simulation and Testing to improve efficiency, productivity and quality of deliverables.
- q) Technical consultants (Subject matter experts) hired to guide engineers on various technical areas like materials, processes, mechanisms & Patents.
2. Benefits derived as a result of above efforts e.g. product improvement, cost reduction, product development, import substitution etc.:-
- a) Company considered as preferred original component supplier by most of OEM's & most of the OEM's are involving Company from concept design stage.
- b) The innovative product offerings have resulted into Import substitutions for Indian 2- Wheeler OEMs in the products like immobilizers, magnetic shutter modules, multifunction locks etc. Also, customers are seeking solutions from Company for upcoming technical, safety & regulatory requirements.
- c) Company indigenous technologies, low cost products, use of design simulations & rapid prototyping techniques to reduce product development cycle have resulted in increase in business from Indian & export customers.
- d) There is increased amount of focus on patent and regular training on patents is being conducted to spread awareness for patent search and patent filing which enhances innovation culture in the organization.
- e) The above initiative has brought focus on product benchmarking and global technology trend which helps in identifying the focus area for technology/product development.
- f) Increased focus on cost reduction by VA/VE and Alternate parts/import substitution with target to bring down RMC by 3% has led to ideas generated so far reaching close to ₹ 50 million of savings.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:-

- a) Technology imported –  
No Technology was imported during last 5 years. All the Technologies and Products were developed by the Company on its own.
- b) Year of Import – Not applicable
- c) Has technology been fully absorbed? – Not applicable
- d) If not fully absorbed areas where this has not taken place, reasons there for and future plans of action – Not applicable.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

#### i) EXPORT ACTIVITIES

The year saw Information and Connected Systems the business focus on the Export market. The Company has customers for the Information and Connected System business like Piaggio in Italy. The Company reached out to other OE players in Europe and have started seeding the market beyond India for its wiring harness business. The Company continued with its plan to expand capacity and invested in the plant in Mysore, India. With this plant, the business now has over nine plants all over India for the Information and Connected System product portfolio.

#### ii) TOTAL FOREIGN EXCHANGE USED AND EARNED

Foreign Exchange Used:- (₹ in Million)

Particulars	2020-21	2019-20
a) Travelling & Conveyance	1	13
b) CIF value of import	1524	1,678
c) Legal & Professional	20	49
d) Repair & Maintenance (P&M)	Nil	2
e) Others	Nil	26

Foreign Exchange Earned:- (₹ in Million)

Particulars	2020-21	2019-20
a) FOB value of Exports	525	1,581
b) Royalty	8	39
c) Financial Assistance Fee	Nil	9
d) Interest/Dividend income	Nil	80
e) Technical Know-how and Service Income	105	36

For and on behalf of the Board of  
Minda Corporation Limited

Sd/-

Ashok Minda

Chairman & Group CEO

DIN: 00054727

Place: Delhi

Date: May 18, 2021



# ANNEXURE III - TO DIRECTORS' REPORT

FORM NO. MGT – 9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended 31.03.2021  
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS

CIN	L74899DL1985PLC020401
Registration Date	March 11, 1985
Name of the Company	MINDA CORPORATION LIMITED
Category / Sub-Category of the Company having Share Capital	Public Company Limited by Share
Address of the Registered Office and contact details	A-15, Ashok Vihar, Phase-I, Delhi-110052 Tel: 011-27213326
Whether listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Skyline Financial Services Private Limited D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020, Tel: 011-64732681-88

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Wiring Harness	27320	38.9%
2	Lock Kits & Lock Sets	25934	31.2%
3	Casting of non-ferrous metals	24320	14.5%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Applicable Section
1	Spark Minda Foundation A-15, Ashok Vihar, Phase-I, Delhi-110052	U85100DL2014NPL273844	Subsidiary	100%	2(87)
2	Minda Europe B.V. Frankendaal 4 5653pe, Eindhoven, Netherlands	Foreign Company	Subsidiary	100%	2(87)
3	Almighty International Pte. Ltd. 30 Cecil Street #19-08, Prudential Tower, Singapore 049712	Foreign Company	Subsidiary	100%	2(87)
4	PT Minda Automotive, Indonesia JI.Permata Lot CA-8, Kawasan Industri KIIC, Karawang, West Java 41361, Indonesia	Foreign Company	Step-down Subsidiary	100%	2(87)
5	PT Minda Automotive Trading, Indonesia Permata Raya Lot CA-8, Kawasan Industry, KIIC, Karawang, Jawa, Barat-41361, Indonesia	Foreign Company	Step-down Subsidiary	100%	2(87)
6	Minda Vietnam Automotive Company Limited Binh Xuyen Industrial Zone, Binh Xuyen Distric, Vinh Phuc Province, VIETNAM	Foreign Company	Step-down Subsidiary	100%	2(87)
7	Minda Stoneridge Instruments Limited A-15, Ashok Vihar, Phase-I, Delhi-110052	U74899DL1995PLC066645	Subsidiary/ Joint Venture	51%	2(87)
8	Furukawa Minda Electric Private Limited (Formerly Known as Minda Furukawa Electric Pvt. Ltd.) Unit No. 18 Lower Ground Floor Eros Metro Mall Sector 14 Dwarka New Delhi DL 110075 IN	U29253DL2006PTC155275	Associate/ Joint Venture	25%	2(6)

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Applicable Section
9	Minda VAST Access Systems Private Limited A-15, Ashok Vihar, Phase-I, Delhi-110052	U34300DL2007PTC157344	Joint Venture	50%	2(6)
10	Spark Minda Green Mobility Systems Private Limited A-15, Ashok Vihar, Phase-I, Delhi-110052	U34100DL2021PTC377353	Subsidiary	100%	2(87)

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

##### i) Category-wise Shareholding

Category of Shareholders	Shares Held at the Beginning of the Year					Shares Held at the End of the Year					% Change During Year		
	Demat		Physical		Total	% of Total Shares	Demat		Physical			Total	% of Total Shares
	Fully Paid up	Partly Paid up	Fully Paid up	Partly Paid up			Fully Paid up	Partly Paid up	Fully Paid up	Partly Paid up			
<b>A Promoters</b>													
<b>1 Indian</b>													
a) Individual Huf	114,861,280	-	-	-	114,861,280	50.55	114,861,280	-	-	-	114,861,280	48.04	-2.51
b) Central Govt	-	-	-	-	-	-	-	-	-	-	-	-	-
c) State Government	-	-	-	-	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	39,887,398	-	-	-	39,887,398	17.55	39,887,398	-	-	-	39,887,398	16.68	-0.87
e) Banks/FI	-	-	-	-	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	<b>154,748,678</b>	-	-	-	<b>154,748,678</b>	<b>68.10</b>	<b>154,748,678</b>	-	-	-	<b>154,748,678</b>	<b>64.73</b>	<b>-3.37</b>
<b>2 Foreign</b>													
a) NRI Individuals	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-
d) Banks /FI	-	-	-	-	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters (A)</b>	<b>154,748,678</b>	-	-	-	<b>154,748,678</b>	<b>68.10</b>	<b>154,748,678</b>	-	-	-	<b>154,748,678</b>	<b>64.73</b>	<b>-3.37</b>
<b>B Public Shareholding</b>													
<b>1 Institutions</b>													
a) Mutual Funds	6,342,476	-	-	-	6,342,476	2.79	3,975,390	-	-	-	3,975,390	1.66	-1.13
b) Banks/FI	65,926	-	-	-	65,926	0.03	140	-	-	-	140	0	-0.03
c) Central Government	-	-	-	-	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	681,093	-	-	-	681,093	0.3	9,399,606	-	-	-	9,399,606	3.93	3.63



Category of Shareholders	Shares Held at the Beginning of the Year						Shares Held at the End of the Year						% Change During Year
	Demat		Physical		Total	% of Total Shares	Demat		Physical		Total	% of Total Shares	
	Fully Paid up	Partly Paid up	Fully Paid up	Partly Paid up			Fully Paid up	Partly Paid up	Fully Paid up	Partly Paid up			
g) FIs	-	-	-	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Foreign Portfolio Investor	20,113,447	-	-	-	20,113,447	8.85	15,244,038	-	-	-	15,244,038	6.38	-2.47
j) Alternate Investment Fund(s)	1,442,529	-	-	-	1,442,529	0.63	11,909,212	-	-	-	11,909,212	4.98	4.35
k) Any Other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	<b>28,645,471</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,645,471</b>	<b>12.61</b>	<b>40,528,386</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,528,386</b>	<b>16.95</b>	<b>4.34</b>
<b>2 Non- Institutions</b>													
a) Bodies Corporate													
1) Indian	7,607,553	-	-	-	7,607,553	3.35	16,203,771	-	-	-	16,203,771	6.78	3.43
2) Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Individuals													
1) Individual shares holders having nominal share capital upto ₹ 1,00,000	9,725,864	-	33,261	-	975,915	4.29	15,276,153	-	32,841	-	15,308,994	6.40	2.11
2) Individual shares holders having nominal share capital Excess of ₹ 1,00,000	13,387,192	-	77,000	-	13,464,192	5.93	15,579,330	-	-	-	15,579,330	6.52	0.59
c) HUF	652,049	-	-	-	652,049	0.29	803,818	-	-	-	803,818	0.34	0.05
d) Non Resident Indian	845,665	-	-	-	845,665	0.37	1,474,846	-	-	-	1,474,846	0.62	0.25
e) NBFC Registered with RBI	802,182	-	-	-	802,182	0.35	145	-	-	-	145	-	-0.35
f) Foreign National	-	-	-	-	-	-	-	-	-	-	-	-	-
g) Clearing Members	80,540	-	-	-	80,540	0.04	589,165	-	-	-	589,165	0.25	0.21
h) Trust	8,649,512	-	-	-	8,649,512	3.81	459,600	-	-	-	4,596,040	1.92	-1.89
i) Foreign Corporate Bodies	929,340	-	-	-	929,340	0.41	-	-	-	-	-	-	-0.41
j) Investor Education and Protection Fund	47,500	-	-	-	47,500	0.02	47,920	-	-	-	47,920	0.02	-
k) Others	990,478	-	-	-	990,478	0.44	1,055,478	-	-	-	1,055,478	0.44	-
<b>Sub-Total (B)(2)</b>	<b>43,717,875</b>	<b>-</b>	<b>110,261</b>	<b>-</b>	<b>43,828,136</b>	<b>19.29</b>	<b>55,626,666</b>	<b>-</b>	<b>32,841</b>	<b>-</b>	<b>55,659,507</b>	<b>23.28</b>	<b>3.99</b>
<b>Total Public Shareholding (B)</b>	<b>72,363,346</b>	<b>-</b>	<b>110,261</b>	<b>-</b>	<b>72,473,607</b>	<b>31.9</b>	<b>84,297,909</b>	<b>-</b>	<b>32,841</b>	<b>-</b>	<b>84,330,750</b>	<b>35.27</b>	<b>3.37</b>



Category of Shareholders	Shares Held at the Beginning of the Year					Shares Held at the End of the Year					% Change During Year		
	Demat		Physical		Total	% of Total Shares	Demat		Physical			Total	% of Total Shares
	Fully Paid up	Partly Paid up	Fully Paid up	Partly Paid up			Fully Paid up	Partly Paid up	Fully Paid up	Partly Paid up			
<b>C Non- Promoter Non- Public Shareholding</b>													
1) Shares Held By Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-	-	-	
2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations 2014)	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Non-Promoter Non- Public Shareholding (C)</b>	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Grand Total</b>	<b>227,112,024</b>	<b>-</b>	<b>110,261</b>	<b>-</b>	<b>227,222,285</b>	<b>100</b>	<b>239,046,587</b>	<b>-</b>	<b>32,841</b>	<b>-</b>	<b>239,079,428</b>	<b>100</b>	<b>-</b>

## ii) Shareholding of Promoters

S.No.	Shareholders Name	Shareholding at the beginning of the year			No. of shares held at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Mr. Ashok Minda	81,466,380	35.85%	-	81,466,380	34.08%	-	-1.77%
2	Mrs. Sarika Minda	33,394,900	14.70%	-	33,394,900	13.97%	-	-0.73%
3	Minda Capital Private Limited	38,581,298	16.98%	-	38,581,298	16.14%	-	-0.84%
4	Whiteline Barter Limited	1,306,100	0.57%	-	1,306,100	0.55%	-	-0.02%
	<b>Total</b>	<b>154,748,678</b>	<b>68.10%</b>	<b>-</b>	<b>154,748,678</b>	<b>64.73%</b>	<b>-</b>	<b>-3.37%</b>

## iii) Change in Promoter's Shareholding

Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	154,748,678	68.10%	NIL	NIL
Changes during the year	NIL	NIL	NIL	NIL
At the end of the year	-	-	154,748,678	64.73*

\*During the year the Company allotted 11,857,143 Equity shares to Phi Capital Trust – Phi Capital Growth Fund-I ("Investor") due to which % of Promoter's Shareholding reduces from 68.10% to 64.73% .



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

S. No.	Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	STEINBERG INDIA EMERGING OPPORTUNITIES FUND LIMITED	9,351,619	4.12	12,115,811	5.07
2	PHI CAPITAL TRUST - PHI CAPITAL GROWTH FUND - I	NIL	NIL	11,857,143	4.96
3	BELA AGARWAL	10,853,300	4.78	10,853,300	4.54
4	MAX LIFE INSURANCE COMPANY LIMITED A/C - ULIF00125/06/04LIF	NIL	NIL	6193,378	2.59
5	MINDA CORPORATION LIMITED EMPLOYEES STOCK OPTION SCHEME TRUST	4,753,640	2.09	4,547,640	1.90
6	SBI CONTRA FUND	1,152,937	0.51	2,552,937	1.07
7	K R HANDLOOM	1,788,000	0.79	1,788,000	0.75
8	ASHISH KACHOLIA	1,492,000	0.66	1,492,000	0.62
9	UTI TRANSPORTATION AND LOGISTICS FUND	1,403,527	0.62	1,384,269	0.58
10	LIFE INSURANCE CORPORATION OF INDIA	NIL	NIL	1,319,914	0.55

## v) Shareholding of Directors and Key Managerial Personnel (KMP)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>Mr. Ashok Minda</b> <b>Chairman &amp; Group CEO</b>				
	At the beginning of the year	81,466,380	35.85%	81,466,380	35.85%
	Change during the year (Decrease in % of shareholding due to allotment of 11857143 Equity Shares to PHI Capital)	-	-	81,466,380	34.08%
	<b>At the end of the year</b>			<b>81,466,380</b>	<b>34.08%</b>
2.	<b>Mr. R. Laxman</b> <b>Executive Director &amp; Group CFO (upto 31.12.2020)</b>				
	At the beginning of the year (under ESOP)	100,000	0.044%	100,000	0.04%
	Equity Shares allotted under ESOP during the year	40,000	0.017%	140,000	0.06%
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>140,000</b>	<b>0.06%</b>
3.	<b>Mr. Ashim Vohra</b> <b>GCMEO</b>				
	At the beginning of the year (under ESOP)	60,000	0.026%	60,000	0.03%
	Equity Shares allotted under ESOP during the year	30,000	0.012%	90,000	0.04%
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>90,000</b>	<b>0.04%</b>

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	%of total shares of the Company	No. of Shares	%of total shares of the Company
4.	<b>Mr. Ajay Sancheti</b> <b>Company Secretary</b>				
	At the beginning of the year (under ESOP)	10,000	0.004%	10,000	0.004%
	Equity Shares allotted under ESOP during the year	6,000	0.003%	16,000	0.007%
	<b>At the end of the year</b>	-	-	<b>16,000</b>	<b>0.007%</b>
	Mr. Ajay Sancheti resigned from the post of Company Secretary w.e.f August 01, 2020				
5.	<b>Mr. Naresh Kumar Modi</b> <b>Executive Director &amp; CFO</b>				
	At the beginning of the year (under ESOP)	65,000	0.03%	65,000	0.03%
	Equity Shares allotted under ESOP during the year	30,000	0.01%	95,000	0.04%
	<b>At the end of the year</b>	-	-	<b>95,000</b>	<b>0.04%</b>

Each Option has Exercise Price of ₹ 50 per stock option.

## V. INDEBTEDNESS

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

(Amount ₹ in Million)

Indebtedness Details	Secured Loans excluding deposits (Short Term)	Secured Loans excluding deposits (Long Term)	Unsecured loan	Deposits	Total
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount	1,169	1,667	496	-	3,331
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	8	7	-	-	15
<b>Total (i+ii+iii)</b>	<b>1,177</b>	<b>1,673</b>	<b>496</b>	<b>-</b>	<b>3,346</b>
Change in Indebtedness during the financial year					
• Addition	857	535	1,047	-	2,440
• Reduction	-	858	83	-	941
Net Change	857	-323	964	-	1,499
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	2,033	1,343	1,456	-	4,832
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	2	7	4	-	13
<b>Total (i+ii+iii)</b>	<b>2,035</b>	<b>1,350</b>	<b>1,460</b>	<b>-</b>	<b>4,845</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. No	Particulars of Remuneration	Name of MD/ WTD/Manager			
		Mr. Ashok Minda (Chairman & Group CEO)	Mr. Aakash Minda (Executive Director)*	Mr. Laxman Ramnarayan (Executive Director & Group CFO)**	Mr. Naresh Kumar Modi (Executive Director & CFO)***
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,533,555	5,600,759	12,453,166	16,408,837
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	752,550	NIL	76,324	579,890
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option*	NIL	NIL	760,000	726,000
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission -as 2% of profit -other, specify	24,872,902	NIL	NIL	NIL
5.	Others, please specify-Provident Fund	1,607,857	404,332	826,324	1,329,980
	<b>TOTAL (A)</b>	<b>49,766,864</b>	<b>6,005,091</b>	<b>14,115,814</b>	<b>19,044,797</b>

\* Mr. Aakash Minda was appointed as an Executive Director by the Board of Directors at their meeting held on November 05, 2020 for a period of 5 (Five) years w.e.f. November 05, 2020.

\*\* Mr. Laxman Ramnarayan has resigned from the position of Key Managerial Personnel i.e. Executive Director & Group CFO of the Company w.e.f. January 1, 2021.

\*\*\*Mr. Naresh Kumar Modi was appointed as an Executive Director by the Board of Directors at their meeting held on December 11, 2020 for a period of 5 (Five) years w.e.f. December 11, 2020 and designated as Executive Director & CFO w.e.f. May 18, 2021.

### B. Remuneration to other directors:

Amount (in ₹)

Sl. No	Particulars of Remuneration	Name of Directors				
		Mr. Avinash Parkash Gandhi	Mr. Rakesh Chopra	Mr. Ashok Kumar Jha	Ms. Pratima Ram	**Mr. Laxman Ramnarayan
<b>1.</b>	<b>Independent Directors</b>					
	• Fee for attending Board & Committee meetings	670,000	640,000	670,000	390,000	-
	• Commission	500,000	500,000	500,000	500,000	-
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>1,170,000</b>	<b>1,140,000</b>	<b>1,170,000</b>	<b>890,000</b>	<b>-</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>					
	• Fee for attending board & committee meetings	-	-	-	-	110,000
	• *Commission	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B) = (1 + 2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Managerial Remuneration (A+B)</b>	<b>1,170,000</b>	<b>1,140,000</b>	<b>1,170,000</b>	<b>890,000</b>	<b>110,000</b>

\* During the year under review all Independent Directors of the Company has been paid Commission @ ₹ 5 Lacs each.

\*\* Mr. Laxman Ramnarayan, Executive Director & Group CFO has resigned from the post of Group CFO w.e.f January 01, 2021 and Change in designation from the position of Executive Director to Non- Executive Director of the company w.e.f January 01, 2021. Further, Mr. Laxman resigned from the post of Non-Executive Director of the company w.e.f March 25, 2021.

## C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

Amount (in ₹)

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Ashim Vohra (GCMEO)	*Mr. Ajay Sancheti (Company Secretary)	*Mr. Pardeep Mann (Company Secretary)
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,636,376	1,226,275	2,403,924
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	412,536	124,000	34,200
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	1,562,250	125,100	NIL
3.	Sweat Equity			
5.	Others - Provident Fund	643,694	75,121	171,852
	<b>Total</b>	<b>11,254,856</b>	<b>1,550,496</b>	<b>2,609,976</b>

\* Mr. Ajay Sancheti resigned from the post of Company Secretary & Compliance Officer w.e.f August 1, 2020. Thereafter, Mr. Pardeep Mann was appointed as the Company Secretary & Compliance Officer w e f August 01, 2020.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of  
Minda Corporation Limited

Place: Delhi  
Date: May 18, 2021

Sd/-  
Ashok Minda  
Chairman & Group CEO  
DIN: 00054727



## ANNEXURE IV - TO THE DIRECTORS' REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, are as under:

Sl. No.	Names	Designation	% increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director/ to median remuneration of employees for financial year 2020-21
1	Mr. Ashok Minda*	Chairman & Group CEO	-12%	85
2	Mr. Aakash Minda	Executive Director	0%	20
3	Mr. R. Laxman <sup>#</sup>	Executive Director & Group CFO	-33%	48
4	Mr. N.K. Modi	Executive Director & CFO	-12%	65
5	Mr. Ashim Vohra	COO	-1%	38
6	Mr. Pardeep Mann	Company Secretary & Compliance Officer	-6%	8
7	<sup>\$</sup> Mr. Ajay Sancheti	Company Secretary & Compliance Officer	-61%	5

<sup>#</sup> Mr. Laxman Ramnarayan, Executive Director & Group CFO has resigned from the post of Executive Director & CFO w.e.f. January 1, 2021 and also resigned as Non-Executive Director w.e.f March 25, 2021.

<sup>\$</sup> Mr. Ajay Sancheti resigned from the post of Company Secretary & Compliance Officer w.e.f August 1, 2020 due to personal reasons. This Remuneration doesn't include Gratuity, Leave Encashment & Superannuation Allowance aggregate of ₹ 2,697,618

\* Note:

- Above remuneration of Mr. Ashok Minda is considered without Commission paid on Profit which is ₹ 24,872,902.
- The median remuneration of employees of the Company during the financial year was ₹ 2.94 Lacs (Previous year ₹ 2.75 Lacs).
- In the financial year, there was an increase of 7.01% in the median remuneration of employees.
- There were 3,066 permanent employees on the role of Company as on March 31, 2021.
- There was no increase in the remuneration of employees of the Company including managerial remuneration for the year ended on March 31, 2021.
- All the Non-Executive Directors including Independent Directors did not receive any remuneration from the Company except the sitting fees & Commission for attending Board Meetings and Committee Meetings during the year 2020-21. Details of sitting fees are mentioned in the Corporate Governance Report.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management.

For and on behalf of the Board of  
Minda Corporation Limited

Sd/-

Ashok Minda

Chairman & Group CEO

DIN: 00054727

Place: Delhi  
Date: May 18, 2021

# ANNEXURE V - TO THE DIRECTORS' REPORT

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members

### **Minda Corporation Limited**

(CIN: L74899DL1985PLC020401)

A-15, Ashok Vihar, Phase-I, Delhi-110052

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "Minda Corporation Limited" (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification, to the extent possible due to lockdown announced by Government of India on account of COVID-19 pandemic, of Minda Corporation Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- vi) The Company is an automotive components manufacturer with a product portfolio that encompasses Safety, Security and Restraint Systems; Wiring Harness, Die-casting, Plastic Interior Systems and Driver Information & Telematics Systems for auto OEMs across the globe. As informed by the management, being an automotive components manufacturer, there is no sector specific law applicable on the Company.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

1. The Company has generally complied with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except non-compliance with Regulation 30 wherein one of the filings to the Stock Exchange was delayed by one day. Apart from that, the Company has complied with all the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
2. One of the employees has sold 100 equity shares of the Company at the aggregate value of ₹ 9,166 (Nine Thousand One Hundred Sixty Six) in the market on 21.12.2020 before the expiry of six months from the date of last transaction in November, 2020 and another employee has purchased 20 equity shares of the Company at the aggregate value of ₹ 1,854 (One Thousand Eight Hundred Fifty Four) on 04.01.2021 during the closure of trading window. On becoming aware, proper intimations were given by the Company to Stock Exchange regarding the non-compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015, Board of directors of the Company was apprised and due penalties were imposed on the employees of the Company.



**We further report that:-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all directors to schedule the Board Meetings during the financial year under review, agenda and detailed notes on agenda were sent properly before the scheduled meeting and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions have been carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, the Company has:

- (i) allotted shares under Employee Stock Option Plan to its employees and officers of the Company and necessary compliances of the Act was made;
- (ii) issued and allotted 11,857,143 (Eleven Million Eight Hundred Fifty-Seven Thousand One Hundred and Forty-Three) fully paid up equity shares of the face value of ₹ 2 each at an issue price of ₹ 70 per share through preferential issue and necessary compliances of the Act was made.

**FOR RANJEET PANDEY & ASSOCIATES  
COMPANY SECRETARIES**

Sd/-

**CS RANJEET PANDEY**

**FCS- 5922, CP No.- 6087**

**UDIN F005922C000338606**

**Place: NEW DELHI**

**Date: May 18, 2021**

This report is to be read with our letter of even date which is annexed as **Annexure-I** and forms an integral part of this report.



## Annexure-I

To,

The Members,

Minda Corporation Limited,  
A-15, Ashok Vihar, Phase – 1, New Delhi – 110052

Our report of even date is to be read along with this letter:

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have tried to verify the physical records, to the extent possible, for the period under review in order to verify the compliances, however, reliance was also placed on electronic records for verification due to lockdown announced by Government of India on account of COVID-19 pandemic.

**FOR RANJEET PANDEY & ASSOCIATES  
COMPANY SECRETARIES**

Sd/-

**CS RANJEET PANDEY**

**FCS- 5922, CP No.- 6087**

**UDIN F005922C000338606**

**Place: NEW DELHI**

**Date: May 18, 2021**



# CORPORATE GOVERNANCE REPORT

## PURSUANT TO REGULATION 34 (3) & SCHEDULE V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Corporate Governance is concerned with holding the balance between economic and social goals as well as between individual and communal goals. Corporate Governance is the system of rules, practices and processes through which objectives of a corporate entity are set and pursued in the context of the social, regulatory and market environment. Fundamental of Corporate Governance includes transparency, accountability and independence. Governance practices may vary but the principles are generic and universal, viz. constant improvement and sustainable value creation for all stakeholders. It essentially involves balancing the interests of various stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community.

Minda Corporation Limited ("MCL") follows a robust process to ensure that the shareholders of the Company are well informed of Board decisions both on financial and non-financial parameters. Adequate notice with a detailed explanation is sent to the shareholders well in advance to obtain necessary approvals.

For ensuring sound Corporate Governance practices, MCL has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc.

### CORPORATE GOVERNANCE PHILOSOPHY

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built. Corporate Governance is based on the principles of integrity, transparency, accountability and commitment to values. MCL views its Corporate Governance policies not only to comply with the statutory requirements in letter and spirit, but also to aim at implementing the best practices, keeping in view of overall interest of all its stakeholders. At MCL, good governance practices forms part of business strategy which includes, inter alia, focus on long term value creation and protecting stakeholder's interests by applying proper care, skill and diligence to business decisions. The Company has established systems, procedures and policies to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and provide the Management with the strategic direction catering to exigency of long term shareholders value.

### GOVERNANCE STRUCTURE

At MCL, with a strong governance philosophy, we have a multitier governance structure with defined roles and responsibilities of every constituent of the system.

#### I. BOARD OF DIRECTORS

The Board of the Company constantly endeavours to set goals and targets aligned to the Company's Vision – "To Be a Dynamic, Innovative and Profitable Global Automotive Organization for emerging as the Preferred Supplier and Employer, to Create Value for all Stakeholders."

#### a) Composition of Board

The Board directs the Company and facilitates the achievement of the Company's strategy and operational objectives. It is accountable for the development and execution of the Company's strategy, operating performance and financial results. Its primary responsibilities include: determining the Company's purpose and values, providing strategic direction, identifying key risk areas and key performance indicators of the Company's businesses, monitoring the performance of the Company against agreed objectives, deciding on significant financial matters, approving policies and reviewing the performance of the Executive Directors against defined objectives. A range of non-financial information is also provided to the Board to enable it to consider qualitative performance factors that involve broader stakeholder interests.

The Composition of Board of Directors of the Company is in conformity with the requirement of Companies Act 2013 and Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has an optimum combination of Executive, Non-Executive and Independent Directors including Woman Director as on March 31, 2021. The Board represents an optimal mix of professionalism, knowledge and experience. The profile of Directors can be found at our website at [www.sparkminda.com](http://www.sparkminda.com)

Classification of the Board during the year 2020-21

Category	Number of Directors	% to total number of Directors
Executive Directors	3	37.5%
Non-Executive Independent Directors (including Woman Director)	4	50.0%
Non-Executive Non-Independent Directors	1	12.5%
<b>Total</b>	<b>8</b>	<b>100.0%</b>

#### Role of the Board of Directors

The Board of Directors is the apex body constituted by shareholders and is vested with the powers of governance, control, direction and management of affairs of the Company. The Board provides strategic direction and guidance to the Company and has been steering the Company towards achieving its business objectives. Driven on the principles of ethics and accountability, the Board strives to work in best interest of the Company and its stakeholders. The Board is committed to ensuring in compliance with the highest standards of corporate governance.

### Lead Independent Director

The Board has designated Mr. Avinash Parkash Gandhi as the Lead Independent Director. The role of the Lead Independent Director is available on the Company's website at <https://sparkminda.com/wp-content/uploads/2019/09/Role-of-Lead-Independent-Director.pdf>

The details relating to Composition & Category of Directors, directorships held by them in other companies and their membership and chairmanship on various Committees of Board of other companies as on March 31, 2021 is as follows:

Name of the Director	Category	Number of Board Meetings attended during the FY 2021	Whether attended last AGM held on September 26, 2020	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
				Chairman	Member	Chairman	Member	
Mr. Ashok Minda	Executive Chairman (Promoter)	7	Yes	-	2	-	-	-
Mr. Rakesh Chopra	Independent Non-Executive	7	Yes	-	1	1	1	1. Bharat Gears Limited (Non-Executive Independent Director)
Mr. Avinash Parkash Gandhi	Independent Non-Executive	7	Yes	1	8	4	6	1. Schaeffler India Limited (Chairman & Non-Executive Independent Director) 2. Lumax Auto Technologies Ltd. (Non-Executive Independent Director) 3. Lumax Industries Ltd. (Non-Executive Independent Director) 4. Action Construction Equipment Limited (Non-Executive Independent Director)
Mr. Ashok Kumar Jha	Independent Non-Executive	7	Yes	-	2	-	1	1. XPRO India Ltd. (Non-Executive Independent Director) 2. Setco Automotive Ltd. (Non-Executive Independent Director)
Ms. Pratima Ram	Independent Non-Executive	7	Yes	-	2	1	3	1. Havells India Ltd. (Non-Executive Independent Director)
Mr. Aakash Minda	Executive Director	3	N.A	-	3	-	-	-
Mr. N.K Modi	Executive Director	3	N.A	-	1	-	-	-
Mr. Ravi Sud	Non-Executive & Non Independent Director	-	N.A	-	-	-	-	-

- Mr. Aakash Minda (Executive Director) is the son of Mr. Ashok Minda (Chairman and Group CEO).
- Mr. Ravi Sud (Non-Executive Non- Independent Director) holds 20,000 Equity Shares in the Company.
- None of the Directors on the Board is a Member of more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees (as specified in Regulation 26(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) across all the listed Companies in which the person is a Director. Necessary disclosures regarding Committee positions in other public limited companies as on March 31, 2021 have been made by the Directors.
- For the purpose of considering the limit of the Committees on which a director may serve, in all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 have been excluded. Only audit committee and stakeholders' relationship committee are considered for the purpose of reckoning committee positions.
- The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013.
- The Chairmanship of the Director in the Committees includes the membership as well.



**b) Board Meetings & Attendance**

The Board of Directors of the Company meet at least once a quarter to review the quarterly/ yearly results and other items on the agenda.

Calendar of Board and Committee Meetings are fixed in advance and agenda papers are circulated to Directors generally one week before the meeting. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting.

**c) Other provisions as to Board and Its Committees**

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other Board business. Apart from placing the statutory required information before the Board Members, it is the policy of the Company to regularly place the information/ matter involving major decisions like Annual Budget, Technology Collaboration, Investments, Financial performance and Quarterly Compliance Reports on laws applicable to the Company and other material information.

The Board/ Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedules and to ensure meaningful participation in the meetings. Where it is not practicable to circulate any document or the agenda is of confidential nature, the same is tabled with the approval of Chairman.

During the financial year ended March 31, 2021, 7 (Seven) Board Meetings were held as per the minimum requirement of four meetings prescribed under the Companies Act, 2013 and in the Regulation 17(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The intervening period between the Board Meetings were within the maximum time gap prescribed under the Companies Act, 2013 and Regulation 17(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of the Board meetings held during the financial year 2020-21 are as under:

Sl. No.	Date of Board meeting	Board Strength	No. of Directors Present
1	June 09, 2020	6	6
2	July 15, 2020	6	6
3	August 13, 2020	6	6
4	November 05, 2020	7	7
5	December 11, 2020	8	8
6	February 03, 2021	8	8
7	March 25, 2021	8	7

The information regularly furnished to the Board of Directors amongst others include the following:

- a) Quarterly results and performance of the Company.
- b) Minutes of the meetings of the Board and all its committees.
- c) Minutes of Meetings of the Board of the subsidiaries.

- d) Materially important litigations, show cause, demand, prosecution and penalty notices.
- e) Annual Operating plans, budgets and updates.
- f) Development on Human Resources of the Company.
- g) Other information as mentioned in Schedule II Part A of the Listing Regulations.

**d) Meeting of Independent Directors**

The Independent Directors meet without the presence of the management and Non-Executive Non-Independent directors. During 2020-21 the Independent Director met on February 18, 2021. The Independent Directors met to inter alia discuss matters arising out of Board and Board Committee agendas, Company performance and various other Board-related matters, identify areas where they need clarity or information from management and to review the performance of Non-Independent Directors, the Chairman and the Board as a whole and the committee(s) of the Board and assess the effectiveness and promptness of the information flow inter se the Board and the management.

**e) Information available to the Board**

During the financial year 2020-21, information as mentioned in Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board for its consideration.

The aforesaid information is generally provided as a part of the agenda of the Board meeting and/ or is placed at the table during the course of the meeting. The Deputy CFO and other senior management staff are also invited to the Board Meetings to present reports on the Company's operations and internal control systems. The Company Secretary, in consultation with the Chairman, prepares the agenda. The detailed agenda is sent to the Members a week before the Board Meeting date. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted to be taken up as 'any other item'. Sensitive subject matters are being discussed at the meeting without written material being circulated in advance with the approval of Chairman after taking the appropriate approval of the Board as required under applicable Secretarial Standard. All Board Members are encouraged to suggest agenda items for inclusion. The Board periodically reviews the compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the management.

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed, investors' queries are handled promptly and reports to the Board about compliance with the applicable statutory requirements and laws. The process for the Board and Committee meetings provides an effective post meeting follow-up, review and reporting of decisions taken by the Board and Committee members at their respective meetings. Important decisions taken at Board and Committee meetings are communicated promptly to the concerned departments/ Head of Departments (HoDs).

f) Post-Meeting Follow-up System

After the Board meeting, we have formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and sub-committees of the Board.

g) Code of Conduct for Board Members and Senior Management

The Board of Directors has implemented a Code of Conduct applicable to all Directors and Senior Level Management of the Company. The Code envisages that the Board of Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and keep them informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled. Annual affirmation has been received from all the Directors and Senior Level Management that they have complied with the code of conduct.

The copy of the Code of Conduct is available at the given link i.e.

<https://sparkminda.com/wp-content/uploads/2020/05/Code-of-Conduct-of-Employees.pdf>

h) Disclosure of relationship between Directors inter-se

None of the Directors have any material or pecuniary relationship inter-se among themselves, whether directly or indirectly except Mr. Aakash Minda (Executive Director) is the son of Mr. Ashok Minda (Chairman and Group CEO).

i) Number of shares held by Non-Executive Directors

During the year 2020-21, Mr. Ravi Sud ,Non-Executive Director holds 20,000 Equity Shares in the Company. The Company has not issued any convertible instruments.

j) Familiarization Programmes of Independent Directors

The Independent Directors of the Company are eminent personalities having wide experience in the field of finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

Periodic presentations are made by the Senior Management, Statutory and Internal Auditors at the Board/Committee Meetings on business and performance updates of the Company and its subsidiaries, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent Directors.

Details on familiarization programme for independent directors are uploaded on company's website at following weblink: <https://sparkminda.com/wp-content/uploads/2020/07/Familiarisation-Programme-for-Independent-Directors-2020.pdf>

k) A chart or a matrix setting out the skills/expertise/competence of the board of directors is as follows

In the opinion of the Board, the following is a list of core skills/expertise/competencies required in the context of the Company's business and which are available with the Board.

However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill. In the opinion of the Board, Independent Directors fulfil the conditions specified in the Act, Rules made there under and Listing Regulations.

**Key Board Skill/Expertise/Competencies**

<b>Strategy and Planning</b>	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
<b>Corporate governance</b>	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
<b>Functional and managerial experience</b>	Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, macro-economic perspectives, human resources, labour laws, international markets, sales and marketing, and risk management.
<b>Industry Knowledge</b>	Experience in Industry, Knowledge of Automobile Sector, Understanding of Government legislation/ legislative process and Customer Relationships.
<b>Global Business</b>	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.

Directors	Strategy and Planning	Corporate governance	Functional and managerial experience	Industry Knowledge	Global Business
Mr. Ashok Minda	✓	✓	✓	✓	✓
Mr. Avinash Parkash Gandhi	✓	✓	✓	✓	✓
Mr. Rakesh Chopra	✓	✓	✓	✓	✓
Mr. Ashok Kumar Jha	✓	✓	✓	✓	✓
Ms. Pratima Ram	✓	✓	✓	✓	✓
Mr. Aakash Minda	✓	✓	✓	✓	✓
Mr. Naresh Kumar Modi	✓	✓	✓	✓	✓
Mr. Ravi Sud	✓	✓	✓	✓	✓

l) Succession Planning

The Human Resources, Nomination and Remuneration Committee believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Committee works along with the Human Resource team of the Company for a proper leadership succession plan.

m) Performance Evaluation

In line with the Corporate Governance Guidelines of the Company a mechanism for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for



performance evaluation of the Non-Executive Directors and Executive Directors.

The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations, and in accordance with the Guidance Note on Board Evaluation issued by SEBI in January 2017. The Board evaluation was conducted through questionnaire designed with qualitative parameters and feedback based on ratings. Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance of Executive Directors, strategic planning, etc. Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and effectiveness of its advice/recommendation to the Board, etc. Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholder interest and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance, risk and understanding of the organization's strategy, etc. The outcome of the performance evaluation for financial year 2020-21 was discussed by the Board at their meeting held in February 03, 2021. The Board has received excellent ratings on flow of information, Board communication and relationships, functioning of Board Committees. The Board noted the actions taken in improving Board effectiveness based on feedback given in the previous year. Further, the Board also noted areas requiring more focus in the future, which include spending more time on trends, long-term threats and opportunities.

#### n) Remuneration to Directors

All pecuniary relationships or transactions of the Non-Executive Directors with the Company

Except the payment of sitting fee, the Company does not have any pecuniary relationship with any of its Non-Executive Directors as well as there is no transaction between the Company and the Non-Executive Directors or their relatives during the financial year under review.

The Board of Directors, inter-alia, on the recommendation of the Nomination and Remuneration Committee (as may be applicable), decides the commission payable to the Independent Directors out of the profits for respective financial year and within the ceilings prescribed under the Companies Act, 2013, based on the evaluation process and considering the criteria, such as, the performance of the Company.

Criteria of making payments to non-executive Directors

Apart from receiving sitting fees, no Non-Executive Directors including Independent Directors received any

fixed component performance linked incentives from the company during the period under review. However, the Independent Directors are entitled to Commission as approved by shareholders in the last Annual General Meeting. The website link is as follows:- [https://sparkminda.com/wp-content/uploads/2021/06/Criteria\\_for\\_making\\_payment\\_to\\_Non\\_Executive-Directors.pdf](https://sparkminda.com/wp-content/uploads/2021/06/Criteria_for_making_payment_to_Non_Executive-Directors.pdf)

Remuneration Policy for Directors, KMP and other Employees

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results.

#### i. Executive Directors (₹ In Lacs)

Name	Salary	P.F. and Commission other allowances	Commission	Stock Options	Total
Mr. Ashok Minda	225.34	23.60	248.73	NIL	497.67
Mr. Laxman Ramnarayan <sup>#</sup>	124.53	9.03	NIL	7.60	141.16
Mr. Aakash Minda	56.00	4.04	NIL	NIL	60.04
Mr. Naresh Kumar Modi	164.09	19.09	NIL	7.26	190.45

<sup>#</sup> Mr. Laxman Ramnarayan, Executive Director & Group CFO has resigned from the post of Group CFO w.e.f January 01, 2021 and Change in designation from the position of Executive Director to Non-Executive Director of the company w.e.f January 01, 2021. Further, Mr. Laxman resigned from the post of Non-Executive Director of the company w.e.f March 25, 2021.

Mr. Aakash Minda (DIN: 06870774) was appointed as Additional Director of the Company by the Board of Directors at its meeting held on November 05, 2020 to hold office upto the date of ensuring Annual General Meeting of the Company. He was also appointed as Executive Director of the Company w.e.f November 05, 2020 for a period of 5 years as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors in their meeting held on November 05, 2020 and also approved by shareholders in the Extra Ordinary General Meeting held on December 01, 2020.

Mr. Naresh Kumar Modi has been appointed as Executive Director of the Company w.e.f December 11, 2020 for a period of 5 years as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors in their meeting held on December 11, 2020 and will be approved in ensuring Annual General Meeting of the Company.

The tenure of office of the Executive Directors can be terminated by either party by giving 3 (three) months' notice in writing. There is no separate provision for payment of severance fees.

## ii. Non- Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees, the details of which are mentioned below:

(Amount in ₹)

Name of the Non-Executive Director	Sitting Fees		Commission	Total
	For Attending Board Meeting	For Attending Committee Meeting(s) and other Meeting(s)		
Mr. Avinash Parkash Gandhi	350,000	320,000	500,000	1,170,000
Mr. Rakesh Chopra	350,000	290,000	500,000	1,140,000
Mr. Ashok Kumar Jha	350,000	320,000	500,000	1,170,000
Mr. R Laxman (from 01.01.2021 to 25.03.2021)	100,000	10,000	NIL	110,000
Ms. Pratima Ram	350,000	40,000	500,000	890,000
<b>Total</b>	<b>1,500,000</b>	<b>980,000</b>	<b>2,000,000</b>	<b>4,480,000</b>

## STOCK OPTIONS DETAILS

For the details of Employee Stock Option plan please refer note no. 2.41 of the financial statements of the Company for the year 2020-21 and refer Directors Report for the year 2020-21.

## II. BOARD COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes of the meetings of all the Committees are placed before the Board for review.

The Board currently has 6 (six) Committees:

- 1) Audit Committee;
- 2) Nomination and Remuneration Committee;
- 3) Stakeholders Relationship Committee;
- 4) Corporate Social Responsibility Committee;
- 5) Risk Management Committee; and
- 6) Securities Issue Committee

### 1) AUDIT COMMITTEE

#### a) Composition, Meetings & Attendance of the Committee

During the year under review, the Audit Committee comprised of Independent Directors namely Mr. Rakesh Chopra as Chairman, Mr. Avinash Parkash Gandhi and Mr. Ashok Kumar Jha as Members.

Company Secretary and Compliance Officer of the Company, is the Secretary to the Audit Committee.

During the year, the Committee Members met 6 (Six) times, i.e. on June 18, 2020; July 15, 2020; August 13, 2020; November 05, 2020; December 18, 2020 and February 03, 2021.

The particulars of meetings and attendance of the Members in the Committee Meeting held during the year under review are given in the table below:

Name of the Member	No. of Meeting(s) held	No. of Meeting(s) attended	Category
Mr. Rakesh Chopra Chairman	6	6	Independent Director
Mr. Avinash Parkash Gandhi	6	6	Independent Director
Mr. Ashok Kumar Jha Member	6	6	Independent Director

In addition to the Members of the Audit Committee, these meetings were also attended by the Executive Directors and CFO and other respective functional heads Statutory Auditors/Internal Auditors of the Company, wherever necessary, and those executives of the Company who are considered necessary for providing inputs to the Committee.

The Chairman of the Committee was present at the Annual General Meeting held on September 29, 2020.

All the members of the Committee possess necessary financial and accounting knowledge.

#### b) Terms of Reference

The composition of Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee covers the matters specified for Audit Committee under Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee inter- alia includes the following:

#### c) Powers of Audit Committee

- a) To investigate any activity within its terms of reference;
- b) To seek information from any employee;
- c) To obtain outside legal or other professional advice and
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### d) Role of the Audit Committee

- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;



- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (21) Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

**The Audit Committee shall mandatorily review the following information**

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) Internal audit reports relating to internal control weaknesses; and
- (5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) Statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).



## 2) NOMINATION AND REMUNERATION COMMITTEE

### a) Composition, Meetings and attendance of the Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Composition of Nomination and Remuneration Committee as on March 31, 2021 as follows:-

Name of the Member	Status	Category
Mr. Avinash Parkash Gandhi	Chairman	Independent Director
Mr. Rakesh Chopra	Member	Independent Director
Mr. Ashok Kumar Jha	Member	Independent Director

Company Secretary and Compliance Officer of the Company, is the Secretary to the Nomination and Remuneration Committee.

During the financial year under review Committee met Six (6) times i.e. June 26, 2020, July 15, 2020, October 13, 2020, November 05, 2020, December 11, 2020 and March 25, 2021.

The particulars of meetings and attendance by the Members of the Committee during the year under review are given in the table below:

Name of the Member	No. of Meeting(s) held	No. of Meeting(s) attended	Category
Mr. Avinash Parkash Gandhi Chairman	6	6	Independent Director
Mr. Rakesh Chopra Member	6	6	Independent Director
Mr. Ashok Kumar Jha Member	6	6	Independent Director

### b) Terms of Reference

The Nomination and Remuneration Committee has been entrusted with the following responsibilities:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management

## 3) STAKEHOLDERS RELATIONSHIP COMMITTEE

### a) Composition, Meetings and attendance of the Committee

In Compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholders Relationship Committee has been constituted to specifically look into the redressal of Shareholder and Investor complaints and other Shareholders issues.

At least three directors, with at least one being an independent director, shall be members of the Committee.

The composition of the Stakeholders Relationship Committee as on March 31, 2021 is as follows:

Name of the Member	Status	Category
Mr. Ashok Kumar Jha	Chairman	Independent Director
Mr. Avinash Parkash Gandhi	Member	Independent Director
Mr. Laxman Ramnarayan <sup>#</sup>	Member	Director

<sup>#</sup>Mr. Laxman Ramnarayan resigned from the membership of Stakeholders Relationship Committee w.e.f March 25, 2021 and Mr. Ravi Sud has been appointed as a member of Stakeholders Relationship Committee w.e.f March 25, 2021.

Mr. Pardeep Mann, Company Secretary and Compliance Officer of the Company, is the Secretary to the Committee.

### Meetings

During the year, the Committee met on March 08, 2021. The attendance of Members at the meeting was as follows:

Name of the Member	No. of Meeting(s) held	No. of Meeting(s) attended	Category
Mr. Ashok Kumar Jha Chairman	1	1	Independent Director
Mr. Avinash Parkash Gandhi Member	1	1	Independent Director
Mr. Laxman Ramnarayan <sup>#</sup> Member	1	1	Director

<sup>#</sup>Mr. Laxman Ramnarayan resigned from the membership of Stakeholders Relationship Committee w.e.f March 25, 2021 and Mr. Ravi Sud has been appointed as a member of Stakeholders Relationship Committee w.e.f March 25, 2021.

The Chairman of the Committee was present at the Annual General Meeting held on September 29, 2020.



b) Terms of Reference

The Chairperson of the Stakeholders Relationship Committee shall be present at the Annual General Meetings to answer queries of the Security Holders.

The Stakeholders Relationship Committee shall meet at least once in a year.

Role of the committee shall inter-alia include the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

c) Shareholders Complaints and Disposal Thereof

The complaints of the shareholders are either addressed to the Company Secretary or Share Transfer Agent of the Company i.e. Skyline Financial Services Pvt. Ltd.

The number of shareholder's complaint received during the year is Nil and Number of Complaints not solved to the satisfaction of shareholders is Nil. There is no pending complaint as on the date of this report.

The status of pending shareholder's/ investor's complaints is regularly reviewed at the Board Meetings itself on quarterly basis.

There were no pending complaints or grievances at the end of the year under review.

Number of pending share transfer: There was no pending share transfer as on March 31, 2021. The Company generally attends to all queries of investors within a period of fortnight from the date of receipt.

Investor can provide their feedback on the services provided by the Company and its Registrar and Share Transfer Agent by filling Shareholder Satisfaction Survey form available in Investors Relation page on the website of the Company at the web link:- <https://sparkminda.com/shareholder-satisfaction-form/>

d) Name and Designation of the Compliance Officer

Mr. Pardeep Mann, Company Secretary is the Compliance Officer in terms of Regulation 6 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

a) Composition, Meetings and attendance of the Committee

The composition of the Corporate Social Responsibility Committee as on March 31, 2021 is as follows:

Name of the Member	Status	Category
Ms. Pratima Ram	Chairperson	Independent Director
Mr. Avinash Parkash Gandhi	Member	Independent Director
Mr. Ashok Minda	Member	Executive Director

Mr. Ajay Sancheti, Company Secretary and Compliance Officer of the Company, was the Secretary to the Committee for the Corporate Social Responsibility Committee meetings held on July 13, 2020, thereafter Mr. Sancheti resigned from the position of Company Secretary and Compliance Officer w.e.f. August 01, 2020.

Afterwards, Mr. Pardeep Mann, Company Secretary and Compliance Officer of the Company, is the Secretary to the CSR Committee Meetings.

Meetings

During the year, the Committee met 2(Two) times i.e. on July 13, 2020 and March 11, 2021. The attendance of Members at the meetings was as follows:

Name of the Member	No. of Meeting(s) held	No. of Meeting(s) attended	Category
Ms. Pratima Ram Chairperson	2	2	Independent Director
Mr. Avinash Parkash Gandhi Member	2	2	Independent Director
Mr. Ashok Minda Member	2	2	Executive Director

b) Role of Corporate Social Responsibility Committee

The role of the Corporate Social Responsibility Committee is as follows:

- (1) formulate and recommend to the Board, the Corporate Social Responsibility Policy and the activities to be undertaken by the Company in areas or subject, specified in Schedule VII.
- (2) recommend the amount of expenditure to be incurred on the activities referred to in clause (1)
- (3) monitor the Corporate Social Responsibility Policy from time to time
- (4) discharge such duties and functions as indicated in the section 135 of the Companies Act, 2013 and Rules made thereunder from time to time and such other functions as may be delegated to the Committee by the Board from time to time

- (5) take all necessary actions as may be necessary or desirable and also to settle any question or difficulty or doubts that may arise with regards to Corporate Social Responsibility activities/Policy of the Company

### 5) RISK MANAGEMENT COMMITTEE

The Board of Directors has re-constituted the Risk Management Committee on March 25, 2021 pursuant to Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Composition of the Committee is mix of executive and non-executive directors.

#### a) Composition, Meetings and attendance of the Committee

The composition of the Risk Management Committee as on March 31, 2021 as follows:

Name of the Member	Status	Category
Mr. Laxman Ramnarayan <sup>#</sup>	Chairman	Executive Director & Group CFO
Mr. Ashok Kumar Jha	Member	Independent Director
Mr. Ashim Vohra	Member	COO

Mr. Pardeep Mann, Company Secretary and Compliance Officer of the Company, is the Secretary to the Committee.

### III. GENERAL BODY MEETINGS

#### 1) ANNUAL GENERAL MEETING

##### i. Venue, Date & Time of last 3 (Three) Annual General Meetings:

AGM	Financial Year	Venue	Date	Time
35th	2019-20	Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility	September 29, 2020	10:00 A.M.
34th	2018-19	"LakshmiPat Singhania Auditorium", PHD House, PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	September 26, 2019	10:00 A.M.
33rd	2017-18	"LakshmiPat Singhania Auditorium", PHD House, PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	July 30, 2018	10:00 A.M.

#### Meetings

During the year, the Committee met 1(One) time i.e. on December 18, 2020. The attendance of Members at the meetings was as follows:

Name of the Member	No. of Meeting(s) held	No. of Meeting(s) attended	Category
Mr. Laxman Ramnarayan <sup>#</sup>	1	1	Executive Director & Group CFO
Mr. Ashok Kumar Jha	1	1	Independent Director
Mr. Ashim Vohra	1	1	COO

<sup>#</sup>Mr. Laxman Ramnarayan resigned from the membership of Risk Management Committee w.e.f March 25, 2021 and Mr. Ravi Sud has been appointed as a Chairman of Risk Management Committee w.e.f March 25, 2021.

#### b) Terms of Reference

- To review risk management plan(s) of the Company;
- To ensure effectiveness of risk management plan(s);
- To review the risk identified by business functions and address them with mitigating actions on continuous basis.
- To review the system of the Company to mitigate the cyber security risk.



## ii. Special Resolutions passed in the previous 3 (Three) Annual General Meetings

Year	Subject Matter of Special Resolution	Date
2019-20	1. Adoption of Re-Styled Articles of Association of the Company	September 29, 2020
2018-19	1. Re- appointment of Mr. Ashok Minda (DIN:00054727) as Chairman & Group CEO of the Company and fixation of remuneration 2. Appointment of Mr. Laxman RamNarayan (DIN: 03033960) as Executive Director of the Company and approval of remuneration 3. Re-appointment of Mr. Ashok Kumar Jha (DIN:00170745) as an Independent Director of the Company for a period of five years 4. Approval for payment of Commission to Non-Executive Director(s) of the Company 5. Enhancement of Borrowing Limits of the Board of Directors of the Company under Section 180(1)(c) of the Companies Act, 2013 6. Authorization to the Board of Directors or a Committee thereof to Create Mortgage and/ or Charge on all or any of the movable and/or Immovable Properties of the Company both Present and future	September 26, 2019
2017-18	1. Re-appointment of Mr. Sudhir Kashyap (DIN: 06573561) as Executive Director & CEO of the Company and Approval of Remuneration	July 30, 2018

## iii. Whether special resolutions were put through postal ballot this year, details of voting pattern

The Company had not proposed any special resolutions through postal ballot during the year:

### 2) EXTRA-ORDINARY GENERAL MEETING

During the year, the Company has conducted 1 (One) Extra-Ordinary General Meeting

Year	Subject Matter of Special Resolution	Date
2020-21	1. To Offer, Issue and Allot Equity Shares on Preferential Basis. 2. Appointment of Mr. Aakash Minda (DIN: 06870774) as an Executive Director of the Company and approval of his remuneration.	December 01, 2020

### 3) PROCEDURE FOR POSTAL BALLOT

During the year the Company had not proposed any business through postal ballot. Hence no requirement to follow the procedure for Postal Ballot.

## IV. MEANS OF COMMUNICATION

A timely disclosure of consistent, relevant and reliable information on corporate financial performance is the core of good governance. Towards this end, major steps taken are as under:

### Quarterly results & Website

- The quarterly results of the Company were announced within 45 (forty-five) days of end of quarter. In order to attain maximum shareholders reach, the financial results of the Company during the year were published in Financial Express, Business Standard and Jansatta Newspapers time to time. The Company also ensures that financial results are promptly and prominently displayed on Company's Website [www.sparkminda.com](http://www.sparkminda.com)
- Information relating to shareholding pattern, compliance with Corporate Governance norms etc., are available at our website [www.sparkminda.com](http://www.sparkminda.com).
- "Limited Review" reports on the un-audited financial results for the respective quarter(s) were also displayed on Company's website at [www.sparkminda.com](http://www.sparkminda.com).
- Financial results are displayed on the website of the Company viz., [www.sparkminda.com](http://www.sparkminda.com). Official news/ press release and presentations made to analysts are also hosted on the Company's website from time to time.
- The Company organises an earnings call with analysts and investors after the announcement of financial results. The transcript of the earnings call is also uploaded on the Company's website.
- The Company regularly interacts with the shareholders through multiple channels of communication such as publication of results, Annual Report, press releases, Analysts Call after the Board Meeting. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.
- The Company's website [www.sparkminda.com](http://www.sparkminda.com) contains a separate dedicated section 'Investor Section'

## V. GENERAL SHAREHOLDERS INFORMATION

### a) 36th Annual General Meeting

Venue	: Through Virtual Platform provided by NSDL
Time	: 10:00 a.m.
Day & Date	: Friday, July 09, 2021
For Financial Year	: 2020-21

### b) Calendar of financial year ended March 31, 2021

The meetings of Board of Directors for approval of quarterly/half-yearly financial results during the financial year ended March 31, 2021 were held on the following dates:

First Quarter Results	- August 13, 2020
Second Quarter/ Half yearly Results	- November 05, 2020
Third Quarter Results	- February 03, 2021
Fourth Quarter and Annual Results	- May 18, 2021

Tentative Calendar of Board meetings to approve quarterly financial results for the FY 2020-21 is given below:

First Quarter Results	August 05, 2021
Second Quarter/ Half yearly Results	November 02, 2021
Third Quarter Results	February 03, 2022
Fourth Quarter and Annual Results	May 10, 2022

### c) Dividend

For the year 2020-21, directors have recommended final dividend of ₹ 0.35 per Equity share (i.e. 17.5%). The Company has already paid Interim dividend of ₹ 0.30 per share (i.e. 15%)

#### Detail of Unclaimed Dividend and equity shares transferred to IEPF.

Financial year	Amount of unclaimed dividend transferred (₹)	Number of shares transferred
2012-13	27,730	420
2013-14	22,442	11,221

#### Detail of Dividend declared by the Company for the last 5 Years

Financial Year	Interim Dividend declared on	Interim Dividend per Share (In ₹) & %	Final Dividend declared on	Final Dividend per share (In ₹) & %	Total Dividend per share (In ₹) & %
2020-21	February 03, 2021	0.30 (15.00%)	May 18, 2021	0.35 (17.50%)	0.65 (32.50%)
2019-20	February 06, 2020	0.35 (17.50%)	NIL	NIL	0.35 (17.50%)
2018-19	February 07, 2019	0.25 (12.50%)	May 28, 2019	0.45 (22.50%)	0.70 (35.00%)
2017-18	February 12, 2018	0.25 (12.50%)	May 28, 2018	0.35 (17.50%)	0.60 (30.00%)
2016-17	February 13, 2017	0.20 (10.00%)	May 24, 2017	0.30 (15.00%)	0.50 (25.00%)

### d) Fees Paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all the entities in the network firm/network entity of which the statutory auditor is a part, are as follows: (₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit	6	6
Tax audit	1	1
Limited reviews	5	4
Other Certificates	2	2
Reimbursement of expenses	1	1
	<b>15</b>	<b>14</b>

per equity share (Face Value ₹ 2/- each) for 2020-21. This interim dividend is being placed in the notice of the ensuing Annual General Meeting for confirmation by the shareholders of the Company. The final dividend shall be paid on or before August 06, 2021. The Register of Members and Share Transfer books of the Company shall remain closed from Monday, 5th July 2021 to Friday, 9th July 2021 for the purpose of payment of Final Dividend. The final dividend if approved, shall be paid by the Company to those shareholders whose names will appear in the Register of Members of the Company on the closure of Business hours on Friday, 2nd July 2021.

#### Unclaimed Dividends and Transfer to IEPF

Pursuant to Section 124 of Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), the Company has transferred the unpaid or unclaimed final dividend of ₹ 27,730/- (Rupees Twenty Seven Thousand seven hundred and thirty Only) and 420 equity shares for the financial year 2012-13 on the due date to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Pursuant to the Rule 5(8) of Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 29, 2020 (date of last Annual General Meeting) on the website of the Company ([www.sparkminda.com](http://www.sparkminda.com)) and also on the website of the Ministry of Corporate Affairs.

As per Regulation 43 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, no shares are lying in the suspense account of the Company.



## e) Listing on Stock Exchanges and Scrip Codes

Sl. No.	Name & Address of the Stock Exchange	Scrip Code
1	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	MINDACORP
2	BSE Limited P.J Towers, Dalal Street Fort, Mumbai-400 001	538962
3	ISIN allotted by Depositories (Company ID Number)	INE842C01021

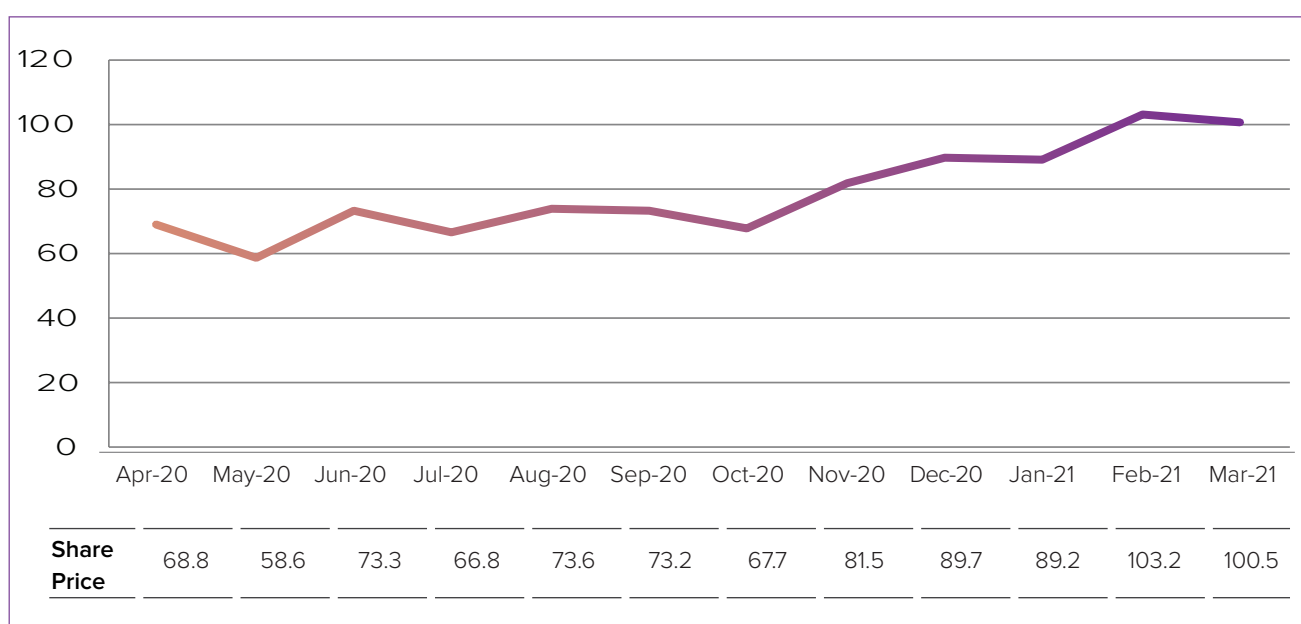
The Annual Listing Fees for the listed equity shares of the Company, pertaining to the year 2020-21 has been paid to the concerned Stock Exchanges on demand. The Company has also made the payment of the Annual Custodian Fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for the financial year 2020-21, based on the folio/ISIN positions as on March 31, 2021.

## f) Market Price Data

MCL's share price on NSE 2020-21

(Amount in ₹)

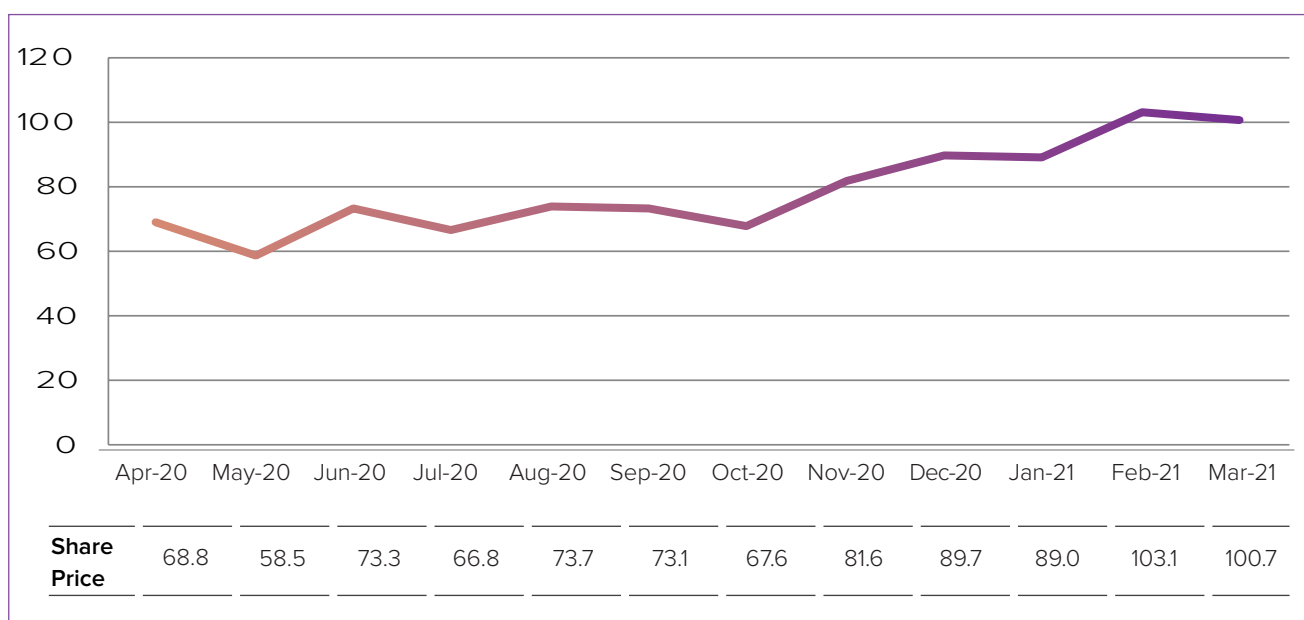
Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty
Apr-20	59.5	82.0	52.8	68.8	9,656,389	92,721	656,519,993	4,240,961	43.9%
May-20	66.9	66.9	53.6	58.6	9,294,870	76,235	546,789,261	4,323,530	46.5%
Jun-20	59.9	74.7	58.3	73.3	43,635,424	2,21,049	2,905,633,032	17,100,185	39.2%
Jul-20	72.7	77.0	63.6	66.8	29,210,641	1,50,584	2,075,016,581	8,137,693	27.9%
Aug-20	67.3	83.8	66.6	73.6	29,534,629	1,68,163	2,299,217,165	13,574,034	46.0%
Sep-20	73.6	78.5	66.4	73.2	8,813,630	79,204	644,594,306	4,331,871	49.1%
Oct-20	73.3	74.4	65.1	67.7	5,604,416	58,508	391,441,462	3,004,615	53.6%
Nov-20	69.9	82.2	65.2	81.5	25,439,635	1,41,488	1,875,608,204	12,483,448	49.1%
Dec-20	81.4	96.0	77.3	89.7	30,316,767	1,66,826	2,666,299,898	14,303,109	47.2%
Jan-21	89.8	98.5	84.5	89.2	17,408,459	1,23,436	1,590,070,701	7,959,345	45.7%
Feb-21	89.5	106.8	87.5	103.2	24,446,668	1,69,750	2,414,460,679	10,846,040	44.4%
Mar-21	104.5	110.5	89.7	100.5	16,607,756	1,50,848	1,677,806,508	7,139,410	43.0%



MCL's share price on BSE 2020-21

(Amount in ₹)

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty
Apr-20	58.3	81.5	52.6	68.8	440,068	15,861	30,581,707	169,249	38.5%
May-20	66.0	67.0	53.8	58.5	460,644	10,861	27,131,819	227,963	49.5%
Jun-20	59.9	74.6	58.2	73.3	2,490,002	31,279	168,000,060	1,040,754	41.8%
Jul-20	71.6	77.0	63.5	66.8	1,396,066	18,102	99,633,713	653,489	46.8%
Aug-20	67.1	83.7	66.6	73.7	2,025,340	25,401	156,212,992	947,277	46.8%
Sep-20	75.0	77.9	66.4	73.1	685,587	11,130	49,990,996	308,992	45.1%
Oct-20	74.3	74.3	65.1	67.6	430,614	8,600	29,982,829	271,696	63.1%
Nov-20	70.3	82.0	64.9	81.6	1,970,573	21,870	145,328,859	1,170,493	59.4%
Dec-20	82.0	95.9	77.5	89.7	2,646,550	24,899	231,549,192	1,488,991	56.3%
Jan-21	90.5	98.5	84.5	89.0	1,953,772	16,144	176,946,982	1,126,883	57.7%
Feb-21	89.3	106.8	87.6	103.1	1,863,096	19,413	183,463,522	921,640	49.5%
Mar-21	103.8	110.5	89.9	100.7	1,279,100	14,754	128,228,158	564,028	44.1%



g) Market Price Data & Share price performance including Company's equity share price comparison with BSE Sensex and S&P CNX Nifty

	BSE		NSE	
	MCL	Sensex	MCL	Nifty
2020-21	76.8%	75.2%	77.2%	80.1%
2019-20	(58.5%)	(24.2%)	(58.4%)	(26.3%)

h) Registrar & Share Transfer Agent:

M/s Skyline Financial Services Private Limited,  
(CIN: U74899DL1995PTC071324)  
Address:- D-153/A, 1st Floor, Okhla Industrial Area, Phase-1,  
New Delhi- 110 020, India.  
Email: viren@skylinerta.com Phone: +91 011-26812682, 83,  
+91 011-40450193-97

i) Share Transfer System & RTA

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 1, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.

The Company obtains half-yearly certificate of compliance related to the share transfer formalities from a Company Secretary in practice as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate simultaneously with the Stock Exchanges under Regulation 40(10) of the Listing Regulations



## j) Details of shareholding as on March 31, 2021

Category	No. of Shareholding shares held	(%)
Promoter & Promoters Group	154,748,678	64.73
Financial Institutions, Banks, Mutual Funds & Venture Capital, Insurance Companies	25,284,348	10.58
NRI, Foreign Nationals, OCBs, FPI and FII	16,718,884	6.99
Bodies Corporate	4,983,858	2.08
Public Trusts	1,000	0.00
MCL- ESOP Trust	4,547,640	1.90
Others - Indian Public	32,795,020	13.72
<b>Total</b>	<b>239,079,428</b>	<b>100.00</b>

## DISTRIBUTION OF 239,079,428 EQUITY SHARE CAPITAL AS ON :31/03/2021

Nominal Value of Each Share: ₹ 2.00

Share or Debenture holding Nominal Value (₹)	Number of Shareholders	% to Total Numbers	Share holding Amount (₹)	% to Total Amount
1	2	3	4	5
Up To 5,000	48,008	97.58	19,763,536	4.13
5001 To 10,000	598	1.22	9,017,372	1.89
10001 To 20,000	285	0.58	4,195,324	0.88
20001 To 30,000	98	0.20	2431,156	0.51
30001 To 40,000	41	0.08	1,520,524	0.32
40001 To 50,000	38	0.08	1,735,100	0.36
50001 To 1,00,000	58	0.12	4,058,314	0.85
1,00,000 and Above	75	0.15	439,946,216	92.01
<b>Total</b>	<b>49,201</b>	<b>100.00</b>	<b>478,158,856</b>	<b>100.00</b>

## b. Exposure of the Company to various Commodities:-

Commodity Name	Exposure in ₹ (Million) towards a particular commodity	Exposure in quantity terms towards a particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic Market		International Market		
			OTC	Exchange	OTC	Exchange	
Copper	49.85	752 MT	-	0.4%	-	-	0.4%
Zinc	82.51	4375 MT	-	7.6%	-	-	7.6%
Aluminium	112.60	6155 MT	-	0.7%	-	-	0.7%

## k) Dematerialization of Shares and Liquidity

The shares of the Company fall under the category of compulsory delivery in dematerialized form by all categories of investors. The Company has signed agreements with both the Depositories i.e. National Securities Depository Limited and Central Depository Services Limited.

As on March 31, 2021 the number of shares held in dematerialized and physical mode is as under:

Category	No. of equity shares	% of total capital issued
Held in dematerialized form in NSDL	187,813,785	78.56
Held in dematerialized form in CDSL	51,232,802	21.43
Physical	32,841	0.01
<b>Total</b>	<b>239,079,428</b>	<b>100.00</b>

## l) Public issue, right issue, preferential issue and GDR/ADR etc.

During the year under review, the Company has not made any Public Issue, Right Issue, etc. The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have an impact on the Company's equity.

## m) During the year under review the Company offer, issue and allot 11,857,143 equity shares to Phi Capital Trust – Phi Capital Growth Fund - I on preferential basis.

Commodity price risk or foreign exchange risk and hedging activities During the FY 2020-21 the Company had managed the foreign exchange and commodity price risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange and commodity exposures.

## a. Total Exposure of the Company to Commodities:-

₹ 244.96 Million



## n) Credit Ratings

There is no change in the credit rating during the year under review. Both the rating agencies India Ratings and Research (Ind-Ra) and CRISIL have re-affirmed the credit rating of Minda Corporation Limited, which is as follows:-

Rating Agencies	Instrument	Ratings
India Ratings & Research	Term Loan (Fund-based and Non-fund-based) Working Capital Limits	IND AA-/Stable
CRISIL	Long-term Rating Short-term Rating	CRISIL A+/Stable CRISIL A1

## o) Details of utilization of funds raised through qualified institutions placement an Preferential Issue as specified under Regulation 32 (7A):-

The Company has kept the fund raised through qualified institutional placement in fixed deposits and interest income is generating on it.

Further, the amount raised through preferential allotment during 2020-21 has been fully utilised towards repayment of Loans

## p) Location of Plants

Location of all plants is available on the website of the Company at <https://sparkminda.com/wp-content/uploads/2021/05/location-of-plants.pdf>

## q) Address for Correspondence

The Shareholders may address their communication / grievances / queries / suggestions to:

i. With the Company:	Mr. Pardeep Mann Company Secretary & Compliance Officer Minda Corporation Limited Plot No. 404-405, 5th Floor, Sector-20, Udyog Vihar, Phase-III, Gurugram- 122016 Ph.: 0124-4698400 E-mail: investor@mindacorporation.com Website: <a href="http://www.sparkminda.com">www.sparkminda.com</a>
ii. With the R & T Agent:	Skyline Financial Services Private Limited D-153/A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi–110 020; Email- viren@skylinerta.com, Tel: +91 011-26812682, 83, +91 011-40450193-97

## r) Governance Policies

In line with Company's philosophy for adhering to ethical and governance standards and ensure fairness, accountability, responsibility and transparency to all its stakeholders, Company's, inter-alia, has the following policies and codes in place. All the policies have been uploaded on the website of the Company:-

Name of the Policy	Website link
Code of Conduct for Board Members and Senior Management	<a href="https://sparkminda.com/wp-content/uploads/2020/04/Code-of-Conduct.pdf">https://sparkminda.com/wp-content/uploads/2020/04/Code-of-Conduct.pdf</a>
Code of Conduct for Prevention of Insider Trading	<a href="https://sparkminda.com/wp-content/uploads/2020/07/Code-of-Conduct-under-Insider-Trading.pdf">https://sparkminda.com/wp-content/uploads/2020/07/Code-of-Conduct-under-Insider-Trading.pdf</a>
Corporate Social Responsibility Policy	<a href="https://sparkminda.com/wp-content/uploads/2020/04/Policy-on-Corporate-Social-Responsibility.pdf">https://sparkminda.com/wp-content/uploads/2020/04/Policy-on-Corporate-Social-Responsibility.pdf</a>
Business Responsibility Policy	<a href="https://sparkminda.com/wp-content/uploads/2020/04/Business-Responsibility-Policy.pdf">https://sparkminda.com/wp-content/uploads/2020/04/Business-Responsibility-Policy.pdf</a>
Dividend Distribution Policy	<a href="https://sparkminda.com/wp-content/uploads/2020/04/Dividend-Policy.pdf">https://sparkminda.com/wp-content/uploads/2020/04/Dividend-Policy.pdf</a>
Nomination Remuneration and Board Diversity Policy	<a href="https://sparkminda.com/wp-content/uploads/2020/04/Nomination-Remuneration-and-Board-Diversity-Policy.pdf">https://sparkminda.com/wp-content/uploads/2020/04/Nomination-Remuneration-and-Board-Diversity-Policy.pdf</a>
Policy on Determination and Disclosure of Materiality of Events	<a href="https://sparkminda.com/wp-content/uploads/2020/04/Policy-on-Determination-and-Disclosure-of-Materiality-of-Events.pdf">https://sparkminda.com/wp-content/uploads/2020/04/Policy-on-Determination-and-Disclosure-of-Materiality-of-Events.pdf</a>
Policy For Determining Material Non-Listed Subsidiaries	<a href="https://sparkminda.com/wp-content/uploads/2020/04/Policy-on-Material-Non-Listed-Subsidiary.pdf">https://sparkminda.com/wp-content/uploads/2020/04/Policy-on-Material-Non-Listed-Subsidiary.pdf</a>
Related Party Transactions Policy	<a href="https://sparkminda.com/wp-content/uploads/2020/04/Related-Party-Transactions-Policy.pdf">https://sparkminda.com/wp-content/uploads/2020/04/Related-Party-Transactions-Policy.pdf</a>
Maintenance and Preservation of Documents and Archival Policy	<a href="https://sparkminda.com/wp-content/uploads/2020/04/Policy-for-Maintenance-and-Preservation-of-Documents.pdf">https://sparkminda.com/wp-content/uploads/2020/04/Policy-for-Maintenance-and-Preservation-of-Documents.pdf</a>
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	<a href="https://sparkminda.com/wp-content/uploads/2020/07/Code-of-Practices-for-Fair-Disclosure-Procedures-for-fair-disclosure-of-UPSIs.pdf">https://sparkminda.com/wp-content/uploads/2020/07/Code-of-Practices-for-Fair-Disclosure-Procedures-for-fair-disclosure-of-UPSIs.pdf</a>
Whistle Blower Policy	<a href="https://sparkminda.com/wp-content/uploads/2020/04/Whistle-Blower-Policy.pdf">https://sparkminda.com/wp-content/uploads/2020/04/Whistle-Blower-Policy.pdf</a>
Code of conduct of Employees	<a href="https://sparkminda.com/wp-content/uploads/2020/05/Code-of-Conduct-of-Employees.pdf">https://sparkminda.com/wp-content/uploads/2020/05/Code-of-Conduct-of-Employees.pdf</a>

In constant efforts to strengthen and benchmark our policies, we continuously review, revisit and realign them with best practices.



**VI DISCLOSURES**

- a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

During the year, the Company has not entered into any materially significant transaction with the Directors, their relatives or management which is in conflict with the interest of the Company.

The transactions with the related parties, namely its promoters, its subsidiaries and associate companies etc. of routine nature have been reported elsewhere in the annual report as per IND-AS-24 issued by the Institute of Chartered Accountants of India (ICAI).

- b) Details of any non-compliance by the Company: There were no instances of non-compliances by the Company on any matter related to capital market. The Company has complied with the requirements of Listing Agreement as well as regulations and guidelines prescribed by the Securities and Exchange Board of India (SEBI). There were no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets for non-compliance by the Company during the last three years on any matter related to capital market.

- c) Vigil Mechanism and Whistle Blower Policy

The Company is committed to develop a culture of highest standards of ethical, moral and legal business conduct wherein it is open for communication regarding the Company’s business practices, avenues for employees to raise concerns about any poor or unacceptable practice and to protect employees from unlawful victimization, retaliation or discrimination for their having disclosed or reported fraud, unethical behavior, violation of Code of Conduct, questionable accounting practices, grave misconduct etc.

To enforce the above, the Board of Directors has laid down Whistle Blower Policy for Directors and employees of the Company, to report concerns about unethical behaviour, actual or suspected fraud or violation of the company’s code of conduct or ethics policy. Further, the Company affirms that no personnel have been denied access to Audit Committee on any issue related thereto.

A complaint under the policy may be made to the designated officials and to the Audit Committee in terms of the Policy. During the year, no employee of the Company has been denied access to the Audit Committee.

- d) Policy against Prevention of Sexual and Workplace Harassment

The Company values the dignity of individuals and is committed to provide an environment, which is free of discrimination, intimidation and abuse.

The Company has put in place a policy on redressal of Sexual Harassment and a Policy on redressal of Workplace Harassment as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“Sexual Harassment Act”). As per the policy, any employee may report his / her complaint to the Redressal Committee formed for this purpose or their Manager or HR personnel.

We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy, during the year. Details of the Complaint as follows:-

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year
NIL	NIL	NIL

- e) Insider Trading Code in Terms of SEBI (Insider Trading) Regulations, 2015

The Board has formulated the Code of Practice for Fair Disclosure of Un-Published Price Sensitive Information and the Code of Conduct for regulating, monitoring and reporting of Trading of Shares by Insiders in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (“Regulation”). The Board has also formulated and adopted a Policy on Determination of Legitimate Purpose as per the provisions of the Regulation. The above code lays down guidelines, procedures to be followed and disclosures to be made while dealing with shares of the Company and cautioning them on consequences of non-compliances. The copy of the same is available on the website of the Company at <https://sparkminda.com/wp-content/uploads/2020/04/Code-of-Conduct-under-Insider-Trading.pdf>

- f) Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all the mandatory requirements of the Securities and Exchange Board of India (Listing Obligations and Requirements) Regulations, 2015. The Company has also adopted some of the discretionary requirements as stated below:

- i. Reporting of Internal Auditor

In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed two Internal Auditor(s), who reports to the Audit Committee. Internal audit report(s) are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

- ii. Lead Independent Director

There is a Lead Independent Director to liaise on their behalf and ensure the Board’s effectiveness to maintain high-quality governance of the organisation and effective functioning of the Board.

- iii. Live Web casting

Company is providing facility of live webcast of proceedings of the Annual General Meeting to the shareholders of the Company through Company’s website and YouTube from last 3 years.

- iv. Tablet Based Electronic Voting Facility

The company is providing tablet based electronic voting system to its shareholders at the Annual General Meeting from last two years to avoid invalidity of votes due to clerical mistakes in filling the physical ballot form and

non-matching of signature etc. It helps to save papers and environment friendly also.

g) Modified opinion(s) in Audit report:

During the year under review, there was no audit qualification on your Company's financial statements.

h) Subsidiary Companies

Your Company has subsidiaries as disclosed in AOC-1, attached with the financial statements. The Board of Directors of the Company formulated a policy for determining "material" subsidiaries. The said Policy has been placed on the website of the Company.

i) Related Party Transactions

The Company had formulated a policy on materiality of Related Party Transactions and also on dealing with such Related Party Transactions.

All related party transactions entered by the Company including material significant related party transactions, if any, are being disclosed in the Notes to Accounts forming part of the Annual Report. The transactions during the financial year 2020-21, with the related parties has been done in accordance with the provisions as laid down under the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The necessary approvals from the Audit Committee were obtained, wherever required.

The Policy on Related party transaction is available at our website [www.sparkminda.com](http://www.sparkminda.com)

j) Reconciliation of Share Capital Audit

As stipulated by Securities and Exchange Board of India (SEBI), a Qualified Practicing Company Secretary carried out audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and physical and the total issued and listed capital.

During the last quarter, the reconciliation of share capital audit report illustrate that ₹ 478,158,856/- is the issued Capital and ₹ 478,158,856/- is the listed Capital.

k) Material Subsidiary

Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 defines a 'material subsidiary a subsidiary, whose income or net worth exceeds 10% (ten percent) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

During the year under review, the Company has no material subsidiaries.

l) Disclosure of Accounting Treatment: The Company has prepared its financial statement as per the IND-AS prescribed by the Institute of Chartered Accountants of India (ICAI). There is no deviation in the Accounting Treatment & disclosures.

m) Risk Management: The Company has Risk Management Committee for the risk assessment and to decide on minimization procedures. These procedures are periodically reviewed by the Risk Management Committee to ensure that executive management controls risk through means of a properly defined framework.

n) Certificate from a Company Secretary in practice: Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has received certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. Certificate from Practicing Company Secretary is annexed with this report.

o) Declaration as required under Regulation 34(3) and Schedule V of the Listing Regulations: All Directors and senior management personnel of the Company have affirmed compliance with Company's Code of Conduct for the financial year ended March 31, 2021.

p) Secretarial Audit pursuant to Regulation 24A SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018: Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read along with SEBI Circular CIR/CFD/ CMD1/27/2019 dated February 8, 2019, the Company has obtained certificate and shall be filed with the Stock Exchange within the statutory timeline as prescribed by the SEBI in this regard vide its notification dated 25.06.2020.

q) CEO/CFO Certificate: The Executive Director and Chief Financial Officer of the Company have provided compliance certificate to the Board in accordance with Regulation 17 (8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

r) Compliance

The Company is in the compliance with corporate governance requirements specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation 2 of regulation 46 of Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also obtained a compliance certificate from M/s Ranjeet Pandey & Associates, Practicing Company Secretaries regarding compliance of the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clause (b) to (i) of sub-regulation 2 of regulation 46 read with schedule V (E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has submitted the quarterly compliance report to the stock exchanges within the prescribed time limit. The compliance certificate is also sent annually to all the shareholders of the Company.

ii. There is no non-compliance of any requirement of corporate governance report of sub-para (2) to (10) of part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## DECLARATION BY CHAIRMAN & GROUP CEO REGARDING ADHERENCE TO THE CODE OF BUSINESS CONDUCT AND ETHICS

To  
The Members of the Company  
**Minda Corporation Limited**  
A-15, Ashok Vihar, Phase-1  
Delhi - 110052

I hereby declare that all the Board Members and the Senior Management Personnel are aware of the provisions of the Code of Conduct laid down by the Board. Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct.

Place: Delhi  
Date: May 18, 2021

Sd/-  
**Ashok Minda**  
Chairman & Group CEO  
DIN No. 00054727

## CEO AND CFO CERTIFICATION

We, Ashok Minda, Chairman & Group CEO and Naresh Kumar Modi, Executive Director & CFO of Minda Corporation Limited to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2021 and that to the best of our knowledge and belief:
  1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
  1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Delhi  
Date: May 18, 2021

Sd/-  
**Ashok Minda**  
Chairman & Group CEO  
DIN No. 00054727

Sd/-  
**Naresh Kumar Modi**  
Executive Director & CFO  
DIN: - 03033960

# CORPORATE GOVERNANCE CERTIFICATE

To

The Members

**Minda Corporation Limited**

A-15, Ashok Vihar, Phase-1, New Delhi-110052

We have examined the compliance of conditions of Corporate Governance by Minda Corporation Limited ("the Company/Listed Entity"), for the financial year ended on March 31, 2021, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). On the basis of such examination, we state as under:

1. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations;
2. The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company;
3. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR **RANJEET PANDEY & ASSOCIATES**  
COMPANY SECRETARIES

**Date: May 18, 2021**

**Place: New Delhi**

Sd/-  
**CS RANJEET PANDEY**  
FCS- 5922, CP No.- 6087  
UDINF005922C000338751



# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**MINDA CORPORATION LIMITED**  
A-15, Ashok Vihar, Phase – 1,  
New Delhi - 110052.

We have examined the relevant disclosures received from the directors, registers, records, forms, returns maintained by the company and produced before us for the purpose of issuing Certificate of Non-Disqualification of Directors in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. On the basis of such examination, we hereby certify as under:

1. That Minda Corporation Limited (CIN: L74899DL1985PLC020401) is having its registered office at A-15, Ashok Vihar, Phase–1, New Delhi–110052 (hereinafter referred as “the Company”) and the equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited;
2. In our opinion and to the best of our information and according to the verifications and examination of the disclosures under section 184/189, 170, 164 and 149 of the Companies Act 2013 (“the Act”) including status of Directors Identification Number (DIN) at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the below named Directors on the Board of the Company as on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment in Company
1.	Mr. Ashok Minda	00054727	22/07/1987
2.	Mr. Aakash Minda	06870774	05/11/2020
3.	Mr. Rakesh Chopra	00032818	27/05/2010
4.	Mr. Avinash Parkash Gandhi	00161107	28/01/2006
5.	Mr. Ashok Kumar Jha	00170745	14/11/2014
6.	Mr. Naresh Kumar Modi	00089536	11/12/2020
7.	Ms. Pratima Ram	03518633	10/11/2016
8.	Mr. Ravi Sud	00074720	25/03/2021

3. Ensuring the eligibility of appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

**FOR RANJEET PANDEY & ASSOCIATES**  
COMPANY SECRETARIES

Place: NEW DELHI  
Date: May 18, 2021

**CS RANJEET PANDEY**  
FCS- 5922, CP No.- 6087  
UDINF005922C000338947

# BUSINESS RESPONSIBILITY REPORT 2020-21

## Section-A

1	Corporate Identity Number (CIN) of the Company	L74899DL1985PLC020401
2	Name of the Company	Minda Corporation Limited
3	Registered address	A-15, Ashok Vihar, Phase-I, Delhi-110052
4	Website	<a href="http://www.sparkminda.com">www.sparkminda.com</a>
5	E-mail id	<a href="mailto:investor@mindacorporation.com">investor@mindacorporation.com</a>
6	Financial Year reported	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	
	<b>Product Description</b>	<b>NIC Code of the Product of the Services</b>
	1. Lock Kits & Lock Sets for Automobiles	25934
	2. Wiring harness & components for Automobiles	27320
	3. Starter Motor & Alternator	2710 & 29304
	4. Aftermarket- Trading in Automotive Component	4530
	5. Casting of non-ferrous metals	24320
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Wiring Harness, Lock Kits, & Lock Sets and Casting of non-ferrous metals
9	Total number of locations where business activity is undertaken by the Company	
	a) Number of International Locations	2 (Two) including subsidiaries
	b) Number of National Locations	20 (Twenty) including Group Corporate Office
10	Markets served by the Company – Local/State/National/International	Asia (including all over India), Europe, North America and South America

## SECTION B

### FINANCIAL DETAILS OF THE COMPANY

S . No	Financial Details of the Company	FY 2020-21 (₹ in Million)	FY 2019-20 (₹ in Million)
1	Paid up Capital	478	454
2	Total Turnover	22,888	21,305
3	Total profit/(loss) after taxes	837	(2,425)
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Our total contribution for FY2020-21 is ₹ 29.87 Million which is 2% of average net profits of the last three financial years. The Company has spent on CSR activities ₹ 15.13 Million through implementing agency i.e. Spark Minda Foundation during the year under review.	
5	List of activities in which expenditure in 4 above has been incurred in the FY 2020-21	<ul style="list-style-type: none"> <li>- Skill &amp; Education Livelihood</li> <li>- Empowerment of persons with disability</li> </ul>	



SECTION C

OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the (Business Responsibility) BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The subsidiary companies are not required to comply with the Business Responsibility in initiatives as per the laws applicable to them.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? Less than 30% 30%-60% More than 60%	The company actively engages with its suppliers through its BR initiatives. Currently percentage of suppliers covered under this initiative is less than 30%

SECTION D

BR INFORMATION

1 Details of Director/Directors responsible for BR:

(a) Details of the Director responsible for implementation of the BR policy/policies

DIN	00089536
Name	Mr. Naresh Kumar Modi
Designation	Executive Director

(b) Details of the BR Head

Particulars	Details
Name	Mr Vikas Thapa
Designation	Group Chief Human Resources Officer
Telephone number	0124-4698400
E-mail id	vikas.thapa@mindacorporation.com

## 1 Principle

Business should conduct and govern themselves with Ethics, Transparency and Accountability

## 2 Principle

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

## 3 Principle

Business should promote the well-being of all employees

## 4 Principle

Businesses should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable & marginalised

## 5 Principle

Business should respect and promote human rights

## 6 Principle

Business should respect, protect and make efforts to restore the environment

## 7 Principle

Businesses when engaged in influencing public and regulatory policy should do so in a responsible manner

## 8 Principle

Business should support inclusive growth and equitable development

## 9 Principle

Business should have engaged with and provide value to their customers and consumers in a responsible manner



## 2. Principle-wise Business Responsibility Policy/ Policies

S. No	Questions	Principle (Yes / No)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...					Yes				
2	Has the policy being formulated in consultation with the relevant stakeholders?					Yes				
3	Does the policy conform to any national / international standards? If yes, specify?					Yes				
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?					Yes				
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?					Yes				
6	Indicate the link for the policy to be viewed online?	<a href="https://sparkminda.com/wp-content/uploads/2020/04/Business-Responsibility-Policy.pdf">https://sparkminda.com/wp-content/uploads/2020/04/Business-Responsibility-Policy.pdf</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?					Yes				
8	Does the company have in-house structure to implement the policy/ policies?					Yes				
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?					Yes				
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?					Yes				

\*The whistle blower policy, code of conduct, Code of Conduct under Insider Trading, prevention of sexual harassment policy and Corporate Social Responsibility Policy are framed as per the requirements of the respective legislations of India.

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

- Not Applicable

## 3 Governance related to Business Responsibility

S. No	Particulars	
a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Regular monitoring is being done of BR initiatives and complete assessment is done on need basis, from time to time.
b)	Does the Company publish a BR or a Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?	Company has published Business Responsibility Report annually as part of the annual report. The same can be accessed at our website <a href="http://www.sparkminda.com">www.sparkminda.com</a> at <a href="https://sparkminda.com/wp-content/uploads/2020/04/Business-Responsibility-Policy.pdf">https://sparkminda.com/wp-content/uploads/2020/04/Business-Responsibility-Policy.pdf</a>



SECTION-E

PRINCIPLE-WISE PERFORMANCE

Principle 1

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No.	No.
	Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others	Our policy under this principle include :  (a) Code of Conduct (b) Whistle Blower Mechanism/Policy (c) Business Responsibility Policy (d) Code of Conduct under Insider Trading  While the above mentioned policies/codes are currently applicable to its subsidiaries but not applicable on joint-ventures/suppliers/contractors. It is available on the intranet and on the Company's webpage.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	No complaints were received during the year 2020-21, from various stakeholders.

Principle 2

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The company is engaged in the manufacturing of: - Wiring Harnesses - Automotive Locks - Lock-Kits including spares - Die casted parts for Automotive & Non-Automotive products These products have insignificant social or environmental concern or risk.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):	The Company always take efforts for optimum utilization of natural resources like solar energy consumption, reduction in water consumption, hazardous waste reduction, A4 Paper consumption reduction. In plants located in West India and in North India our company is under the process of implementation of Solar Power Projects to become more environments friendly.
	a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	Not Applicable
	b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable
3	Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes, The company has a procurement policy in place for purchase of goods and raw material. The company has identified the regional vendors for different components/ materials based on QCDDS (Quality, Cost, Development, Deliver & Services ) criteria.
	(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so	It is difficult to ascertain the percentage of inputs sourced from these suppliers accounting towards total inputs due to different kind of materials being used by the Company.

4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes, the company's effort to procure the material from local sources to avoid lead time & transportation.
	(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Localization is paramount to sourcing strategy and the company is procuring goods and services from local suppliers (regional) which include large, mid-size and small scale industries which meets our criteria of QCDDS. The SQA (Supplier Quality Assurance) works along with suppliers to improve the capability & quality
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	Considering the nature of business there are no significant emissions or process wastes. The company recycle materials wherever it is usable within the company which cannot be reused is disposed off in a manner in compliance with applicable statutory provisions.

### Principle-3

1	Please indicate the Total number of employees	There were 3066 number of permanent employees as on 31st March 2021 in the company.
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	There were 14634 numbers of employees hired on contractual /temporarily as on 31st March 2021 in the company.
3	Please indicate the Number of permanent women employees.	There were 222 numbers of permanent female employees as on 31st March 2021.
4	Please indicate the Number of permanent employees with disabilities	There were 2 permanent employees with disabilities as on 31st March 2021.
5	Do you have an employee association that is recognized by management?	Yes, we have employee union in Murbad and Pithampur Plants
6	What percentage of your permanent employees is members of this recognized employee association?	5.30%
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	NIL

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/Forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory Employment	NIL	NIL
4	What percentage of your under mentioned employees were given safety & skill up gradation training in the last year?		
a	Permanent Employees	95%	
b	Permanent Women Employees	96%	
c	Casual/Temporary/Contractual Employees	85%	
d	Employees with Disabilities	95%	



Principle 4

1	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? Yes/No	Yes
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	<p>Yes, the company has identified people with disabilities (PWDs), as one of the most systematically disadvantaged groups in society, with less job opportunities due to lack of inclusive practices, opportunities and agency. We understand that inclusivity is paramount to a responsible business and collective growth of disadvantaged sections of society. Taking this into account, we have taken initiatives in the field of skilling, healthcare, artificial limb fitment and facilitating employment for PWDs.</p> <p>Women and children are also our key stakeholders as they lack agency, opportunities and autonomy in everyday life. We run skill centres in five states of India to facilitate trainings in essential soft, behavioural and technical skills that help in the overall growth of individuals. Regular health camps, menstrual health and family planning awareness workshops are also organized within the communities to strengthen overall health, hygiene and wellbeing.</p>

Principle-6

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	The Company continuously makes efforts to safeguard the environment. Steps are taken for optimal utilization of our resources in-lined with ISO-14001 standards requirement. The Company's environmental policy extend to its suppliers/ Group/Contractors and all other stakeholders and also communicated through Visual displays in company premises..
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyper-link for web-page etc.	Yes, We have taken various initiatives to address global environmental issues. The emissions or waste generated by the Company are within the permissible limits specified by the Central Pollution Control Board (CPCB) and State pollution control Board (SPCB). The Business responsibility policy of the company specifies its approach towards protection of environment; the policy is applicable for all employees of the company and its subsidiaries. Web Link- <a href="https://sparkminda.com/wp-content/uploads/2020/04/Business-Responsibility-Policy.pdf">https://sparkminda.com/wp-content/uploads/2020/04/Business-Responsibility-Policy.pdf</a>
3	Does the company identify and assess potential environmental risks? Y/N	Yes, environmental risk is covered in the company principles that are based on ISO 14001 standards. One risk is identified and steps are taken to measures and mitigate the risk.
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company continues to work towards development and implementation of climate change mitigation project mainly through energy saving projects across the company. However we do not have any registration of CDM projects. All the Units of the Company have filed environmental compliance reports as per the requirement of applicable environmental laws. In addition to this the Company runs the various programmes for environment protection such as Rooftop Solar Energy Generation, Plantation Drive, Water Conservation Drive.

5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyper-link for web page etc	Covered under Board report which forms part of the Annual Report.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	NIL

**Principle-7**

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	The company is member of : 1. Automotive Component Manufactures Association (ACMA) 2. Confederation of Indian Industries(CII) 3. Quality Circle Forum of India (QCFI)
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	No

**Principle 8**

1	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	<p>Yes, the company has a Corporate Social Responsibility Policy which has derived its core values from Companies Act 2013. The company undertakes purposeful activities for the welfare of society, which includes the following:</p> <p>A. Education and Livelihood Promotion (For MCL)</p> <p>i) Dual System of Training Programme</p> <p>ii) Business Integrated Prison Programme</p> <p>iii) Aakarshan- Skill Development Programme</p> <p>The above programmes are undertaken in five states of India- Tamil Nadu, Maharashtra, Uttarakhand, Haryana and Uttar Pradesh.</p> <p>B. Empowerment of Persons with Disability (For MCL)</p> <p>The programme “Saksham” is conducted in Maharashtra, Uttar Pradesh and Jammu &amp; Kashmir.</p> <p>C. Health &amp; Well-being &amp; safety Programme</p> <p>This programme includes Women Empowerment, Menstrual Hygiene, Eye Healthcare Program, Blood Donation Programme and is being run in Uttar Pradesh, Tamil Nadu, Uttarakhand, Haryana and Maharashtra.</p> <p>During Covid-19, sustenance and healthcare support provided to communities and health care workers in Delhi, J&amp;K, Maharashtra and Uttarakhand.</p> <p>D. Community Infrastructure</p> <p>This Programme include Model School Development Program- digitization, sanitation, safe drinking water etc and the same is being run in Uttar Pradesh, Tamil Nadu, Uttarakhand, Haryana and Maharashtra.</p> <p>E. Environment and Resource Protection (For MCL)</p> <p>This programme includes the Solar Energy Generation, Plantation Drive, Water Conservation Drive and is being run both inside and outside the plant.</p>
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2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	The company has established its own foundation called “Spark Minda Foundation”, which is a section 8 company and 100% subsidiary of Minda Corporation Limited. The foundation also engages likeminded technical agencies and NGO’s to implement specialized projects.			
3	Have you done any impact assessment of your initiative?	No			
4	What is your company’s direct contribution to community development projects- Amount in INR and the details of the projects undertaken	S	Projects or Activities	Amount	Amount spent: Direct or Through implementing agency i.e. Spark Minda Foundation (A wholly owned subsidiary of the Company registered under section 8 of the Companies Act, 2013)
		No		(₹ in Million)	
		1	Promoting education (Project -Aakarshan)	11.09	Through implementing agency
		2	Empowerment of people with disability (Project -Saksham)	3.00	Direct
		3	Donation (One Time)	0.29	Through Implementing Agency
		4	Admin expenses	0.75	Direct
			Total	15.13	-
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes, the company regularly monitors the projects to ensures that they are adopted and continued within communities. For this purpose, our skilling centres are strategically located within close radius of communities of intervention, which enables sustained and regular interaction of the team with the local population.  In addition, skill development, workshops on behavioural changes and sustained impact of projects ensures that the initiatives are successfully adapted by the community.			

**Principle-9**

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil consumer complaints pertaining to FY 2020-21.
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)	Yes MRP label is displaying the price, part quantity, description and date of manufacture.  (As per Legal Metrology Packaged Commodities Guideline)
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes – Customer Satisfaction Survey was conducted in Sep – Oct 2020. Secondly we track internal complaints received on CRM portal.

# INDEPENDENT AUDITORS' REPORT

To the Members of Minda Corporation Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Minda Corporation Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Description of Key Audit Matters

The Company's revenue is derived primarily from sale of products which comprises locks and wire harness for the automotive industry.

Standards on Auditing presume a fraud risk with regard to revenue recognition. Also, revenue is one of key performance indicators of the Company which makes it susceptible to misstatement.

In view of the above, we have identified revenue recognition as a key audit matter.

In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:

- Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standard;
- Evaluated the design and implementation of key internal financial controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions (using random sampling);
- Involved IT specialists to assist us in testing of key IT system controls relating to revenue recognition;
- Performed detailed testing by selecting samples (using statistical sampling) of revenue transactions recorded during and after the year. For such sample, verified the underlying documents including customer acceptance, to assess recognition of revenue in the period in which control is transferred;
- Tested sample journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions;
- Assessed the adequacy of the disclosures made in accordance with the relevant accounting standard.

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.



Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of

these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with



governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 2.37 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

**Shashank Agarwal**  
Partner

Place: Gurugram  
Date: 18 May 2021

Membership No.: 095109  
UDIN: 21095109AAAADE9345



## Annexure A referred to in our Independent Auditor's Report to the members of Minda Corporation Limited on the Standalone Financial Statements for the year ended 31 March 2021.

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all fixed assets (property, plant and equipment) are verified over the period of one to 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. In accordance with this programme, certain fixed assets (property, plant and equipment) have been physically verified by the management during the current year. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the freehold immovable properties and lease deed of leasehold properties are held in the name of the Company, except for the following properties which are held in the name of erstwhile subsidiary companies which have now been merged:

Type of Immovable Property	Location of Immovable Property	Gross block as on 31 March 2021 (₹ in million)	Net block as on 31-Mar-21 (₹ in million)	Existing name in title deed
Freehold land	Kakkalur, Chennai	0.32	0.32	Minda SAI Limited
Buildings	Kakkalur, Chennai	36.45	29.39	Minda SAI Limited
Leasehold land	Kakkalur, Chennai	24.15	16.39	Minda SAI Limited
Freehold land	Greater Noida, Uttar Pradesh	16.10	16.10	Minda SAI Limited
Freehold land	Murbad, Mumbai	2.97	2.97	Minda SAI Limited
Buildings	Murbad, Mumbai	85.19	61.52	Minda SAI Limited
Leasehold land	Pithampur, Madhya Pradesh	0.50	0.26	Minda SAI Limited
Buildings	Pithampur, Madhya Pradesh	63.86	53.50	Minda SAI Limited
Buildings	Pune, Maharashtra	19.89	7.26	Minda SAI Limited
Buildings	Noida, Uttar Pradesh	2.29	0.04	Minda SAI Limited
Freehold Land	Bawal, Haryana	22.61	22.61	Minda Autoelektrik Limited
Building	Bawal, Haryana	104.29	91.23	Minda Autoelektrik Limited

- (ii) According to the information and explanations given to us, the inventories, except good-in-transit and stock lying with third parties, have been physically verified by the management at the year end. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its business. For stocks lying with third parties as at the year-end, written confirmations have been obtained. As informed to us, the discrepancies noticed on comparison of physical verification of inventories with book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has granted loan to other party covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'):
- a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the other party listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company;
- b) In case of the loan granted to other party listed in the register maintained under Section 189 of the Act, the borrower has filed for insolvency during the current year, hence no repayment of the principal and payment of interest on such loans was made by the borrower (refer note 2.48 to the standalone financial statements);
- c) There are no overdue amounts as at 31 March 2021 in respect of the loan granted to other party listed in the register maintained under Section 189 of the Act. Pursuant to insolvency filed by the party, the Company had earlier made provision for impairment loss on loan outstanding and interest receivable as at 31 March 2020 from such party. There has been no change in the loan outstanding and interest receivable from previous year (refer note 2.48 to the standalone financial statements). Accordingly, para 3 (iii) (c) of the Order is not applicable.

According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies and firms covered in the register maintained under section 189 of the Act. As informed to us, there are no limited liability partnerships covered in the register maintained under section 189 of the Act.

- (iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security made.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable.
- (vi) The Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for certain activities carried out by the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 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 the cost records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services Tax ('GST'), Duty of customs and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities, though there has been slight delays in deposit of Goods and Service Tax, and Income-tax in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, GST, Service tax, Duty of excise, Sales tax, Value added tax, Duty of customs and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

The Company does not have any liability in respect of Service tax, Duty of excise, Sales tax and Value added tax effective 1 July 2017, these statutory dues have been subsumed into GST.

Also refer note 2.37, wherein, it is explained that on account of the uncertainty with respect to the applicability of the Hon'ble Supreme Court Judgement on the provident fund matter, management has not recognised and deposited any additional provident fund amount upto 31 March 2019.

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

Central Sales Tax Act, 1959	Sales tax	2014-15	Joint Commissioner of Sales Tax (Appeal)	0.72	0.05
Customs Act, 1962	Custom duty	2017-18	Commissioner Appeals, Customs Mumbai	0.45	0.04
Central Sales Tax Act, 1959	Sales tax	2011-12	Joint Commissioner of Commercial Taxes, Karnataka	0.90	0.26
Central Sales Tax Act, 1959	Sales tax	2012-13	Assistant Commissioner of Commercial Tax	0.51	0.51
Tamil Nadu General Sales Tax Act, 1956	Value Added Tax	2006-07	Appellate Deputy Commissioner, Kancheepuram	0.02	0.02
Maharashtra Value Added Tax, 2002	Value Added Tax	2016-17	Joint Commissioner of State Tax (Appeal), Pune	8.90	0.46
Central Sales Tax Act, 1959	Sales tax	2016-17	Deputy Commissioner of State Tax, Pune	3.91	-
Maharashtra Value Added Tax, 2002	Value Added Tax	2017-18 (up to June'2017)	Deputy Commissioner of State Tax, Pune	5.52	-
Central Sales Tax Act, 1959	Sales tax	2017-18 (up to June'2017)	Deputy Commissioner of State Tax, Pune	31.31	-
Finance Act, 1994	Service tax	2015-16 to 2017-18 (up to June'2017)	Office of the Commissioner of GST, Haryana	0.37	0.05



Name of the Statute	Nature of dues	Financial year to which amount relates	Forum where dispute is pending	Amount (₹ in million)*	Amount paid under protest (₹ in million)
Central Excise Act, 1944	Excise duty	2013-14 to 2017-18 (up to June'2017)	Directorate General of Goods and Services Tax Intelligence	3.53	-
Customs Act, 1962	Custom duty	2018-19 to 2020-21	Commissioner (Appeals) Customs	6.43	6.43
Central Sales Tax Act, 1959	Sales tax	2017-18 (up to June'2017)	Assistant Commissioner Sales Tax, Chennai	0.06	0.02
Uttar Pradesh Value Added Tax	Value Added Tax	2014-15	Joint Commissioner, Sales tax, Noida	0.26	-
Central Sales Tax Act, 1959	Sales tax	2017-18 (up to June'2017)	Deputy Commissioner, Central Sales Tax	1.81	-
Harayana Value Added Tax Act, 2003	Value Added Tax	2017-18 (up to June'2017)	ETO cum Assessing Authority	14.12	-
Harayana Value Added Tax Act, 2003	Value Added Tax	2017-18 (up to June'2017)	ETO cum Assessing Authority	0.27	-
Maharashtra Value Added Tax, 2002	Value Added Tax	2016-17	Office of Deputy Commissioner of Sales Tax	1.71	-
Central Sales Tax Act, 1959	Sales tax	2016-17	Office of Deputy Commissioner of Sales Tax	16.50	-
Income Tax Act, 1961	Income tax	2016-17	Commissioner of Income Tax (Appeals)	15.66	-

\* Amount as per demand orders, including interest and penalty wherever quantified in the Order.

- (viii) According to the information and explanations given to us, there is no default existing at the balance sheet date in repayment of loans or borrowings to banks and a financial institution. The Company did not have any loans or borrowings from government and outstanding dues to any debenture holder during the year.
- (ix) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. However, during the year ended 31 March 2019, the Company had raised money by way of Qualified Institutional Placement (QIP). The proceeds from QIP were INR 3,056.36 million. The proceeds of the issue (net of related expense of INR 50.50 million) are to augment for growth and expansion, corporate general purpose, working capital requirement, repayment of outstanding loan and investment in subsidiaries and joint ventures. The proceeds of INR 3,056.36 million pending utilisation for the objects of QIP, have temporarily been invested in interest bearing liquid instrument. Further, the term loans taken by the Company during the year, have been applied for the purposes for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company and neither any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provisions of Section 197 read with Schedule V of the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company,

the Company has duly complied with the provisions of section 42 of the Act, in respect of preferential allotment of equity shares made during the year. According to the information and explanation given to us, we report that the amount raised have been used for the purposes for which the funds were raised. The Company has neither made any private placement of shares nor issued any fully or partly convertible debentures during the year.

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

**Shashank Agarwal**

Partner

Membership No.: 095109

UDIN: 21095109AAAADE9345

Place: Gurugram

Date: 18 May 2021



## Annexure B to the Independent Auditors' report on the standalone financial statements of Minda Corporation Limited for the period ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Opinion

We have audited the internal financial controls with reference to financial statements of Minda Corporation Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial

statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the

company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

**Shashank Agarwal**

Partner

Place: Gurugram  
Date: 18 May 2021

Membership No.: 095109  
UDIN: 21095109AAAAD9345



# STANDALONE BALANCE SHEET

AS AT 31 MARCH 2021

(₹ in Million)

	Notes	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.1	5,461	5,008
Capital work-in progress	2.1	175	275
Goodwill	2.2	204	204
Other intangible assets	2.3	82	109
<b>Financial assets</b>			
i. Investments	2.4	1,505	1,499
ii. Loans	2.5	230	215
iii. Other financial assets	2.6	80	87
Income-tax assets (net)	2.7	27	27
Other non-current assets	2.8	147	120
<b>Total non-current assets</b>		<b>7,911</b>	<b>7,544</b>
<b>Current assets</b>			
Inventories	2.9	3,751	3,226
<b>Financial assets</b>			
i. Trade receivables	2.10	4,275	3,270
ii. Cash and cash equivalents	2.11	174	185
iii. Bank balances other than (ii) above	2.12	4,447	3,763
iv. Loans	2.13	4	7
v. Other financial assets	2.14	689	45
Other current assets	2.15	757	623
<b>Total current assets</b>		<b>14,097</b>	<b>11,119</b>
<b>Total assets</b>		<b>22,008</b>	<b>18,663</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	2.16	478	454
Other equity	2.17	9,789	8,209
<b>Total equity</b>		<b>10,267</b>	<b>8,663</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	2.19	933	1,150
ii. Lease liabilities	2.38	298	376
Provisions	2.21	214	225
Deferred tax liabilities (net)	2.20	34	48
Other non-current liabilities	2.22	31	34
<b>Total non-current liabilities</b>		<b>1,510</b>	<b>1,833</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	2.23	3,070	1,665
i. Lease liabilities	2.38	147	168
ii. Trade payables	2.24		
- total outstanding dues of micro enterprises and small enterprises		634	1,012
- total outstanding dues of creditors other than micro enterprises and small enterprises		4,080	3,207
iv. Other financial liabilities	2.25	1,828	1,860
Other current liabilities	2.26	275	178
Provisions	2.27	64	49
Current tax liabilities (net)	2.28	133	28
<b>Total current liabilities</b>		<b>10,231</b>	<b>8,167</b>
<b>Total liabilities</b>		<b>11,741</b>	<b>10,000</b>
<b>Total equity and liabilities</b>		<b>22,008</b>	<b>18,663</b>

Significant accounting policies

2

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

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

**Shashank Agarwal**

Partner

Membership No.: 095109

**Ashok Minda**

Chairman &amp; Group CEO

DIN 00054727

**Naresh Kumar Modi**

Executive Director &amp; CFO

DIN: 00089536

**Pardeep Mann**

Company Secretary

Membership No.: A 13371

Place : Gurugram

Date: 18 May 2021

Place : Gurugram

Date: 18 May 2021



# STATEMENT OF STANDALONE PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Million)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income</b>			
Revenue from operations	2.29	22,888	21,305
Other income	2.30	303	479
<b>Total income</b>		<b>23,191</b>	<b>21,784</b>
<b>Expenses</b>			
Cost of materials consumed	2.31	13,807	12,377
Purchases of stock-in-trade		962	701
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.32	(258)	(195)
Employee benefits expense	2.33	3,624	3,353
Finance costs	2.34	358	389
Depreciation and amortisation expense	2.1, 2.3	897	823
Other expenses	2.35	2,666	2,678
<b>Total expenses</b>		<b>22,056</b>	<b>20,126</b>
<b>Profit before tax and exceptional item</b>		<b>1,135</b>	<b>1,658</b>
Exceptional item	2.48	-	(3,666)
<b>Profit/(loss) before income tax</b>		<b>1,135</b>	<b>(2,008)</b>
<b>Tax expense</b>			
Current tax	2.20	312	480
Deferred tax	2.20	(14)	(77)
<b>Total tax expense</b>		<b>298</b>	<b>403</b>
<b>Profit/(loss) for the year</b>		<b>837</b>	<b>(2,411)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of defined benefit liabilities		-	(18)
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	4
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>-</b>	<b>(14)</b>
<b>Other comprehensive income for the year (net of tax)</b>		<b>-</b>	<b>(14)</b>
<b>Total comprehensive income for the year</b>		<b>837</b>	<b>(2,425)</b>
<b>Earnings per share [Par value of ₹ 2 per equity share]</b>			
Earnings per share (₹) (Basic)	2.18	3.62	(10.61)
Earnings per share (₹) (Diluted)		3.62	(10.61)

Significant accounting policies

2

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

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

**Shashank Agarwal**

Partner

Membership No.: 095109

**Ashok Minda**

Chairman & Group CEO

DIN 00054727

**Naresh Kumar Modi**

Executive Director & CFO

DIN: 00089536

**Pardeep Mann**

Company Secretary

Membership No.: A 13371

Place : Gurugram

Date: 18 May 2021

Place : Gurugram

Date: 18 May 2021



# STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Cash flow from operating activities</b>		
<b>Profit/(loss) before taxation</b>	<b>1,135</b>	<b>(2,008)</b>
Adjustments for:		
Depreciation and amortisation expense	897	823
Exceptional item	-	3,666
Bad debts and provision for doubtful trade receivables	26	8
Interest expense	327	353
(Profit)/ loss on sale/discard of property, plant and equipment (net)	-	15
Warranty expenses	14	10
Unrealised foreign exchange profit (including mark to market on derivative contracts)	(18)	(4)
Interest income	(254)	(352)
Dividend income	-	(35)
Liabilities/provision no longer required written back	(125)	(34)
Financial assistance fees	-	(9)
Employees stock compensation expense	13	3
<b>Operating cash flow before changes in following assets and liabilities</b>	<b>2,015</b>	<b>2,436</b>
(Increase)/decrease in trade receivables	(901)	1,262
Increase in inventories	(525)	(694)
Increase in loans, other financial assets and other assets	(135)	(302)
Increase/(decrease) in other financial liabilities and other liabilities	90	(99)
(Decrease)/increase in provisions	(9)	6
Increase in trade payables	511	834
<b>Cash generated from operating activities</b>	<b>1,046</b>	<b>3,443</b>
Income tax paid (net)	(194)	(487)
<b>Net cash generated from operating activities (A)</b>	<b>852</b>	<b>2,956</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(1,279)	(1,252)
Sale of property, plant and equipment	44	23
Dividend received	-	35

(₹ in Million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Investment in subsidiaries	(5)	(197)
Loan given to subsidiary company (net)	-	(152)
Payment against corporate guarantee on behalf of subsidiary company	(906)	-
Investment made in bank deposits	(684)	(467)
Interest received	243	521
<b>Net cash used in investing activities (B)</b>	<b>(2,587)</b>	<b>(1,489)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of Equity Shares (net of expenses)	824	-
Payment of dividend (inclusive of dividend distribution tax)	(72)	(203)
Proceeds from /(repayment) of current borrowings (net)	1,405	(797)
Proceeds from non-current borrowings	1,025	742
Repayment of non-current borrowings	(938)	(590)
Interest paid	(282)	(293)
Repayment of lease liabilities (refer note 3 below)	(238)	(204)
<b>Net cash generated from/(used in) financing activities (C)</b>	<b>1,724</b>	<b>(1,345)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(11)</b>	<b>122</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>185</b>	<b>63</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>174</b>	<b>185</b>

Significant accounting policies 2

**Notes:**

- The above Standalone Statement of cash flows has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS)- 7 "Statement of Cash Flow".
- Cash and cash equivalents consists of cash in hand and balances with scheduled banks. Refer note 2.11
- Includes interest on lease liabilities amounting to ₹ 47 million (Previous year ₹ 59 million)
- Refer note no. 2.19 for change in financing activities.

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

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

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

**Shashank Agarwal**  
Partner  
Membership No.: 095109

**Ashok Minda**  
Chairman & Group CEO  
DIN 00054727

**Naresh Kumar Modi**  
Executive Director & CFO  
DIN: 00089536

**Pardeep Mann**  
Company Secretary  
Membership No.: A 13371

Place : Gurugram  
Date: 18 May 2021

Place : Gurugram  
Date: 18 May 2021



# STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Million)

## A. Equity share capital

Particulars	Amount
Balance as at 1 April 2019	454
Changes in equity share capital during the year	-
Balance as at 31 March 2020	454
Changes in equity share capital during the year	24
Balance as at 31 March 2021	478

## B. Other equity

(₹ in Million)

Particulars	Attributable to owners of the Company								Total
	Reserves and surplus (2)							Items of Other Comprehensive Income (2)	
	Capital redemption reserve	Capital reserve on amalgamation	Securities premium reserve	General reserve	Employee stock compensation option outstanding	Equity component of compound financial instrument - Cumulative redeemable preference share	Retained earnings	Remeasurement of defined benefit obligations	
Balance as at 1 April 2019	192	460	4,136	518	37	47	5,528	-	10,918
Loss for the year	-	-	-	-	-	-	(2,411)	-	(2,411)
Other comprehensive income	-	-	-	-	-	-	-	(14)	(14)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	<b>(2,411)</b>	<b>(14)</b>	<b>(2,425)</b>
Impact on account of adoption of Ind AS 116	-	-	-	-	-	-	(84)	-	(84)
Remeasurement of defined benefit liability/(asset)	-	-	-	-	-	-	(14)	14	-
Issue of equity shares on exercise of share based awards during the year	-	-	-	25	(25)	-	-	-	-
Interim dividend (including dividend distribution tax)	-	-	-	-	-	-	(96)	-	(96)
Final dividend (including dividend distribution tax)	-	-	-	-	-	-	(107)	-	(107)
Employee stock compensation expense	-	-	-	-	3	-	-	-	3
<b>Balance as at 31 March 2020</b>	<b>192</b>	<b>460</b>	<b>4,136</b>	<b>543</b>	<b>15</b>	<b>47</b>	<b>2,816</b>	<b>-</b>	<b>8,209</b>
<b>Balance as at 1 April 2020</b>	<b>192</b>	<b>460</b>	<b>4,136</b>	<b>543</b>	<b>15</b>	<b>47</b>	<b>2,816</b>	<b>-</b>	<b>8,209</b>
Profit for the year	-	-	-	-	-	-	837	-	837
Other comprehensive income	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>837</b>	<b>-</b>	<b>837</b>
Remeasurement of defined benefit liability/(asset)	-	-	-	-	-	-	-	-	-
Premium on issue of shares	-	-	806	-	-	-	-	-	806
Issue of equity shares on exercise of share based awards during the year	-	-	-	6	(6)	-	-	-	-
Amount utilised towards expenses for increase in share capital	-	-	(6)	-	-	-	-	-	(6)
Interim dividend	-	-	-	-	-	-	(72)	-	(72)
Employee stock compensation expense	-	-	-	-	15	-	-	-	15
<b>Balance as at 31 March 2021</b>	<b>192</b>	<b>460</b>	<b>4,936</b>	<b>549</b>	<b>24</b>	<b>47</b>	<b>3,581</b>	<b>-</b>	<b>9,789</b>

### Notes:

(1) During the year ended 31 March 2020, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity. With the abolition of dividend distribution tax effective from 01 April 2020, dividends will be taxable in the hands of recipient and hence dividend distribution tax is not applicable.

(2) Refer note 2.17 for nature and purpose of other equity.

Significant accounting policies 2

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

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

**Shashank Agarwal**

Partner

Membership No.: 095109

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**Naresh Kumar Modi**

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DIN: 00089536

**Pardeep Mann**

Company Secretary

Membership No.: A 13371

Place : Gurugram  
Date: 18 May 2021

Place : Gurugram  
Date: 18 May 2021

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 1. Reporting entity

Minda Corporation Limited (the 'Company') is a company domiciled in India, with its registered office situated at A-15, Phase -1 Ashok Vihar, Delhi - 110052. The principal place of business is 5th Floor, Plot no-404/405, Sector -20, Udyog Vihar, Phase-III, Gurugram, Haryana, 122016. The Company has been incorporated under the provisions of Indian Companies Act, 1956 and its equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company is primarily involved in manufacturing of Automobile Components and Parts thereof.

Pursuant to the Scheme of Amalgamation ('Scheme') under the provisions of Section 230 to 232 of the Companies Act, 2013, for amalgamation of Minda SAI Limited, Minda Automotive Solutions Limited, Minda Management Services Limited, Minda Autoelektrik Limited and Minda Telematics and Electric Mobility Solutions Private Limited (formerly EI Labs India Private Limited) (together referred to as "transferor companies"), into Minda Corporation Limited ("Transferee Company") as approved by the Hon'ble National Company Law Tribunal vide its order dated 19 July 2019, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company without any consideration.

## 2. Significant accounting policies

### A. Basis of preparation

#### (i) Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act, 2013 (the 'Act'), read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act ("financial statements").

The financial statements were authorized for issue by the Company's Board of Directors on 18 May 2021.

#### (ii) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees (₹). All amounts have been rounded-off to the nearest million Rupees unless otherwise indicated. Further, at some places '-' are also put up to values below ₹ 500,000 to make financials in round off to Rupees in millions.

#### (iii) Basis of measurement

These Standalone Financial Statements have been prepared on a historical cost basis, except for the following items which have been measured at fair value or revalued amount:

Items	Measurement Basis
Certain financial assets and liabilities (including derivatives instruments)	Fair Value
Liabilities for equity-settled share-based payment Arrangements	Fair Value
Net defined benefit (asset)/ liability defined benefit obligations	Fair value of plan assets less present value of

#### (iv) Use of estimates and judgement

In preparation of these standalone financial statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Standalone Financial Statements is included in the following notes.

#### Assumptions, judgement and estimation uncertainties

- Recognition and estimation of tax expense including deferred tax – Note 2.20
- Estimated impairment of financial and non-financial assets – Note 2B(viii), Note 2B(xxii) and Note 2.1
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2B(iv) and Note 2B(v)
- Estimation of obligations relating to employee benefits: key actuarial assumptions – Note 2.21.2
- Valuation of Inventories – Note 2B(vii)
- Share based payments – Note 2.41
- Recognition and measurement of provisions and contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 2.37, Note 2.21 and Note 2.28
- Fair value measurement – Note 2.50

#### v) Measurement of fair values

A number of accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.



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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 2.50 – Financial instruments.

## B. Summary of significant accounting policies

### i) Current and non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

#### Assets

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

- it expects to be realise the assets, or intends to sell or consume it, in its normal operating cycle;
- it hold the asset primarily for the purpose of trading;
- it is expects to realise the asset within 12 months after the reporting period; or
- the asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

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:

- it is expects to settle in its normal operating cycle;
- it hold primarily for the purpose of trading;
- the liability is due to be settled within 12 months after the reporting period; or

- it does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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

### ii) Foreign currency transactions and translations

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transactions and monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, are translated at the balance sheet date exchange rates. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the balance sheet date exchange rates are generally recognised in statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing cost are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments (other than investment in subsidiaries and joint ventures) held at fair value through profit or loss are recognized in statement of profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments (other than investment in subsidiaries and joint ventures) classified as FVOCI are recognized in other comprehensive income.

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

### iii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the

revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, Goods and Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

### Sale of goods

The Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned or deferred revenue is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition:

- a) The Company's contracts with customers could include promises to transfer products to a customer.

The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

### Export benefits

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

### Other operating income

Service income including job work income is recognized as per the terms of contracts with customers when the related services are rendered. Income from royalty, technical know-how arrangements is recognized on an accrual basis in accordance with the terms of the relevant agreement.



**Dividend and interest income**

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

**iv) Property, plant and equipment**

**(a) Recognition and measurement**

Item of property, plant and equipment are carried at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, import duties and non-refundable purchase taxes, duties or levies, after deducting trade discounts and rebates, any other directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and removing the items and restoring the site on which it is located. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 2(A)(iv) regarding significant accounting judgements, estimates and assumptions.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Standalone Statement of Profit and Loss when the asset is derecognized.

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

A property, plant and equipment is eliminated from the Standalone Financial Statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising disposal of property, plant and equipment is recognized in the Standalone Statement of Profit and Loss.

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

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the

asset and are recognized in the Standalone Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Advance paid towards the acquisition of property, plant and equipment are shown under non-current asset and property, plant and equipment under construction are disclosed as capital work-in-progress. Capital work in progress includes cost of assets at site, direct and indirect expenditure incidental to construction and interest on the funds deployed for construction..

**(b) Subsequent costs**

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. The costs of the day to day servicing of property, plant and equipment are recognised in the standalone statement of profit and loss as incurred.

**(c) Derecognition**

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the standalone statement of profit and loss.

**(d) Depreciation**

Depreciation on property, plant and equipment is provided on the straight-line method at the rates reflective of the estimated useful life of the assets estimated by the management.

The identified components are depreciated over their useful life, the remaining asset is depreciated over the life of the principal asset. Leasehold improvements are depreciated over the shorter of the lease term and their useful lives. Freehold land is not depreciated.

The Company has used the following rates to provide depreciation which coincides with the rates indicated in Schedule II of the Act on its property, plant and equipment, except for Non – commercial vehicles.

Factory Buildings	30 years
Plant and Machinery	5 – 15 years
Electrical Installations	10 years
Office Equipment	5 years
Furniture & Fixtures	10 years
Computer hardware	3 years

The management has estimated, supported by



independent assessment by technical experts, professionals, the useful lives vehicles as 4 years which is lower than those indicated in Schedule II.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

## v) Goodwill and other intangible assets

### a) Recognition and measurement

Intangible assets comprise of goodwill, computer software, brands and trademarks acquired for internal use and are recorded at the consideration paid for acquisition of such assets are carried at cost less accumulated amortization and accumulated impairment, if any. Goodwill represents the excess of purchase consideration over the fair value of net assets/liabilities purchased.

The useful lives of intangible assets are assessed as either finite or indefinite

### b) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

### c) Derecognition

Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the consolidated statement of profit and loss.

### d) Amortisation

The intangible (except goodwill) assets are amortised over the period of five years, which in the management's view represent the economic useful life. Amortisation expense is charged on a pro-rata basis for assets purchased during the year. The amortization period and the amortization method for an intangible asset are reviewed at the end of each reporting period. Goodwill is tested for impairment on an annual basis.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone statement of profit and loss.

## vi) Borrowing Cost

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

## vii) Inventories

Inventories which includes raw materials, components, stores, work in progress, finished goods and spares are valued at lower of cost and net realizable value. However, raw materials, components and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost or in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The basis of determination of cost for various categories of inventory is as follows:

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

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realizable value is made on an item-by-item basis



#### viii) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

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

An asset's recoverable amount is the higher of an individual asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses, if any, are recognized in the Standalone Statement of Profit and Loss. Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

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

Goodwill is tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

#### ix) Research and Development

Revenue expenditure on research is expensed off under the respective heads of account in the year in which it is incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses, if any. Property, plant and equipment used for research and development are depreciated in accordance with the Company's policy as stated above. Expenditure incurred at development phase, where it is reasonably certain that outcome of development will be commercially exploited to yield economic benefits to the Company, is considered as an intangible asset and amortized over the estimated life of the assets.

#### x) Corporate Social Responsibility ("CSR") expenditure:

CSR expenditure incurred by the Company is charged to the Standalone Statement of the Profit and Loss.

#### xi) Government Grant and Subsidies

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

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

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

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

#### xii) Cash dividend and non-cash distribution to equity holders

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

### xiii) Employee Benefits

#### Short – term employee benefits

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

#### Defined contribution plan:

**Provident fund:** Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both the employees and the employer make monthly contributions to the provident fund (with Regional Provident Fund Commissioner) equal to specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions.

#### Defined benefit plan:

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

#### Other long term employee benefit:

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

#### Other employee benefit plans:

##### Actuarial valuation:

The liability in respect of all defined benefit plans and other long term employee benefit is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary primarily using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the Standalone Statement of profit and loss. Gains or

losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in 'other equity' in the standalone statement of Changes in Equity and in the standalone Balance Sheet.

#### xiv) Accounting for warranty

Warranty costs are estimated by the Group 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 consolidated 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) Leases

Effective 1 April 2019, the Company has applied Ind AS 116 using modified retrospective approach.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether:

the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

the Company has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and

the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

This policy is applicable to contracts entered into, or changed, on or after 1 April 2019.



At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

#### *Company as lessee*

The Company accounts for assets taken under lease arrangement in the following manner:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the basis of remaining lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *Short-term leases and leases of low-value assets*

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **xvi) 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 non-current investments.

#### **xvii) Segment reporting**

##### Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company is primarily engaged in the manufacturing and assembling of safety and security systems and its associated components for the automotive industry. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risk and returns hence CODM reviews as one balance sheet component.

#### **xviii) Income taxes**

Income tax expense comprises current and deferred tax. It is recognised in standalone statement of profit and loss except to the extent that it relates to items recognised directly in equity.

##### **(a) Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

When the Company concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the Company reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates. The Company reflects the effect of uncertainty for each uncertain tax treatment by using the most likely amount method.

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

#### **(b) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Significant management judgement is required to determine the probability of deferred tax asset. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The criteria for recognising deferred tax assets arising from the carryforward of unused tax losses and tax credits are the same as the criteria for recognising deferred tax assets arising from deductible temporary differences. However, the existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, the Company recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **xix) Earnings per Share**

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity

shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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 except where the results will be anti-dilutive.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

#### **xx) Provisions, contingent liabilities and contingent assets**

A provision is created when there is a present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value money and risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates.

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

Provision for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are 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 recognised in the standalone financial statements of the period in which the change occurs.



### xxi) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank, cash on hand and cheques on hand as they are considered an integral part of the Company's cash management

### xxii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### i. Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

#### ii. Classification and subsequent measurement

##### Financial assets

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair Value through Other Comprehensive Income ('FVOCI') – debt instrument;
- FVOCI – equity investment; or
- FVTPL

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

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and

fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables. Company has recognized financial assets viz. security deposit, trade receivables, employee advances at amortized cost.

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is re-classified from the equity to Standalone Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument,

excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Standalone Statement of Profit and Loss.

#### *Investments in joint ventures/ associate*

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

#### *Investments in subsidiaries*

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

#### *Financial assets: Business model assessment*

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

*Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest*

For the purpose of this assessment 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingents events that would change the amounts or timings of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non - recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, as feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.



*Financial assets: Subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

*Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

**iii. Derecognition**

*Financial assets*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

*Financial liabilities*

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

**iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**v. Derivative financial instruments**

The Company uses derivative instruments such as foreign exchange forward contracts and currency swaps to hedge its foreign currency and interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

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

*Impairment of financial assets*

The Company recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at FVOCI – debt instruments.

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

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

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss.



However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

#### *Measurement of expected credit losses*

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

#### *Presentation of allowance for expected credit losses in the balance sheet*

Loss allowance for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to the Standalone Statement of the Profit and Loss and is recognized in OCI.

#### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Company's procedures for the recovery of amount due.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for the measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortized cost e.g., deposits and advances
- b. Trade receivables that result from transactions that are within the scope of Ind AS 115
- c. Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide

for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Standalone Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Standalone Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

**xxiii) Employee stock option schemes**

The Company has adopted the policy to account for Employees Welfare Trust as a legal entity separate from the company but as a subsidiary of the company. Any loan from the company to the trust is accounted for as a loan in accordance with its term. The cost is calculated based on the fair value method i.e. the excess of fair value of underlying equity shares as of the date of the grant of options over the exercise price of such options is regarded as employee compensation and in respect of the number of options that are expected to ultimately vest, such cost is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The grant date fair value of options granted to employees of the Company is recognized as an employee expense, and those granted to employees of subsidiaries is considered as the Company's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in share option outstanding account, over the period that the employees become unconditionally entitled to the options. The cost recognised at any date at least equals the fair value of the vested portion of the option at that date. Adjustment, if any, for difference in initial estimate for number of options that are expected to ultimately vest and related actual experience is recognised in the Statement of Profit and Loss of that period. In respect of vested options expire unexercised, the related cumulative cost is credited to the General Reserve. Note – 2.41.

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "employee stock option outstanding account". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (BlackScholes Merton). Corresponding balance of a share based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Company is operating the Employee Stock Option schemes through Minda Corporation Ltd. Employee Stock Option Scheme Trust, which has purchased share from the company.

**xxiv) Exceptional items**

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

**xxv) Business Combinations**

Business combinations (other than business combinations between common control entities) are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the consideration transferred, equity instruments issued, and liabilities incurred or assumed at the date of exchange. The consideration transferred does not include amounts related to the settlement of pre-existing relationships; such amounts are generally recognised in the standalone statements of profit or loss and other comprehensive income. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved, and they appear in the financial statements of the Company in the same form in which they appeared in the financial statement of the acquired entity. The differences, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

**C. Recent pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021.

## 2.1 (a) Property, plant and equipment and capital work in progress

	Gross block				Accumulated depreciation			Net block	
	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 1 April 2020	Depreciation for the year	On disposals	Balance as at 31 March 2021	Balance as at 31 March 2021
	(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)
Freehold land*	49	-	-	49	-	-	-	-	49
Buildings*	1,017	233	-	1,250	156	52	-	208	1,042
Leasehold improvements	136	4	-	140	43	7	-	50	90
Plant and equipment	4,381	925	40	5,266	1,347	534	25	1,856	3,410
Furniture and fixtures	133	22	4	151	53	17	2	68	83
Vehicles	195	17	44	168	93	40	25	108	60
Office equipment	146	9	7	148	80	14	6	88	60
Computer hardware	116	39	7	148	80	19	6	93	55
<b>Total (A)</b>	<b>6,173</b>	<b>1,249</b>	<b>102</b>	<b>7,320</b>	<b>1,852</b>	<b>683</b>	<b>64</b>	<b>2,471</b>	<b>4,849</b>
Capital work-in-progress	275	850	950	175	-	-	-	-	175
<b>Total (B)</b>	<b>275</b>	<b>850</b>	<b>950</b>	<b>175</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175</b>
<b>Total (A+B)</b>	<b>6,448</b>	<b>2,099</b>	<b>1,052</b>	<b>7,495</b>	<b>1,852</b>	<b>683</b>	<b>64</b>	<b>2,471</b>	<b>5,024</b>

	Gross block						Balance as at 31 March 2020 (f) = (c+d-e)
	Balance as at 1 April 2019	Reclassified on account of adoption of Ind AS 116	Balance as at 1 April 2019 after adoption of IndAS 116	Additions	Disposals		
	(a)	(b)	(c) = (a-b)	(d)	(e)		
Freehold land*	45	-	45	4	-	49	
Leasehold land	286	286	-	-	-	-	
Buildings*	1,005	-	1,005	17	5	1,017	
Leasehold improvements	109	-	109	27	-	136	
Plant and equipment	3,357	-	3,357	1,044	20	4,381	
Furniture and fixtures	121	-	121	14	2	133	
Vehicles	205	-	205	29	39	195	
Office equipment	146	-	146	6	6	146	
Computer hardware	113	-	113	10	7	116	
<b>Assets under finance lease</b>							
Plant and equipment	9	9	-	-	-	-	
<b>Total (A)</b>	<b>5,396</b>	<b>295</b>	<b>5,101</b>	<b>1,151</b>	<b>79</b>	<b>6,173</b>	
Capital work-in-progress	146	-	-	827	698	275	
<b>Total (B)</b>	<b>146</b>	<b>-</b>	<b>-</b>	<b>827</b>	<b>698</b>	<b>275</b>	
<b>Total (A+B)</b>	<b>5,542</b>	<b>295</b>	<b>5,101</b>	<b>1,978</b>	<b>777</b>	<b>6,448</b>	

	Accumulated depreciation					Net block	
	Balance as at 1 April 2019	Reclassified on account of adoption of Ind AS 116	Balance as at 1 April 2019 after adoption of IndAS 116	Depreciation for the year	On disposals	Balance as at 31 March 2020	Balance as at 31 March 2020
	(g)	(h)	(i) = (g-h)	(j)	(k)	(l) = (i+j-k)	(m) = (f-l)
Freehold land*	-	-	-	-	-	-	49
Leasehold land	9	9	-	-	-	-	-
Buildings*	118	-	118	41	3	156	861
Leasehold improvements	30	-	30	13	-	43	93
Plant and equipment	909	-	909	453	15	1,347	3,034
Furniture and fixtures	39	-	39	16	2	53	80
Vehicles	61	-	61	45	13	93	102
Office equipment	67	-	67	18	5	80	66
Computer hardware	64	-	64	22	6	80	36
<b>Assets under finance lease</b>							
Plant and equipment	4	4	-	-	-	-	-
<b>Total (A)</b>	<b>1,301</b>	<b>13</b>	<b>1,288</b>	<b>608</b>	<b>44</b>	<b>1,852</b>	<b>4,321</b>
Capital work-in-progress	-	-	-	-	-	-	275
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>275</b>
<b>Total (A+B)</b>	<b>1,301</b>	<b>13</b>	<b>1,288</b>	<b>608</b>	<b>44</b>	<b>1,852</b>	<b>4,596</b>

\* Freehold land having gross block of ₹ 42 million (previous year ₹ 42 million) and buildings having gross block of ₹ 311 million (previous year ₹ 322 million) transferred to the Company pursuant to the scheme of amalgamation duly approved by Hon'ble National Company Law Tribunal vide its order dated 19 July 2019 are pending for registration in the name of the Company.

Notes:

- Refer to note 2.19 and 2.23 for information on property, plant and equipment pledged as security by the Company.
- For commitments with respect to property, plant and equipment, refer note 2.36.



## 2.1 (b) Right of use assets

	Gross block				Accumulated depreciation			Net block	
	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 1 April 2020	Depreciation	On disposals	Balance as at 31 March 2021	Balance as at 31 March 2021
	(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)
Leasehold land*	292	-	7	285	16	7	1	22	263
Building	566	98	-	664	157	160	-	317	347
Plant and equipment	6	-	-	6	4	-	-	4	2
<b>Total</b>	<b>864</b>	<b>98</b>	<b>7</b>	<b>955</b>	<b>177</b>	<b>167</b>	<b>1</b>	<b>343</b>	<b>612</b>

	Gross block							Balance as at 31 March 2020
	Balance as at 1 April 2019	Transition impact of Ind AS 116	Reclassified on account of adoption of Ind AS 116	Balance as at 1 April 2019 after adoption of IndAS 116	Additions	Disposals		
	(a)	(b)	(c)	(d) = (a+b+c)	(e)	(f)	(g) = (d+e-f)	
Leasehold land*	-	3	286	289	3	-	292	
Building	-	536	-	536	37	7	566	
Plant and equipment	-	-	9	9	-	3	6	
<b>Total</b>	<b>-</b>	<b>539</b>	<b>295</b>	<b>834</b>	<b>40</b>	<b>10</b>	<b>864</b>	

	Accumulated depreciation					Net block	
	Balance as at 1 April 2019	Reclassified on account of adoption of Ind AS 116	Balance as at 1 April 2019 after adoption of IndAS 116	Depreciation	On disposals	Balance as at 31 March 2020	Balance as at 31 March 2020
	(h)	(i)	(j) = (h+i)	(k)	(l)	(m) = (j+k-l)	(n) = (g-m)
Leasehold land	-	9	301	7	-	16	276
Building	-	-	566	157	-	157	409
Plant and equipment	-	4	10	-	-	4	2
<b>Total</b>	<b>-</b>	<b>13</b>	<b>876</b>	<b>164</b>	<b>-</b>	<b>177</b>	<b>687</b>

\* Leasehold land having gross block of ₹ 25 million (previous year ₹ 41 million) transferred to the Company pursuant to the scheme of amalgamation duly approved by Hon'ble National Company Law Tribunal vide its order dated 19 July 2019 are pending for registration in the name of the Company.

## 2.2 Goodwill

	Gross block				Accumulated Impairment			Net block	
	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 1 April 2020	Impairment for the year	On disposals	Balance as at 31 March 2021	Balance as at 31 March 2021
	(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)
Goodwill	204	-	-	204	-	-	-	-	204
<b>Total</b>	<b>204</b>	<b>-</b>	<b>-</b>	<b>204</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>204</b>

	Gross block				Accumulated Impairment			Net block	
	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 1 April 2019	Impairment for the year	On disposals	Balance as at 31 March 2020	Balance as at 31 March 2020
	(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)
Goodwill	204	-	-	204	-	-	-	-	204
<b>Total</b>	<b>204</b>	<b>-</b>	<b>-</b>	<b>204</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>204</b>

## Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Unit (CGU) which represents the lowest level at which the goodwill is monitored for internal management reporting purposes.

The recoverable amount of the cash generating unit was based on its value in use. The value in use of this unit was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carry amount. Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation as at 31 March 2021 and 31 March 2020 was based on the following key assumptions:

- i. The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and the 5-year business plan in all periods presented.
- ii. The terminal growth rate ranges from 4% to 5% (Previous year: 4% to 5%) representing management view on the future long-term growth rate.
- iii. Discount rate ranging from 11% to 13% (Previous year: 11% to 14%) for all periods presented was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on past experience and companies weighted average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

### 2.3 Intangible assets

	Gross block				Accumulated amortisation			Net block	
	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 1 April 2020	Amortisation for the year	On disposals	Balance as at 31 March 2021	Balance as at 31 March 2021
	(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)
Brands/trademarks	134	-	-	134	84	24	-	108	26
Computer software	151	25	26	150	92	23	22	93	57
<b>Total</b>	<b>285</b>	<b>25</b>	<b>26</b>	<b>284</b>	<b>176</b>	<b>47</b>	<b>22</b>	<b>201</b>	<b>83</b>

	Gross block				Accumulated amortisation			Net block	
	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 1 April 2019	Amortisation for the year	On disposals	Balance as at 31 March 2020	Balance as at 31 March 2020
	(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)
Brands/trademarks	134	-	-	134	61	23	-	84	50
Computer software	143	9	1	151	65	28	1	92	59
<b>Total</b>	<b>277</b>	<b>9</b>	<b>1</b>	<b>285</b>	<b>126</b>	<b>51</b>	<b>1</b>	<b>176</b>	<b>109</b>

### 2.4 Investments

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Investment in Preference Shares</b>		
<b>Unquoted preference shares</b>		
520,000 (31 March 2020: 520,000) 0.001% Cumulative Redeemable preference shares of ₹100 each in Minda Capital Private Limited	15	14
<b>Investment in equity instruments of subsidiaries at cost</b>		
<b>Unquoted equity instruments</b>		
3,000 (31 March 2020: 3,000) equity shares of Euro 100 each fully paid up in Minda Europe B.V., Netherlands	17	17
Less: Provision for impairment loss (refer to note 2.48)	(17)	(17)
Nil (31 March 2020: 20,580,001) investment in Minda KTSN Plastic Solutions GmbH & Co. KG, Germany	-	2,207
Less: Provision for impairment loss (refer to note 2.48)	-	(2,207)
10,000 (31 March 2020: 10,000) equity shares of ₹ 10 each fully paid up in Spark Minda Foundation #	-	-
2,834,938 (31 March 2020: 2,834,938) equity shares of USD 1 each fully paid up in Almighty International Pte Limited	560	560
500,000 (31 March 2020: Nil) equity shares of ₹ 10 each fully paid up in Spark Minda Green Mobility System Private Limited	5	-
<b>Investment in equity instruments of equity investee</b>		
<b>Interest in joint ventures, unquoted</b>		
21,332,700 (31 March 2020: 21,332,700) equity shares of ₹ 10 each fully paid up in Minda Vast Access Systems Private Limited *	-	-



Particulars	As at 31 March 2021	As at 31 March 2020
6,069,000 (31 March 2020: 6,069,000) equity shares of ₹ 10 each fully paid up in Minda Stoneridge Instruments Limited	652	652
<b>Interest in associate, unquoted</b>		
29,375,000 (31 March 2020: 29,375,000) equity shares of ₹ 10 each fully paid up in Furukawa Minda Electric Private Limited	273	273
<b>Investment in equity instruments at cost</b>		
<b>Unquoted equity instruments</b>		
28,180,001 (31 March 2020: Nil) investment in Minda KTSN Plastic Solutions GmbH & Co. KG, Germany	2,207	-
Less: Provision for impairment loss (refer to note 2.48)	(2,207)	-
130 (31 March 2020: Nil) equity shares of ₹ 10 each fully paid up in AMP Solar Urja Private Limited <sup>®</sup>	-	-
	<b>1,505</b>	<b>1,499</b>

# amount in absolute is ₹ 100,000 (31 March 2020: ₹ 100,000)

\* amount in absolute is ₹ 901 (31 March 2020 ₹ 901)

® amount in absolute is ₹ 1,300 (31 March 2020 ₹ Nil)

Particulars	As at 31 March 2021	As at 31 March 2020
Aggregate amount of unquoted investments (gross of impairment)	3,729	3,724
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of impairment in value of investments (refer to note 2.48)	2,224	2,224

## 2.5 Loans

(unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non Current</b>		
Loan to related party (refer to note 2.39)	102	102
Security deposits	87	74
Security deposits to related parties (refer to note 2.39)	41	39
	<b>230</b>	<b>215</b>

## 2.6 Other financial assets

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non Current</b>		
Balances with banks		
-Deposits due to mature after 12 months from the reporting date	1	1
Interest accrued on loan to related party	79	86
	<b>80</b>	<b>87</b>

## 2.7 Income tax assets

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income tax (net of provision)	27	27
	<b>27</b>	<b>27</b>

## 2.8 Other non-current assets

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Capital advances	131	100
Prepaid expenses	2	2
Receivable from government authorities	14	18
	<b>147</b>	<b>120</b>

## 2.9 Inventories

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials (including packing materials, tools and dies)	1,945	1,595
Add: materials-in-transit	<u>81</u> 2,026	<u>168</u> 1,763
Work-in-progress	670	583
Finished goods	359	435
Add: goods-in-transit	<u>259</u> 618	<u>257</u> 692
Stock in trade	363	120
Add: goods-in-transit	<u>24</u> 387	<u>22</u> 142
Stores and spares	50	46
	<b>3,751</b>	<b>3,226</b>

Refer to note 2.19 and 2.23 for information on inventories pledged as security by the Company.

The cost of inventories recognised as an expense includes ₹ 17 million (Previous year: ₹ 17 million) in respect of write-downs of inventory to net realisable value (excluding provision for obsolete inventory).

## 2.10 Trade receivables

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
- Considered good	4,134	3,095
- Considered doubtful	44	21
Less: Loss allowance for credit impairment	(44)	(21)
Receivables from related parties (refer note 2.39)	141	175
	<b>4,275</b>	<b>3,270</b>

Refer to note 2.18 and 2.23 for information on trade receivables pledged as security by the Company..



## 2.11 Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Balances with banks</b>		
-Deposits with original maturity of 3 months or less	-	36
-On current accounts	167	144
-Other bank balances	4	2
<b>Cash and cash equivalents</b>		
-Cash on hand	3	3
	<b>174</b>	<b>185</b>

The disclosures regarding details of specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since the requirement does not pertain to the financial year ended 31 March 2021.

## 2.12 Other bank balances

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance with bank		
-Deposits due to mature within 12 month on the reporting date**	4,447	3,763
	<b>4,447</b>	<b>3,763</b>

\*\*Deposits include ₹ 146 million (31 March 2020: ₹ 2 million) being fixed deposits held as margin money or security against borrowings, guarantee.

## 2.13 Loans

(unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
Security deposits	4	7
Loan to related party (refer to note 2.39)	414	414
Less: Loss allowance for doubtful loan (refer to note 2.48)	(414)	(414)
	<b>4</b>	<b>7</b>

(₹ in million)

Movement in expected credit loss on loans	As at 31 March 2021	As at 31 March 2020
Opening balance	414	-
Add : Created during the year	-	414
Less : Utilisation during the year	-	-
Closing balance	<b>414</b>	<b>414</b>

## 2.13.1 Details of loans given to related parties

Name of subsidiary	Rate of Interest	Nature of loan / advance	As at 31 March 2021	As at 31 March 2020
Minda KTSN Plastic Solution GMBH & Co.KG, Germany	12%	Unsecured short term loan	-*	-*

\* Net of provision for loss allowance amounting to ₹ 414 million (previous year ₹ 414 million)



## 2.14 Other financial assets

(₹ in million)

Movement in expected credit loss on loans	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
Interest accrued on fixed deposits	41	24
Interest accrued on loans to related party (refer note 2.39)	-	110
Unbilled revenue	144	2
Mark to market gain on forward cover	10	-
Advances to employees	21	19
Receivable pursuant to settlement agreement (refer note 2.37B and 2.39)	473	-
Receivable from related party (refer note 2.39)	-	47
<b>Sub total</b>	<b>689</b>	<b>202</b>
Less: Loss allowance for interest accrued on loan to related party (refer to note 2.48)	-	(110)
Less: Loss allowance for receivable from related parties (refer to note 2.48)	-	(47)
	<b>689</b>	<b>45</b>

(₹ in million)

Movement in loss allowance for interest accrued on loan to related party and receivable from related party	As at 31 March 2021	As at 31 March 2020
<b>Opening balance</b>	<b>157</b>	-
Add : Created during the year	-	157
Less : Utilisation during the year	(157)	-
<b>Closing balance</b>	<b>-</b>	<b>157</b>

## 2.15 Other current assets

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with government authorities	242	191
Prepaid expenses	58	88
Advances to suppliers	286	237
Export benefits/rebate claims/grants receivables	163	92
Forward cover receivable [net of forward payable of ₹ Nil million (31 March 2020: ₹ 224 million)]	-	10
Others	8	5
	<b>757</b>	<b>623</b>

## 2.16 Share capital

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>2.16.1 Authorised</b>		
692,500,000 (31 March 2020: 692,500,000) equity shares of ₹ 2 each.	1,385	1,385
240,000 (31 March 2020: 240,000) 0.001% cumulative redeemable preference shares of ₹ 800 each	192	192
	<b>1,577</b>	<b>1,577</b>
<b>2.16.2 Issued, subscribed and fully paid- up shares</b>		
<b>Equity shares of ₹ 2 each (previous year ₹ 2 each)</b>		
239,079,428 (31 March 2020: 227,222,285) equity shares of ₹ 2 each	478	454
	<b>478</b>	<b>454</b>



### 2.16.3 Reconciliation of share capital outstanding as at the beginning and at the end of the year

Equity shares of ₹ 2 each (31 March 2020: ₹ 2 each) fully paid up

(₹ in million)

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year (face value ₹ 2 per share)	227,222,285	454	227,222,285	454
Add: Issued during the year (face value ₹ 2 per share)	11,857,143	24	-	-
<b>Balance as at the end of the year [face value of ₹ 2 each (31 March 2020: ₹ 2 each)]</b>	<b>239,079,428</b>	<b>478</b>	<b>227,222,285</b>	<b>454</b>

Pursuant to the approval of the shareholders on 23 March 2014, the Company had allotted Bonus shares in the ratio of 1:1 and the nominal value of shares of the Company has been sub-divided from ₹ 10 (Rupees Ten) per share to ₹ 2 (Rupees Two) per share. Consequent to the same, the number of the equity shares of the Company has increased from 20,931,164 equity shares of ₹ 10 each to 209,311,640 shares (including shares held by Minda Corporation limited - Employee Stock Option Scheme trust) of ₹ 2 each.

### 2.16.4 Rights, preferences and restrictions attached to each class of shares

#### a) Equity shares of ₹ 2 each (31 March 2020: ₹ 2 each) fully paid up

The Company has one class of equity shares having a par value of ₹ 2 per share (31 March 2020 : ₹ 2 per share). Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### b) 0.001% cumulative redeemable preference shares of ₹ 800 each fully paid up

The Company had 240,000 cumulative redeemable preference shares of ₹ 800 each. The shares carry right of fixed preferential dividend at a rate of 0.001%. The holders of these shares do not have the right to vote and are compulsorily redeemable at par on or before the expiry of 20 years from the date of allotment. The dividend on the shares shall be cumulative and any unpaid dividend shall be added to the amount payable as dividend in the following year and no dividend can be paid on equity shares until the entire backlog of unpaid dividends on these shares is cleared. In the event of liquidation, these share holders are entitled to get their capital after satisfaction of dues for secured creditors, but they get preference over equity share capital. The shares have been redeemed during the year ended 31 March 2018.

### 2.16.5 Details of shareholders holding more than 5% shares as at year end

#### a) Equity shares of ₹ 2 each (31 March 2020: ₹ 2 each) fully paid up

Name of shareholders	As at 31 March 2021		As at 31 March 2020	
	% of holdings	Number of shares held	% of holdings	Number of shares held
(i) Ashok Minda	34.1%	81,466,380	35.9%	81,466,380
(ii) Sarika Minda	14.0%	33,394,900	14.8%	33,394,900
(iii) Minda Capital Private Limited	16.1%	38,581,298	17.0%	38,581,298
		<b>153,442,578</b>		<b>153,442,578</b>

### 2.16.6 Shares allotted as fully paid up by way of bonus issue (during five years immediately preceding 31 March 2021)

Particulars	Years (number and aggregate number of shares)					
	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Fully paid up equity shares of ₹ 2 each	-	-	-	-	-	-
Cumulative number of shares of ₹ 2 each	192,508,430	192,508,430	192,508,430	192,508,430	192,508,430	192,508,430

### 2.16.7 Issue of shares to Minda Corporation Limited Employees' Stock Option Scheme

Pursuant to the Board of Director's approval in Board meeting held on 29 September 2011, the Company has constituted a trust under the name "Minda Corporation Limited Employee Stock Option Scheme Trust" (MCL ESOS Trust), with the objective of acquiring and holding of shares, warrants or other securities of the Company for the purpose of implementing the Company's

ESOP Scheme. The Company has contributed a sum of ₹ 0.1 million towards initial trust fund and later on advanced a sum of ₹ 134 million to fund the purchase of Company's equity shares by MCL ESOS trust. The Company had issued and allotted, 267,092 equity shares of the Face Value ₹ 10 each at the premium of ₹ 490 per equity share to the MCL ESOS Trust, as approved in the Extra ordinary general meeting dated 24 October 2011. Further, the Company had issued bonus shares in proportion of one equity share for one share held on 29 March 2012, as decided in Extra ordinary general meeting held on 16 March 2012. During the financial year ended 31 March 2017, the members of the Company had approved 'Employee Stock Option Scheme, 2017' through Postal Ballot on 10 February 2017. The plan envisaged grant of stock options to eligible employees at an exercise price equal to the latest available closing price discounted by 50% or such other percentage as may be decided by the Nomination and Remuneration Committee. Refer note 2.41.

#### 22.16.8 Qualified Institutional Placement (QIP) of equity shares

During the year ended 31 March 2019, the Company has raised funds amounting to ₹ 3,056 million (net of expenses of ₹ 50 million) by way of Qualified Institutional Placement (QIP) of equity shares for the objects of working capital requirement, repayment of outstanding loan, investment in subsidiaries and joint ventures, to fund growth and expansion and towards corporate general purpose. The Company has issued 17,910,645 shares at a price of ₹ 173.47 per share whereby equity share capital has increased by ₹ 36 million and securities premium is increased by ₹ 3,020 million (net of expenses).

Details of utilization of QIP proceeds are as follows:

(₹ in million)

Objects of the issue as per prospectus	Proceeds from QIP	Utilized upto 31 March 2021	Unutilized amount as at 31 March 2021
Working capital requirement, repayment of outstanding loan, investment in subsidiaries and joint ventures, to fund growth and expansion and towards corporate general purpose	3,056	-	3,056

The unutilized amount of the issue as at 31 March 2021 has been temporarily deployed in bank accounts.

#### 2.16.9 Preferential allotment of equity shares of equity shares

During the year ended 31 March 2021, the Company has raised additional capital aggregating to ₹ 824 million (net of expenses of ₹ 6 million) by way of preferential allotment of equity shares. The Company has issued 11,857,143 shares at a price of ₹ 70/- per share whereby equity share capital has increased by ₹ 24 million and securities premium account is increased by ₹ 800 million (net of expenses of ₹ 6 million).

Details of utilization of preferential allotment proceeds are as follows:

(₹ in million)

Objects of the issue	Proceeds from preferential allotment	Utilized upto 31 March 2021	Unutilized amount as at 31 March 2021
Working capital requirement, repayment of outstanding loan, investment in subsidiaries and joint ventures, to fund growth and expansion and towards corporate general purpose	824	824	-

#### 2.17 Other Equity

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>2.17.1 Capital reserve on amalgamation</b>		
Opening balance	460	460
<b>Closing balance</b>	<b>460</b>	<b>460</b>
<b>2.17.2 Securities premium</b>		
Opening balance	4,136	4,136
Add: Premium on issue of shares	806	-
Less: Amount utilised towards expenses for increase in share capital	(6)	-
<b>Closing balance</b>	<b>4,936</b>	<b>4,136</b>
<b>2.17.3 Capital redemption reserve</b>		
Opening balance	192	192
<b>Closing balance</b>	<b>192</b>	<b>192</b>



Particulars	As at 31 March 2021	As at 31 March 2020
<b>2.17.4 Equity component of compound financial instrument - Cumulative redeemable preference share</b>		
Opening balance	47	47
<b>Closing balance</b>	<b>47</b>	<b>47</b>
<b>2.17.5 Employee stock compensation option outstanding</b>		
At commencement of the year	15	37
Less: Issue of equity shares on exercise of share based awards during the year	(6)	(25)
Add: Amount transferred to Employee stock compensation during the year	15	3
<b>Closing balance</b>	<b>24</b>	<b>15</b>
<b>2.17.6 General reserve</b>		
Opening balance	543	518
Add: Issue of equity shares on exercise of share based awards during the year	6	25
<b>Closing balance</b>	<b>549</b>	<b>543</b>
<b>2.17.7 Remeasurement of defined benefit obligation, net</b>		
Opening balance	-	-
Add / (less) : Remeasurement of define benefit obligation, net of tax	-	(14)
Transferred to retained earning	-	14
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>2.17.8 Retained earnings</b>		
<b>Opening balance</b>	<b>2,816</b>	<b>5,528</b>
<b>Add: Net profit for the year</b>	<b>837</b>	<b>(2,411)</b>
	<b>3,653</b>	<b>3,117</b>
Less: Impact on account of adoption of Ind AS 116 (including tax)	-	(84)
Less : Interim dividend (including dividend distribution tax)		
- equity shares at ₹ 0.30 per share (31 March 2020: ₹ 0.35 per share)]	(72)	(96)
- equity shares at ₹ Nil per share (31 March 2020: ₹ 0.45 per share)]	-	(107)
Add : Remeasurement of define benefit obligation, net of tax	-	(14)
<b>Closing balance</b>	<b>3,581</b>	<b>2,816</b>
	<b>9,789</b>	<b>8,209</b>

2.17.9 The Board of Directors, in their meeting held on 18 May 2021 has recommended final dividend of ₹ 0.35 per share (₹ 84 million). Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March 2021. The total dividend declared on equity shares of the Company for the year 2020-21 is ₹ 0.65 per equity share (face value of ₹ 2 per share). With the abolition of dividend distribution tax effective from 01 April 2020, dividends will be taxable in the hands of recipient and hence dividend distribution tax is not applicable.

#### 2.17.10 Nature and purpose of other equity

- **Securities premium**

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

- **Capital redemption reserve**

This represents the unutilised accumulated amount set aside at the time of redemption of preference share. This reserve is utilised in accordance with the provisions of the Act.

- **General reserve**

This represents appropriation of profit by the Company and is available for distribution of dividend.

- **Employee stock compensation option outstanding**

The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to ESOP outstanding. Further, equity settled share based payment transaction with employees of subsidiary is recognised in investment of subsidiaries with corresponding credit to ESOP outstanding. Corresponding balance of a ESOP outstanding is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Company is operating the Employee Stock Option scheme.

- **Remeasurements of defined benefit obligation, net**

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

- **Equity component of compound financial instrument - Cumulative redeemable preference share**

The Company had issued compulsory redeemable preference shares @0.001% (below market rate). The same were recorded at cost under previous GAAP. The Company has redeemed such preference shares during the current year. Under Ind AS, the preference shares is treated as compound financial instruments and accordingly, classified as financial liability and equity. The same is recognised at amortized cost and is discounted using market rate. The differential between Fair Value and Book Value is considered as equity portion of compound financial instrument.

- **Capital Reserve on amalgamation**

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

## 2.18 Earning per share

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Net profit attributable to equity shareholders</b>		
(Loss)/Profit after tax	837	(2,411)
<b>Number of weighted average equity shares</b>		
Basic	224,719,702	227,222,285
Diluted	224,719,702	227,222,285
Nominal value of equity share (₹)	2.00	2.00
Earnings per share (₹) (Basic)	3.62	(10.61)
Earnings per share (₹) (Diluted)	3.62	(10.61)

## 2.19 Non current borrowings

(₹ in million)

Particulars	Footnote	Non-current maturities		Current maturities	
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>					
<b>Secured</b>					
Term loans					
from banks	[1]	922	1,129	399	500
Vehicle Loan	[2]	11	19	10	18
<b>Unsecured</b>					
<b>Term loans</b>					
from banks	[3]	-	-	418	-
<b>Deferred sales tax liabilities</b>					
State Industrial and Investment Corporation of Maharashtra Limited	[4]	-	2	2	6
		<b>933</b>	<b>1,150</b>	<b>829</b>	<b>524</b>
Less: Amount shown under other current financial liabilities (refer to note 2.25)		-	-	829	524
		<b>933</b>	<b>1,150</b>	-	-



## Footnotes:

(₹ in million)

No.	Detail of Loan	As at 31 March 2021*	As at 31 March 2020*	Details of security / guarantee / other terms #
1	Term loan from banks (denominated in INR)	1,112	1,255	<p>Entire term loan is secured by :-</p> <ol style="list-style-type: none"> <li>1. First pari passu charge on all existing and future moveable fixed assets (excluding assets exclusively charged to other lenders) of the Company</li> <li>2. First pari passu charge on the immoveable properties of the Company situated at D 6-11, Sector 59, Noida and Plot No. 68, Echelon Institutional Area, Sector-32, Gurgaon.</li> </ol> <p><u>Other terms:</u> Negative lien on immovable property situated at 9 A IEM, SIDCUL Industrial Area, Pantnagar, Utrakhand, 9 Pantnagar IEM, SIDCUL Industrial Area, Pantnagar, Utrakhand, D-225/1, 226 &amp; 227 MIDC, Phase-III, Chakan Industrial Area, Chakan, Pune, Maharashtra, Gut No. 221, 222, 235, 249, 253, 254, 268, 269, 270, 271, 272, 278, 282 and 283, Dhanivalli Village, Taluka Murbad, District Thane (Mumbai), Shed No. DP No. G 42, SIDCO Industrial Estate, Kakkulur and land and building located at 355, Sector-3, Phase-2, IMT Bawal.</p>
	Term loan from banks- ECB (In USD)	209	374	<p>Entire term loan is secured by :-</p> <ol style="list-style-type: none"> <li>1. First pari passu charge on all existing and future moveable fixed assets (excluding assets exclusively charged to other lenders) of the Company</li> <li>2. First pari passu charge on the immoveable properties of the Company situated at D 6-11, Sector 59, Noida and Plot No. 68, Echelon Institutional Area, Sector-32, Gurgaon.</li> </ol> <p><u>Other terms:</u> Negative lien on immovable property situated at 9 A IEM, SIDCUL Industrial Area, Pantnagar, Utrakhand, 9 Pantnagar IEM, SIDCUL Industrial Area, Pantnagar, Utrakhand, D-225/1, 226 &amp; 227 MIDC, Phase-III, Chakan Industrial Area, Chakan, Pune, Maharashtra, Gut No. 221, 222, 235, 249, 253, 254, 268, 269, 270, 271, 272, 278, 282 and 283, Dhanivalli Village, Taluka Murbad, District Thane (Mumbai), Shed No. DP No. G 42, SIDCO Industrial Estate, Kakkulur and land and building located at 355, Sector-3, Phase-2, IMT Bawal.</p>
2	Vehicle Loan from Kotak Mahindra Prime Limited	21	37	Vehicle loan is secured by way of hypothecation of respective vehicles.
3	Term loan from banks (denominated in INR)	418	-	Negative lien on immovable property situated at 9 A IEM, SIDCUL Industrial Area, Pantnagar, Utrakhand, 9 Pantnagar IEM, SIDCUL Industrial Area, Pantnagar, Utrakhand, D-225/1, 226 & 227 MIDC, Phase-III, Chakan Industrial Area, Chakan, Pune, Maharashtra, Gut No. 221, 222, 235, 249, 253, 254, 268, 269, 270, 271, 272, 278, 282 and 283, Dhanivalli Village, Taluka Murbad, District Thane (Mumbai), Shed No. DP No. G 42, SIDCO Industrial Estate, Kakkulur and land and building located at 355, Sector-3, Phase-2, IMT Bawal.
4	Deferred sales tax liabilities (SICOM) (denominated in INR)	2	8	Unsecured
	<b>Total</b>	<b>1,762</b>	<b>1,674</b>	

\* Net of transaction cost

# Certain immovable properties considered above have been transferred to the Company pursuant to scheme of amalgamation vide order dated 19 July 2019 are pending for registration in the name of the Company

## Repayment Terms

(₹ in million)

Loan Category	Frequency of principal repayments	Interest rates	31 March 2021		31 March 2020	
			No of installments	Amount	No of installments	Amount
Term loan from banks (denominated in INR)	Quarterly Payments	7.00% to 8.10% (PY 7.95% to 9.95%)	20	500	20	500
			16	350	-	-
			-	-	16	150
			-	-	4	44
			-	-	2	50
			-	-	2	4
	Monthly Payments	7.15% to 8.55% (PY 8.15% to 8.75%)	28	18	40	26
			27	126	39	182
			13	39	25	75
			7	61	19	168
			6	10	18	30
			6	8	18	24
			10	418	-	-
			-	-	1	1
ECB loans (denominated in USD)	Quarterly Payments	1.94% to 3.55% (PY 4.05% to 5.03%)	-	-	2	18
			-	-	4	36
			7	106	11	171
			10	103	14	149
Vehicle Loan	Quarterly Payments	8.00% - 9.50% (PY 9.00% to 9.50%)	9-14	21	9-16	37

## Maturity profile for year ended 31 March 2021:

(₹ in million)

Loan Category	Frequency of principal repayments	Up to	Up to	Up to	Up to	Up to	Remaining tenure after 1 April 2026
		31 March 2022	31 March 2023	31 March 2024	31 March 2025	31 March 2026	
Term loan from banks (INR denominated)	Quarterly Payments	119	188	187	187	144	25
	Monthly Payments	596	67	17	-	-	-
ECB loans (USD denominated)	Quarterly Payments	101	87	21	-	-	-
Deferred sales tax liabilities	Annual repayment	2	-	-	-	-	-
<b>Total</b>		<b>818</b>	<b>342</b>	<b>225</b>	<b>187</b>	<b>144</b>	<b>25</b>
Vehicle Loan	Quarterly Payments	10	6	3	2	-	-

## Maturity profile for year ended 31 March 2020:

(₹ in million)

Loan Category	Frequency of principal repayments	Up to	Up to	Up to	Up to	Up to	Remaining tenure after 1 April 2025
		31 March 2021	31 March 2022	31 March 2023	31 March 2024	31 March 2025	
Term loan from banks (INR denominated)	Quarterly Payments	99	113	138	138	138	124
	Monthly Payments	243	179	67	17	-	-
ECB loans (USD denominated)	Quarterly Payments	158	105	89	21	-	-
Deferred sales tax liabilities	Annual repayment	6	2				
<b>Total</b>		<b>506</b>	<b>399</b>	<b>294</b>	<b>175</b>	<b>138</b>	<b>124</b>
Vehicle loans	Quarterly Payments	18	12	7	1	-	-



## Movement in current and non current borrowings

(₹ in million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Borrowings at the beginning of the year	3,339	3,940
Movement due to cash transactions per the statement of cash flows	1,492	(645)
Movement due to non-cash transactions:		
- Foreign exchange movement	1	44
<b>Borrowings at the end of the year</b>	<b>4,832</b>	<b>3,339</b>

## 2.20 Income tax

## A. Amounts recognised in statement of profit and loss

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Current tax</b>		
Current tax	318	485
Adjustments in respect of current income tax of previous years	(6)	(5)
	<b>312</b>	<b>480</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(14)	(77)
	<b>(14)</b>	<b>(77)</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>298</b>	<b>403</b>

## B. Unrecognised deferred tax assets

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available		
Impairment loss on investments	2,225	2,225
Loss allowance on loans and receivable from related parties	571	571
Provision for Corporate Guarantee	870	870
	<b>3,666</b>	<b>3,666</b>
<b>Unrecognised tax effects</b>		
The deductible temporary difference do not expire under current tax legislation	923	923

C. The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for income tax for the year ended 31 March 2020 and re-measured its deferred tax liability basis the rate prescribed in the said section. The credit impact of this change amounting to ₹ 72 million has been recognized in the Statement of Profit and Loss for the year ended 31 March 2020.

## D. Amounts recognised in other comprehensive Income/ (expense)

(₹ in million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of post employment benefit obligation	-	4
<b>Income tax recognised in other comprehensive income/(expense)</b>	<b>-</b>	<b>4</b>



**E. Reconciliation of effective tax rate**

Reconciliation of tax expense and the accounting profit/ (loss) multiplied by India's domestic tax rate for the year ended 31 March 2021 and 31 March 2020:

(₹ in million)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Rate	Amount	Rate	Amount
<b>Profit/(loss) before income tax</b>		<b>1,135</b>		<b>(2,008)</b>
Tax using the Company's domestic tax rate	25.17%	286	25.17%	(505)
<b>Tax effect of:</b>				
Provision for impairment of investments and receivable [refer note 2.20(B) above]		-		923
Non-deductible expenses		13		19
Non-taxable income		(4)		-
Tax-exempt income - Dividend income		-		(9)
Tax incentives - 80IC, 80IA and 80JJAA deduction		(2)		(1)
Tax adjustment for earlier years		(6)		7
Effect of change in tax rate		-		(45)
Others		11		14
<b>Effective tax rate</b>		<b>298</b>		<b>403</b>

**F. Movement of temporary differences**

(₹ in million)

Particulars	As at 1 April 2020	Recognised in profit or loss during 2020-21	Recognised in OCI during 2020-21	Impact of change in tax rate	Recognised in retained earnings during 2020-21	As at 31 March 2021
<b>Deferred Tax Assets</b>						
Accrued expense deductible on payment	19	3	-	-	-	22
Provision for gratuity and compensated absences	51	(1)	-	-	-	50
Loss allowance for trade receivables and advances	7	6	-	-	-	13
Impact of IndAS 116	33	(8)	-	-	-	25
<b>A</b>	<b>110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110</b>
<b>Deferred Tax Liabilities</b>						
Difference in book written down value and tax written down value of property, plant and equipment	158	(14)	-	-	-	144
<b>B</b>	<b>158</b>	<b>(14)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>144</b>
<b>Net deferred tax</b>	<b>(A)-(B)</b>	<b>(48)</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>(34)</b>



Particulars	As at 1 April 2019	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	Impact of change in tax rate	Recognised in retained earnings during 2019-20	As at 31 March 2020
<b>Deferred Tax Assets</b>						
Accrued expense deductible on payment	12	10	-	(3)	-	19
Provision for gratuity and compensated absences	71	(4)	4	(20)	-	51
Loss allowance for trade receivables and advances	6	3	-	(2)	-	7
Impact of IndAS 116	-	-	-	-	33	33
<b>A</b>	<b>89</b>	<b>9</b>	<b>4</b>	<b>(25)</b>	<b>33</b>	<b>110</b>
<b>Deferred Tax Liabilities</b>						
Difference in book written down value and tax written down value of property, plant and equipment	252	(23)	-	(71)	-	158
<b>B</b>	<b>252</b>	<b>(23)</b>	<b>-</b>	<b>(71)</b>	<b>-</b>	<b>158</b>
<b>Net deferred tax (A)-(B)</b>	<b>(163)</b>	<b>32</b>	<b>4</b>	<b>46</b>	<b>33</b>	<b>(48)</b>

## 2.21 Non current provisions

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (refer to note 2.21.2)		
-Gratuity	97	106
-Compensated absence	109	112
Other provisions		
-Provision for warranties (refer to note 2.21.1)	8	7
	<b>214</b>	<b>225</b>

### 2.21.1 Movement in warranty cost provision

The Company warrants that its products will perform in all material respects in accordance with the Company's standard specifications for the warranty period. Accordingly based on specific warranties, claims history, the Company provides for warranty claims. The activity in the provision for warranty costs is as follows:

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
At the beginning of the year	29	26
Provided during the year	14	10
Utilised during the year	(5)	(6)
<b>At the end of the year</b>	<b>38</b>	<b>30</b>
Current portion	30	23
Non- current portion	8	7

## 2.21.2 Employee benefits

### a) Defined contribution plans

The Company's employee provident fund and Employee's state insurance schemes are defined contribution plans. The following amounts have been recognised as expense for the year and shown under Employee benefits expense in note 2.33.

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Contribution towards</b>		
-Provident fund	123	128
-Employee state insurance	8	9
	<b>131</b>	<b>137</b>

### b) Defined benefit plans - Gratuity

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Changes in the present value of the defined benefit obligation is as follows:</b>		
Present value of defined benefit obligation at the beginning of the year	326	291
Interest cost	22	21
Acquisition Adjustment	1	(6)
Current service cost	45	42
Benefits paid	(42)	(41)
Actuarial loss / (gain) on obligation	-	19
Present value of defined benefit obligation at the end of the year	<b>352</b>	<b>326</b>
<b>Changes in the present value of the plan asset is as follows:</b>		
Fair value of plan asset at the beginning of the year	204	187
Return on plan asset	14	14
Contributions	20	4
Benefits paid	(6)	(2)
Actuarial gain / (loss) on planned assets	-	1
Fair value of plan asset at the end of the year	<b>232</b>	<b>204</b>
<b>Net asset/(liability) recognised in standalone balance sheet</b>		
Present value of defined benefit obligation at the end of the year	352	326
Fair value of plan asset at the end of the year	232	204
Net liability recognized in the standalone balance sheet as at the end of the year	<b>(120)</b>	<b>(122)</b>
<b>Expenses recognised in the statement of profit and loss:</b>		
Current service cost	45	42
Interest cost	22	21
Expected return on plan assets	(14)	(14)
Expenses recognised in the statement of profit and loss:	<b>53</b>	<b>49</b>
<b>Remeasurements income recognised in other comprehensive income:</b>		
Actuarial loss/(gain) loss on defined benefit obligation	-	19
Actuarial gain/(loss) on planned assets	-	1
Expenses recognised in other comprehensive income:	-	<b>18</b>



Particulars	As at 31 March 2021	As at 31 March 2020
<b>Actuarial assumptions:</b>		
Discount rate	6.80%	6.80%
Expected salary increase rates	5.5% to 10%	5.5% to 10%
Mortality	100% of IALM 2012-14	100% of IALM 2012-14
<b>Employee attrition rate</b>		
- Up to 30 years of age	3% to 30%	3% to 30%
- From 31 years of age to 44 years of age	2% to 20%	2% to 20%
- Above 44 years of age	1% to 10%	1% to 10%

**Note:**

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

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

The weighted average duration of the defined benefit obligation is 10.33 years (Previous year: 12.57 years). The Company expects to make a contribution of ₹ 64 million (Previous year: ₹ 60 million) to the defined benefit plans during the next financial year.

**Sensitivity analysis:**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (- / + 1%)	(32)	34	(25)	40
Future salary growth (- / + 1%)	31	(29)	37	(23)

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

**Maturity profile:**

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

Particulars	As at 31 March 2021	As at 31 March 2020
1 year	25	17
2 to 5 years	87	70
More than 5 years	240	239

**c) Other long term benefit - Compensated absences**

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

The other long- term benefit of compensated absence in respect of employees of the Company as at 31 March 2021 amounts to ₹120 millions (previous year ₹ 122 million) and the expense recognised in the statement of profit and loss during the year for the same amounts to ₹ 20 millions (31 March 2020: ₹ 34 millions) [Gross payment of ₹ 22 millions (31 March 2020: ₹.22 millions)].

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

#### a) Asset volatility

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

#### b) Changes in discount rate

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

#### c) Inflation risks

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

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

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

### 2.22 Other non-current liabilities

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposit	31	33
Others	-	1
	<b>31</b>	<b>34</b>

### 2.23 Short term borrowings

(₹ in million)

Particulars	Footnote	As at 31 March 2021	As at 31 March 2020
<b>Secured</b>			
<b>Cash credit and working capital demand loan</b>			
from banks	[1]	1,466	1,169
Vendor financing facility (Letter of Credit)	[2]	568	-
<b>Unsecured</b>			
<b>Cash credit and working capital demand loan</b>			
from banks	[3]	350	-
Supplier payment service facility	[4]	322	-
<b>Purchase order financing facility</b>			
from others	[5]	250	245
from banks	[6]	114	251
		<b>3,070</b>	<b>1,665</b>



## Footnotes:

No.	Particulars*	As at 31 March 2021	As at 31 March 2020	Details of Security/ other terms #
1	Cash Credit & working capital demand loan - from banks	1,320	1,153	Secured by first pari passu charge on present & future current assets of the Company  <u>Other terms:</u> Negative lien on immovable property situated at 9 A ILEM, SIDCUL Industrial Area, Pantnagar,Uttarakhand, 9 Pantnagar ILEM, SIDCUL Industrial Area, Pantnagar, Uttarakhand, D-225/1, 226 & 227 MIDC, Phase-III, Chakan Industrial Area, Chakan, Pune, Maharashtra, Gut No. 221, 222, 235, 249, 253, 254, 268, 269, 270, 271, 272, 278, 282 and 283, Dhanivalli Village, Taluka Murbad, District Thane (Mumbai), Shed No. DP No. G 42, SIDCO Industrial Estate, Kakkulur and land and building located at 355, Sector-3, Phase-2, IMT Bawal.
	Overdraft facility-from banks	146	16	Secured by 100% margin on fixed deposits of the Company.
2	Vendor financing facility (Letter of Credit)	558	-	Facility has been given to vendors for bill discounting by way of Letter of Credit and the Letter of Credit facility is secured by first pari passu charge on present & future current assets of the Company.  <u>Other terms:</u> Negative lien on immovable property situated at 9 A ILEM, SIDCUL Industrial Area, Pantnagar,Uttarakhand, 9 Pantnagar ILEM, SIDCUL Industrial Area, Pantnagar, Uttarakhand, D-225/1, 226 & 227 MIDC, Phase-III, Chakan Industrial Area, Chakan, Pune, Maharashtra, Gut No. 221, 222, 235, 249, 253, 254, 268, 269, 270, 271, 272, 278, 282 and 283, Dhanivalli Village, Taluka Murbad, District Thane (Mumbai), Shed No. DP No. G 42, SIDCO Industrial Estate, Kakkulur and land and building located at 355, Sector-3, Phase-2, IMT Bawal.
		10	-	Facility is secured by letter of credit and Letter of Credit facility is Secured by 100% margin on fixed deposits of the Company
3	Short Term Loan	350	-	Unsecured
4	Supplier payment service facility	322	-	Unsecured
5	Purchase order financing facility from others	250	245	Unsecured
6	Purchase order financing facility from banks	114	251	Unsecured
	<b>Total</b>	<b>3,070</b>	<b>1,665</b>	

\* Short term borrowings are either payable in one installment within one year or repayable on demand. All short term loan are denominated in rupee and interest rate is at 4.30% to 8.35%. (PY 7.20% to 9.40%)

# Certain immovable properties considered above have been transferred to the Company pursuant to scheme of amalgamation vide order dated 19 July 2019 are pending for registration in the name of the Company

## 2.24 Trade payables

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises (refer to note 2.24.1)	634	1,012
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4,013	3,126
Trade payables to related parties (refer to note 2.39)	67	81
	<b>4,714</b>	<b>4,219</b>

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

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

(₹ in million)

Sr. No.	Particulars	As at 31 March 2021	As at 31 March 2020
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	- Principal amount	631	1,008
	- Interest thereon	3	4
		<b>634</b>	<b>1,012</b>
(ii)	the amount of interest paid in terms of section 16, along with the amounts of the payment made to the suppliers beyond the appointed day:		
	- Principal amount	3,631	4,083
	- Interest thereon	-	-
		<b>3,631</b>	<b>4,083</b>
(iii)	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	19	35
		<b>19</b>	<b>35</b>
(iv)	the amount of interest accrued and remaining unpaid	22	39
		<b>22</b>	<b>39</b>

### 2.25 Other current financial liabilities

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of (refer note 2.19)		
- Term loans	817	500
- Vehicle loan	10	18
- Deferred payment liability	2	6
Interest accrued but not due on borrowings	13	15
Mark to market loss on derivatives	-	7
Salaries, wages and bonus payable	214	165
Capital creditors	104	178
Payable pursuant to settlement agreement (refer note 2.37B)	472	-
Payable against corporate gurantee (refer note 2.48)	-	870
Payable against MKTSN (refer note 2.48)	162	-
Other payables	34	101
	<b>1,828</b>	<b>1,860</b>

### 2.26 Other current liabilities

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues payable	108	66
Advances from customers	165	99
Deferred revenue	1	3
Other current liability	1	10
	<b>275</b>	<b>178</b>



## 2.27 Provisions

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Current		
Provision for employee benefits (refer to note 2.21.2)		
- Gratuity	23	16
- Compensated absence	11	10
Others		
- Provision for warranty (refer to note 2.21.1)	30	23
	<b>64</b>	<b>49</b>

## 2.28 Current tax liabilities

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for income tax (net of advance income tax)	133	28
	<b>133</b>	<b>28</b>

## 2.29 Revenue from operations

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Sale of products</b>		
-Manufactured goods	20,647	19,795
-Traded goods	1,533	1,106
<b>Sale of products</b>	<b>22,180</b>	<b>20,901</b>
<b>Other operating revenues</b>		
-Royalty	30	39
-Technical know-how and service income	239	226
-Job work income	12	14
-Sale of scrap	111	47
-Duty draw back and other export benefits	61	58
-Government incentives	98	-
-Provisions/liabilities no longer required, written back	123	-
-Other operating income	34	20
<b>Other operating revenues</b>	<b>708</b>	<b>404</b>
<b>Revenue from operations</b>	<b>22,888</b>	<b>21,305</b>

## 2.30 Other income

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Interest income :</b>		
-on fixed deposits	254	286
-on loans	-	63
-on others	-	2
Financial assistance fee	-	9
Provisions/liabilities no longer required, written back	2	34
Rental income (refer to note 2.38)	15	6
Dividend income	-	35
Exchange fluctuations (net)	-	28
Miscellaneous income	32	16
	<b>303</b>	<b>479</b>



## 2.31 Cost of materials consumed

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening stock	1,763	1,280
Add: Purchases during the year	14,070	12,860
	<b>15,833</b>	<b>14,140</b>
Less: Closing stock	2,026	1,763
	<b>13,807</b>	<b>12,377</b>

## 2.32 Changes in inventories of finished goods, stock in trade and work in progress

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Finished goods and stock in trade</b>		
Opening stock	834	832
Less: Closing stock	1,005	834
	<b>(171)</b>	<b>(2)</b>
<b>Work in progress</b>		
Opening stock	583	390
Less: Closing stock	670	583
	<b>(87)</b>	<b>(193)</b>
<b>Decrease in inventories</b>	<b>(258)</b>	<b>(195)</b>

## 2.33 Employee benefits expense

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	3,296	3,031
Contribution to		
- Provident fund and other funds (refer to note 2.21.2)	131	138
- Gratuity fund (refer to note 2.21.2)	53	49
Employees stock compensation expense	15	3
Staff welfare	129	132
	<b>3,624</b>	<b>3,353</b>

## 2.34 Finance Costs

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense :		
on borrowings from banks	260	264
on borrowings from others	20	30
on lease liabilities	47	59
Other borrowing costs	31	36
	<b>358</b>	<b>389</b>



## 2.35 Other Expenses

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Job work charges	504	482
Consumption of stores and spare parts	201	227
Power and fuel	468	456
Rent (refer note 2.38)	21	22
Repairs - buildings	66	43
Repairs - plant and machinery	125	118
Repairs - others	85	105
Travelling and conveyance	217	268
Legal and professional	149	240
Communication expenses	37	40
Charity and donations	1	2
Auditor Remuneration (refer to note 2.40)	15	14
Loss allowance for expected credit loss	23	7
Insurance expenses	39	30
Rates and taxes, excluding taxes on income	12	14
Exchange fluctuations (net)	1	-
Warranty expenses	14	10
Loss on sale/discard of property, plant and equipment	-	15
Advertisement and business promotion	50	72
Freight and forwarding expenses	428	325
Bank charges	28	23
Corporate social responsibility (refer to note 2.43)	30	37
Bad debts/amounts written off	3	1
Miscellaneous expenses	149	127
	<b>2,666</b>	<b>2,678</b>

## 2.36 Capital and other commitments

Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances): ₹589 million (31 March 2020: ₹596 million)

## 237A Contingent liabilities

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Claims against the Company not acknowledged as debts*</b>		
a) Income-tax ^	16	16
b) Sales tax/ VAT {Amount paid under protest ₹ 1 million (previous year: ₹ 1 million)}	87	3
c) Excise duty / Service tax / Custom duty {Amount paid under protest ₹ 7 million (previous year: ₹ 4 million)}	11	9

\* Including claims in respect of transferor companies merged into Minda Corporation Limited, pursuant to scheme of merger (refer note 2.47), though the litigations may be continuing in the name of transferor companies, however any liability arising in future relating to these disputes will be borne by the Company.

^ Subsequent to the year end, the Company has received a draft assessment order for assessment years 2012-13 to 2018-19 in which adjustments amounting to ₹ 1,020 million (including ₹ 606 million, which in the view of the management, is factual error in the draft assessment order) have been proposed on account of transfer pricing adjustments, etc. which are pending before Assistant Commissioner of Income-Tax. Based on the transfer pricing study, facts of the case and applicable case laws, the Company is of the view that the proposed adjustments will not sustain.

- The above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of the management, have a material effect on the results of the operations or financial position.
- It is not practical for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities.
- Pursuant to judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However there is uncertainty with respect to the applicable of the judgement and period from which the same applies and accordingly, the Group has not estimated the impact of the same till March 2019. Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the Company has not recognised any provision till March 2019. Further management also believes that the impact of the same on the Group will not be material.

**237B** During the year ended 31 March 2017, one party raised a damage claim against the Company by filing a request with International Chamber of Commerce in Paris. The claim is based on Letter of Comfort ("LOC") signed between party and the Company. At the time of entering into the above mentioned LOC, the Company also obtained indemnity letter from ultimate parent of party, indemnifying the Company against any loss arising from the LOC. Based on legal opinion and the indemnification from ultimate parent of party, the management is of the view that there is no financial implication on the Company in respect of this damage claim.

During the current year, the Company and party have entered into settlement agreement, pursuant to which Company is required to pay ₹ 4,710 lakhs (Euro 5.5 million). As per Ind AS 37, the Company has accounted for payable against settlement amount under "other financial liabilities" and correspondingly recognised receivable under "other financial assets".

#### Others

##### Corporate guarantees given by the Company

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Minda KTSN Plastic Solutions GmbH & Co. KG, Germany (refer note 2.49)	-	44

##### Movement of guarantees given to related parties

(₹ in million)

Particulars	Minda KTSN Plastic Solutions GmbH & Co. KG, Germany	Furukawa Minda Electric Private Limited, India
<b>Balance as at 31 March 2019</b>	<b>1,935</b>	<b>207</b>
Given during the year	60	-
Settled / adjusted during the year	1,081	207
Liability recognised during the year (refer note 2.49)	870	-
<b>Balance as at 31 March 2020*</b>	<b>44</b>	<b>-</b>
Revoked during the year	44	-
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>-</b>

Purpose of Guarantees: Working capital requirement

\* These corporate guarantees include guarantees given in foreign currency and closing value has been calculated at year end exchange rate.

## 2.38 Leases

### As a Lessee

The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019.

The Company has applied the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

The Company has discounted lease payments using the applicable incremental borrowing rate as at 1 April 2019, which is 9.5% for measuring the lease liability.



Information about leases for which the Company is a lessee is presented in note 2.1(b)

(₹ in million)

Lease liabilities	As at 31 March 2021	As at 31 March 2020
<b>Balance as at the beginning of the year</b>	<b>544</b>	-
Transition impact of Ind AS 116	-	689
Add: Addition during the year	98	-
Less: Deletion during the year	6	-
Add: Finance cost	47	59
Less: Repayment	238	204
<b>Balance as at the end of the year</b>	<b>445</b>	<b>544</b>
Current	147	168
Non-current	298	376

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Amounts recognised in Statement of Profit and Loss</b>		
Interest on lease liabilities	47	59
Depreciation expense	167	164
Expenses relating to short-term leases and leases of low-value assets	21	22
<b>Amounts recognised in Cash Flow Statement</b>		
Repayment of lease liabilities	191	145
Interest paid on lease liabilities	47	59
	<b>238</b>	<b>204</b>

The impact on the statement of profit and loss for the year ended 31 March 2020 is as follows:

Particulars	For the year ended 31 March 2020
Rental expense is lower by	145
Depreciation is higher by	(164)
Finance cost is higher by	(59)
<b>Profit before tax is higher/ (lower) by</b>	<b>(78)</b>

Most of the leases entered by the Group are long term in nature and the underlying leased properties are being used as manufacturing plants. The Group doesn't foresee any major changes in lease terms or the leases in the foreseeable future as per current business projections after considering the impact of COVID-19.

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(₹ in million)

The future minimum lease rentals income in respect of non -cancellable operating leases	As at 31 March 2021	As at 31 March 2020
-Within one year	17	17
-Later than one year and not later than five years	33	50
-Later than five years	-	-

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Lease rent income recognised in the Statement of profit and loss (Refer note 2.30)	15	6

## 2.39 Related party disclosures as required under India Accounting Standard (Ind AS) – 24 “Related party disclosures”:

### A) Related parties where control exists

Related parties and nature of related party relationships

Description of relationship	Name of the party
(i) <b>Subsidiary</b>	Minda Europe B.V., Netherlands
	Minda KTSN Plastic Solution GMBH & Co.KG, Germany (up to 9 June 20)
	Spark Minda Foundation
	P T Minda Automotive, Indonesia
	Minda Vietnam Automotive Co. Ltd., Vietnam
	P T Minda Automotive Trading, Indonesia
	Almighty International PTE Limited, Singapore
	Minda KTSN Plastic Solutions Mexico, S. de R.L. de C.V, Mexico (up to 9 June 20)
	Minda KTSN Plastic Solutions S.R.O., Czech Republic (up to 9 June 20)
	Minda KTSN Plastic and Tooling Solutions Sp. Z.o.o, Poland, (up to 9 June 20)
	KTSN Kunststofftechnik Sachsen Beteiligung, Germany (up to 9 June 20)
	Minda Corporation Limited - Employee Stock Option Scheme Trust
	Spark Minda Green Mobility Systems Private Limited (w.e.f 22 February 2021)

### B) Related parties and nature of related party relationships with whom transactions have taken place during the year

Description of relationship	Name of the party
(i) <b>Jointly control entity / Associate</b>	Minda Stoneridge Instruments Limited, India
	Minda Vast Access Systems Private Limited, India
	Furukawa Minda Electric Private Limited, India
(ii) <b>Key Managerial Personnel</b>	Mr. Ashok Minda - Chairman
	Mr. Aakash Minda - Executive Director and CEO (w.e.f 5 November 2020)
	Mr. Sudhir Kashyap - Executive Director and CEO (up to 15 October 2019)
	Mr. R. Laxman - Executive Director and Group CFO (w.e.f. 26 September 2019, up to 31 December 2020)
	Mr. Naresh Kumar Modi (w.e.f 5 November 2020)
	Mr. Sanjay Aneja - CFO (up to 25 September 2019)
	Mr. Ashim Vohra - COO
	Mr. Ajay Sancheti - Company Secretary (up to 1 August 2020)
	Mr. Pardeep Mann - Company Secretary (w.e.f 1 August 2020)
	(iii) <b>Relative of Key Managerial Personnel</b>
(iv) <b>Enterprise in which directors of the Company and their relatives are able to exercise significant influence:</b>	Minda Capital Private Limited, India
	Minda Silca Engineering Private Limited, India
(v) <b>Others</b>	Minda KTSN Plastic Solution GMBH & Co.KG, Germany (w.e.f. 10 June 20)
	Minda KTSN Plastic Solutions Mexico, S. de R.L. de C.V, Mexico (w.e.f. 10 June 20)
	Minda KTSN Plastic Solutions S.R.O., Czech Republic (w.e.f. 10 June 20)
	Minda KTSN Plastic and Tooling Solutions Sp. Z.o.o, Poland, (w.e.f. 10 June 20)
	KTSN Kunststofftechnik Sachsen Beteiligung, Germany (w.e.f. 10 June 20)



2.39 Related party disclosures as required under India Accounting Standard (Ind AS) – 24 “Related party disclosures”:

A) Related parties where control exists

Party name	Period*	Sale of goods	Job work/Service income recovered during the year	Other incomes / expenses recovered during the year	Purchase of goods during the year	Management fees Income
<b>Subsidiary Companies</b>						
Minda KTSN Plastic Solution GMBH & Co.KG, Germany	2020-21	-	-	-	-	-
	2019-20	-	-	55	-	20
P T Minda Automotive, Indonesia	2020-21	102	1	25	-	7
	2019-20	140	-	32	-	10
P T Minda Automotive Trading, Indonesia	2020-21	-	-	-	-	-
	2019-20	15	-	-	-	-
Minda Vietnam Automotive Co. Ltd., Vietnam	2020-21	33	-	8	1	2
	2019-20	17	-	8	1	2
Almighty International Private Limited	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Spark Minda Foundation	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Minda Corporation Limited- Employee Stock Option Scheme Trust	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Spark Minda Green Mobility Systems Private Limited	2020-21	-	-	1	-	-
	2019-20	-	-	-	-	-
<b>Joint Venture</b>						
Minda VAST Access System Private Limited	2020-21	89	-	10	31	10
	2019-20	141	8	12	27	12
Minda Stoneridge Instruments Limited	2020-21	11	29	11	135	41
	2019-20	5	-	24	114	43
<b>Associate</b>						
Furukawa Minda Electric Private Limited	2020-21	32	10	-	6	-
	2019-20	37	13	-	-	-
<b>Enterprise in which directors of the Company and their relatives exercise significant influence:</b>						
Minda Silca Engineering Limited	2020-21	35	-	-	99	4
	2019-20	36	-	-	99	4
Minda Capital Private Limited	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
<b>Key Managerial Personnel:</b>						
Mr. Ashok Minda *	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Mr. Sudhir Kashyap	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Mr. Laxman Ramnarayan	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Mr. Sanjay Aneja	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Mr Ashim Vohra *	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Mr. Ajay Sancheti	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Mr. Pardeep Mann *	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Mr. Aakash Minda *	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Mr. N.K.Modi *	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
<b>Relative of Key Managerial Personnel:</b>						
Mr. Aakash Minda	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-

Party name	Period*	Lease Liability (including interest)/ Rent payment	Remuneration paid	Other expenses paid / reimbursed during the year	Investments made during the year	Dividend Income
<b>Subsidiary Companies</b>						
Minda KTSN Plastic Solution GMBH & Co.KG, Germany	2020-21	-	-	-	-	-
	2019-20	-	-	1	197	-
P T Minda Automotive, Indonesia	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
P T Minda Automotive Trading, Indonesia	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Minda Vietnam Automotive Co. Ltd., Vietnam	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Almighty International Private Limited	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	35
Spark Minda Foundation	2020-21	-	-	30	-	-
	2019-20	-	-	37	-	-
Minda Corporation Limited- Employee Stock Option Scheme Trust	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Spark Minda Green Mobility Systems Private Limited	2020-21	-	-	-	5	-
	2019-20	-	-	-	-	-
<b>Joint Venture</b>						
Minda VAST Access System Private Limited	2020-21	-	-	1	-	-
	2019-20	-	-	4	-	-
Minda Stoneridge Instruments Limited	2020-21	-	-	-	-	-
	2019-20	-	-	4	-	-
<b>Associate</b>						
Furukawa Minda Electric Private Limited	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
<b>Enterprise in which directors of the Company and their relatives exercise significant influence:</b>						
Minda Silca Engineering Limited	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Minda Capital Private Limited	2020-21	135	-	-	-	-
	2019-20	150	-	4	-	-
<b>Key Managerial Personnel:</b>						
Mr. Ashok Minda *	2020-21	-	50	-	-	-
	2019-20	-	34	-	-	-
Mr. Sudhir Kashyap	2020-21	-	-	-	-	-
	2019-20	-	19	-	-	-
Mr. Laxman Ramnarayan	2020-21	-	14	-	-	-
	2019-20	-	21	-	-	-
Mr. Sanjay Aneja	2020-21	-	-	-	-	-
	2019-20	-	7	-	-	-
Mr Ashim Vohra *	2020-21	-	11	-	-	-
	2019-20	-	11	-	-	-
Mr. Ajay Sancheti	2020-21	-	4	-	-	-
	2019-20	-	6	-	-	-
Mr. Pardeep Mann *	2020-21	-	2	-	-	-
	2019-20	-	-	-	-	-
Mr. Aakash Minda *	2020-21	-	6	-	-	-
	2019-20	-	-	-	-	-
Mr. N.K.Modi *	2020-21	-	7	-	-	-
	2019-20	-	-	-	-	-
<b>Relative of Key Managerial Personnel:</b>						
Mr. Aakash Minda	2020-21	1	-	-	-	-
	2019-20	1	-	-	-	-

\* Does not include provisions for gratuity and compensated absences liabilities, since the provisions are based on actuarial valuations for the Company as a whole.



## C) Details of transactions and balances with related parties (Cont.):

Party name	Period*	Loan given during the year	Loan recovered or adjusted during the year	Purchase/Sale of Property plant & equipment during the year	Security Deposit as at the year end	Trade Receivable as at the year end
<b>Subsidiary Companies</b>						
Minda KTSN Plastic Solution GMBH & Co.KG, Germany	2020-21	-	-	-	-	-
	2019-20	414	235	-	-	-
P T Minda Automotive, Indonesia	2020-21	-	-	-	-	56
	2019-20	-	-	-	-	62
P T Minda Automotive Trading, Indonesia	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Minda Vietnam Automotive Co. Ltd., Vietnam	2020-21	-	-	1	-	12
	2019-20	-	-	-	-	8
Almighty International Private Limited	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Minda Corporation Limited-Employee Stock Option Scheme Trust	2020-21	-	7	-	-	-
	2019-20	-	-	-	-	-
Spark Minda Green Mobility Systems Pvt. Ltd	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
<b>Joint Venture</b>						
Minda VAST Access System Private Limited	2020-21	-	-	-	-	40
	2019-20	-	-	-	-	48
Minda Stoneridge Instruments Limited	2020-21	-	-	-	-	16
	2019-20	-	-	-	-	14
<b>Associate</b>						
Furukawa Minda Electric Private Limited	2020-21	-	-	-	-	11
	2019-20	-	-	-	-	35
<b>Enterprise in which directors of the Company and their relatives exercise significant influence:</b>						
Minda Silca Engineering Limited	2020-21	-	-	5	-	5
	2019-20	-	-	-	-	4
Minda Capital Private Limited	2020-21	-	-	-	41	-
	2019-20	-	-	-	39	4
<b>Key Managerial Personnel:</b>						
Mr. Ashok Minda	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-



Party name	Period*	Other Receivable as at the year end	Payable as at the year end	Lease Liability payable as at the year end	Loan receivable at the year end	Investments as at the year end	Guarantee Outstanding as at the year end
<b>Subsidiary Companies</b>							
Minda KTSN Plastic Solution GMBH & Co.KG, Germany	2020-21	-	-	-	-	-	-
	2019-20	-	4	-	-	-	44
P T Minda Automotive, Indonesia	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-
P T Minda Automotive Trading, Indonesia	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-
Minda Vietnam Automotive Co. Ltd., Vietnam	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-
Almighty International Private Limited	2020-21	-	-	-	-	560	-
	2019-20	-	-	-	-	560	-
Minda Corporation Limited- Employee Stock Option Scheme Trust	2020-21	79	-	-	102	-	-
	2019-20	86	-	-	102	-	-
Spark Minda Green Mobility Systems Pvt. Ltd	2020-21	1	-	-	-	5	-
	2019-20	-	-	-	-	-	-
<b>Joint Venture</b>							
Minda VAST Access System Private Limited	2020-21	-	3	-	-	-	-
	2019-20	-	4	-	-	-	-
Minda Stoneridge Instruments Limited	2020-21	-	28	-	-	651	-
	2019-20	-	25	-	-	651	-
<b>Associate</b>							
Furukawa Minda Electric Private Limited	2020-21	-	1	-	-	273	-
	2019-20	-	15	-	-	273	-
<b>Enterprise in which directors of the Company and their relatives exercise significant influence:</b>							
Minda Silca Engineering Limited	2020-21	-	31	-	-	-	-
	2019-20	-	31	-	-	-	-
Minda Capital Private Limited	2020-21	472	4	201	-	52	-
	2019-20	-	2	304	-	52	-
<b>Key Managerial Personnel:</b>							
Mr. Ashok Minda	2020-21	-	26	-	-	-	-
	2019-20	-	5	-	-	-	-



#### 2.40 Auditor's Remuneration (excluding taxes)

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit	6	6
Tax audit	1	1
Limited reviews includes consolidation	5	4
Others	2	2
Reimbursement of expenses	1	1
	<b>15</b>	<b>14</b>

#### 2.41 Employee Share-Based Payment Plans

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

Under the Plan, upto 5,341,840 stock options can be issued to eligible employees of the Company and its subsidiaries, whether working in India or out of India, including any Director of the Company and its subsidiaries, whether whole time or otherwise excluding the Independent Directors. Under the Plan, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 2 each. The options granted will vest gradually over a period not earlier than one year and not later than five years from the date of Grant of such Options. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

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

##### Grant - 1

Sr. No.	Vesting Schedule % of options scheduled to vest	Vesting date	Lock-in period
1	20%	1 year from grant date	Nil
2	20%	2 years from grant date	Nil
3	20%	3 years from grant date	Nil
4	40%	4 years from grant date	Nil

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

##### Grant - 2

Sr. No.	Vesting Schedule % of options scheduled to vest	Vesting date	Lock-in period
1	40%	1 year from grant date	Nil
2	40%	2 years from grant date	Nil
3	20%	3 years from grant date	Nil

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

Particulars	For the year ended 31 Mar 2021		For the year ended 31 Mar 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	588,000	50	1,376,000	50
Granted during the year	1,012,000	50	30,000	50
Exercised during the year	(124,000)	50	(282,000)	50
Forfeit during the year	(234,000)	50	(536,000)	50
Outstanding at the end of the year	1,242,000	50	588,000	50
Exercisable at the end of the year	-	-	-	-

Stock compensation expense in relation to stock options granted to employee of subsidiaries / step-down subsidiaries/ Jointly controlled entities and associates is ₹ 0.03 million (Previous year ₹ 0.09 million)

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

Particulars	Employee stock option scheme 2017
Expected volatility	2% - 48%
Risk free interest rate	7%
Exercise price (₹)	50
Expected dividend yield	1%
Life of options (years)	3 - 4 years
Weighted average fair value of options as at the grant date (₹)	67 - 101

The options outstanding as at 31 March 2021 have a weighted average remaining contractual life of 3.13 years (31 March 2020: 1 year)

#### 2.42 Information pursuant to clause 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Loans and advances in the nature of loans / advances to wholly-owned subsidiary companies is as under: (₹ in million)

Particulars	As at 31 March		Maximum balance during the year ended	
	2021	2020	31 March 2021	31 March 2020
Minda KTSN Plastic Solution GMBH & Co.KG, Germany	- *	- *	-	522
Minda Corporation Ltd. Employees Stock Option Scheme	102	102	102	102

\* Refer note 2.48

#### 2.43 During the current year, as required under section 135 of the Act, the Company has spent ₹ 30 million (previous year ₹37 million) towards the corporate social responsibility (CSR activity). Relevant disclosures for amount to be spent vis a viz amount spent during the year are as below :

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Gross amount required to be spent</b>	<b>30</b>	<b>30</b>

#### B. Amount spent during the year ended 31 March 2021

S. No.	Project/ Activity	Paid in cash	Yet to be paid	Total
1	Contribution to Company formed under section 8 of Companies Act 2013 for the purpose, including Skilling & Education Livelihood, Empowering of people with disability, promoting Health care & sanitation			
	(i) Construction/acquisition of any asset	-	-	-
	(ii) On purposes other than (i) above*	30	-	30
	<b>Total</b>	<b>30</b>	<b>-</b>	<b>30</b>

\*Represents a contribution to subsidiary Spark Minda Foundation which is a Section 8 registered Company under Companies Act, 2013. Out of the above, ₹ 15 million is unspent by Spark Minda Foundation as this pertains to ongoing projects. Subsequent to the year end, the amount of ₹ 15 million has been deposited by Spark Minda Foundation in separate bank account.

#### C. Amount spent during the year ended 31 March 2020

S. No.	Project/ Activity	Paid in cash	Yet to be paid	Total
1	Contribution to Company formed under section 8 of Companies Act 2013 for the purpose, including Skilling & Education Livelihood, Empowering of people with disability, promoting Health care & sanitation			
	(i) Construction/acquisition of any asset	-	-	-
	(ii) On purposes other than (i) above	37	-	37
	<b>Total</b>	<b>37</b>	<b>-</b>	<b>37</b>



- 2.44** The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.
- 2.45** As per Ind-AS 108, Operating segments have been defined based on the regular review by the Company's Chief Operating Decision Maker to assess the performance of each segment and to make decision about allocation of resources. The Company's business activities fall within single primary business segment, viz, manufacturing of Automobile Components and Parts thereof. Accordingly, disclosures under Ind AS 108, Operating Segments are not required to be made.
- 2.46** The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and noted that there are no foreseeable losses on long term contracts. Accordingly, no provision is required to be created in the books of account under any law / accounting standards.
- 2.47** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 2.48** The Board of Directors of the Company, in their meeting held on 09 June 2020 decided to withdraw the financial support to its material wholly owned subsidiary Minda KTSN Plastic Solutions GmbH Co. & KG, Germany (MKTSN) (including its step down subsidiaries), pursuant to which MKTSN has filed for insolvency. Accordingly, MKTSN has prepared its financial statements for the year ended 31 March 2020 on the assumption that the fundamental accounting assumption of going concern is no longer appropriate. Accordingly, management has assessed the recoverability of investment, loans and other receivables given to MKTSN based on the financial statements of MKTSN and has recorded impairment loss of ₹ 2,796 million in respect of its investments, loans and other receivables from MKTSN. Further, the management has also provided for ₹ 870 million pursuant to guarantee given by the Company to banks in respect of loans taken by MKTSN. The total charge of ₹ 3,666 million has been presented as exceptional items in the Statement of Profit and Loss for the year ended 31 March 2020. Break up is as follows :-

(₹ in million)

Particulars	For the year ended 31 March 2021
Loss allowance for doubtful loan and advances	414
Loss allowance for interest accrued on loan to related party and receivable from related party	157
Provision for impairment loss for investment in Minda KTSN Plastic Solutions GmbH & Co. KG, Germany and Minda Europe B.V., Netherlands	2,225
Provision for corporate guarantee	870
<b>Total</b>	<b>3,666</b>

Pursuant to above, the Company has lost control over Minda KTSN w.e.f. 09 June 2020.

- 2.49** The Company's operations and financial results for the quarter ended 30 June 2020 were adversely impacted by the outbreak of COVID19 pandemic and the consequent lockdown announced by the Government of India. The operations have resumed with requisite precautions in place. The situation is continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of these financial statements and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

## 2.50 Financial instruments – Fair values and risk management

### a. Financial instruments – by category and fair values hierarchy

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

#### i. As on 31 March 2021

(₹ in million)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
(i) Investments (excluding investment in subsidiaries, jointly controlled entities/ associate)	-	-	15	15	-	-	-
(ii) Loans	-	-	230	230	-	-	-
(iii) Other financial assets	-	-	80	80	-	-	-
<b>Current</b>							
(i) Trade receivables	-	-	4,275	4,275	-	-	-
(ii) Cash and cash equivalents	-	-	174	174	-	-	-
(iii) Bank balances other than (ii) above	-	-	4,447	4,447	-	-	-
(iv) Loans	-	-	4	4	-	-	-
(v) Other financial assets	10	-	679	689	-	10	-
<b>Total</b>	<b>10</b>	<b>-</b>	<b>9,904</b>	<b>9,914</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
(i) Borrowings	-	-	933	933	-	-	-
(ii) Lease liabilities	-	-	298	298	-	-	-
<b>Current</b>							
(i) Borrowings	-	-	3,070	3,070	-	-	-
(ii) Lease liabilities	-	-	147	147	-	-	-
(iii) Trade payables	-	-	4,714	4,714	-	-	-
(iv) Other financial liabilities	-	-	1,828	1,828	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>10,990</b>	<b>10,990</b>			

#### ii. As on 31 March 2020

(₹ in million)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
(i) Investments (excluding investment in subsidiaries, jointly controlled entities/ associate)	-	-	14	14	-	-	-
(ii) Loans	-	-	215	215	-	-	-
(iii) Other financial assets	-	-	87	87	-	-	-
<b>Current</b>							
(i) Trade receivables	-	-	3,270	3,270	-	-	-
(ii) Cash and cash equivalents	-	-	185	185	-	-	-
(iii) Bank balances other than (ii) above	-	-	3,763	3,763	-	-	-
(iv) Loans	-	-	7	7	-	-	-
(v) Other financial assets	-	-	45	45	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7,586</b>	<b>7,586</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
(i) Borrowings	-	-	1,150	1,150	-	-	-
(ii) Lease liabilities	-	-	376	376	-	-	-
<b>Current</b>							
(i) Borrowings	-	-	1,665	1,665	-	-	-
(ii) Lease liabilities	-	-	168	168	-	-	-
(iii) Trade payables	-	-	4,220	4,220	-	-	-
(iv) Other financial liabilities	7	-	1,853	1,860	-	7	-
<b>Total</b>	<b>7</b>	<b>-</b>	<b>9,432</b>	<b>9,439</b>			



The management assessed that the fair values of current financial assets and liabilities significantly approximate their carrying amounts largely due to the current maturities of these instruments. Accordingly, management has not disclosed fair values for financial instruments such as trade receivables, trade payables, cash and cash equivalents, other current assets, interest accrued on fixed deposits, other current liabilities etc.

The fair value of non-current financial assets and financial liabilities are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used do not reflect significant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2021 and 31 March 2020.

#### Valuation technique used to determine fair value

Specific valuation techniques used to value non current financial assets and liabilities for whom the fair values have been determined based on present values and the appropriate discount rates of the Company at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Company at each balance sheet date.

#### Valuation processes

The Company has an established control framework with respect to the measurements of the fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports to Senior Management. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

#### b. Financial risk management

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

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

#### Risk management framework

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

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

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its foreign exchange related exposures.

The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

#### (i) Credit risk

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

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Investments	1,505	1,499
Trade receivables	4,275	3,270
Cash and cash equivalents	174	185
Other bank balances	4,447	3,763
Loans	234	221
Other financial assets	769	132

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. Credit risk on investments is limited as the Group generally invests in entities after reviewing the liquidity position of the entities.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates.

As per Ind AS 109, the Company uses expected credit loss (ECL) model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as Company's historical experience for customers.

#### Movement in the loss allowance in respect of trade receivables:

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2021
Balance at the beginning of the year	(21)	(22)
Amount written off	-	8
Provided during the year	(23)	(7)
<b>Balance at the end of the year</b>	<b>(44)</b>	<b>(21)</b>

a) Expected credit loss for loans and security deposits

#### As at 31 March 2021

(₹ in million)

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision	
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loans to employee	-	0%	-	-
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Security Deposits	132	0%	-	132
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loan to related parties and interest accrued on such loans	181	0%	-	181
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loan to related parties and interest accrued on such loans	414	100%	414	-
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit-impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA	NA



As at 31 March 2020

(₹ in million)

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loans to employee	-	0%	-	-
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Security Deposits	120	0%	-	120
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loan to related parties and interest accrued on such loans	188	0%	-	188
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loan to related parties and interest accrued on such loans	524	100%	524	-
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit-impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA	NA

## b) Expected credit loss for trade receivables under simplified approach

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

(₹ in million)

Particulars	Gross carrying amount	
	As at 31 March 2021	As at 31 March 2020
Current (not past due)	3,322	2,277
1 to 30 days past due	577	589
31 to 60 days past due	163	171
61 to 90 days past due	74	66
More than 90 days past due *	184	188
Expected credit losses (Loss allowance provision)	(44)	(21)
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>4,275</b>	<b>3,270</b>

\*The Company believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behavior.



**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of ₹ 4,621 million as at 31 March 2021 (31 March 2020 ₹3,948 million), anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Company believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

**The Company's liquidity management process as monitored by management, includes the following:**

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows
- Maintaining diversified credit lines.

**I. Financing arrangements**

The company had access to the following undrawn borrowing facilities at the end of the reporting period: (₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
From banks - Current	3,269	4,402
From banks - Non current	750	150
From others - Current	250	253

**II. Maturities of financial liabilities**

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

(₹ in million)

As at 31 March 2021	Carrying amount	Contractual cash flows			
		0-1 years	1-5 years	More than 5 years	Total
<b>Non-current liabilities</b>					
Financial liabilities - Borrowings	933	-	933	-	933
Lease liabilities *	298	-	298	22	342
<b>Current liabilities</b>					
Financial liabilities - Borrowings	3,070	3,070	-	-	3,070
Lease liabilities	147	147	-	-	147
Trade payables	4,714	4,714	-	-	4,714
Other financial liabilities	1,828	1,828	-	-	1,828
<b>Total</b>	<b>10,990</b>	<b>9,759</b>	<b>1,231</b>	<b>22</b>	<b>11,034</b>

\* Carrying value represents discounted value as at 31 March 2021



(₹ in million)

As at 31 March 2020	Carrying amount	Contractual cash flows			
		0-1 years	1-5 years	More than 5 years	Total
<b>Non-current liabilities</b>					
Financial liabilities - Borrowings	1,150	-	1,150	-	1,150
Lease liabilities *	376	-	421	357	778
<b>Current liabilities</b>					
Financial liabilities - Borrowings	1,665	1,665			1,665
Lease liabilities	168	212	-	-	212
Trade payables	4,219	4,219	-	-	4,219
Other financial liabilities	1,860	1,860	-	-	1,860
<b>Total</b>	<b>9,438</b>	<b>7,956</b>	<b>1,571</b>	<b>357</b>	<b>9,884</b>

\* Carrying value represents discounted value as at 31 March 2020

### (iii) Market risk

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

#### Currency risk

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

#### Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2021 and 31 March 2020 are as below:

(₹ in million)

Particulars	As at 31 March 2021				
	USD	EURO	GBP	CHF	JPY
<b>Financial assets</b>					
Trade receivables	299	519	-	-	-
	<b>299</b>	<b>519</b>	-	-	-
<b>Financial liabilities</b>					
Borrowings	209	-	-	-	-
Trade payables	114	126	-	2	24
	<b>323</b>	<b>126</b>	-	<b>2</b>	<b>24</b>

(₹ in million)

Particulars	As at 31 March 2020				
	USD	EURO	GBP	CHF	JPY
<b>Financial assets</b>					
Trade receivables	253	477	-	-	-
	<b>253</b>	<b>477</b>	-	-	-
<b>Financial liabilities</b>					
Borrowings	374	-	-	-	-
Trade payables	124	128	-	2	70
	<b>498</b>	<b>128</b>	-	<b>2</b>	<b>70</b>

## Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2021 (previous year ended as on 31 March 2020) would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended 31 March 2021</b>				
USD	-	-	-	-
EUR	4	(4)	3	(3)
GBP	-	-	-	-
CHF	-	-	-	-
JPY	-	-	-	-
	<b>4</b>	<b>(4)</b>	<b>3</b>	<b>(3)</b>
<b>For the year ended 31 March 2020</b>				
USD	(2)	2	(2)	2
EUR	3	(3)	3	(3)
GBP	-	-	-	-
CHF	-	-	-	-
JPY	(1)	1	(1)	1
	-	-	-	-

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

## Exposure to currency risk

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contracts	No. of Deals		Contract value of foreign Currency (in million)		Remaining period of maturity			
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	Up to 12 months nominal amount (in million)		More than 12 months nominal amount (in million)	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
INR/USD Sell forward	20	17	2	2	150	158	-	-
INR/EUR Sell forward	20	11	3	2	245	146	-	-
INR/USD Buy forward	-	2	-	1	-	46	-	-
INR/USD Call Option	2	2	3	4	92	96	98	200
<b>Interest rate swap*</b>								
INR/USD Buy	2	2	3	4	92	96	98	200

# Represent principal amount of loan hedged



### Sensitivity analysis

The following table details the group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

(₹ in million)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended 31 March 2021</b>				
INR/USD Sell forward	2	(2)	1	(1)
INR/EUR Sell forward	2	(2)	2	(2)
INR/USD Buy forward	-	-	-	-
INR/USD Call option	2	(2)	1	(1)
	<b>6</b>	<b>(6)</b>	<b>4</b>	<b>(4)</b>
<b>For the year ended 31 March 2020</b>				
INR/USD Sell forward	2	(2)	1	(1)
INR/EUR Sell forward	1	(1)	1	(1)
INR/USD Buy forward	-	-	1	
INR/USD Call option	3	(3)	2	(2)
	<b>6</b>	<b>(6)</b>	<b>5</b>	<b>(5)</b>

USD: United States Dollar, EUR: Euro

### (iii) Market risk

#### Interest rate risk

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

#### Exposure to interest rate risk

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

(₹ in million)

Particulars	Variable-rate instruments	
	As at 31 March 2021	As at 31 March 2020
Non current borrowings	815	932
Current borrowings	2,850	1,665
Current maturities of non-current borrowings	716	360
<b>Total</b>	<b>4,381</b>	<b>2,957</b>

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in million)

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest on term loans from banks				
For the year ended 31 March 2021	(22)	22	(16)	16
For the year ended 31 March 2020	(15)	15	(11)	11

### 2.51 Capital management

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

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

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

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Current borrowings (including lease liabilities)	3,217	1,833
Non current borrowings (including current maturity & lease liabilities)	2,060	2,050
Less : Cash and cash equivalents	(174)	(185)
<b>Adjusted net debt (A)</b>	<b>5,103</b>	<b>3,698</b>
<b>Total equity (B)</b>	<b>10,267</b>	<b>8,663</b>
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>50%</b>	<b>43%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

**2.52** Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

**Shashank Agarwal**

Partner

Membership No.: 095109

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

**Ashok Minda**

Chairman & Group CEO  
DIN 00054727

**Naresh Kumar Modi**

Executive Director & CFO  
DIN: 00089536

**Pardeep Mann**

Company Secretary  
Membership No.: A 13371

Place : Gurugram

Date: 18 May 2021

Place : Gurugram

Date: 18 May 2021



# INDEPENDENT AUDITORS' REPORT

## To the Members of Minda Corporation Limited

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Minda Corporation Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associate as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group, its associate and joint ventures as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the

consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Description of Key Audit Matter

##### Revenue Recognition

See note 2.28 and 2(E)(ii) to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
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The Group's revenue is derived primarily from sale of products which comprises locks and wire harness for the automotive industry.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:
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Standards on Auditing presume a fraud risk with regard to revenue recognition. Also, revenue is one of key performance indicators of the Group which makes it susceptible to misstatement.

In view of the above, we have identified revenue recognition as a key audit matter.

- Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standard;
- Evaluated the design and implementation of key internal financial controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions (using random sampling);
- Involved IT specialists to assist us in testing of key IT system controls relating to revenue recognition;
- Performed detailed testing by selecting samples (using statistical sampling) of revenue transactions recorded during and after the year. For such sample, verified the underlying documents including customer acceptance, to assess recognition of revenue in the period in which control is transferred;
- Tested journal entries for revenue recognised during the year, selected based on specified risk-based criteria, to identify unusual transactions.
- Assessed the adequacy of the disclosures made in accordance with the relevant accounting standard.

## Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the

Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint ventures is responsible for overseeing the financial reporting process of each company.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- (a) We did not audit the financial statements/financial information of eight subsidiaries, whose financial statements/financial information reflect total assets of ₹ 1,779 million (before consolidation adjustments) as at 31 March 2021, total revenues of ₹ 1,158 million (before consolidation adjustments) and net cash flows amounting to ₹ 94 million (before consolidation

adjustments) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 66 million for the year ended 31 March 2021, in respect of one associate, whose financial statements have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- (b) The financial statements/financial information of five subsidiaries (up to 09 June 2020), whose financial statements/financial information reflect net profit from discontinued operations (and other comprehensive income) of ₹ 9 million and net cash flows amounting to ₹ 304 million for the year ended 31 March 2021, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.



**Report on Other Legal and Regulatory Requirements**

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associate as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company, joint ventures incorporated in India, none of the directors of the Group companies, its associate company, and joint ventures incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate company and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associate, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group, its associate and joint ventures. Refer Note 2.37 to the consolidated financial statements.
  - ii. The Group, its associate and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.
  - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the subsidiary companies, associate company and joint ventures incorporated in India during the year ended 31 March 2021.
  - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.
- C. With respect to the matter to be included in the Auditor's report under section 197(16):
- In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and a joint venture to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and a joint venture is not in excess of the limit laid down under Section 197 of the Act, if applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us. Further, in our opinion and according to the information and explanation given to us, the provisions of Section 197, read with Schedule V of the Act are not applicable to the associate and a joint venture incorporated in India.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W / W-100022

**Shashank Agarwal**

Partner

Place: Gurugram  
Date: 18 May 2021Membership No. 095109  
UDIN: 21095109AAAADF1568



## Annexure A to the Independent Auditors' report on the consolidated financial statements of Minda Corporation Limited for the year ended 31 March 2021

### Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Minda Corporation Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, its associate company and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate company and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with

the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, associate company and joint venture companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

### **Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements

insofar as it relates to two subsidiary companies and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No.: 101248W / W-100022

Place: Gurugram  
Date: 18 May 2021

**Shashank Agarwal**  
Partner  
Membership No. 095109  
UDIN: 21095109AAAADF1568



# CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

(₹ in Million)

	Notes	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.1	5,745	5,292
Capital work-in-progress	2.1	178	284
Goodwill	2.2	299	299
Other intangible assets	2.3	83	110
Financial assets			
i. Investments	2.4	1,805	1,761
ii. Loans	2.5	132	115
iii. Other financial assets	2.6	4	2
Deferred tax assets (net)	2.19	17	17
Income-tax assets (net)	2.7	27	27
Other non-current assets	2.8	146	120
<b>Total non-current assets</b>		<b>8,436</b>	<b>8,027</b>
<b>Current assets</b>			
Property, plant and equipment	2.1	-	1,928
Capital work-in-progress	2.1	-	1
Inventories	2.9	3,959	3,949
Financial assets			
i. Trade receivables	2.10	4,420	3,898
ii. Cash and cash equivalents	2.11	531	947
iii. Bank balances other than (ii) above	2.12	4,463	3,777
iv. Loans	2.13	7	14
v. Other financial assets	2.14	700	50
Other current assets	2.15	782	694
<b>Total current assets</b>		<b>14,862</b>	<b>15,258</b>
<b>Total assets</b>		<b>23,298</b>	<b>23,285</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	2.16	478	454
Other equity	2.17	10,988	9,296
<b>Total equity</b>		<b>11,466</b>	<b>9,750</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
i. Borrowings	2.18	933	1,150
ii. Lease liabilities	2.35	298	376
Provisions	2.20	249	252
Deferred tax liabilities (net)	2.19	34	48
Other non-current liabilities	2.21	31	34
<b>Total non-current liabilities</b>		<b>1,545</b>	<b>1,860</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	2.22	3,070	3,124
ii. Lease liabilities	2.35	147	506
iii. Trade payables	2.23		
- total outstanding dues of micro enterprises and small enterprises		634	1,012
- total outstanding dues of creditors other than micro enterprises and small enterprises		4,213	4,081
iv. Other financial liabilities	2.24	1,698	1,654
Other current liabilities	2.25	283	362
Provisions	2.26	106	903
Current tax liabilities (net)	2.27	136	33
<b>Total current liabilities</b>		<b>9,965</b>	<b>11,675</b>
<b>Total liabilities</b>		<b>11,832</b>	<b>13,535</b>
<b>Total equity and liabilities</b>		<b>23,298</b>	<b>23,285</b>
Significant accounting policies	2		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

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

**Shashank Agarwal**

Partner

Membership No.: 095109

**Ashok Minda**

Chairman &amp; Group CEO

DIN 00054727

**Naresh Kumar Modi**

Executive Director &amp; CFO

DIN: 00089536

**Pardeep Mann**

Company Secretary

Membership No.: A 13371

Place : Gurugram

Date: 18 May 2021

Place : Gurugram

Date: 18 May 2021

# STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Million)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Continuing operations</b>			
<b>Income</b>			
Revenue from operations	2.28	23,679	22,226
Other income	2.29	332	426
<b>Total income</b>		<b>24,011</b>	<b>22,652</b>
<b>Expenses</b>			
Cost of materials consumed	2.30	14,150	12,839
Purchase of stock-in-trade		1,035	753
Change in inventories of finished goods, work-in-progress and stock-in-trade	2.31	(260)	(207)
Employee benefits expense	2.32	3,827	3,566
Finance costs	2.33	358	389
Depreciation and amortization expense	2.1, 2.3	936	866
Other expenses	2.34	2,757	2,821
<b>Total expenses</b>		<b>22,803</b>	<b>21,027</b>
<b>Profit from continuing operations before share of profit of joint ventures/ associate and taxes</b>		<b>1,208</b>	<b>1,625</b>
Share of profits of joint ventures/associate (net of taxes)		39	125
<b>Profit from continuing operations before income tax</b>		<b>1,247</b>	<b>1,750</b>
<b>Tax expense</b>			
Current tax	2.19	327	492
Deferred tax	2.19	(15)	(98)
<b>Total tax expense</b>		<b>312</b>	<b>394</b>
<b>Profit from continuing operations</b>		<b>935</b>	<b>1,356</b>
<b>Discontinued operations</b>			
<b>Profit/(loss) from discontinued operations before exceptional item and income tax</b>	2.45	<b>9</b>	<b>(361)</b>
Exceptional item	2.45	(416)	(2,933)
<b>Loss from discontinued operations (before tax)</b>		<b>(407)</b>	<b>(3,294)</b>
Tax expense related to discontinued operations	2.19	-	60
<b>Loss from discontinued operations (after tax)</b>		<b>(407)</b>	<b>(3,354)</b>
<b>Profit/(loss) for the year</b>		<b>528</b>	<b>(1,998)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of defined benefit liabilities		6	(22)
Income tax relating to items that will not be reclassified subsequently to profit or loss		(1)	4
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>5</b>	<b>(18)</b>
<b>Items that will be reclassified subsequently to profit or loss</b>			
-Exchange difference in translating financial statement of continuing foreign operations		39	(10)
-Exchange difference in translating financial statement of discontinued foreign operations		368	82
<b>Net other comprehensive income to be reclassified subsequently to profit or loss</b>		<b>407</b>	<b>72</b>
<b>Other comprehensive income for the year (net of tax)</b>		<b>412</b>	<b>54</b>
<b>Total comprehensive income for the year</b>		<b>940</b>	<b>(1,944)</b>
<b>Earnings per share [Par value of ₹ 2 per equity share]</b>	2.17.12		
<i>From continuing operations</i>			
Basic		4.13	6.09
Diluted		4.05	5.97
<i>From discontinued operations</i>			
Basic		(1.80)	(15.07)
Diluted		(1.80)	(15.07)
<i>From continuing and discontinued operations</i>			
Basic		2.33	(8.98)
Diluted		2.29	(8.98)

Significant accounting policies

2

The accompanying notes form an integral part of these consolidated financial statements  
As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

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

**Shashank Agarwal**

Partner

Membership No.: 095109

**Ashok Minda**

Chairman &amp; Group CEO

DIN 00054727

**Naresh Kumar Modi**

Executive Director &amp; CFO

DIN: 00089536

**Pardeep Mann**

Company Secretary

Membership No.: A 13371

Place : Gurugram

Date: 18 May 2021

Place : Gurugram

Date: 18 May 2021



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>(Loss)/profit before taxes</b>		
- Continuing Operations	1,247	1,750
- Discontinued Operations	(407)	(3,294)
<b>Profit/ (loss) before tax including discontinued operation</b>	<b>840</b>	<b>(1,544)</b>
<b>Adjustments for :-</b>		
Exceptional item	417	2,933
Depreciation and amortisation expense	936	1,179
Share of profits of joint ventures and associate (net of taxes)	(39)	(125)
Credit impaired assets provided for	26	76
Interest expense	358	462
Loss on sale/discard of property, plant and equipment (net)	-	15
Interest income	(266)	(298)
Liabilities / provisions no longer required written back	(137)	(34)
Unrealised foreign exchange profit (including mark to market on derivative contracts)	(18)	(60)
Warranty expenses	16	108
Employee stock compensation expense	13	3
<b>Operating Cash flow before changes in following assets and liabilities</b>	<b>2,146</b>	<b>2,715</b>
(Increase)/decrease in trade receivables	(739)	1,187
(Increase)/decrease in inventories	(573)	322
(Increase)/decrease in loans, other financial assets and other assets	(467)	8
Increase in trade payables	429	915
Increase/(decrease) in other financial liabilities and other liabilities	234	(66)
Increase/(decrease) in provisions	37	(59)
<b>Cash generated from operating activities</b>	<b>1,067</b>	<b>5,022</b>
Income tax paid (net)	(212)	(518)
<b>Net cash generated from operating activities (A)</b>	<b>855</b>	<b>4,504</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	(1,350)	(1,484)
Sale of property, plant and equipment	44	23
Investment made in bank deposits	(688)	(413)
Proceeds from sale of treasury shares	4	31
Interest received	248	472
<b>Net cash used in investing activities (B)</b>	<b>(1,742)</b>	<b>(1,371)</b>

(₹ in Million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital (net of expenses)	824	-
Payment of dividend (inclusive of dividend distribution tax)	(70)	(199)
Proceeds from non-current borrowings	1,025	742
Repayment of non-current borrowings	(929)	(1,556)
Proceeds from/ (repayment of) short-term borrowings (net)	380	(753)
Interest paid	(320)	(404)
Repayment of lease liability (refer note 4 below)	(258)	(320)
<b>Net cash generated from/(used in) financing activities (C)</b>	<b>652</b>	<b>(2,490)</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A + B + C)</b>	<b>(235)</b>	<b>643</b>
Cash and cash equivalents at the beginning of the year	947	303
Translation adjustment on cash balance	8	1
Adjustment: cash and cash equivalents on deconsolidation of Minda KTSN and its subsidiaries (refer note 2.45)	189	-
Cash and cash equivalents as at the end of the year	531	947

Significant accounting policies 2

**Notes:**

- The above Consolidated Statement of cash flows has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS)- 7 "Statement of cash Flow".
- Cash and cash equivalents consists of cash in hand and balances with banks. Refer note 2.11
- Refer note no. 2.18(a) for change in financing activities.
- Includes interest on lease liabilities amounting to ₹ 47 million (Previous year ₹ 82 million)

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

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

**Shashank Agarwal**

Partner

Membership No.: 095109

**Ashok Minda**

Chairman &amp; Group CEO

DIN 00054727

**Naresh Kumar Modi**

Executive Director &amp; CFO

DIN: 00089536

**Pardeep Mann**

Company Secretary

Membership No.: A 13371

Place : Gurugram

Date: 18 May 2021

Place : Gurugram

Date: 18 May 2021



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Million)

## A. Equity share capital

Particulars	Amount
Balance as at 1 April 2019	454
Changes in equity share capital during the year	-
Balance as at 31 March 2020	454
Changes in equity share capital during the year	24
Balance as at 31 March 2021	478

## B. Other equity

(₹ in Million)

	Attributable to owners of the Company										Total
	Reserves and surplus (2)						Items of Other Comprehensive Income (2)				
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Employee stock compensation option outstanding	Equity component of compound financial instrument-Cumulative redeemable preference share	Treasury shares	Retained earnings	Foreign currency translation reserve	Remeasurement of defined benefit obligations	
<b>Balance as at 1 April 2019</b>	<b>567</b>	<b>192</b>	<b>4,019</b>	<b>518</b>	<b>38</b>	<b>47</b>	<b>(9)</b>	<b>6,610</b>	<b>(485)</b>	<b>-</b>	<b>11,497</b>
Profit for the year	-	-	-	-	-	-	-	(1,998)	-	-	(1,998)
Other comprehensive income	-	-	-	-	-	-	-	-	72	(18)	54
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,998)</b>	<b>72</b>	<b>(18)</b>	<b>(1,944)</b>
Premium on issue of shares by ESOP trust	-	-	6	-	-	-	-	-	-	-	6
Profit on sale of treasury shares	-	-	-	-	-	-	-	31	-	-	31
Issue of equity shares on exercise of share based awards during the year	-	-	-	25	(25)	-	-	-	-	-	-
Remeasurement of defined benefit liability/(asset)	-	-	-	-	-	-	-	(18)	-	18	-
Employee stock compensation expense	-	-	-	-	3	-	-	-	-	-	3
Impact on account of adoption of Ind AS 116	-	-	-	-	-	-	-	(98)	-	-	(98)
Interim dividend	-	-	-	-	-	-	-	(76)	-	-	(76)
Dividend distribution tax on interim dividend	-	-	-	-	-	-	-	(16)	-	-	(16)
Final dividend	-	-	-	-	-	-	-	(102)	-	-	(102)
Dividend distribution tax on final dividend	-	-	-	-	-	-	-	(5)	-	-	(5)
<b>Balance as at 31 March 2020</b>	<b>567</b>	<b>192</b>	<b>4,025</b>	<b>543</b>	<b>16</b>	<b>47</b>	<b>(9)</b>	<b>4,328</b>	<b>(413)</b>	<b>-</b>	<b>9,296</b>
<b>Balance as at 1 April 2020</b>	<b>567</b>	<b>192</b>	<b>4,025</b>	<b>543</b>	<b>16</b>	<b>47</b>	<b>(9)</b>	<b>4,328</b>	<b>(413)</b>	<b>-</b>	<b>9,296</b>
Profit for the year	-	-	-	-	-	-	-	528	-	-	528
Other comprehensive income	-	-	-	-	-	-	-	-	407	5	412
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>528</b>	<b>407</b>	<b>5</b>	<b>940</b>
Premium on issue of shares	-	-	806	-	-	-	-	-	-	-	806
Premium on issue of shares by ESOP Trust	-	-	3	-	-	-	-	-	-	-	3
Profit on sale of treasury shares	-	-	-	-	-	-	-	4	-	-	4
Issue of equity shares on exercise of share based awards during the year	-	-	-	6	(6)	-	-	-	-	-	-
Remeasurement of defined benefit liability/(asset)	-	-	-	-	-	-	-	5	-	(5)	-
Amount utilised towards expenses for increase in share capital	-	-	(6)	-	-	-	-	-	-	-	(6)
Employee stock compensation expense	-	-	-	-	15	-	-	-	-	-	15
Interim dividend	-	-	-	-	-	-	-	(70)	-	-	(70)
<b>Balance as at 31 March 2021</b>	<b>567</b>	<b>192</b>	<b>4,828</b>	<b>549</b>	<b>25</b>	<b>47</b>	<b>(9)</b>	<b>4,795</b>	<b>(6)</b>	<b>-</b>	<b>10,988</b>

### Notes:

(1) During the year ended 31 March 2020, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity. With the abolition of dividend distribution tax effective from 01 April 2020, dividends will be taxable in the hands of recipient and hence dividend distribution tax is not applicable.

(2) Refer note 2.17 for nature and purpose of other equity.

Significant accounting policies 2

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

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

**Shashank Agarwal**

Partner

Membership No.: 095109

**Ashok Minda**

Chairman & Group CEO

DIN 00054727

**Naresh Kumar Modi**

Executive Director & CFO

DIN: 00089536

**Pardeep Mann**

Company Secretary

Membership No.: A 13371

Place : Gurugram

Date: 18 May 2021

Place : Gurugram

Date: 18 May 2021



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 1. Reporting entity

Minda Corporation Limited (the 'Company' or the 'Parent Company') is a Company domiciled in India, with its registered office situated at A-15, Phase -1 Ashok Vihar, Delhi - 110052. The principal place of business is 5th Floor, Plot no-404/405, Sector -20, Udyog Vihar, Phase-III, Gurugram, Haryana, 122016. The Company has been incorporated under the provisions of Indian Companies Act, 1956 and its equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has wholly owned subsidiaries in India, Germany, Indonesia and Vietnam. The Company, its subsidiaries (together referred to as "the Group"), its joint ventures and associate are primarily involved in manufacturing of Automobile Components and Parts thereof.

Pursuant to the Scheme of Amalgamation ('Scheme') under the provisions of Section 230 to 232 of the Companies Act, 2013, for amalgamation of Minda SAI Limited, Minda Automotive Solutions Limited, Minda Management Services Limited, Minda Autoelektrik Limited and Minda Telematics and Electric Mobility Solutions Private Limited (formerly EI Labs India Private Limited) (together referred to as "transferor companies"), into Minda Corporation Limited ("Transferee Company") as approved by the Hon'ble National Company Law Tribunal vide its order dated 19 July 2019, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company without any consideration.

## 2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### A. Basis of preparation

#### (i) Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act'), Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act ("financial statements").

The consolidated financial statements were authorized for issue by the Group's Board of Directors on 18 May 2021.

#### (ii) Going Concern

The Board of Directors of the Company, in their meeting dated 9 June 2020 decided to withdraw the financial support to its material wholly owned subsidiary Minda KTSN Plastic Solutions GmbH Co. & KG, Germany (MKTSN) (including its step down subsidiaries), pursuant to which MKTSN has filed for insolvency. In terms of Ind AS 105 - "Non-current assets held for sale and discontinued operations",

operations of MKTSN has been classified as "Discontinued Operations" w.e.f. 09 June 2020. Accordingly, the financial statements of MKTSN included in these consolidated financial statements have been prepared on the basis that the fundamental accounting assumption of going concern is no longer appropriate. Pursuant to requirements of Ind AS 105, the amounts in the consolidated Statement of Profit and Loss (and from notes 2.29 to 2.35) have been presented for continuing operations, as if the operations had been discontinued from the start of the previous year, as applicable, unless otherwise stated. Refer Note 2.45.

#### (iii) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the group operates i.e., functional currency, to be Indian Rupees (₹). All amounts have been rounded-off to the nearest million Rupees unless otherwise indicated. Further, at some places '-' are also put up to values below ₹ 500,000 to make financials in round off to Rupees in millions.

#### (iv) Basis of measurement

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

Items	Measurement Basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value
Share-based payments	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

#### (v) Use of estimates and judgement

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

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

#### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements.

#### Assumptions, judgement and estimation uncertainties

- Recognition and estimation of tax expense including deferred tax – Note 2.20



- Estimated impairment of financial and non-financial assets – Note 2(E)(vii), Note 2(E)(xviii) and Note 2.1
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(E)(iii) and Note 2(E)(iv)
- Estimation of obligations relating to employee benefits: key actuarial assumptions – Note 2.21
- Valuation of Inventories – Note 2(E)(vi)
- Share based payments – Note 2.41
- Recognition and measurement of provisions and contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 2.38, Note 2.21 and Note 2.27
- Fair value measurement – Note 2.43

#### (vi) Measurement of fair values

A number of accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

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

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Also, fair value of financial instruments measured at amortised cost is disclosed in Note 2.44.

#### B. Current-non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification.

##### Assets:

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

1. It is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

2. It is held primarily for the purpose of being traded;
3. It is expected to be realised within 12 months after the reporting date; or
4. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

The Group classifies all other assets as non-current.

##### Liabilities:

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

- (1) It is expected to be settled in the Group's normal operating cycle;
- (2) It is held primarily for the purpose of being traded;
- (3) It is due to be settled within 12 months after the reporting date; or
- (4) The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

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

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

#### C. Principles of Consolidation

##### (i) Subsidiaries:

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed wherever necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

**(ii) Equity method:**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, then unless it has incurred obligations or made payments on behalf of the other entity, Group does not recognise further losses. Unrealised gains on transactions between the Group and its equity accounted investees are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The details of the consolidated entities are as follows:

Name of the Company	Country of Incorporation	Nature of Interest	% of Ownership	
			31 March 2021	31 March 2020
<b>Subsidiaries / Step-Subsidiaries</b>				
Minda KTSN Plastic Solutions GmbH & Co. KG('Minda KTSN') *	Germany	Subsidiary	100	100
Minda KTSN Plastic and Tooling Solutions Sp Z.O.O *	Poland	Subsidiary of 'Minda KTSN'	100	100
KTSN Kunststofftechnik Sachsen Beteiligungs-GmbH *	Germany	Subsidiary of 'Minda KTSN'	100	100
Minda KTSN Plastic Solutions Mexico, S. de R.L. de C.V *	Mexico	Subsidiary of 'Minda KTSN'	100	100
Minda Europe B.V.	Netherlands	Subsidiary	100	100
Minda KTSN Plastic Solutions S.R.O	Czech Republic	Subsidiary of 'Minda KTSN'	100	100
Almighty International PTE Ltd. ('Almighty')	Singapore	Subsidiary	100	100
PT Minda Automotive Indonesia ('PT Minda')	Indonesia	Subsidiary of 'Almighty'	100	100
PT Minda Automotive Trading Indonesia	Indonesia	Subsidiary of 'PT Minda'	100	100
Minda Vietnam Automotive Company Limited	Vietnam	Subsidiary of 'Almighty'	100	100
Minda Corporation Ltd. Employees Stock Option Scheme	India	Subsidiary	100	100
Spark Minda Foundation	India	Subsidiary	100	100
<b>Jointly Controlled Entities/Associates</b>				
Minda Vast Access Systems Private Limited	India	Jointly Controlled Entity	50	50
Furukawa Minda Electric Private Limited (formerly Minda Furukawa Electric Private Limited)	India	Associate	25	25
Minda Stoneridge Instruments Limited	India	Jointly Controlled Entity	51	51

\* up to 09 June 2020



#### D. Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair value of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group.
- fair value of any asset or liability resulting from contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at their fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition related costs are expenses as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets acquired, the difference is recognized in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognized directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest is remeasured to fair value at the acquisition date. Any gains arising from such remeasurement are recognized in the Consolidated Statement of Profit and Loss or Other Comprehensive Income, as appropriate.

#### E. Summary of significant accounting policies

##### i) Foreign currency transactions and translations

###### Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transactions and monetary assets and liabilities denominated in foreign currencies as at the balance sheet

date, are translated at the balance sheet date exchange rates. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the balance sheet date exchange rates are generally recognised in statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing cost are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments (other than investment in subsidiaries and joint ventures) held at fair value through profit or loss are recognized in statement of profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments (other than investment in subsidiaries and joint ventures) classified as FVOCI are recognized in other comprehensive income.

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

###### Foreign Operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss, are translated into the functional currency using the exchange rates at the dates of transactions and monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, are translated at the balance sheet date exchange

rates. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the balance sheet date exchange rates are generally recognised in statement of profit and loss.

## ii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, sales tax/ Goods and Services Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

### Sale of goods

The Group recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

**Step 1:** Identify the contract(s) with a customer

**Step 2:** Identify the performance obligation in contract

**Step 3:** Determine the transaction price

**Step 4:** Allocate the transaction price to the performance obligations in the contract

**Step 5:** Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned or deferred revenue is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction

with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

### Use of significant judgements in revenue recognition:

- a) The Group's contracts with customers could include promises to transfer products to a customer. The Group assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- c) The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- d) The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

### Export benefits

Export incentive entitlements are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made,



and where there is no uncertainty regarding the ultimate collection of the relevant export proceeds.

#### **Other operating income**

Service income including job work income is recognized as per the terms of contracts with customers when the related services are rendered. Income from royalty, technical know-how arrangements is recognized on an accrual basis in accordance with the terms of the relevant agreement.

#### **Dividend and interest income**

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

### **iii) Property, plant and equipment**

#### **(a) Recognition and measurement**

Item of property, plant and equipment are carried at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, import duties and non-refundable purchase taxes, duties or levies, after deducting trade discounts and rebates, any other directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and removing the items and restoring the site on which it is located. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 2.A.v regarding significant accounting judgements, estimates and assumptions.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is derecognized.

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

A property, plant and equipment is eliminated from the Consolidated Financial Statements on disposal or when no further benefit is expected from its use and disposal.

Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising disposal of property, plant and equipment is recognized in the Consolidated Statement of Profit and Loss.

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

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Advance paid towards the acquisition of property, plant and equipment are shown under non-current asset and property, plant and equipment under construction are disclosed as capital work-in-progress. Capital work in progress includes cost of assets at site, direct and indirect expenditure incidental to construction and interest on the funds deployed for construction.

#### **(b) Subsequent costs**

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. The costs of the day to day servicing of property, plant and equipment are recognised in the consolidated statement of profit and loss as incurred.

#### **(c) Derecognition**

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the consolidated statement of profit and loss.

#### **(d) Depreciation**

Depreciation on property, plant and equipment is provided on the straight-line method at the rates reflective of the estimated useful life of the assets estimated by the management.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date the assets are ready to use. Depreciation on sale/deduction from property, plant and equipment is provided upto the date of sale, deduction as the case may be.

Leasehold Improvements are amortised on the straight-line basis over the lower of primary period of lease.

**iv) Goodwill and other intangible assets**

**a) Recognition and measurement**

Intangible assets comprise of goodwill, computer software, brands/trademarks and technical know-how acquired for internal use and are recorded at the consideration paid for acquisition of such assets are carried at cost less accumulated amortization and accumulated impairment, if any.

Cost of intangible assets under development as at the reporting date are disclosed as intangible assets under development.

Goodwill on consolidation represents the excess of purchase consideration over the net book value of the assets acquired of the subsidiary companies as on the date of acquisition. Other goodwill represents the excess of purchase consideration over the fair value of net assets/liabilities purchased.

**b) Subsequent costs**

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

**c) Derecognition**

Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the consolidated statement of profit and loss.

**d) Amortisation**

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

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss.

**v) Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction or development of qualifying assets are capitalized. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Qualifying assets are assets which take a

substantial period of time to get ready for their intended use or sale. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Other borrowing costs are recognized as an expense in the consolidated statement of profit and loss in the year in which they are incurred.

**vi) Inventories**

Inventories are valued at lower of cost and net realizable value. However, raw materials, components and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost or in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The basis of determination of cost for various categories of inventory is as follows:

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

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. The comparison of cost and net realizable value is made on an item-by-item basis

**vii) Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into



cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

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

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.

#### viii) Research and Development

Revenue expenditure on research is expensed off under the respective heads of account in the year in which it is incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses, if any. Property, plant and equipment used for research and development are depreciated in accordance with the Group's policy as stated above. Expenditure incurred at development phase, where it is reasonably certain that outcome of development will be commercially exploited to yield economic benefits to the Group, is considered as an intangible asset and amortized over the estimated life of the assets.

#### ix) Government Grant and Subsidies

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

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

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

#### x) Employee Benefits

##### Short – term employee benefits

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

##### Defined contribution plan:

**Provident fund:** Eligible employees of the Indian entities receive benefits from the provident fund, which is a defined contribution plan. Both the employees and the Indian entity make monthly contributions to the provident fund (with Regional Provident Fund Commissioner) equal to specified percentage of the covered employee's basic salary. The Group has no further obligations under the plan beyond its monthly contributions.

Eligible employees of certain overseas entities receive benefits from the social security contribution plans, which is a defined contribution plan. These entities have no further obligations under the plan beyond its monthly contributions.

##### Defined benefit plan:

**Gratuity:** The Indian entities provide for gratuity, a defined benefit retirement Plan (the "Gratuity Plan") covering eligible employees. The Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. Liabilities related to the Gratuity Plan are determined by actuarial valuation as at the balance sheet date. Eligible employees of certain overseas entities receive Retirement and service anniversary, a defined benefit retirement plan.

##### Other long-term employee benefit:

**Compensated absence:** Un-availed leaves for the year are accumulated and allowed to carried over to the next year and are within service period of the employees in accordance with the service rules of the Group. Provision for compensated absence is made by the Indian entities based on the amount payable as per the above service,



based on actuarial valuation as at the balance sheet date. Eligible employees of certain overseas entities receive vacation pay, being other long term employee benefit.

#### **Other employee benefit plans:**

**Actuarial valuation:** The liability in respect of all defined benefit plans and other long term employee benefit is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary primarily using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows.

The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the Consolidated Statement of profit and loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in 'other equity' in the consolidated statement of Changes in Equity and in the consolidated Balance Sheet.

#### **xi) Accounting for warranty**

Warranty costs are estimated by the Group 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 consolidated statement of profit and loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made, as and when required.

#### **xii) Leases**

Effective 1 April 2019, the Company has applied Ind AS 116 using modified retrospective approach

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether:

the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

the Company has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and

the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

This policy is applicable to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

#### **Company as lessee**

The Company accounts for assets taken under lease arrangement in the following manner:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the basis of remaining lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Company's estimate of the amount expected to be payable under



a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### **Short-term leases and leases of low-value assets**

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **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 non-current investments.

#### **xiv) Income taxes**

Income tax expense comprises current and deferred tax. It is recognised in consolidated statement of profit and loss except to the extent that it relates to items recognised directly in equity.

##### **a. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

When the Company concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the Company reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

The Company reflects the effect of uncertainty for each uncertain tax treatment by using the most likely amount method.

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

##### **b. Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Significant management judgement is required to determine the probability of deferred tax asset. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The criteria for recognising deferred tax assets arising from the carryforward of unused tax losses and tax credits are the same as the criteria for recognising deferred tax assets arising from deductible temporary differences. However, the existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, the Company recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

##### **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 is

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

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

#### **xvi) Provisions, contingent liabilities and contingent assets**

A provision is created when there is a present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Group. 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 Group 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 consolidated financial statements of the period in which the change occurs.

#### **xvii) 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.

#### **xviii) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **Initial recognition and measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

##### **Classification and subsequent measurement**

###### **Financial assets**

On initial recognition, a financial asset is classified as measured at

- Amortized cost;
- Fair Value through Other Comprehensive Income ('FVOCI') – debt instrument;
- FVOCI – equity investment; or
- FVTPL

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables. Group has recognized financial assets viz. security deposit, trade receivables, employee advances at amortized cost.

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



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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is re-classified from the equity to Consolidated Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

### Investments in joint ventures/ associate

Investments in joint ventures are carried at cost less

accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in joint ventures, the difference between net disposal proceeds and the carrying amounts are recognized in the Consolidated Statement of Profit and Loss.

### Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

#### Subsequent measurement and gains and losses

**Financial assets at FVTPL** These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. However, see Note 2.46 for derivatives designated as hedging instruments.

**Financial assets at amortised cost** These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Debt investment at FVOCI** These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**Equity investment at FVOCI** These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

*Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest

method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

#### Derecognition

##### *Financial Assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

##### **Financial liabilities**

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

##### **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

##### **Derivative financial instruments and hedge accounting**

The Company uses derivative instruments such as foreign exchange forward contracts and currency swaps to hedge its foreign currency and interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

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

##### **Compound financial instruments - convertible preference shares**

Compound financial instruments issued by the Group comprise of convertible preference shares that can be converted to equity shares of the Group. Convertible preference shares are bifurcated into liability and equity components based on the terms of the contract.



The liability component of convertible preference shares is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of convertible preference shares is not remeasured subsequently.

Interest related to the liability component is recognised in Consolidated Statement of Profit and Loss. On conversion, the liability component is reclassified to equity and no gain or loss is recognised.

#### **Impairment of financial assets**

The Group recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at FVOCI – debt instruments.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt instruments at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

#### *Measurement of expected credit losses*

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

#### **Presentation of allowance for expected credit losses in the balance sheet**

Loss allowance for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is

charged to the Consolidated Statement of the Profit and Loss and is recognized in OCI.

#### **Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Group's procedures for the recovery of amount due.

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for the measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortized cost e.g., deposits and advances
- b. Trade receivables that result from transactions that are within the scope of Ind AS 115
- c. Financial guarantee contracts which are not measured as at FVTPL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However,

in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Consolidated Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Consolidated Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

#### xix) Employee stock option schemes

The Group has adopted the policy to account for Employees Welfare Trust as a legal entity separate from the Group but as a subsidiary of the Group. Any loan from the Group to the trust is accounted for as a loan in accordance with its term. The cost is calculated based on the fair value method i.e. the excess of fair value of underlying equity shares as of the date of the grant of options over the exercise price of such options is regarded as employee compensation and in respect of the number of options that are expected to ultimately vest, such cost is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The grant date fair value of options granted to employees of the Group is recognized as an employee expense, and those granted to employees of subsidiaries is considered as the Group's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in share option outstanding account, over the period that the employees become unconditionally entitled to the options. The cost recognised at any date at least equals the fair value of the vested portion of the option at that date. Adjustment, if

any, for difference in initial estimate for number of options that are expected to ultimately vest and related actual experience is recognised in the Statement of Profit and Loss of that period. In respect of vested options expire unexercised, the related cumulative cost is credited to the General Reserve. Note – 2.42.

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share-based payment transaction is presented as a separate component in equity under "employee stock option outstanding account". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black Scholes Merton). Corresponding balance of a share-based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Group is operating the Employee Stock Option schemes through Minda Corporation Limited Employee Stock Option Scheme Trust, which has purchased share from the Group.

#### xx) Treasury shares

The Company has created an Employee Stock Option Plan Trust ('Minda Corporation Limited Employee Stock Option Scheme Trust' or 'ESOP trust') for providing share-based payment to its employees. The Company uses ESOP trust as a vehicle for transferring shares to employees under the employee remuneration schemes. ESOP Trust buys shares of the Company, for giving shares to the Company's employees as part of ESOP scheme. The shares held by ESOP Trust are treated as treasury shares.

Own equity instruments (treasury shares) are recognized at cost and deducted from other equity. No gain or loss is recognized In Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognized in reserves. Share options exercised during the year are satisfied with treasury shares.

#### xxi) Exceptional items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

#### xxii) Corporate Social Responsibility ("CSR") expenditure:

CSR expenditure incurred by the Company is charged to the Standalone Statement of the Profit and Loss

#### F. Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021



## 2.1 (a) Property, plant and equipment and capital work in progress

(₹ in million)

	Gross block					Accumulated depreciation					Net Block
	Balance as at 1 April 2020	Additions	Disposals	Translation Adjustment	Balance as at 31 March 2021	Balance as at 1 April 2020	Depreciation	On disposals	Translation Adjustment	Balance as at 31 March 2021	Balance as at 31 March 2021
	(a)	(b)	(c)	(d)	(e) = (a+b-c-d)	(f)	(g)	(h)	(i)	(j) = (f+g-h-i)	(k) = (e-j)
Freehold land #	138	-	-	-	138	-	-	-	-	-	138
Buildings #	1,133	233	-	(11)	1,377	180	62	-	(4)	238	1,139
Leasehold improvements	140	4	-	-	144	47	7	-	-	54	89
Plant and equipment	4,616	917	40	(12)	5,505	1,481	558	25	(14)	2,000	3,505
Furniture and fixtures	145	22	4	(1)	164	63	18	2	(1)	78	86
Vehicles	204	17	44	-	177	101	41	25	-	117	61
Office equipment	159	9	7	(1)	162	93	16	6	(1)	102	60
Computer hardware	131	40	7	(1)	165	95	20	6	(1)	108	57
<b>Total (A)</b>	<b>6,666</b>	<b>1,242</b>	<b>102</b>	<b>(26)</b>	<b>7,832</b>	<b>2,060</b>	<b>722</b>	<b>64</b>	<b>(21)</b>	<b>2,697</b>	<b>5,135</b>
Capital work-in-progress	284	855	961	-	178	-	-	-	-	-	178
<b>Total (B)</b>	<b>284</b>	<b>855</b>	<b>961</b>	<b>-</b>	<b>178</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178</b>
<b>Total (A+B)</b>	<b>6,950</b>	<b>2,097</b>	<b>1,063</b>	<b>(26)</b>	<b>7,832</b>	<b>2,060</b>	<b>722</b>	<b>64</b>	<b>(21)</b>	<b>2,697</b>	<b>5,313</b>
<b>Current (refer note 2.45)</b>											
Freehold land	125	-	128	(3)	-	-	-	-	-	-	-
Buildings	984	-	1,010	(26)	-	129	-	133	(3)	-	-
Leasehold improvements	8	-	8	-	-	8	-	8	(0)	-	-
Plant and equipment	1,379	-	1,407	(27)	-	631	-	648	(17)	-	-
Furniture and fixtures	5	-	5	-	-	5	-	5	(0)	-	-
Vehicles	1	-	1	-	-	1	-	1	(0)	-	-
Office equipment	81	-	83	-	-	81	-	83	(2)	-	-
Computer hardware	11	-	11	-	-	11	-	11	(0)	-	-
<b>Total (A)</b>	<b>2,594</b>	<b>-</b>	<b>2,653</b>	<b>(58)</b>	<b>-</b>	<b>865</b>	<b>-</b>	<b>887</b>	<b>(22)</b>	<b>-</b>	<b>-</b>
Capital work-in-progress	1	-	1	-	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>2,594</b>	<b>-</b>	<b>2,653</b>	<b>(58)</b>	<b>-</b>	<b>865</b>	<b>-</b>	<b>887</b>	<b>(22)</b>	<b>-</b>	<b>-</b>

(₹ in million)

	Gross block									
	Balance as at 1 April 2019	Reclassified on account of adoption of Ind AS 116	Balance as at 1 April 2019 after adoption of IndAS 116	Additions	Disposals	Fair valuation (gain)/ loss*	Translation Adjustment	Reclassified as current	Balance as at 31 March 2020	
	(a)	(b)	(c) = (a-b)	(d)	(e)	(f)	(g)	(h)	(i) = (c+d-e-f-g-h)	
Freehold land#	144	-	144	4	-	(118)	3	125	138	
Leasehold land	285	285	-	-	-	-	-	-	-	
Buildings#	1,328	-	1,328	43	5	(674)	(77)	984	1,133	
Leasehold improvements	165	-	165	27	-	49	(5)	8	140	
Plant and equipment	4,851	-	4,851	1,208	20	298	(254)	1,379	4,616	
Furniture and fixtures	140	-	140	21	2	-	9	5	145	
Vehicles	214	-	214	29	39	(1)	-	1	204	
Office equipment	278	-	278	33	6	83	(18)	81	159	
Computer hardware	140	-	140	10	7	2	(1)	11	131	
<b>Assets under finance lease</b>										
Land	384	-	384	-	-	384	-	-	-	
Plant and equipment	223	223	-	-	-	-	-	-	-	
Office equipment	12	12	-	-	-	-	-	-	-	
<b>Total (A)</b>	<b>8,164</b>	<b>520</b>	<b>7,644</b>	<b>1,375</b>	<b>78</b>	<b>23</b>	<b>(343)</b>	<b>2,595</b>	<b>6,666</b>	
Capital work-in-progress	210	-	210	849	769	4	1	1	284	
<b>Total (B)</b>	<b>210</b>	<b>-</b>	<b>210</b>	<b>849</b>	<b>769</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>284</b>	
<b>Total (A+B)</b>	<b>8,374</b>	<b>520</b>	<b>7,855</b>	<b>2,224</b>	<b>847</b>	<b>27</b>	<b>(342)</b>	<b>2,596</b>	<b>6,950</b>	

# Freehold land having gross block of ₹ 42 million (previous year ₹ 42 million) and buildings having gross block of ₹ 311 million (previous year ₹ 322 million) transferred to the Holding Company pursuant to the scheme of amalgamation duly approved by Hon'ble National Company Law Tribunal vide its order dated 19 July 2019 are pending for registration in the name of the Holding Company.

\* Also refer note 2.45, Group has recorded impairment loss pursuant to filing of insolvency by one of the subsidiary (including its step down subsidiaries) of the Group. The subsidiary is considered as a separate Cash Generating Unit.



(₹ in million)

	Accumulated depreciation							Net Block		
	Balance as at 1 April 2019	Reclassified on account of adoption of Ind AS 116	Balance as at 1 April 2019 after adoption of IndAS 116	Depreciation	On disposals	Translation Adjustment	Reclassified as current	Balance as at 31 March 2020	Reclassified as current (refer note 2.45)	Balance as at 31 March 2020
	(j)	(k)	(l) = (j-k)	(m)	(n)	(o)	(p)	(q) = (l+m-n-o-p)	(r) = (h-p)	(s) = (i-q)
Freehold land	-	-	-	-	-	-	-	-	125	138
Leasehold land	15	9	6	-	-	6	-	-	-	-
Buildings	206	-	206	84	3	(22)	129	180	855	953
Leasehold improvements	38	-	38	16	-	(1)	8	47	-	92
Plant and equipment	1,424	-	1,424	613	16	(91)	631	1,481	748	3,135
Furniture and fixtures	52	-	52	18	2	-	5	63	-	82
Vehicles	67	-	67	48	13	-	1	101	-	104
Office equipment	129	-	129	38	5	(12)	81	93	-	66
Computer hardware	85	-	85	26	6	(1)	11	95	-	36
<b>Assets under finance lease</b>										
Plant and equipment	24	24	-	-	-	-	-	-	-	-
Office equipment	7	7	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,047</b>	<b>40</b>	<b>2,007</b>	<b>843</b>	<b>45</b>	<b>(121)</b>	<b>866</b>	<b>2,060</b>	<b>1,728</b>	<b>4,606</b>

Notes:

- (i) Refer to note 2.18 and 2.23 for information on property, plant and equipment pledged as security by the Group.  
(ii) For commitments with respect to property, plant and equipment, refer note 2.37.

## 2.1 (b) Right of use assets

(₹ in million)

	Gross block					Accumulated depreciation				Net Block	
	Balance as at 1 April 2020	Additions	Disposals	Translation Adjustment	Balance as at 31 March 2021	Balance as at 1 April 2020	Depreciation	On disposals	Translation Adjustment	Balance as at 31 March 2021	Balance as at 31 March 2021
	(a)	(b)	(c)	(d)	(e) = (a+b-c-d)	(f)	(g)	(h)	(i)	(j) = (f+g-h-i)	(k) = (e-j)
Leasehold land #	291	-	7	-	284	16	7	1	-	22	262
Building	566	98	-	-	664	158	160	-	-	318	346
Plant and equipment	6	-	-	-	6	3	-	-	-	3	2
<b>Total</b>	<b>863</b>	<b>98</b>	<b>7</b>	<b>-</b>	<b>954</b>	<b>177</b>	<b>167</b>	<b>1</b>	<b>-</b>	<b>343</b>	<b>611</b>
Current (refer note 2.45)											
Leasehold land	66	-	68	(2)	-	66	-	68	(2)	-	-
Building	263	-	270	(7)	-	64	-	66	(2)	-	-
Plant and equipment	8	-	8	-	-	7	-	7	-	-	-
<b>Total</b>	<b>337</b>	<b>-</b>	<b>346</b>	<b>(9)</b>	<b>-</b>	<b>137</b>	<b>-</b>	<b>140</b>	<b>(4)</b>	<b>-</b>	<b>-</b>

(₹ in million)

	Gross block									
	Balance as at 1 April 2019	Reclassified on account of adoption of Ind AS 116	Transition impact of Ind AS 116	Balance as at 1 April 2019 after adoption of IndAS 116	Additions	Disposals	Fair valuation (gain)/ loss*	Translation Adjustment	Reclassified as current	Balance as at 31 March 2020
	(a)	(b)	(c)	(d) = (a+b+c)	(e)	(f)	(g)	(h)	(i)	(j) = (d+e-f-g-h-i)
Leasehold land #	-	285	3	288	3	-	-	-	-	292
Building	-	-	758	758	37	7	156	-	66	566
Plant and equipment	-	223	168	391	-	14	110	(2)	263	6
Office equipment	-	12	-	12	-	-	4	-	8	-
<b>Total</b>	<b>-</b>	<b>520</b>	<b>930</b>	<b>1,449</b>	<b>40</b>	<b>21</b>	<b>270</b>	<b>(2)</b>	<b>337</b>	<b>864</b>

# Leasehold land having gross block of ₹ 25 million (previous year ₹ 41 million) transferred to the Holding Company pursuant to the scheme of amalgamation duly approved by Hon'ble National Company Law Tribunal vide its order dated 19 July 2019 are pending for registration in the name of the Holding Company.

\* Also refer note 2.45, Group has recorded impairment loss pursuant to filing of insolvency by one of the subsidiary (including its step down subsidiaries) of the Group. The subsidiary is considered as a separate Cash Generating Unit.

(₹ in million)

	Accumulated depreciation							Net block		
	Balance as at 1 April 2019	Reclassified on account of adoption of Ind AS 116	Balance as at 1 April 2019 after adoption of IndAS 116	Depreciation	On disposals	Translation Adjustment	Reclassified as current	Balance as at 31 March 2020	Reclassified as current (refer note 2.45)	Balance as at 31 March 2020
	(k)	(l)	(m) = (k+l)	(n)	(o)	(p)	(q)	(r) = (m+n-o-p-q)	(s) = (i-q)	(t) = (j-r)
Leasehold land	-	9	9	7	-	-	-	16	-	276
Building	-	-	-	224	-	-	66	158	-	408
Plant and equipment	-	24	24	43	1	(1)	64	3	199	3
Office equipment	-	7	7	-	-	-	7	-	2	-
<b>Total</b>	<b>-</b>	<b>40</b>	<b>40</b>	<b>274</b>	<b>1</b>	<b>(1)</b>	<b>137</b>	<b>177</b>	<b>201</b>	<b>687</b>



## 2.2 Goodwill

	Gross block					Accumulated amortization					Net block	
	Balance as at 1 April 2020	Additions	Disposals	Translation Adjustment	Balance as at 31 March 2021	Balance as at 1 April 2020	Impairment for the year	On disposals	Translation Adjustment	Balance as at 31 March 2021	Balance as at 31 March 2021	
	(a)	(b)	(c)	(d)	(e) = (a+b-c-d)	(f)	(g)	(h)	(i)	(j) = (f+g-h-i)	(k) = (e-j)	
Goodwill	299	-	-	-	299	-	-	-	-	-	299	
<b>Total</b>	<b>299</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>299</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>299</b>	

	Gross block					Accumulated amortization					Net block	
	Balance as at 1 April 2019	Additions	Disposals	Translation Adjustment	Impairment*	Balance as at 31 March 2020	Balance as at 1 April 2019	Impairment for the year	On disposals	Translation Adjustment	Balance as at 31 March 2020	Balance as at 31 March 2020
	(a)	(b)	(c)	(d)	(e)	(f) = (a+b-c-d-e)	(g)	(h)	(i)	(j)	(k) = (g+h-i-j)	(l) = (f-k)
Goodwill	1,010	-	-	-	711	299	-	-	-	-	-	299
<b>Total</b>	<b>1,010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>711</b>	<b>299</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>299</b>

### Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Unit (CGU) which represents the lowest level at which the goodwill is monitored for internal management reporting purposes.

The recoverable amount of the cash generating unit was based on its value in use. The value in use of this unit was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carry amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation as at 31 March 2021 and 31 March 2020 was based on the following key assumptions:

- The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and the 5-year business plan in all periods presented.
- The terminal growth rate ranges from 4% to 5% (Previous year: 4% to 5%) representing management view on the future long-term growth rate.
- Discount rate ranging from 11% to 12.9% (Previous year: 11% to 14%) for all periods presented was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on past experience and companies weighted average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

\*Also refer note 2.45, Group has recorded impairment loss pursuant to filing of insolvency by one of the subsidiary (including its step down subsidiaries) of the Group. The subsidiary is considered as a separate Cash Generating Unit.

### 2.2 Other intangible assets

(₹ in million)

	Gross block					Accumulated amortization					Net block	
	Balance as at 1 April 2020	Additions	Disposals	Translation Adjustment	Balance as at 31 March 2021	Balance as at 1 April 2020	Amortisation for the year	On disposals	Translation Adjustment	Balance as at 31 March 2021	Balance as at 31 March 2021	
	(a)	(b)	(c)	(d)	(e) = (a+b-c-d)	(f)	(g)	(h)	(i)	(j) = (f+g-h-i)	(k) = (e-j)	
Brands/trademarks	138	-	-	-	138	91	24	-	-	115	23	
Computer software	166	25	26	-	165	106	24	23	-	107	58	
Technical knowhow	17	-	-	-	17	15	-	-	-	15	2	
<b>Total</b>	<b>321</b>	<b>25</b>	<b>26</b>	<b>-</b>	<b>320</b>	<b>212</b>	<b>48</b>	<b>23</b>	<b>-</b>	<b>237</b>	<b>83</b>	

(₹ in million)

	Gross block					Accumulated amortization					Net block	
	Balance as at 1 April 2019	Additions	Disposals	Translation Adjustment	Impairment*	Balance as at 31 March 2020	Balance as at 1 April 2019	Amortisation for the year	On disposals	Translation Adjustment	Balance as at 31 March 2020	Balance as at 31 March 2020
	(a)	(b)	(d)	(e)	(f)	(g) = (a+b-c-d-e-f)	(h)	(i)	(k)	(l)	(m) = (h+i+j-k-l)	(n) = (g-m)
Brands/trademarks	138	-	-	-	-	138	67	24	-	-	91	47
Computer software	187	27	5	13	30	166	72	38	1	4	105	61
Technical knowhow	17	-	-	-	-	17	15	-	-	-	15	2
<b>Assets under finance lease</b>												
Software Installation	4	-	4	-	-	-	3	-	3	-	-	-
<b>Total</b>	<b>346</b>	<b>27</b>	<b>9</b>	<b>13</b>	<b>30</b>	<b>320</b>	<b>157</b>	<b>62</b>	<b>4</b>	<b>4</b>	<b>210</b>	<b>110</b>

## 2.4 Investments

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Investment in Preference Shares</b>		
<b>Unquoted preference shares</b>		
520,000 (31 March 2020: 520,000) 0.001% Cumulative redeemable preference shares of ₹100 each in Minda Capital Private Limited	15	14
<b>Investment in equity instruments of equity investee</b>		
<b>Interest in joint ventures, unquoted</b>		
21,332,700 (31 March 2020: 21,332,700) equity shares of ₹ 10 each fully paid up in Minda Vast Access Systems Private Limited	419	446
6,069,000 (31 March 2020: 6,069,000) equity shares of ₹ 10 each fully paid up in Minda Stoneridge Instruments Limited	1,254	1,119
<b>Interest in associate, unquoted</b>		
29,375,000 (31 March 2020: 29,375,000) equity shares of ₹ 10 each fully paid up in Furukawa Minda Electric Private Limited	117	182
<b>Investment in equity instruments at cost</b>		
<b>Unquoted equity instruments</b>		
28,180,001 (31 March 2020: Nil) investment in Minda KTSN Plastic Solutions GmbH & Co. KG, Germany	2,207	
Less: Provision for impairment loss (refer to note 2.45)	(2,207)	-
130 (31 March 2020: Nil) equity shares of ₹ 10 each fully paid up in AMP Solar Urja Private Limited <sup>®</sup>	-	-
	1,805	1,761

<sup>®</sup> amount in absolute is ₹ 1,300 (31 March 2020 ₹ Nil)

Particulars	As at 31 March 2021	As at 31 March 2020
Aggregate amount of unquoted investments (gross of impairment)	4,012	1,761
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of impairment in value of investments	2,207	-



## 2.5 Loans

(unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-Current</b>		
Security deposits	91	76
Security deposits to related parties (refer note 2.39)	41	39
	<b>132</b>	<b>115</b>

## 2.6 Other financial assets

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-Current</b>		
Balances with banks		
-Deposits due to mature after 12 months from the reporting date	4	1
Interest accrued on loan to related party	-	1
	<b>4</b>	<b>2</b>

## 2.7 Income tax assets

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance income tax (net of provision)	27	27
	<b>27</b>	<b>27</b>

## 2.8 Other non-current assets

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Capital advances	131	100
Prepaid expenses	2	2
Receivable from government authorities	13	18
	<b>146</b>	<b>120</b>

## 2.9 Inventories

(₹ in million)

Particulars	As at 31 March 2021		As at 31 March 2020	
Raw materials (including packing materials, tools and dies)	2,080		1,954	
Add: Material-in-transit	113	2,193	204	2,158
Work-in-progress		676		797
Finished goods	384		398	
Add: Goods-in-transit	264	648	78	476
Stock in trade	367		361	
Add: goods-in-transit	24	391	105	466
Stores and spares		51		52
	<b>3,959</b>		<b>3,949</b>	

Refer to note 2.18 and 2.23 for information on inventories pledged as security.

The cost of inventories recognised as an expense includes ₹ 17 million (Previous year: ₹ 17 million) in respect of write-downs of inventory to net realisable value (excluding provision for obsolete inventory).

## 2.10 Trade receivables

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
- Considered good	4,347	3,794
- Considered doubtful	45	21
Less: Loss allowance for credit impairment	(45)	(21)
Receivables from related parties (refer note 2.39)	73	104
	<b>4,420</b>	<b>3,898</b>

Refer to note 2.18 and 2.23 for information on trade receivables pledged as security.

## 2.11 Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Balances with banks</b>		
-Deposits with original maturity of 3 months or less	146	188
-On current accounts	337	733
-Other bank balances	43	22
<b>Cash and cash equivalents</b>		
-Cash on hand	5	4
	<b>531</b>	<b>947</b>

The disclosures regarding details of specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these consolidated financial statements since the requirement does not pertain to the financial year ended 31 March 2021.

## 2.12 Other bank balances

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits due to mature within 12 months of the reporting date *	4,463	3,777
	<b>4,463</b>	<b>3,777</b>

\*Deposits include ₹ 146 million (31 March 2020: ₹ 2 million) being fixed deposits held as margin money or security against borrowings, guarantee.

## 2.13 Loans

(unsecured and considered good, unless otherwise stated)

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current</b>	-	-
Security deposits	5	14
Loan to related party (refer note 2.39 and 2.45)	414	-
Less: Loss allowance for doubtful loan	(414)	-
Loan to employees	2	-
	<b>7</b>	<b>14</b>



## 2.13.1 Details of loans given to related parties (net of provision for loss allowance)

Name of subsidiary	Nature of loan / advance	Rate of Interest	As at 31 March 2021	As at 31 March 2020
Minda KTSN Plastic Solution GMBH & Co.KG, Germany	Unsecured short term loan	12%	-*	-*

\* Net of provision for loss allowance amounting to ₹ 414 million

(₹ in million)

Movement in expected credit loss on loans	As at 31 March 2021	As at 31 March 2020
Opening balance	-	-
Add: Amount pursuant to deconsolidation of subsidiary (refer note 2.45)	414	-
Add : Created during the year	-	-
Less : Utilisation during the year	-	-
Closing balance	414	-

## 2.14 Other financial assets

(₹ in million)

Movement in expected credit loss on loans	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
Interest accrued on fixed deposits	42	25
Receivable pursuant to settlement agreement (refer note 2.38 and 2.39)	472	-
Unbilled revenue	144	2
Advance to employees	26	20
Mark to market gain on derivative contracts	10	-
Others receivable	6	3
	<b>700</b>	<b>50</b>

## 2.15 Other current assets

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	64	92
Balance with government authorities	255	213
Advances to suppliers	290	273
Export benefits/rebate claims/grants receivables	163	92
Forward cover receivable [net of forward payable of ₹ Nil million (31 March 2020: ₹ 224 million)]	-	10
Others	10	14
	<b>782</b>	<b>694</b>

## 2.16 Equity share capital

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>2.16.1 Authorised</b>		
692,500,000 (31 March 2020: 692,500,000) equity shares of ₹ 2 each.	1,385	1,385
240,000 (31 March 2020: 240,000) 0.001% cumulative redeemable preference shares of ₹ 800 each.	192	192
	<b>1,577</b>	<b>1,577</b>
<b>2.16.2 Issued, subscribed and fully paid- up shares</b>		
Equity shares of ₹ 2 each (previous year ₹ 2 each)		
239,079,428 (31 March 2020: 227,222,285) equity shares of ₹ 2 each	478	454
	<b>478</b>	<b>454</b>

## 2.16.3 Reconciliation of share capital outstanding as at the beginning and at the end of the year

Equity shares of ₹ 2 each (31 March 2020: ₹ 2 each) fully paid up

(₹ in million)

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year (face value ₹ 2 per share)	227,222,285	454	227,222,285	454
Add: Issued during the year (face value ₹ 2 per share) (refer to note 2.16.9)	11,857,143	24	-	-
Balance as at the end of the year [face value of ₹ 2 each (31 March 2020: ₹ 2 each)]	<b>239,079,428</b>	<b>478</b>	<b>227,222,285</b>	<b>454</b>

Pursuant to the approval of the shareholders on 23 March 2014, the Company had allotted Bonus shares in the ratio of 1:1 and the nominal value of shares of the Company has been sub-divided from ₹ 10 (Rupees Ten) per share to ₹ 2 (Rupees Two) per share. Consequent to the same, the number of the equity shares of the Company has increased from 20,931,164 equity shares of ₹ 10 each to 209,311,640 shares (including shares held by Minda Corporation limited - Employee Stock Option Scheme trust) of ₹ 2 each.

## 2.16.4 Rights, preferences and restrictions attached to each class of shares

## a) Equity shares of ₹ 2 each (31 March 2020: ₹ 2 each) fully paid up

The Company has one class of equity shares having a par value of ₹ 2 per share (31 March 2020 : ₹ 2 per share). Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## b) 0.001% cumulative redeemable preference shares of ₹ 800 each fully paid up

The Company had 240,000 cumulative redeemable preference shares of ₹ 800 each. The shares carry right of fixed preferential dividend at a rate of 0.001%. The holders of these shares do not have the right to vote and are compulsorily redeemable at par on or before the expiry of 20 years from the date of allotment. The dividend on the shares shall be cumulative and any unpaid dividend shall be added to the amount payable as dividend in the following year and no dividend can be paid on equity shares until the entire backlog of unpaid dividends on these shares is cleared. In the event of liquidation, these share holders are entitled to get their capital after satisfaction of dues for secured creditors, but they get preference over equity share capital. The shares have been redeemed during the year ended 31 March 2018.



### 2.16.5 Details of shareholders holding more than 5% shares as at year end

Equity shares of ₹ 2 each fully paid up

Name of shareholders	As at 31 March 2021		As at 31 March 2020	
	% of holdings	Number of shares held	% of holdings	Number of shares held
(i) Ashok Minda	34.1%	81,466,380	35.9%	81,466,380
(ii) Sarika Minda	14.0%	33,394,900	14.7%	33,394,900
(iii) Minda Capital Private Limited	16.1%	38,581,298	17.0%	38,581,298
		<b>153,442,578</b>		<b>153,442,578</b>

### 2.16.6 Shares allotted as fully paid up by way of bonus issue (during five years immediately preceding 31 March 2021)

Particulars	Years (number and aggregate number of shares)					
	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Fully paid up equity shares of ₹ 2 each	-	-	-	-	-	-
Cumulative number of shares of ₹ 2 each	192,508,430	192,508,430	192,508,430	192,508,430	192,508,430	192,508,430

### 2.16.7 Issue of shares to Minda Corporation Limited Employees' Stock Option Scheme

Pursuant to the Board of Director's approval in Board meeting held on 29 September 2011, the Company has constituted a trust under the name "Minda Corporation Limited Employee Stock Option Scheme Trust" (MCL ESOS Trust), with the objective of acquiring and holding of shares, warrants or other securities of the Company for the purpose of implementing the Company's ESOP Scheme. The Company has contributed a sum of ₹0.1 million towards initial trust fund and later on advanced a sum of ₹134 million to fund the purchase of Company's equity shares by MCL ESOS trust. The Company had issued and allotted, 267,092 equity shares of the Face Value ₹ 10 each at the premium of ₹ 490 per equity share to the MCL ESOS Trust, as approved in the Extra ordinary general meeting dated 24 October 2011. Further, the Company had issued bonus shares in proportion of one equity share for one share held on 29 March 2012, as decided in Extra ordinary general meeting held on 16 March 2012. During the financial year ended 31 March 2017, the members of the Company had approved 'Employee Stock Option Scheme, 2017' through Postal Ballot on 10 February 2017. The plan envisaged grant of stock options to eligible employees at an exercise price equal to the latest available closing price discounted by 50% or such other percentage as may be decided by the Nomination and Remuneration Committee. Refer note 2.41.

### 2.16.8 Qualified Institutional Placement (QIP) of equity shares

During the year ended 31 March 2019, the Company has raised funds amounting to ₹ 3,056 million (net of expenses of ₹ 50 million) by way of Qualified Institutional Placement (QIP) of equity shares for the objects of working capital requirement, repayment of outstanding loan, investment in subsidiaries and joint ventures, to fund growth and expansion and towards corporate general purpose. The Company has issued 17,910,645 shares at a price of ₹ 173.47 per share whereby equity share capital has increased by ₹ 36 million and securities premium is increased by ₹ 3,020 million (net of expenses).

Details of utilization of QIP proceeds are as follows:

(₹ in million)

Objects of the issue as per prospectus	Proceeds of QIP	Utilized upto 31 March 2021	Unutilized amount as at 31 March 2021
Working capital requirement, repayment of outstanding loan, investment in subsidiaries and joint ventures, to fund growth and expansion and towards corporate general purpose	3,056	-	3,056

The unutilized amount of the issue as at 31 March 2021 has been temporarily deployed in bank accounts.

### 2.16.9 Preferential allotment of equity shares of equity shares

During the year ended 31 March 2021, the Company has raised additional capital aggregating to ₹ 824 million (net of expenses of ₹ 6 million) by way of preferential allotment of equity shares. The Company has issued 11,857,143 shares at a price of ₹ 70/- per share whereby equity share capital has increased by ₹ 24 million and securities premium account is increased by ₹ 800 million (net of expenses of ₹ 6 million).



Details of utilization of preferential allotment proceeds are as follows:

(₹ in million)

Objects of the issue	Proceeds from preferential allotment	Utilized upto 31 March 2021	Unutilized amount as at 31 March 2021
Working capital requirement, repayment of outstanding loan, investment in subsidiaries and joint ventures, to fund growth and expansion and towards corporate general purpose	824	824	-

**2.17 Other Equity**

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>2.17.1 Capital reserve</b>		
Opening balance	567	567
<b>Closing balance</b>	<b>567</b>	<b>567</b>
<b>2.17.2 Securities premium</b>		
Opening balance	4,025	4,019
Add: Premium on issue of shares	806	-
Less: Amount utilised towards expenses for increase in share capital	(6)	-
Add: Premium on issue of shares issued by ESOP Trust	3	6
<b>Closing balance</b>	<b>4,828</b>	<b>4,025</b>
<b>2.17.3 Equity component of compound financial instrument-Cumulative redeemable preference share</b>		
Opening balance	47	47
<b>Closing balance</b>	<b>47</b>	<b>47</b>
<b>2.17.4 Employee stock compensation outstanding</b>		
Opening balance	16	38
Add: Employee stock compensation expense	15	3
Issue of equity shares on exercise of share based awards during the year	(6)	(25)
<b>Closing balance</b>	<b>25</b>	<b>16</b>
<b>2.17.5 General reserve</b>		
Opening balance	543	518
Add: Issue of equity shares on exercise of share based awards during the year	6	25
<b>Closing balance</b>	<b>549</b>	<b>543</b>
<b>2.17.6 Retained earnings</b>		
Opening balance	4,328	6,610
Add: Profit on sale of treasury shares	4	31
Less: Impact on account of adoption of Ind AS 116 (including tax)	-	(98)
Add: Net profit/(loss) for the year	528	(1,998)
	<b>4,860</b>	<b>4,545</b>
Less : Interim dividend		
- on equity shares at ₹ 0.30 per share (31 March 2020: ₹ 0.35 per share)]	(70)	(76)
Dividend distribution tax on interim dividend	-	(16)
Less : Final dividend		
- on equity shares at ₹ Nil per share (31 March 2020: ₹ 0.45 per share)]	-	(102)
Dividend distribution tax on final dividend	-	(5)
Remeasurement of defined benefit obligation, net of tax	5	(18)
<b>Closing balance</b>	<b>4,795</b>	<b>4,328</b>



Particulars	As at 31 March 2021	As at 31 March 2020
<b>2.17.7 Remeasurement of define benefit obligation</b>		
Opening balance	-	-
(Less)/ Add : Remeasurement of define benefit obligation, net of tax	5	(18)
Transferred to retained earnings	(5)	18
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>2.17.8 Capital redemption reserve</b>		
Opening balance	192	192
<b>Closing balance</b>	<b>192</b>	<b>192</b>
<b>2.17.9 Foreign currency translation reserve</b>		
Opening balance	(413)	(485)
Add: Amount transferred during the year	407	72
<b>Closing balance</b>	<b>(6)</b>	<b>(413)</b>
<b>2.17.10 Treasury shares</b>		
Opening balance	(9)	(9)
Less: Issue of shares by ESOP trust	-	-
<b>Closing balance</b>	<b>(9)</b>	<b>(9)</b>
	<b>10,988</b>	<b>9,296</b>

**2.17.11** The Board of Directors, in their meeting held on 18 May 2021 has recommended final dividend of ₹ 0.35 per share (₹ 84 million). Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March 2021. The total dividend declared on equity shares of the Company for the year 2020-21 is ₹ 0.65 per equity share (face value of ₹ 2 per share). With the abolition of dividend distribution tax effective from 01 April 2020, dividends will be taxable in the hands of recipient and hence dividend distribution tax is not applicable.

#### 2.17.12 Earning per share

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Net profit / (loss) attributable to equity shareholders</b>		
From continuing operations	935	1,356
From discontinued operations	(407)	(3,354)
From continuing and discontinued operations	528	(1,998)
<b>Number of weighted average equity shares</b>		
Basic	226,238,516	222,508,645
Diluted	230,952,156	227,222,285
<b>Nominal value of equity share (₹)</b>	<b>2</b>	<b>2</b>
<b>Earnings per share (₹) (Basic)</b>		
From continuing operations	4.13	6.09
From discontinued operations	(1.80)	(15.07)
From continuing and discontinued operations	2.33	(8.98)
<b>Earnings per share (₹) (Diluted)</b>		
From continuing operations	4.05	5.97
From discontinued operations	(1.80)*	(15.07)
From continuing and discontinued operations	2.29	(8.98)

\* As the potential equity shares are anti-dilutive, the effect of same is ignored in calculating diluted earnings per share as per the requirements of Ind AS 33.

### 2.1713 Nature and purpose of other equity

- **Securities premium**

The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

- **General reserve**

This represents appropriation of profit by the Company and is available for distribution of dividend.

- **Employee stock compensation outstanding**

The fair value of the equity settled share based payment transactions with employees of the Company and its subsidiary is recognised in Consolidated Statement of Profit and Loss with corresponding credit to Employee stock compensation outstanding account. Corresponding balance of a ESOP outstanding is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Company is operating the Employee Stock Option scheme.

- **Remeasurements of defined benefit obligation**

Remeasurements of defined benefit obligation comprises actuarial gains and losses.

- **Equity component of compound financial instrument - Cumulative redeemable preference share**

The Company had issued compulsory redeemable preference shares @0.001% (below market rate). The same were recorded at cost under previous GAAP. The Company has redeemed such preference shares during the current year. Under Ind AS, the preference shares is treated as compound financial instruments and accordingly, classified as financial liability and equity. The same is recognised at amortized cost and is discounted using market rate. The differential between Fair Value and Book Value is considered as equity portion of compound financial instrument.

- **Foreign currency translation reserve**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Group dispose or partially dispose off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

- **Capital reserve**

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

- **Capital redemption reserve**

This represents the unutilised accumulated amount set aside at the time of redemption of preference share. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

- **Treasury Shares:**

The reserve for shares of the Company held by the 'Minda Corporation Limited Employee Stock Option Scheme Trust (ESOP Trust). The Company has issued employees stock option scheme for its employees. The shares of the Company have been purchased and held by ESOP Trust to issue and allot to employees at the time of exercise of ESOP by Employees.



## 2.18 Non current borrowings

(₹ in million)

Particulars	Footnote	Non current maturities		Current maturities	
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Secured</b>					
<b>Term loans</b>					
from banks	[1]	922	1,129	399	1,021
Vehicle loan	[2]	11	19	10	18
<b>Unsecured</b>					
<b>Term loans</b>					
from banks	[3]	-	-	418	-
<b>Deferred sales tax liabilities</b>					
State Industrial and Investment Corporation of Maharashtra Limited (SICOM)	[4]	-	2	2	6
		<b>933</b>	<b>1,150</b>	<b>829</b>	<b>1,045</b>
Less: Amount shown under other current financial liabilities [refer to note 2.24]		-	-	829	1,045
		<b>933</b>	<b>1,150</b>	-	-

## Footnotes:

(₹ in million)

No.	Detail of Loan	As at 31 March 2021*	As at 31 March 2020*	Details of security / guarantee /other terms #
1	Term loan from banks (denominated in INR)	1,112	1,255	<p>Entire term loan is secured by :-</p> <ol style="list-style-type: none"> <li>1. First pari passu charge on all existing and future moveable fixed assets (excluding assets exclusively charged to other lenders) of the Company</li> <li>2. First pari passu charge on the immoveable properties of the Company situated at D 6-11, Sector 59, Noida and Plot No. 68, Echelon Institutional Area, Sector-32, Gurgaon.</li> </ol> <p><u>Other terms:</u> Negative lien on immovable property situated at 9 A IEM, SIDCUL Industrial Area, Pantnagar, Uttarakhand, 9 Pantnagar IEM, SIDCUL Industrial Area, Pantnagar, Uttarakhand, D-225/1, 226 &amp; 227 MIDC, Phase-III, Chakan Industrial Area, Chakan, Pune, Maharashtra, Gut No. 221, 222, 235, 249, 253, 254, 268, 269, 270, 271, 272, 278, 282 and 283, Dhanivalli Village, Taluka Murbad, District Thane (Mumbai), Shed No. DP No. G 42, SIDCO Industrial Estate, Kakkulur and land and building located at 355, Sector-3, Phase-2, IMT Bawal.</p>

No.	Detail of Loan	As at 31 March 2021*	As at 31 March 2020*	Details of security / guarantee /other terms #
	Term loan from banks- ECB (In USD)	209	374	Entire term loan is secured by :- 1. First pari passu charge on all existing and future moveable fixed assets (excluding assets exclusively charged to other lenders) of the Company 2. First pari passu charge on the immoveable properties of the Company situated at D 6-11, Sector 59, Noida and Plot No. 68, Echelon Institutional Area, Sector-32, Gurgaon. <u>Other terms:</u> Negative lien on immovable property situated at 9 A IIEEM, SIDCUL Industrial Area, Pantnagar, Uttrakhand, 9 Pantnagar IIEEM, SIDCUL Industrial Area, Pantnagar, Uttrakhand, D-225/1, 226 & 227 MIDC, Phase-III, Chakan Industrial Area, Chakan, Pune, Maharashtra, Gut No. 221, 222, 235, 249, 253, 254, 268, 269, 270, 271, 272, 278, 282 and 283, Dhanivalli Village, Taluka Murbad, District Thane (Mumbai), Shed No. DP No. G 42, SIDCO Industrial Estate, Kakkulur and land and building located at 355, Sector-3, Phase-2, IMT Bawal.
	Term loan from banks - (denominated in Euro)	-	521	(a) Loans aggregating to ₹ Nil million (Previous Year: ₹ 291 million) are secured by first Pari-passu charge on building and plant & machinery and entire current assets of Minda KTSN Plastic Solutions GmbH & Co. KG (b) Loans aggregating to ₹ Nil (Previous Year: ₹ Nil million) are secured by assignment of the receivables related to the contracts between VW/Audi for the project Q3/ Q6 and Q8 of Minda KTSN Plastic Solutions GmbH and Co. KG. c) Loans aggregating to ₹ Nil million (Previous Year: ₹ 224 million) are secured by fixed charge over all the current asset and property, plant and equipment purchased out bank finance and pari- passu charge on the entire fixed assets of the Minda KTSN Pirna. d) Loan aggregating to ₹ Nil million (Previous Year: ₹ 6 million) are secured by power of attorney to the borrower's Current Account and the accounts held with the bank and blank bills of exchange together with B/E declaration of Minda KTSN Plastic and Tooling Solutions Sp. Z o.o, Poland and joint mortgage over specified amount. Further secured by land described in the land mortgage books KW no. BY1B/00066470/2, KW no. BY1B/00066480/5, Poland.
2	Vehicle Loan from Kotak Mahindra Prime Limited	21	37	Vehicle loan is secured by way of hypothecation of respective vehicles.



No.	Detail of Loan	As at 31 March 2021*	As at 31 March 2020*	Details of security / guarantee /other terms #
3	Term loan from banks (denominated in INR)	418	-	Term loan is secured by negative lien on immovable property situated at 9 A IEM, SIDCUL Industrial Area, Pantnagar,Uttarakhand, 9 Pantnagar IEM, SIDCUL Industrial Area, Pantnagar, Uttarakhand, D-225/1, 226 & 227 MIDC, Phase-III, Chakan Industrial Area, Chakan, Pune, Maharashtra, Gut No. 221, 222, 235, 249, 253, 254, 268, 269, 270, 271, 272, 278, 282 and 283, Dhanivalli Village, Taluka Murbad, District Thane (Mumbai), Shed No. DP No. G 42, SIDCO Industrial Estate, Kakkulur and land and building located at 355, Sector-3, Phase-2, IMT Bawal.
4	Deferred sales tax liabilities (SICOM) (denominated in INR)	2	8	Unsecured
	<b>Total</b>	<b>1,762</b>	<b>2,195</b>	

\* Net of transaction cost

# Certain immovable properties considered above have been transferred to the Company pursuant to scheme of amalgamation vide order dated 19 July 2019 are pending for registration in the name of the Company

#### Repayment Terms

(₹ in million)

Loan Category	Frequency of principal repayments	Interest rates	As at 31 March 2021		As at 31 March 2020	
			No of installments due	Amount	No of installments due	Amount
Term loan from banks (denominated in Euro)	Half yearly repayments	Nil (Previous year: 3.93%)	-	-	5	291
			-	-	6	224
	Monthly repayments	Nil (Previous year: 3.50% to 3.61%)	-	-	-	-
			-	-	10	6
Term loan from banks (denominated in INR)	Quarterly Payments	7.00% to 8.10% (PY 7.95% to 9.95%)	20	500	20	500
			16	350	-	-
			-	-	16	150
			-	-	4	44
			-	-	2	50
			-	-	2	4
	Monthly Payments	7.15% to 8.55% (PY 8.15% to 8.75%)	28	18	40	26
			27	126	39	182
			13	39	25	75
			7	61	19	168
			6	10	18	30
			6	8	18	24
			10	418	-	-
ECB loans (denominated in USD)	Quarterly Payments	1.94% to 3.55% (PY 4.05% to 5.03%)	-	-	2	18
			-	-	4	36
			7	106	11	171
			10	103	14	149
Vehicle Loan	Quarterly Payments	8.00% - 9.50% (PY 9.00% to 9.50%)	9-14	21	9-16	37

## Maturity profile for year ended 31 March 2021:

(₹ in million)

Loan Category	Frequency of principal repayments	Up to 31 March 2022	Up to 31 March 2023	Up to 31 March 2024	Up to 31 March 2025	Up to 31 March 2026	Remaining tenure after 1 April 2026
Term loan from banks (INR denominated)	Quarterly Payments	119	188	187	187	144	25
	Monthly Payments	596	67	17	-	-	-
ECB loans (USD denominated)	Quarterly Payments	101	87	21	-	-	-
<b>Total Term loans</b>		<b>816</b>	<b>342</b>	<b>225</b>	<b>187</b>	<b>144</b>	<b>25</b>
Deferred sales tax liabilities (SICOM)	Annual repayment	2	-	-	-	-	-
Vehicle Loan	Quarterly Payments	10	6	3	2	-	-
	<b>Grand Total</b>	<b>828</b>	<b>348</b>	<b>228</b>	<b>189</b>	<b>144</b>	<b>25</b>

## Maturity profile for year ended 31 March 2020:

(₹ in million)

Loan Category	Frequency of principal repayments	Up to 31 March 2021	Up to 31 March 2022	Up to 31 March 2023	Up to 31 March 2024	Up to 31 March 2025	Remaining tenure after 1 April 2025
Term loan from banks (INR denominated)	Quarterly Payments	99	113	138	138	138	124
	Monthly Payments	244	179	67	17	-	-
ECB loans (USD denominated)	Quarterly Payments	158	105	89	20	-	-
Term loan from banks (Euro denominated)	Half yearly repayments	515	-	-	-	-	-
	Monthly repayments	6	-	-	-	-	-
<b>Total Term loans</b>		<b>1,022</b>	<b>397</b>	<b>294</b>	<b>175</b>	<b>138</b>	<b>124</b>
Deferred sales tax liabilities (SICOM)	Annual repayment	6	2	-	-	-	-
Vehicle Loan	Quarterly Payments	18	12	7	1	-	-
	<b>Grand Total</b>	<b>1,045</b>	<b>411</b>	<b>302</b>	<b>176</b>	<b>138</b>	<b>124</b>

## 2.18 (a) Movement in current and non current borrowings

(₹ in million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Borrowings at the beginning of the year	5,319	6,806
Movement due to cash transactions per the statement of cash flows	476	(1,567)
Movement due to non-consolidation of subsidiary (refer note 2.45)	(1,074)	-
Movement due to non-cash transactions:		
- Foreign exchange movement	111	80
<b>Borrowings at the end of the year</b>	<b>4,832</b>	<b>5,319</b>



## 2.19 Income tax

### A. Amounts recognised in statement of profit and loss

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are: (₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Tax expense related to continuing operations	312	394
(b) Tax expense related to discontinued operations	-	60
	<b>312</b>	<b>454</b>
<b>(a) Tax expense related to continuing operations</b>		
<b>Current tax</b>		
Current year	327	497
Adjustments in respect of current income tax of previous years	-	(5)
	<b>327</b>	<b>492</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(15)	(98)
	<b>(15)</b>	<b>(98)</b>
<b>(b) Tax expense related to discontinued operations</b>		
<b>Current tax</b>		
Current year	-	23
	-	<b>23</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	37
	-	<b>37</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>312</b>	<b>454</b>

### B. Amounts recognised in other comprehensive Income

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are: (₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income tax</b>		
Remeasurement of post employment benefit obligation	1	(4)
<b>Income tax charges to other comprehensive (income)/expense</b>	<b>1</b>	<b>(4)</b>

C. The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for income tax for the year ended 31 March 2020 and re-measured its deferred tax liability basis the rate prescribed in the said section. The credit impact of this change amounting to ₹ 72 million has been recognized in the Statement of Profit and Loss for the year ended 31 March 2020.

### D. Reconciliation of effective tax rate

Reconciliation of tax expense and the accounting profit/ (loss) multiplied by India's domestic tax rate for the year ended 31 March 2021 and 31 March 2020:



(₹ in million)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Rate	Amount	Rate	Amount
<b>Profit/(loss) before tax excluding share of profit / (loss) of joint venture and including exceptional item</b>				
from continuing operations		1,208		1,625
from discontinued operations		(407)		(3,294)
<b>Total Profit/(loss) before tax excluding share of profit / (loss) of joint venture and including exceptional item</b>	<b>25.17%</b>	<b>801</b>	<b>25.17%</b>	<b>(1,669)</b>
Tax using the Company's domestic tax rate		202		(420)
<b>Tax effect of:</b>				
Provision for impairment of assets and receivables		-		559
Goodwill on consolidation		-		179
Loss of discontinued operations		102		-
Effect of non deductible expense and exempt income		23		33
Tax adjustment for earlier years		-		7
Change/ difference in tax rates		-		(45)
Current year losses on which deferred tax asset is not recognised		-		72
Derecognition of previously recognised deferred tax assets		-		53
Difference in tax rate in foreign jurisdiction		(4)		50
Others		(12)		(34)
<b>Effective tax rate</b>		<b>311</b>		<b>454</b>

**E. Movement of temporary differences**

(₹ in million)

Particulars	As at 01 April 2019	Credited/(charge) in profit or loss during 2019-20	Reversal	Impact of change in tax rate	Recognised in retained earnings during 2019-20	Foreign currency translation
<b>Deferred tax assets</b>						
Accrued expense deductible on payment	29	(2)	(4)	(5)	-	-
Provision for gratuity and compensated absences	88	1	(4)	(20)	-	-
Loss allowance for trade receivables	10	28	(24)	(2)	-	(5)
Brought forward losses	48	(48)	-	-	-	-
Impact of Ind AS 116	-	-	6	-	28	-
Others	(18)	19	-	-	-	(1)
<b>A</b>	<b>157</b>	<b>(2)</b>	<b>(26)</b>	<b>(29)</b>	<b>28</b>	<b>(6)</b>
<b>Deferred tax liabilities</b>						
Difference in book written down value and tax written down value of property, plant and equipment	247	(25)	9	(70)	-	-
Others	(6)	8	(3)	-	-	-
<b>B</b>	<b>241</b>	<b>(17)</b>	<b>6</b>	<b>(70)</b>	<b>-</b>	<b>-</b>
<b>Net deferred tax</b>	<b>(A)-(B)</b>	<b>(84)</b>	<b>15</b>	<b>(32)</b>	<b>41</b>	<b>(6)</b>



Particulars	Credited/ (charge) in OCI during 2019-20	As at 31 March 2020	Credited/ (charge) in profit or loss during 2020-21	Foreign currency translation	Credited/ (charge) in OCI during 2020-21	As at 31 March 2021
<b>Deferred tax assets</b>						
Accrued expense deductible on payment	-	18	3	-	-	21
Provision for gratuity and compensated absences	4	69	(1)	1	(1)	68
Loss allowance for trade receivables	-	7	6	-	-	13
Brought forward losses	-	-	-	-	-	-
Impact of Ind AS 116	-	34	(8)	-	-	26
Others	-	-	-	-	-	-
<b>A</b>	<b>4</b>	<b>128</b>	<b>-</b>	<b>1</b>	<b>(1)</b>	<b>128</b>
<b>Deferred tax liabilities</b>						
Difference in book written down value and tax written down value of property, plant and equipment	-	161	(14)	(1)	-	146
Others	-	(1)	1	-	-	-
<b>B</b>	<b>-</b>	<b>160</b>	<b>(13)</b>	<b>(1)</b>	<b>-</b>	<b>146</b>
<b>Net deferred tax (A)-(B)</b>	<b>4</b>	<b>(32)</b>	<b>13</b>	<b>2</b>	<b>(1)</b>	<b>(18)</b>

Reflected in Balance Sheet as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets	17	17
Deferred tax liabilities	34	48
<b>Deferred tax liabilities (net)</b>	<b>(17)</b>	<b>(31)</b>

## 2.20 Non current provisions

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (refer to note 2.21.2)		
-Gratuity	97	106
-Compensated absence	109	112
-Other retirement benefits	34	27
Other provisions		
-Provision for warranties (refer to note 2.21.1)	9	7
	<b>249</b>	<b>252</b>

### 2.21.1 Movement in warranty cost provision

The Group warrants that its products will perform in all material respects in accordance with the Company's standard specifications for the warranty period. Accordingly based on specific warranties, claims history, the Company provides for warranty claims. The activity in the provision for warranty costs is as follows:

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
At the beginning of the year	68	29
Provided during the year	14	108
Utilised during the year	(1)	(69)
<b>At the end of the year</b>	<b>81</b>	<b>68</b>
Current portion	72	61
Non- current portion	9	7

## 2.21.2 Employee benefits

### 2.21.2.1 For Indian entities

#### a) Defined contribution plans

The Company's employee provident fund and Employee's state insurance schemes are defined contribution plans. The following amounts have been recognised as expense for the year and shown under Employee benefits expense in note 2.33.

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Contribution towards</b>		
-Provident fund	123	128
-Employee state insurance	8	9
	<b>131</b>	<b>137</b>

#### b) Defined benefit plans - Gratuity

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

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Changes in the present value of the defined benefit obligation is as follows:</b>		
Present value of defined benefit obligation at the beginning of the year	326	291
Interest cost	22	21
Acquisition adjustment	1	(6)
Current service cost	45	42
Benefits paid	(42)	(41)
Actuarial (gain)/ loss on obligation	-	19
Present value of defined benefit obligation at the end of the year	<b>352</b>	<b>326</b>
<b>Changes in the present value of the plan asset is as follows:</b>		
Fair value of plan asset at the beginning of the year	204	187
Return on plan asset	14	14
Contributions	20	4
Benefits paid	(6)	(2)
Actuarial gain / (loss) on planned assets	-	1
Fair value of plan asset at the end of the year	<b>232</b>	<b>204</b>
<b>Net asset/(liability) recognised in consolidated balance sheet</b>		
Present value of defined benefit obligation at the end of the year	352	326
Fair value of plan asset at the end of the year	232	204
Net liability recognized in the consolidated balance sheet as at the end of the year	<b>(120)</b>	<b>(122)</b>
Current portion	23	16
Non- current portion	97	106
<b>Expenses recognised in the statement of profit and loss:</b>		
Current service cost	45	42
Interest cost	22	21
Expected return on plan assets	(14)	(14)
Expenses recognised in the statement of profit and loss:	<b>53</b>	<b>49</b>
<b>Remeasurements income recognised in other comprehensive income:</b>		
Actuarial (gain)/losses arising from changes in financial assumptions	-	18
Actuarial gain/(loss) on planned assets	-	-
	<b>-</b>	<b>18</b>



Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Actuarial assumptions:</b>		
Discount rate	6.80%	6.80%
Expected salary increase rates	5.5% to 10%	5.5% to 10%
Mortality	100% of IALM 2012-14	100% of IALM 2012-14
<b>Employee attrition rate</b>		
-Up to 30 years of age	3% to 30%	3% to 30%
-From 31 years of age to 44 years of age	2% to 20%	2% to 20%
-Above 44 years of age	1% to 10%	1% to 10%

Note:

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

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

The weighted average duration of the defined benefit obligation is 10.33 years (Previous year: 12.57 years). The Company expects to make a contribution of ₹ 64 million (Previous year: ₹ 60 million) to the defined benefit plans during the next financial year.

#### Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below. (₹ in million)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (- / + 1%)	(32)	34	(25)	40
Future salary growth (- / + 1%)	31	(29)	37	(23)

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

#### Maturity profile:

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
1 year	25	17
2 to 5 years	87	70
More than 5 years	240	239

#### c) Other long term benefit - Compensated absences

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

The other long-term benefit of compensated absence in respect of employees of the Company as at 31 March 2021 amounts to ₹ 120 millions (previous year ₹ 122 million) and the expense recognised in the statement of profit and loss during the year for the same amounts to ₹ 20 millions (31 March 2020: ₹ 34 millions) [Gross payment of ₹ 22 millions (31 March 2020: ₹ 22 millions)].

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

#### a) Asset volatility

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

#### b) Changes in discount rate

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

#### c) Inflation risks

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

The Group ensures that the investment positions are managed within an asset- liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. The Company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

### 2.21.2 For overseas entities

#### a) Social security contributions

The Group's employee social security contributions are defined contributions plans. The following amounts have been recognised as expense for the year and shown under employee benefits expense in note 2.33.

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contribution towards		
-Social security	22	179
	22	179

#### b) Vacations

The Group pays for vacations, wherein every employee entitled to the benefit as per the policy of the Group in this regard. The liability of vacation in respect of employees of the Group as at 31 March 2021 amounts to ₹ Nil million (31 March 2020: ₹ 63 million) and the expense recognised in the consolidated statement of profit and loss during the year for the same amounts to ₹1 million (31 March 2020: ₹ 11 million).

#### c) Retirement and service anniversary

Employees of certain entities in the Group are entitled to retirement benefits, which provides for a lump sum payment to the employees at the time of separation from service and long service awards on completion of vested period of employment. The liability on account of such benefits is based on actuarial valuation as at the end of the financial year.



(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Changes in the present value of the benefit obligation is as follows:</b>		
Opening balance	36	32
Less; De-consolidation of subsidiary	(9)	-
Actuarial (Gain) / Loss on Obligation	(3)	(2)
Service cost	5	3
Interest cost	3	3
Net balance	32	36
Translation adjustment	2	-
<b>Closing balance</b>	<b>34</b>	<b>36</b>
Current portion	-	9
Non- current portion	34	27
<b>Expenses recognized in the statement of profit and loss:</b>		
Current service cost	5	3
Interest cost	3	3
Expenses recognized in the statement of profit and loss:	7	6
<b>Remeasurements income recognised in other comprehensive income:</b>		
Actuarial loss / (gain) on defined benefit obligation	(3)	(2)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Actuarial assumptions:</b>		
Discount rate		
-Others	7.32-7.42%	7.00%
<b>Expected salary increase rates</b>		
- for PT Minda Automotive Indonesia	8.50%	10.00%
- for Minda KTSN Plastic Solutions GmbH & Co. KG (refer note 2.45)	-	5.00%
- for Minda Vietnam Automotive Company Limited	Year 1 to 3: 10% Year 4 & 5: 8% Thereafter: 6.5%	Year 1 to 3: 10% Year 4 & 5: 8% Thereafter: 6.5%
Mortality	TMI IV	TMI 2011
<b>Employee attrition rate</b>		
- for PT Minda Automotive Indonesia and Minda Vietnam Automotive Company Limited		
-Up to 30 years of age	12.00%	12.00%
-From 31 years of age to 44 years of age	8.00%	8.00%
-Above 44 years of age	5.00%	5.00%
- for Minda KTSN Plastic Solutions GmbH & Co. KG (refer note 2.45)		
-Up to 40 years of age	-	5.00%
-From 41 years of age to 45 years of age	-	4.00%
-From 46 years of age to 50 years of age	-	3.00%
-Above 50 years of age	-	1.00%

The impact of sensitivity analysis on actuarial assumptions for overseas entities is considered insignificant, hence the same has not been disclosed

## 2.21 Other non-current liabilities

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposit	31	33
Others	-	1
	<b>31</b>	<b>34</b>

## 2.22 Short term borrowings

(₹ in million)

Particulars	Footnote	As at 31 March 2021	As at 31 March 2020
<b>Secured</b>			
<b>Cash credit and working capital demand loan</b>			
from banks	[1]	1,466	2,628
Vendor financing facility (Letter of Credit)	[2]	568	-
<b>Unsecured</b>			
<b>Cash credit and working capital demand loan</b>			
from banks	[3]	350	-
Supplier payment service facility	[4]	322	-
<b>Purchase order financing facility</b>			
from banks	[5]	114	251
from others	[6]	250	245
		<b>3,070</b>	<b>3,124</b>

## Footnotes:

No.	Detail of Loan*	Outstanding as at 31 March 2021	Outstanding as at 31 March 2020	Details of Security/ Other terms #
1	Cash Credit & working capital demand loan - from banks	1,320	1,153	Secured by first pari passu charge on present & future current assets of the Company <u>Other terms:</u> Negative lien on immovable property situated at 9 A IEM, SIDCUL Industrial Area, Pantnagar, Uttarakhand, 9 Pantnagar IEM, SIDCUL Industrial Area, Pantnagar, Uttarakhand, D-225/1, 226 & 227 MIDC, Phase-III, Chakan Industrial Area, Chakan, Pune, Maharashtra, Gut No. 221, 222, 235, 249, 253, 254, 268, 269, 270, 271, 272, 278, 282 and 283, Dhanivalli Village, Taluka Murbad, District Thane (Mumbai), Shed No. DP No. G 42, SIDCO Industrial Estate, Kakkulur and land and building located at 355, Sector-3, Phase-2, IMT Bawal.
	Overdraft facility-from banks	146	16	Secured by 100% margin on fixed deposits of the Company



No.	Detail of Loan*	Outstanding as at 31 March 2021	Outstanding as at 31 March 2020	Details of Security/ Other terms #
	Cash Credit & working capital demand loan - from banks Euro denominated	-	1,459	Facility amounting to ₹ Nil million (Previous Year: ₹ 159 million) is secured by standby letter of credit given by Minda Corporation Limited. Facility amount to ₹ Nil million (Previous Year: ₹ 374 million) is secured by first pari-passu charge over UBI Bank of Euro 4.5 million and all property, plant and equipment of Minda KTSN plastic solution GmbH & Co., KG, Germany. Facility amount to ₹ Nil million (Previous Year: ₹ 466 million) is secured by standby letter of credit given by Minda Corporation Limited. Facility amount to ₹ Nil million (Previous Year: ₹ 374 million) is secured by standby letter of credit given by Minda Corporation Limited. Facility amount to ₹ Nil million (Previous Year: ₹ 54 million) is secured by power of attorney to the borrower's current account and the accounts held with the bank and blank promissory note together with a promissory note declaration, issued by the borrower. Joint capped rate mortgage over specified amount. Further secured by land described in the land mortgage books KW no. BY1B/00066470/2, KW no. BY1B/00066480/5, Poland.
2	Vendor financing facility (Letter of Credit)	558	-	Facility has been given to vendors for bill discounting by way of Letter of Credit and the Letter of Credit facility is secured by first pari passu charge on present & future current assets of the Company. <b>Other terms:</b> Negative lien on immovable property situated at 9 A IEM, SIDCUL Industrial Area, Pantnagar, Uttarakhand, 9 Pantnagar IEM, SIDCUL Industrial Area, Pantnagar, Uttarakhand, D-225/1, 226 & 227 MIDC, Phase-III, Chakan Industrial Area, Chakan, Pune, Maharashtra, Gut No. 221, 222, 235, 249, 253, 254, 268, 269, 270, 271, 272, 278, 282 and 283, Dhanivalli Village, Taluka Murbad, District Thane (Mumbai), Shed No. DP No. G 42, SIDCO Industrial Estate, Kakkulur and land and building located at 355, Sector-3, Phase-2, IMT Bawal.
		10	-	Facility has been given to vendors for bill discounting by way of Letter of Credit and Letter of Credit facility is Secured by 100% margin on fixed deposits of the Company.
3	Short Term Loan	350	-	Unsecured
4	Supplier payment service facility	322	-	Unsecured
5	Purchase order financing facility from banks	114	251	Unsecured
6	Purchase order financing facility from others	250	245	Unsecured
	<b>Total</b>	<b>3,070</b>	<b>3,124</b>	

\* Short term borrowings are either payable in one installment within one year or repayable on demand. All short term loan are denominated in rupee and interest rate is at 4.30% to 8.35%. (PY 7.20% to 9.40%)

# Certain immovable properties considered above have been transferred to the Company pursuant to scheme of amalgamation vide order dated 19 July 2019 are pending for registration in the name of the Company



## 2.23 Trade payables

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises	634	1,012
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,137	3,998
Trade payable to related parties (refer note 2.39)	76	83
	<b>4,847</b>	<b>5,092</b>

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

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures as required by section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

(₹ in million)

Sr. Particulars No.	As at 31 March 2021	As at 31 March 2020
The principal amount remaining unpaid to any supplier as at the end of the year	631	1,008
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	3	4
	<b>634</b>	<b>1,012</b>
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year.	3,631	4,083
	<b>3,631</b>	<b>4,083</b>
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	19	35
	<b>19</b>	<b>35</b>
The amount of interest accrued and remaining unpaid at the end of the year	22	39
	<b>22</b>	<b>39</b>

## 2.24 Other current financial liabilities

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long term borrowings (refer note 2.18)		
- Term loans	817	1,021
- Deferred payment liability	2	6
- Vehicle loan	10	18
Interest accrued but not due on borrowings	13	27
Mark to market loss on derivative contracts	-	7
Capital creditors	104	177
Salaries, wages and bonus payable	218	291
Payable pursuant to settlement agreement (refer note 2.38)	472	-
Other payables	62	107
	<b>1,698</b>	<b>1,654</b>



## 2.25 Other current liabilities

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues payable	111	118
Advances from customers	169	222
Deferred revenue	1	3
Other	2	19
	<b>283</b>	<b>362</b>

## 2.26 Provisions

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
Provision for employee benefits [refer to note 2.21.2]		
Gratuity	23	17
Compensated absence	11	10
Vacations	-	63
Other retirement benefits	-	9
<b>Others</b>		
Provision for warranty (refer to note 2.21.1)	72	61
Provision for severance cost (refer to note 2.45)	-	743
	<b>106</b>	<b>903</b>

## 2.27 Current tax liabilities

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for income tax (net of advance income tax)	136	33
	<b>136</b>	<b>33</b>

## 2.28 Revenue from operations\*

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Sale of products</b>		
-Manufactured goods	21,365	20,684
-Traded goods	1,634	1,178
<b>Sale of products</b>	<b>22,999</b>	<b>21,863</b>
<b>Other operating revenues</b>		
-Technical know how and service income	230	214
-Scrap sales	112	55
-Job work income	12	14
-Duty drawback and other export incentives	61	59
-Subsidy received	-	1
-Government incentive	98	-
-Other operating income	33	20
-Liabilities / provisions no longer required written back	134	-
<b>Other operating revenues</b>	<b>680</b>	<b>363</b>
<b>Revenue from operations</b>	<b>23,679</b>	<b>22,226</b>

\* refer note 2.45

## 2.29 Other income\*

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Interest income :</b>		
-on fixed deposits	265	294
-on others	1	3
Liabilities / provisions no longer required written back	3	34
Exchange fluctuations (net)	-	61
Rental income	15	6
Miscellaneous income	48	28
	<b>332</b>	<b>426</b>

\* refer note 2.45

## 2.30 Cost of materials consumed \*

(₹ in million)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
<b>Opening stock</b>				
- Continuing Operations	1,881		1,407	
- Discontinued operations	-		281	
<b>Add: Translation adjustment</b>				
- Continuing Operations	1		6	
- Discontinued operations	-	1,882	(61)	1,633
<b>Add: Purchases during the year</b>				
- Continuing Operations	14,450		13,307	
- Discontinued operations	-	14,450	2,569	15,876
		<b>16,332</b>		<b>17,509</b>
<b>Less: Closing stock</b>				
- Continuing Operations	2,213		1,881	
- Discontinued operations	-		277	
Add: Provision for impairment loss	-		103	
<b>Add: Translation adjustment</b>				
- Continuing Operations	(31)		1	
- Discontinued operations	-	2,182	(130)	2,132
<b>Cost of materials consumed</b>				
- Continuing Operations	14,150		12,839	
- Discontinued operations	-		2,538	
		<b>14,150</b>		<b>15,377</b>

\* refer note 2.45



## 2.31 Changes in inventories of finished goods, stock in trade and work in progress

(₹ in million)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
<b>Finished goods (including stock in trade)</b>				
<b>Opening stock</b>				
- Continuing Operations	925		959	
- Discontinued operations	-		42	
Add/ (less): Translation adjustment	-		-	
- Continuing Operations	2		0	
- Discontinued operations	-	927	(28)	973
<b>Closing stock</b>				
- Continuing Operations	1,039		925	
- Discontinued operations	-		17	
Add: Provision for impairment loss	-		31	
Add/ (less): Translation adjustment	-		-	
- Continuing Operations	(3)		2	
- Discontinued operations	-	1,036	(70)	905
		<b>(109)</b>		<b>68</b>
<b>Work in progress</b>				
<b>Opening stock</b>				
- Continuing Operations	525		285	
- Discontinued operations	-		1,446	
Add/ (less): Translation adjustment	-		-	
- Continuing Operations	-		(0)	
- Discontinued operations	-	525	(221)	1,510
<b>Closing stock</b>				
- Continuing Operations	676		525	
- Discontinued operations	-		272	
Add: Provision for impairment loss	-		72	
Add/ (less): Translation adjustment	-		-	
- Continuing Operations	-		-	
- Discontinued operations	-	676	(152)	717
		<b>(151)</b>		<b>793</b>
<b>Changes in inventories</b>				
- Continuing Operations	(260)		(207)	
- Discontinued operations	-	(260)	1,068	861

## 2.32 Employee benefits expense\*

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	3,469	3,210
Contribution to		
- Provident fund and other funds (refer note 2.21.2)	153	158
- Gratuity (refer note 2.21.2)	53	49
Employee stock compensation expense	15	3
Staff welfare expense	137	146
	<b>3,827</b>	<b>3,566</b>

\* refer note 2.45

## 2.33 Finance Costs\*

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense :		
on borrowings from banks	260	264
on borrowings from others	20	30
on lease liabilities	47	59
Other borrowing costs	31	36
	<b>358</b>	<b>389</b>

\* refer note 2.45

## 2.34 Other Expenses\*

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Jobwork charges	520	505
Consumption of stores and spare parts	206	238
Power and fuel	480	468
Rent (refer note 2.36)	21	22
Repair and maintenance		
-buildings	69	43
-plant and machinery	130	123
-others	86	107
Travelling and conveyance	228	285
Legal and professional	160	251
Auditor Remuneration (refer note 2.34.1)	15	14
Communication expenses	39	42
Charity and donations	1	2
Bad debts/amounts written off	3	1
Loss allowance for expected credit loss	23	7
Rates and taxes	18	20
Exchange fluctuations (net)	2	-
Warranty expenses	14	42
Corporate social responsibility expenses (refer to note 2.50)	25	36
Loss on sale/discard of property, plant and equipment	-	15
Advertisement and business promotion	51	73
Freight and forwarding expenses	432	331
Insurance expenses	43	34
Bank charges	30	24
Security expense	7	5
Miscellaneous expenses	154	133
	<b>2,757</b>	<b>2,821</b>

\* refer note 2.45

## 2.34.1 Auditor's Remuneration (excluding taxes)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit	6	6
Tax audit	1	1
Limited reviews	5	4
Other Certificates	2	2
Reimbursement of expenses	1	1
	<b>15</b>	<b>14</b>



## 2.35 Leases

### As a Lessee

The Group has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. In adopting Ind AS 116, the Group has applied the below practical expedients:

The Group has applied the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

The Group has discounted lease payments using the applicable incremental borrowing rate as at 1 April 2019, ranging from 2.1% to 15.4% for measuring the lease liability.

Information about leases for which the Group is a lessee is presented in note 2.1(b).

(₹ in million)

Lease liabilities	As at 31 March 2021	As at 31 March 2020
<b>Balance as at the beginning of the year</b>	<b>882</b>	-
Transition impact of Ind AS 116	-	1,076
Less: Discontinued operations (refer to note 2.45)	(338)	-
Add: Addition during the year	98	-
Less: Deletion during the year	(6)	-
Add: Finance cost	47	59
Less: Repayment	(258)	(320)
Less: Impairment/ restatement	-	21
Less: Translation adjustments	20	45
<b>Balance as at the end of the year</b>	<b>445</b>	<b>882</b>
Current	147	506
Non-current	298	376

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Amounts recognised in Statement of Profit and Loss</b>		
Interest on lease liabilities	47	59
Depreciation expense	167	274
Expenses relating to short-term leases and leases of low-value assets	21	22
<b>Amounts recognised in Cash Flow Statement</b>		
Repayment of lease liabilities	258	320
Interest paid on lease liabilities	47	59
	<b>305</b>	<b>379</b>

The impact on the statement of profit and loss for the year ended 31 March 2020 is as follows:

(₹ in million)

Particulars	For the year ended 31 March 2020
Rental expense is lower by	320
Depreciation is higher by	(274)
Finance cost is higher by	(59)
<b>Profit before tax is higher/ (lower) by</b>	<b>(13)</b>

Most of the leases entered by the Group are long term in nature and the underlying leased properties are being used as manufacturing plants. The Group doesn't foresee any major changes in lease terms or the leases in the foreseeable future as per current business projections after considering the impact of COVID-19.

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(₹ in million)

The future minimum lease rentals income in respect of non -cancellable operating leases	As at 31 March 2021	As at 31 March 2020
-Within one year	17	17
-Later than one year and not later than five years	33	50
-Later than five years	-	-

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Lease rent income recognised in the Statement of profit and loss (Refer note 2.30)	15	6

### 2.36 Capital and other commitments

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	589	597
Estimated amount of contracts remaining to be executed on capital account and not provided for pertaining to interest in joint ventures	11	6
-Later than five years	600	603

### 2.37 Contingent liabilities

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Claims against the Group not acknowledged as debts</b>		
a) Income tax <sup>^</sup>	16	16
b) Sales tax/ VAT (Amount paid under protest ₹ 1 million (previous year ₹ 1 million))	87	3
c) Excise duty/Service tax/ Custom Duty (Amount paid under protest ₹ 7 million (previous year ₹ 4 million))	11	9
Others		
Contingent liabilities related to joint ventures/ associate	28	29

<sup>^</sup> Subsequent to the year end, the Company has received a draft assessment order for assessment years 2012-13 to 2018-19 in which adjustments amounting to ₹ 1,020 million (including ₹ 606 million, which in the view of the management, is factual error in the draft assessment order) have been proposed on account of transfer pricing adjustments, etc. which are pending before Assistant Commissioner of Income-Tax. Based on the transfer pricing study, facts of the case and applicable case laws, the Company is of the view that the proposed adjustments will not sustain.

- The above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of the management, have a material effect on the results of the operations or financial position.
- It is not practical for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums/ authorities.
- Pursuant to judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However there is uncertainty with respect to the applicability of the judgement and period from which the same applies and accordingly, the Group has not estimated the impact of the same till March 2019. Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the Group has not recognised any provision till March 2019. Further management also believes that the impact of the same on the Group will not be material.



**2.38** During the year ended 31 March 2017, one party raised a damage claim against the Company (on behalf of the another entity) by filing a request with International Chamber of Commerce in Paris. The claim is based on Letter of Comfort ("LOC") signed between party and the Company. At the time of entering into the above mentioned LOC, the Company obtained indemnity letter from ultimate parent of entity, indemnifying the Company against any loss arising from the LOC. As at 31 March 2020, based on legal opinion and the indemnification from ultimate parent of entity, the management is of the view that there is no financial implication on the Company in respect of this damage claim.

During the current year, the Company and party have entered into settlement agreement, pursuant to which Company is required to pay ₹ 471 million (Euro 5.5 million). As per Ind AS 37, the Company has accounted for payable against settlement amount under ""other financial liabilities"" and correspondingly recognised receivable under ""other financial assets"".

### 2.39 Related party disclosures as required under India Accounting Standard (Ind AS) – 24 "Related party disclosures":

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

Description of relationship	Name of the party
<b>(i) Key Managerial Personnel</b>	Mr. Ashok Minda - Chairman
	Mr. Aakash Minda - Executive Director (w.e.f 5 November 2020)
	Mr. Naresh Kumar Modi - Executive Director (w.e.f 5 November 2020)
	Mr. Sudhir Kashyap - Executive Director and CEO (up to 15 October 2019)
	Mr. R. Laxman - Executive Director and Group CFO (w.e.f 26 September 2019, up to 31 December 2020)
	Mr. Sanjay Aneja - CFO (up to 25 September 2019)
	Mr. Ashim Vohra - COO
	Mr. Ajay Sancheti - Company Secretary (up to 1 August 2020)
	Mr. Pardeep Mann - Company Secretary (w.e.f 1 August 2020)
	<b>(ii) Relative of Key Managerial Personnel</b>
<b>(iii) Jointly controlled entities / associate</b>	Minda Stoneridge Instruments Limited
	Minda Vast Access Systems Private Limited
	Furukawa Minda Electric Private Limited
<b>(iv) Other entities over which key management personnel and their relatives are able to exercise significant influence</b>	Minda Capital Private Limited, India
	Minda Silca Engineering Private Limited, India
<b>(v) Others</b>	Minda KTSN Plastic Solutions GmbH & Co. KG, Germany (w.e.f 10 June 2020) (refer note 2.45)



## 2.39 Related party disclosures as required under Ind AS 24 "Related party disclosure"

### b) Details of transactions and balances with related parties:

Party name	Period	Sale of goods	Job work/Service income recovered during the year	Contribution towards CSR activities	Other incomes / expenses recovered during the year	Purchase of goods during the year
<b>Joint Venture</b>						
Minda VAST Access System Private Limited	2020-21	89	-	1	10	31
	2019-20	141	8	3	12	71
Minda Stoneridge Instruments Limited	2020-21	12	29	7	11	151
	2019-20	5	-	6	24	135
<b>Associate</b>						
Furukawa Minda Electric Private Limited	2020-21	32	10	-	-	6
	2019-20	37	13	-	-	-
<b>Enterprise in which directors of the Company and their relatives exercise significant influence:</b>						
Minda Silca Engineering Limited	2020-21	35	-	3	-	99
	2019-20	36	-	1	-	99
Minda Capital Limited	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
<b>Key Managerial Personnel:</b>						
Mr. Ashok Minda *	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Mr. Sudhir Kashyap	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Mr. Laxman Ramnarayan	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Mr. Sanjay Aneja	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Mr Ashim Vohra *	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Mr. Ajay Sancheti	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Mr. Pardeep Mann *	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Mr. Aakash Minda *	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
Mr. N.K.Modi *	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-
<b>Relative of Key Managerial Personnel:</b>						
Mr. Aakash Minda	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-



Party name	Period	Management fees Income	Lease Liability(including interest)/Rent payment	Remuneration paid	Other expenses paid / reimbursed during the year
<b>Joint Venture</b>					
Minda VAST Access System Private Limited	2020-21	10	-	-	1
	2019-20	12	-	-	4
Minda Stoneridge Instruments Limited	2020-21	41	-	-	-
	2019-20	43	-	-	4
<b>Associate</b>					
Furukawa Minda Electric Private Limited	2020-21	-	-	-	-
	2019-20	-	-	-	-
<b>Enterprise in which directors of the Company and their relatives exercise significant influence:</b>					
Minda Silca Engineering Limited	2020-21	4	-	-	-
	2019-20	4	-	-	-
Minda Capital Limited	2020-21	-	135	-	-
	2019-20	-	150	-	4
<b>Key Managerial Personnel:</b>					
Mr. Ashok Minda *	2020-21	-	-	50	-
	2019-20	-	-	34	-
Mr. Sudhir Kashyap	2020-21	-	-	-	-
	2019-20	-	-	19	-
Mr. Laxman Ramnarayan	2020-21	-	-	14	-
	2019-20	-	-	21	-
Mr. Sanjay Aneja	2020-21	-	-	-	-
	2019-20	-	-	7	-
Mr Ashim Vohra *	2020-21	-	-	11	-
	2019-20	-	-	11	-
Mr. Ajay Sancheti	2020-21	-	-	4	-
	2019-20	-	-	6	-
Mr. Pardeep Mann *	2020-21	-	-	2	-
	2019-20	-	-	-	-
Mr. Aakash Minda *	2020-21	-	1	6	-
	2019-20	-	-	-	-
Mr. N.K.Modi *	2020-21	-	-	7	-
	2019-20	-	-	-	-
<b>Relative of Key Managerial Personnel:</b>					
Mr. Aakash Minda	2020-21	-	-	-	-
	2019-20	-	1	-	-

\* Does not include provisions for gratuity and compensated absences liabilities, since the provisions are based on actuarial valuations for the Company as a whole.

Party name	Period	Guarantee Given	Purchase of Property plant & equipment during the year	Security Deposit as at the year end	Trade Receivable as at the year end	Other Receivable as at the year end
<b>Joint Venture</b>						
Minda VAST Access System Private Limited	2020-21	-	-	-	40	-
	2019-20	-	-	-	48	-
Minda Stoneridge Instruments Limited	2020-21	-	-	-	16	-
	2019-20	-	-	-	14	-
<b>Associate</b>						
Furukawa Minda Electric Private Limited	2020-21	-	-	-	11	-
	2019-20	-	-	-	35	-
<b>Enterprise in which directors of the Company and their relatives exercise significant influence:</b>						
Minda Silca Engineering Limited	2020-21	-	5	-	5	-
	2019-20	-	-	-	4	-
Minda Capital Limited	2020-21	-	-	41	-	472
	2019-20	-	-	39	4	-
<b>Key Managerial Personnel:</b>						
Mr. Ashok Minda	2020-21	-	-	-	-	-
	2019-20	-	-	-	-	-

Party name	Period	Payable as at the year end	Lease Liability payable as at the year end	Investments as at the year end	Loan/advances receivable at the year end
<b>Joint Venture</b>					
Minda VAST Access System Private Limited	2020-21	3	-	-	-
	2019-20	4	-	-	-
Minda Stoneridge Instruments Limited	2020-21	36	-	-	-
	2019-20	32	-	-	-
<b>Associate</b>					
Furukawa Minda Electric Private Limited	2020-21	1	-	-	-
	2019-20	15	-	-	-
<b>Enterprise in which directors of the Company and their relatives exercise significant influence:</b>					
Minda Silca Engineering Limited	2020-21	31	-	-	-
	2019-20	31	-	-	-
Minda Capital Limited	2020-21	4	201	52	-
	2019-20	2	304	52	-
<b>Key Managerial Personnel:</b>					
Mr. Ashok Minda	2020-21	26	-	-	-
	2019-20	5	-	-	-



**2.40** As per Ind-AS 108, Operating segments have been defined based on the regular review by the Group's Chief Operating Decision Maker to assess the performance of each segment and to make decision about allocation of resources. The group's business activities fall within single primary business segment, viz, manufacturing of Automobile Components and Parts thereof. Accordingly, disclosures under Ind AS 108, Operating Segments are not required to be made.

#### Information about geographical segments

Details of sales, year end assets and property, plant and equipment and intangible assets are as follows:

(₹ in million)

Location	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue</b>		
Domestic	20,348	18,072
<b>Overseas</b>		
Asia (excluding domestic)	1,141	1,357
America	227	1,203
Europe	1,963	1,593
<b>Total</b>	<b>23,679</b>	<b>22,226</b>

#### Carrying amount of assets

(₹ in million)

Location	For the year ended 31 March 2021	For the year ended 31 March 2020
Domestic	20,730	18,723
Overseas		
Asia (excluding domestic)	1,634	1,031
America	141	887
Europe	793	2,644
<b>Total</b>	<b>23,298</b>	<b>23,285</b>

#### Additions of property, plant and equipment and intangible fixed assets

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Domestic</b>		
- Property, plant and equipment	2,173	1,152
- Intangible fixed assets	25	9
	<b>2,198</b>	<b>1,161</b>
<b>Overseas</b>		
<b>Europe</b>		
- Property, plant and equipment	-	216
- Intangible fixed assets	-	15
	-	<b>231</b>
<b>America</b>		
- Property, plant and equipment	-	1
- Intangible fixed assets	-	2
	-	<b>3</b>
<b>Asia (excluding domestic)</b>		
- Property, plant and equipment	22	7
- Intangible fixed assets	-	1
	<b>22</b>	<b>8</b>

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

- Revenue within India (Domestic) include sale to customers located within India; and
- Revenue outside India (Overseas) include sale of products manufactured in India and outside India to customers located outside India

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

Besides the accounting policies followed as described in Note 1, segment revenues and assets include the respective amounts directly identified to each of the segments and amounts / or allocated on a reasonable basis.

#### 2.41 Employee share-based payment plans

The members of the Group had approved 'Employee Stock Option Scheme, 2017' through Postal Ballot on February 10, 2017. The plan envisaged grant of stock options to eligible employees at an exercise price equal to the latest available closing price discounted by 50% or such other percentage as may be decided by the Nomination and Remuneration Committee.

Under the Plan, upto 5,341,840 stock options can be issued to eligible employees of the Group, whether working in India or out of India, including any Director of the Group, whether whole time or otherwise excluding the Independent Directors. Under the Plan, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 2 each. The options granted will vest gradually over a period not earlier than one year and not later than five years from the date of Grant of such Options. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

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

##### Grant - 1

Sr. No.	Vesting Schedule		
	% of options scheduled to vest	Vesting date	Lock-in period
1	20%	1 year from grant date	Nil
2	20%	2 years from grant date	Nil
3	20%	3 years from grant date	Nil
4	40%	4 years from grant date	Nil

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

##### Grant - 2

Sr. No.	Vesting Schedule		
	% of options scheduled to vest	Vesting date	Lock-in period
1	40%	1 year from grant date	Nil
2	40%	2 years from grant date	Nil
3	20%	3 years from grant date	Nil

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

Particulars	For the year ended 31 Mar 2021		For the year ended 31 Mar 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	588,000	50	1,376,000	50
Granted during the year	1,012,000	50	30,000	50
Exercised during the year	(124,000)	50	(282,000)	50
Forfeit during the year	(234,000)	50	(536,000)	50
Outstanding at the end of the year	1,242,000	50	588,000	50
Exercisable at the end of the year	-	-	-	-

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

Particulars	Employee stock option scheme 2017
Expected volatility	2% - 48%
Risk free interest rate	7%
Exercise price (₹)	50
Expected dividend yield	1%
Life of options (years)	3 - 4 years
Weighted average fair value of options as at the grant date (₹)	67 - 101

The options outstanding as at 31 March 2021 have a weighted average remaining contractual life of 3.13 years (31 March 2020: 1 year)



## 2.42 Additional information as required under schedule III to the Companies Act, 2013 of the Companies consolidated as Subsidiary and Joint Ventures/Associate

(₹ in million)

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
<b>Parent Company</b>				
Minda Corporation Limited	89.54%	10,267	158.52%	837
<b>Subsidiaries</b>				
<b>Indian</b>				
Spark Minda Foundation	0.25%	29	4.55%	24
Minda Corporation limited - Employee Stock Option Scheme Trust	-0.51%	(58)	0.00%	-
Spark Minda Green Mobility System Private Limited	0.03%	4	-0.19%	(1)
<b>Foreign</b>				
PT Minda Automotive Indonesia, Indonesia	3.20%	367	-3.60%	(19)
Almighty International PTE Limited, Singapore	3.99%	457	-0.19%	(1)
PT Minda Automotive Trading, Indonesia	0.28%	32	0.38%	2
Minda Vietnam Automotive Co. Limited , Vietnam	3.11%	357	10.42%	55
Minda Europe BV	0.17%	19	0.00%	-
KTSN Kunststofftechnik Sachsen Beteiligungs- GmbH, Germany (refer note 2.45)	0.00%	-	0.00%	-
Minda KTSN Plastic and Tooling Solutions Sp Z.O.O, Poland (refer note 2.45)	0.00%	-	5.62%	30
Minda KTSN Plastic Solutions GmbH & Co. KG, Germany (refer note 2.45)	0.00%	-	-2.13%	(11)
Minda KTSN Plastic Solutions S.R.O, Czech Republic (refer note 2.45)	0.00%	-	-1.15%	(6)
Minda KTSN Plastic Solutions Mexico, S. de R.L. de C.V, Mexico (refer note 2.45)	0.00%	-	-0.64%	(3)
<b>Associate (Investment as per equity method)</b>				
<b>Indian</b>				
Furukawa Minda Electric Private Limited	0.13%	15	-12.50%	(66)
<b>Jointly controlled entity (Investment as per equity method)</b>				
<b>Indian</b>				
Minda Stoneridge Instruments Limited	4.50%	516	25.57%	135
Minda Vast Access Systems Private Limited	0.31%	35	-5.87%	(31)
Eliminations/adjustments	-5.01%	(574)	-78.79%	(416)
<b>Total</b>	<b>100.00%</b>	<b>11,466</b>	<b>100.00%</b>	<b>528</b>

## 2.43 Financial instruments – Fair values and risk management

### a. Financial instruments – by category and fair values hierarchy

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

## i. As on 31 March 2021

(₹ in million)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
(i) Investments (excluding investment in subsidiaries, jointly controlled entities/ associate)	-	-	15	15	-	-	-
(ii) Loans	-	-	132	132	-	-	-
(iii) Other financial assets	-	-	4	4	-	-	-
<b>Current</b>							
(i) Trade receivables	-	-	4,420	4,420	-	-	-
(ii) Cash and cash equivalents	-	-	531	531	-	-	-
(iii) Bank balances other than (ii) above	-	-	4,463	4,463	-	-	-
(iv) Loans	-	-	7	7	-	-	-
(v) Other financial assets	10	-	700	710	-	10	-
<b>Total</b>	<b>10</b>	<b>-</b>	<b>10,272</b>	<b>10,282</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
(i) Borrowings	-	-	933	933	-	-	-
(ii) Lease liabilities	-	-	-	-	-	-	-
(iii) Lease Liability	-	-	298	298	-	-	-
<b>Current</b>							
(i) Borrowings	-	-	3,070	3,070	-	-	-
(ii) Lease liabilities	-	-	147	147	-	-	-
(ii) Trade payables	-	-	4,847	4,847	-	-	-
(iv) Other financial liabilities	-	-	1,698	1,698	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>10,993</b>	<b>10,993</b>			

## ii. As on 31 March 2020

(₹ in million)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
(i) Investments (excluding investment in subsidiaries, jointly controlled entities/ associate)	-	-	14	14	-	-	-
(ii) Loans	-	-	115	115	-	-	-
(iii) Other financial assets	-	-	2	2	-	-	-
<b>Current</b>							
(i) Trade receivables	-	-	3,898	3,898	-	-	-
(ii) Cash and cash equivalents	-	-	947	947	-	-	-
(iii) Bank balances other than (ii) above	-	-	3,777	3,777	-	-	-
(iv) Loans	-	-	14	14	-	-	-
(v) Other financial assets	-	-	50	50	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8,817</b>	<b>8,817</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
(i) Borrowings	-	-	1,150	1,150	-	-	-
(ii) Lease liabilities	-	-	376	376	-	-	-
<b>Current</b>							



Particulars	Carrying value			Fair value measurement using			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
(i) Borrowings	-	-	3,124	3,124	-	-	-
(ii) Lease liabilities	-	-	506	506	-	-	-
(iii) Trade payables	-	-	5,094	5,094	-	-	-
(iv) Other financial liabilities	7	-	1,647	1,654	-	7	-
<b>Total</b>	<b>7</b>	<b>-</b>	<b>11,896</b>	<b>11,904</b>			

The management assessed that the fair values of current financial assets and liabilities significantly approximate their carrying amounts largely due to the current maturities of these instruments. Accordingly, management has not disclosed fair values for financial instruments such as trade receivables, trade payables, cash and cash equivalents, other current assets, interest accrued on fixed deposits, other current liabilities etc.

The fair value of non-current financial assets and financial liabilities are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used do not reflect significant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2021 and 31 March 2020

#### Valuation technique used to determine fair value

Specific valuation techniques used to value non current financial assets and liabilities for whom the fair values have been determined based on present values and the appropriate discount rates of the Group at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Group at each balance sheet date.

#### Valuation processes

The Group has an established control framework with respect to the measurements of the fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports to Senior Management. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

#### b. Financial risk management

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

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

#### Risk management framework

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

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

The Group uses derivative financial instruments exclusively for hedging financial risks that arise from its foreign exchange related exposures.

The Group manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.



**(i) Credit risk**

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

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Investments	1,805	1,761
Trade receivables	4,420	3,898
Cash and cash equivalents	531	947
Other bank balances	4,463	3,777
Loans	139	129
Other financial assets	704	52

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans.

Credit risk on cash and cash equivalents and bank deposits is limited as the Group generally invests in banks with high credit ratings assigned by domestic credit rating agencies. Credit risk on investments is limited as the Group generally invests in entities after reviewing the liquidity position of the entities.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers. The Group does monitor the economic environment in which it operates.

As per Ind AS 109, the Group uses expected credit loss (ECL) model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as Group's historical experience for customers.

**Movement in the loss allowance in respect of trade receivables:**

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2021
Balance at the beginning of the year	(21)	(26)
Impairment loss recognised/ (reversed), net	(23)	(7)
Amount written off	(1)	11
<b>Balance at the end of the year</b>	<b>(45)</b>	<b>(21)</b>

**a) Expected credit loss for loans and security deposits**

**As at 31 March 2021**

(₹ in million)

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision	
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loans to employee	-	0%	-	-
		Security Deposits	137	0%	-	137
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit-impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA	NA



As at 31 March 2020

(₹ in million)

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Loans to employee	-	0%	-	-
		Security Deposits	129	0%	-	129
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit-impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA	NA

**b) Expected credit loss for trade receivables under simplified approach**

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

(₹ in million)

Particulars	Gross carrying amount	
	As at 31 March 2021	As at 31 March 2020
Current (not past due)	3,408	2,728
1 to 30 days past due	635	717
31 to 60 days past due	163	205
61 to 90 days past due	74	69
More than 90 days past due	185	200
Expected credit losses (Loss allowance provision)*	(45)	(21)
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>4,420</b>	<b>3,898</b>

\*The Group believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behavior.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of ₹ 4,997 million as at 31 March 2021 (31 March 2020: ₹ 4,724 million), anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Group believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Group will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Group's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

## I. Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period: (₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
From banks - Current	3,269	4,402
From banks - Non current	750	150
From others - Current	250	253

## II. Maturities of financial liabilities

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

(₹ in million)

As at 31 March 2021	Carrying amount	Contractual cash flows			
		0-1 years	1-5 years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings	933	-	933	-	933
Lease liabilities *	298	-	298	44	342
<b>Current liabilities</b>					
Borrowings	3,070	3,070	-	-	3,070
Lease liabilities	147	147	-	-	147
Trade payables	4,847	4,847	-	-	4,847
Other financial liabilities	1,698	1,698	-	-	1,698
<b>Total</b>	<b>10,993</b>	<b>9,762</b>	<b>1,231</b>	<b>44</b>	<b>11,037</b>

\* Carrying value represents discounted value as at 31 March 2021

(₹ in million)

As at 31 March 2020	Carrying amount	Contractual cash flows			
		0-1 years	1-5 years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings	1,150	-	1,150	-	1,150
Lease liabilities *	376	-	421	357	778
<b>Current liabilities</b>					
Borrowings	3,124	3,124	-	-	3,124
Lease liabilities	506	506	-	-	506
Trade payables	5,094	5,094	-	-	5,094
Other financial liabilities	1,654	1,654	-	-	1,654
<b>Total</b>	<b>11,904</b>	<b>10,378</b>	<b>1,571</b>	<b>357</b>	<b>12,306</b>

\* Carrying value represents discounted value as at 31 March 2020

**(iii) Market risk**

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

**Currency risk**

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

**Exposure to currency risk**

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2021 and 31 March 2020 are as below:

(₹ in million)

Particulars	As at 31 March 2021			
	USD	EURO	CHF	JPY
<b>Financial assets</b>				
Trade receivables	299	519	-	-
	<b>299</b>	<b>519</b>	-	-
<b>Financial liabilities</b>				
Borrowings	209	-	-	-
Trade payables	114	126	2	24
	<b>323</b>	<b>126</b>	<b>2</b>	<b>24</b>

(₹ in million)

Particulars	As at 31 March 2020			
	USD	EURO	CHF	JPY
<b>Financial assets</b>				
Trade receivables	527	477	-	-
	<b>527</b>	<b>477</b>	-	-
<b>Financial liabilities</b>				
Borrowings	516	-	-	-
Trade payables	194	129	2	70
	<b>710</b>	<b>129</b>	<b>2</b>	<b>70</b>

## Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2021 (previous year ended as on 31 March 2020) would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended 31 March 2021</b>				
USD	-	-	-	-
EUR	4	(4)	3	(3)
CHF	-	-	-	-
JPY	-	-	-	-
	<b>4</b>	<b>(4)</b>	<b>3</b>	<b>(3)</b>
<b>For the year ended 31 March 2020</b>				
USD	(2)	2	(1)	1
EUR	3	(3)	2	(2)
CHF	-	-	-	-
JPY	-	-	-	-
	<b>1</b>	<b>(1)</b>	<b>1</b>	<b>(1)</b>

USD: United States Dollar, EUR: Euro, CHF: Swiss Franc, JPY: Japanese Yen

## Exposure to currency risk

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contracts	No. of Deals		Contract value of foreign Currency (in million)		Remaining period of maturity			
					Up to 12 months nominal amount (in million)		More than 12 months nominal amount (in million)	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
INR/USD Sell forward	20	17	2	2	150	158	-	-
INR/EUR Sell forward	20	11	3	2	245	146	-	-
INR/USD Buy forward	-	2	-	1	-	46	-	-
INR/USD Call Option	2	2	3	4	92	96	98	200
<b>Interest rate swap<sup>#</sup></b>								
INR/USD Buy	2	2	3	4	92	96	98	200

<sup>#</sup> Represent principal amount of loan hedged



### Sensitivity analysis

The following table details the group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

(₹ in million)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended 31 March 2021</b>				
INR/USD Sell forward	2	(2)	1	(1)
INR/EUR Sell forward	2	(2)	2	(2)
INR/USD Buy forward	-	-	-	-
INR/USD Call option	2	(2)	1	(1)
	<b>6</b>	<b>(6)</b>	<b>4</b>	<b>(6)</b>
<b>For the year ended 31 March 2020</b>				
INR/USD Sell forward	2	(2)	1	(1)
INR/EUR Sell forward	1	(1)	-	-
INR/USD Buy forward	-	-	-	-
INR/USD Call option	3	(3)	1	(1)
	<b>6</b>	<b>(6)</b>	<b>3</b>	<b>(3)</b>

USD: United States Dollar, EUR: Euro

### (iii) Market risk

#### Interest rate risk

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

#### Exposure to interest rate risk

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

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Non current borrowings	815	1,150
Current borrowings	2,850	3,124
Current maturities of non-current borrowings	716	1,045
<b>Total</b>	<b>4,381</b>	<b>5,319</b>

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in million)

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
<b>Interest on term loans from banks</b>				
For the year ended 31 March 2021	(22)	22	(16)	16
For the year ended 31 March 2020	(27)	27	(20)	20

### 2.44 Capital management

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

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

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

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Current borrowings (including lease liabilities)	3,217	3,630
Non current borrowings (including current maturity & lease liabilities)	2,060	2,547
Less : Cash and cash equivalents	(531)	(947)
<b>Adjusted net debt (A)</b>	<b>4,746</b>	<b>5,230</b>
<b>Total equity (B)</b>	<b>11,466</b>	<b>9,750</b>
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>41.4%</b>	<b>53.6%</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

### 2.45 Discontinued operations

The Board of Directors of the Company, in their meeting dated 09 June 2020 decided to withdraw the financial support to its material wholly owned subsidiary Minda KTSN Plastic Solutions GmbH Co. & KG, Germany (MKTSN), pursuant to which MKTSN filed for insolvency.

Accordingly, MKTSN along with its subsidiary companies prepared its financial statements for the year ended 31 March 2020, on the assumption that the fundamental accounting assumption of going concern is no longer appropriate. Consequently, all assets have been valued at net realisable value or carrying value, whichever is lower, and liabilities have been reflected at the values at which they are expected to be discharged. The Group had recorded charge of ₹ 2,222 million in respect of reduction in carrying value of property, plant and equipment and other assets and recognition of liabilities primarily related to severance costs which has been presented as exceptional items in the consolidated financial statements. Further, goodwill arising on consolidation relating to MKTSN amounting to ₹ 711 million has also been impaired.



**The approach used to determine the Fair Value less Cost of Disposal ('FVLCD') were as follows:**

Property, plant and equipment (except Land) has been valued using Depreciated Replacement Costs method and Land has been valued using Market Rent method. All other assets has been valued based on its net realisable value and liabilities have been reflected at the values at which they are expected to be discharged. Further, an appropriate of costs of disposals has been deducted from the above net realisable value.

**The carrying value and fair value of assets and liabilities as at 31 March 2020 related to the MKTSN is mentioned below:**

(₹ in million)

Particulars	Carrying value	Adjustment to carrying value to fair value	Fair value less cost of disposal
<b>Assets</b>			
- Property, plant and equipment (including right-of-use assets)	2,221	(293)	1,928
- Capital work-in-progress	5	(4)	1
- Goodwill	711	(711)	-
- Other intangible assets	30	(30)	-
- Other Non-current assets	-	-	-
- Inventories	787	(216)	571
- Trade receivables	559	(64)	495
- Other financial assets	900	(395)	505
- Other current assets	501	(471)	30
<b>Total assets</b>	<b>5,714</b>	<b>(2,184)</b>	<b>3,530</b>
<b>Liabilities</b>			
- Borrowings	1,459	-	1,459
- Other financials liabilities	657	-	657
- Lease liabilities	341	3	338
- Trade Payables	773	-	773
- Other current liabilities	169	(9)	178
- Provisions	72	(743)	815
<b>Total liabilities</b>	<b>3,471</b>	<b>(749)</b>	<b>4,220</b>
<b>Net assets/(liability)</b>	<b>2,243</b>	<b>(2,933)</b>	<b>(690)</b>

In terms of Ind AS 105 - "Non current assets held for sale and discontinued operations", operations of MKTSN has been classified as "Discontinued Operations" w.e.f. 09 June 2020. The relevant financial information of MKTSN has been disclosed under discontinued operations in terms of Ind AS 105- "Non-current assets held for sale and discontinued operations" as below.



## Financial performance and Cash flow information:

(₹ in million)

Particulars	For the period 01 April 2020 to 09 June 2020	For the year ended 31 March 2020
Sale of products	296	5,905
Other operating revenues	43	-
<b>Revenue from operations</b>	<b>339</b>	<b>5,905</b>
Other income	71	17
<b>Total income</b>	<b>410</b>	<b>5,922</b>
<b>Total expenses</b>	<b>401</b>	<b>6,282</b>
<b>Profit/(loss) before exceptional item and tax for the period from discontinued operations</b>	<b>9</b>	<b>(361)</b>
Exceptional item	(416)	(2,933)
<b>Profit/(loss) before tax for the period from discontinued operations</b>	<b>(407)</b>	<b>(3,294)</b>
Tax expense related to discontinued operations	-	60
Current tax	-	23
Deferred tax	-	37
<b>Net Profit/(loss) after tax for the period from discontinued operations</b>	<b>(407)</b>	<b>(3,354)</b>
Net cash generated from operating activities	(136)	1,353
Net cash generated from / (used in) investing activities	(1)	(227)
Net cash used in financing activities	(167)	(775)

The profit from discontinued operations of ₹ 9 million (Previous year loss of ₹ 3,354 million) is attributable entirely to the owners of the Company.

During the year ended 31 March 2021, pursuant to de-consolidation of MKTSN and its subsidiaries, the Group has reclassified ₹ 417 million relating to accumulated Foreign Currency Translation Reserve (FCTR) from other comprehensive income to exceptional items in the Statement of Profit and loss in the consolidated financial statements.

## The carrying amounts of assets and liabilities as at 09 June 2020 were as follows:

(₹ in million)

Particulars	As at 09 June 2020
Property, plant and equipment (including right-of-use assets)	1,972
Capital work-in-progress	1
Inventories	565
Trade receivables	321
Cash & Bank Balances	189
Loans	7
Other current assets	57
<b>Total assets</b>	<b>3,112</b>
Other financial liabilities	2,008
Lease liabilities	322
Trade Payables	671
Other current liabilities	157
Provisions	843
<b>Total liabilities</b>	<b>4,001</b>
<b>Net assets</b>	<b>(889)</b>

Pursuant to requirements of Ind AS 105, the amounts in the Statement of profit and loss (and notes 2.28 to 2.35) have been presented for continuing operations, as if the operations had been discontinued from the start of the previous year, as applicable, unless otherwise stated.



## 2.46 Associate

(a) The following table summarises the financial information of Furukawa Electric Private Limited ('FEPL') based on the audited numbers and the carrying amount of the Group's interest in associate:

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Percentage ownership interest	25%	25%
Cash and cash equivalents	277	308
Other current assets	1,299	969
Total current assets	1,576	1,277
Total non-current assets	849	881
<b>Total assets</b>	<b>2,425</b>	<b>2,158</b>
Current liabilities	983	934
Financial liabilities (excluding trade payables and provisions)	1,469	984
Other liabilities	18	28
Total current liabilities	2,468	1,946
<b>Total non-current liabilities</b>	<b>29</b>	<b>24</b>
<b>Total liabilities</b>	<b>2,497</b>	<b>1,970</b>
<b>Net Assets</b>	<b>(73)</b>	<b>188</b>
<b>Group's share of net assets</b>	<b>(18)</b>	<b>47</b>
<b>Other adjustments</b>	<b>135</b>	<b>135</b>
<b>Carrying amount of interest in Associate</b>	<b>117</b>	<b>182</b>

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	3,228	3,974
Interest income	-	1
Other income (excluding interest income)	96	22
Depreciation and amortisation	106	128
Interest expense	105	119
Income tax expense	-	-
Profit for the year	(262)	162
Other comprehensive income	(1)	(4)
<b>Total comprehensive income</b>	<b>(263)</b>	<b>158</b>
<b>Group's share of profit</b>	<b>(66)</b>	<b>41</b>
<b>Group's share of OCI</b>	<b>-</b>	<b>(1)</b>
<b>Group's share of total comprehensive income</b>	<b>(66)</b>	<b>40</b>

(b) The following table summarises the financial information of Minda Stoneridge Instruments Limited ('MSIL') and the carrying amount of the Group's interest in jointly controlled entity:

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Percentage ownership interest	51%	51%
Cash and cash equivalents	464	194
Other current assets	1,918	1,735
Total current assets	2,382	1,929
Total non-current assets	718	814
<b>Total assets</b>	<b>3,100</b>	<b>2,743</b>
Current liabilities	930	824
Financial liabilities (excluding trade payables and provisions)	81	67
Other liabilities	34	38
Total current liabilities	1,045	929
Total non-current liabilities	123	147
<b>Total liabilities</b>	<b>1,168</b>	<b>1,076</b>
<b>Net Assets</b>	<b>1,932</b>	<b>1,667</b>
<b>Group's share of net assets</b>	<b>985</b>	<b>850</b>
<b>Other adjustments</b>	<b>269</b>	<b>269</b>
<b>Carrying amount of interest in joint venture</b>	<b>1,254</b>	<b>1,119</b>

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	3,891	3,810
Interest income	40	36
Other income (excluding interest income)	17	24
Depreciation and amortisation	156	160
Interest expense	17	22
Income tax expense	78	77
Profit for the year	266	223
Other comprehensive income	2	(5)
<b>Total comprehensive income</b>	<b>268</b>	<b>218</b>
<b>Group's share of profit</b>	<b>136</b>	<b>114</b>
<b>Group's share of OCI</b>	<b>1</b>	<b>(3)</b>
<b>Group's share of total comprehensive income</b>	<b>136</b>	<b>111</b>



(C) The following table summarises the financial information of Minda Vast Access System Private Limited (MVASPL) and the carrying amount of the Group's interest in jointly controlled entity:

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Percentage ownership interest	50%	50%
Cash and cash equivalents	12	29
Other current assets	779	547
Total current assets	792	576
Total non-current assets	760	804
<b>Total assets</b>	<b>1,553</b>	<b>1,380</b>
Current liabilities	442	347
Financial liabilities (excluding trade payables and provisions)	98	23
Other liabilities	139	76
Total current liabilities	679	446
Total non-current liabilities	34	39
<b>Total liabilities</b>	<b>713</b>	<b>485</b>
<b>Net Assets</b>	<b>840</b>	<b>895</b>
<b>Group's share of net assets</b>	<b>420</b>	<b>447</b>
<b>Other adjustments</b>	<b>(1)</b>	<b>(1)</b>
<b>Carrying amount of interest in joint venture</b>	<b>419</b>	<b>446</b>

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	1,439	1,629
Interest income	2	7
Other income (excluding interest income)	44	53
Depreciation and amortisation	96	81
Interest expense	4	2
Income tax expense	(19)	(28)
Profit for the year	(58)	(58)
Other comprehensive income	-	(3)
<b>Total comprehensive income</b>	<b>(58)</b>	<b>(61)</b>
<b>Group's share of Profit</b>	<b>(29)</b>	<b>(29)</b>
<b>Group's share of OCI</b>	<b>-</b>	<b>(2)</b>
<b>Group's share of total comprehensive income</b>	<b>(29)</b>	<b>(31)</b>

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

**2.48** The Group's operations and financial results for the quarter ended 30 June 2020 were adversely impacted by the outbreak of COVID19 pandemic and the consequent lockdown announced by the Government of India. The operations have resumed with requisite precautions in place. The situation is continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of these financial statements and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

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

**2.50** During the current year, as required under section 135 of the Act, the Group has spent ₹ 25 million (previous year ₹ 37 million) towards the corporate social responsibility (CSR activity). Relevant disclosures for amount to be spent vis a viz amount spent during the year are as below :

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Gross amount required to be spent	30	30

**B. Amount spent during the year ended 31 March 2021**

Project/ Activity	Paid in cash	Yet to be paid	Total
Contribution to Company formed under section 8 of Companies Act 2013 for the purpose, including Skilling & Education Livelihood, Empowering of people with disability, promoting Health care & sanitation			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above			
- incurred for Minda Corporation Limited*	17	-	17
- incurred for others	8	-	8
<b>Total</b>	<b>25</b>	<b>-</b>	<b>25</b>

\*includes ₹ 2 million, spent by Spark Minda Foundation for Minda Corporation Limited relating to previous years. ₹ 15 million is unspent by Spark Minda Foundation as this pertains to ongoing projects.

Subsequent to the year end, the amount of ₹ 15 million has been deposited by Spark Minda Foundation in separate bank account.


**C. Amount spent during the year ended 31 March 2020**

S. No.	Project/ Activity	Paid in cash	Yet to be paid	Total
1	Contribution to Company formed under section 8 of Companies Act 2013 for the purpose, including Skilling & Education Livelihood, Empowering of people with disability, promoting Health care & sanitation			
	(i) Construction/acquisition of any asset	-	-	-
	(ii) On purposes other than (i) above	36	-	36
	<b>Total</b>	<b>36</b>	<b>-</b>	<b>36</b>

**2.51** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**2.52** Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date attached

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

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

**Shashank Agarwal**  
Partner  
Membership No.: 095109

**Ashok Minda**  
Chairman & Group CEO  
DIN 00054727

**Naresh Kumar Modi**  
Executive Director & CFO  
DIN: 00089536

**Pardeep Mann**  
Company Secretary  
Membership No.: A 13371

Place : Gurugram  
Date: 18 May 2021

Place : Gurugram  
Date: 18 May 2021

# AOC -1

## Part A- Subsidiaries

(Amount in ₹ Million)

Sl. No. of the Subsidiary	Financial period ended	Exchange rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (1)	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of share-holding
1	Minda Stoneridge Instruments Limited 31.03.2021	INR	119	1,814	3,100	1,166	-	3,891	344	78	266	-	51%
2	Spark Minda Foundation 31.03.2021	INR	01	29	33	5	-	-	24	-	24	-	100%
3	Minda Europe B.V. 31.03.2021	Euro 83.0496	26	(28)	0.4	3	-	-	-	-	-	-	100%
4	Minda KTSN Plastic Solutions GmbH & Co. KG *	Euro 83.6279	-	-	-	-	-	252	(11)	-	(11)	-	100%
5	Minda KTSN Plastic & Tooling Solutions Sp.z.o.o. *	Euro 83.6279	-	-	-	-	-	58	30	-	30	-	100%
6	KTSN Kunststofftechnik Sachsen Beteiligungs GmbH *	Euro 83.6279	-	-	-	-	-	-	-	-	-	-	100%
7	Minda KTSN Plastic Solutions S.R.O., Czech Republic *	Euro 83.6279	-	-	-	-	-	0.4	(6)	-	(6)	-	100%
8	Minda KTSN Plastic Solutions Mexico, S. de R.L. de C.V. *	Euro 83.6279	-	-	-	-	-	57	(3)	-	(3)	-	100%
9	Almighty International Pte. Ltd.	USD 73.5047	208	364	572	0.2	-	-	(1)	-	(1)	-	100%
10	PT Minda Automotive Indonesia	IDR 0.00506	278	89	586	241	22	518	(14)	5	(19)	-	100%
11	PT Minda Automotive Trading	IDR 0.00506	22	9	66	35	-	69	2	0.4	2	-	100%
12	Minda Vietnam Automotive Company Limited	VND 0.00318	32	325	468	111	-	498	63	8	55	-	100%
13	Spark Minda Green Mobility System Private Limited	INR	5	(1)	5	1	-	-	(1)	-	(1)	-	100%
14	Minda Corporation Ltd. Employees Stock Option Scheme Trust	INR	-	(58)	123	182	-	4	6	0.1	5	-	100%

\* De-consolidation w.e.f 9th Jun 20



## Part B- Associates and Joint Ventures

SL. No	Name of the Joint venture	Minda VAST Access Systems Private Limited	Furkawa Minda Electric Private Limited
1	Latest audited Balance Sheet Date	31st March 2021	31st March 2021
2	Shares of Associate/ Joint Ventures held by the company on the year end		
	No.	21,332,700	29,375,000
	Amount of investment in Associates/ Joint Ventures	0*	272,584,430
	Extent of Holding %	50%	25%
3	Description of how there is significance influence	We have 50% control on Board.	We have 25% control on Board.
4	Reason why the associate/ Joint Venture is not consolidated	Ind AS 28 does not allow to consolidate jointly controlled entity.	Ind AS 28 does not allow to consolidate jointly controlled entity.
5	Net Worth attributable to Shareholding as per latest audited Balance Sheet	419	(19)
6	Profit/ Loss for the year	(61)	(262)
i	Considered in Consolidation	(31)	(66)
ii	Not considered in Consolidation	(31)	(197)

\* Amount in absolute is ₹ 901 (31 March 2020: ₹ 901)







# Corporate Information

## BOARD OF DIRECTORS

**ASHOK MINDA**  
Chairman & Group CEO

**ASHOK KUMAR JHA**  
Independent Director

**AVINASH P. GANDHI**  
Independent Director

**AAKASH MINDA**  
Executive Director

**PRATIMA RAM**  
Independent Director

**RAVI SUD**  
Non-Executive / Non-Independent Director

**N. K. MODI**  
Executive Director & CFO

**RAKESH CHOPRA**  
Independent Director

## COMPANY SECRETARY & COMPLIANCE OFFICER

Pardeep Mann

## STATUTORY AUDITOR

B S R & Co., LLP,  
Chartered Accountants  
Building No. 10, 8th Floor, Tower - B,  
DLF Cyber City, Phase - II, Gurugram,  
Haryana - 122 002, India

## SECRETARIAL AUDITOR

Ranjeet Pandey & Associates,  
Company Secretaries  
A-62, Basement, Defence Colony,  
New Delhi-110024, India

## COST AUDITOR

Chandra Wadhwa & Co.,  
Cost Accountants  
204, Krishna House, 4805/24,  
Bharat Ram Road, Daryaganj,  
New Delhi-110002, India

## INTERNAL AUDITORS

T. R. Chadha & Co.,  
Chartered Accountants  
B-30, Kuthiala Building, First Floor,  
Middle Cir., Block-B, Connaught Place,  
New Delhi-110001, India  
AHPN & Associates  
Chartered Accountants  
2745/23 2nd Floor, Beadon Pura  
Karol Bagh, New Delhi - 110005, India

## REGISTRAR AND SHARE TRANSFER AGENT

Skyline Financial Services Private Limited  
D-153/A, 1st Floor, Okhla Industrial Area,  
Phase - 1, New Delhi – 110 020, India

## BANKERS

Axis Bank Limited  
HDFC Bank Limited  
HSBC Limited  
Indusind Bank Limited  
Kotak Mahindra Bank Ltd.  
Standard Chartered Bank Limited

## REGISTERED OFFICE

A-15, Ashok Vihar, Phase-I, Delhi-110052

## CORPORATE IDENTIFICATION NUMBER (CIN)

L74899DL1985PLC020401

## WEBSITE & E-Mail

[www.sparkminda.com](http://www.sparkminda.com)  
[investor@mindacorporation.com](mailto:investor@mindacorporation.com)



**REGISTERED OFFICE**

A-15, Ashok Vihar, Phase-I,  
Delhi-110052

**CIN:** L74899DL1985PLC020401

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