

BSR & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Minda Stoneridge Instruments Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Minda Stoneridge Instruments Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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 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 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 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 financial statements.

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 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.



Principal Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco
Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Management's and Board of Directors' Responsibility for the 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 financial statements that give a true and fair view of the state of affairs, profit/loss 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

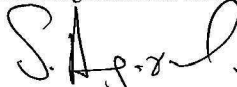
1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid 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 financial statements - Refer Note 37 to the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the 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 Company has not paid any remuneration to its directors during the current year and accordingly the requirements as stipulated under section 197 of the Act are not applicable to the Company.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022



Shashank Agarwal
Partner
Membership No.: 095109
UDIN: 21095109AAAACY1958

Place: Gurugram.
Date: 14 May 2021

Annexure A referred to the Independent Auditor's Report on the Financial Statements of Minda Stoneridge Instruments Limited for the year ended 31 March 2021.

(Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (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 fixed assets (property, plant and equipment) by which all fixed assets (property, plant and equipment) are verified, in a phased manner, over the period of two 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 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 immovable property is held in the name of the Company.
- (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 confirmation 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) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under section 189 of the companies Act, 2013 ('the Act'). Further there are no Limited Liability Partnership covered in the register required under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us and based on audit procedures performed, there are no loans, investments, guarantees and securities provided by the Company as specified under section 185 and 186 of the Act. Therefore, provisions of paragraph 3(iv) are not applicable.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable.
- (vi) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the activities carried out by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect

of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, 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.

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 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 with respect to the previous years ended 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:

Name of the Statute	Nature of dues	Financial year to which amount relates	Forum where dispute is pending	Amount (Rs. in millions)*	Amount paid under protest (Rs. in millions)
The Maharashtra VAT Act, 2002	Value added tax	2016-17	Deputy Commissioner of State Tax, Pune	11.02	-
Central Sales Tax Act, 1956	Central Sales	2016-17	Deputy Commissioner of State Tax, Pune	64.82	-
Income tax Act, 1961	Income tax	2009-10	High court	11.88	-

*amount as per demand orders including interest and penalty wherever indicated in the said orders.

- (viii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not have any outstanding dues to any banks, government, financial institutions or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) According to the information and explanations given to us and based on 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) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (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 based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration during the year as mentioned under section 197 read with Schedule V of the Companies Act, 2013. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.
- (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 Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or 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 BSR & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022



Shashank Agarwal

Partner

Membership No.: 095109

UDIN: 21095109AAAACY1958

Place: Gurugram

Date: 14 May 2021

Annexure B to the Independent Auditor's report on the financial statements of Minda Stoneridge Instruments Limited for the period ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid 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 Stoneridge Instruments Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the 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 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 financial statements.

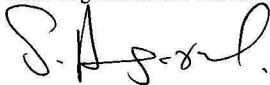
Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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

Membership No.: 095109

UDIN: 21095109AAAACY1958

Place: Gurugram
Date: 14 May 2021

(₹ in million)

	Note	As at 31 March 2021	As at 31 March 2020
A ASSETS			
Non-current assets			
Property, plant and equipment	2.1(a)	597	657
Capital work-in progress	2.1(a)	29	30
Other intangible assets	2.1(b)	19	23
Intangible assets under development	2.1(b)	4	-
Right of use assets	2.17	44	55
Financial assets			
(i) Loans	2.2	10	9
(ii) Other financial asset	2.3	-	20
Deferred tax Assets (net)	2.15	7	-
Income tax assets	2.4	-	11
Other non-current assets	2.5	8	9
Total non-current asset		718	814
Current assets			
Inventories	2.6	497	432
Financial assets			
i. Trade receivables	2.7	973	693
ii. Cash and cash equivalents	2.8	464	194
iii. Other bank balances	2.9	349	526
iv. Loans	2.10	2	2
v. Other financial assets	2.11	17	14
Other current assets	2.12	80	68
Total current asset		2,382	1,929
Total assets		3,100	2,743
B EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2.13	119	119
Other equity	2.14	1,814	1,548
Total equity		1,933	1,667
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Lease liabilities	2.17	106	124
Deferred tax liabilities (net)	2.15	-	3
Provisions	2.16	17	20
Total non-current liabilities		123	147
Current liabilities			
Financial liabilities			
i. Lease liability	2.17	18	14
ii. Trade payables	2.18	-	-
- Total outstanding dues of micro enterprises and small enterprises		220	125
- Total outstanding dues of creditors other than micro enterprises and small enterprises		682	673
iii. Other financial liabilities	2.19	63	53
Other current liabilities	2.20	34	39
Provisions	2.21	20	25
Current tax liabilities	2.22	7	-
Total current liabilities		1,044	929
Total liabilities		1,167	1,076
Total equity and liabilities		3,100	2,743

Significant accounting policies 2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/0100022

For and on behalf of the Board of Directors of
Minda Stenoledge Instruments Limited

Shashank Agarwal

Membership No.: 095109

Ashok Minda
Director
(DIN 00054727)

Place: Gurugram
Date: 14 May 2021

Shashi Shekhar Sharma
Chief Executive Officer

Place: Pune
Date: 14 May 2021

N.K. Modi
Director
(DIN 00089536)

Place: Gurugram
Date: 14 May 2021

Ajay Kumar Choudhary
Chief Financial Officer

Place: Pune
Date: 14 May 2021

Chaitanya Munda
Company Secretary
Membership No.: A57832

Place: Pune
Date: 14 May 2021

Place: Gurugram
Date: 14 May 2021

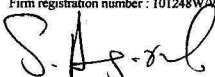
Minda Stoneridge Instruments Limited
Statement of Profit and Loss for the year ended 31 March 2021

	Note	(₹ in million)	
		For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	2.23	3,895	3,810
Other income	2.24	62	60
Total income		3,957	3,870
Expenses			
Cost of materials consumed	2.25	2,609	2,566
Changes in inventories of finished goods and work-in-progress	2.26	48	(71)
Employee benefits expense	2.27	435	516
Finance costs	2.28	17	22
Depreciation and amortisation expense	2.1(a), 2.1(b), 2.17	156	160
Other expenses	2.29	348	377
Total expenses		3,613	3,570
Profit before tax		344	300
Tax expense			
Current tax	2.15	90	89
Deferred tax	2.15	(11)	(12)
Total tax expense		79	77
Profit for the year		265	223
Other comprehensive income			
<i>Item that will not be reclassified subsequent to profit or loss</i>			
Re-measurements of defined benefit liabilities		2	(8)
Income tax relating to items that will not be reclassified subsequently to profit or loss		(1)	3
Net other comprehensive income not to be reclassified subsequently to profit or loss		1	(5)
Total comprehensive income for the year		266	218
Earnings per share [of ₹10 per equity share]			
Earnings per share (₹) (Basic)	2.31	22.27	18.74
Earnings per share (₹) (Diluted)		22.27	18.74
Significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **BSR & Co. LLP**
Chartered Accountants
Firm registration number : 101248WAV-100022

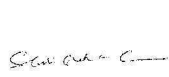


Shashank Agarwal
Partner
Membership No.: 095109

For and on behalf of the Board of Directors of
Minda Stoneridge Instruments Limited



Ashok Minda
Director
(DIN 00054727)



Shashi Shekhar Sharma
Chief Executive Officer

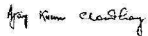


N.K. Modi
Director
(DIN 00089536)

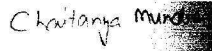
Place: Gurugram
Date: 14 May 2021

Place: Pune
Date: 14 May 2021

Place: Gurugram
Date: 14 May 2021



Ajay Kumar Choudhary
Chief Financial Officer



Chaitanya Munda
Company Secretary
Membership No.: A57832

Place: Gurugram
Date: 14 May 2021

Place: Pune
Date: 14 May 2021

Place: Pune
Date: 14 May 2021

Minda Stoneridge Instruments Limited
Statement of Cash Flows for the year ended 31 March 2021

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
(₹ in million)			
A Cash flow from operating activities			
Profit before taxation		344	300
Adjustments for :-			
Depreciation and amortisation expense		156	160
Interest expense		17	22
Interest income		(40)	(36)
Loss on sale/discard of property, plant and equipment (net)		2	-
Provision/ liabilities no longer required written back		(16)	(24)
Warranty expenses			10
Operating cash flow before changes in following assets and liabilities		463	432
(Increase)/decrease in trade receivables		(280)	121
(Increase)/decrease in inventories		(65)	(87)
Increase in loans, other financial assets and other assets		(12)	(31)
(Decrease)/increase in other financial liabilities and other liabilities		(5)	1
(Decrease)/increase in provisions		(8)	7
Increase in trade payables		119	124
Cash generated from operating activities		212	567
Income tax paid, net of refunds		(72)	(111)
Net cash generated from operating activities (A)		140	456
B Cash flow from investing activities			
Purchase of property, plant and equipment and intangibles assets		(75)	(210)
Sale of property, plant and equipment		1	1
Movement in bank deposits (net)		196	(112)
Net cash generated from/(used in) investing activities (B)		122	(321)
C Cash flow from financing activities			
Repayment of non current borrowings		-	(6)
Interest received		37	32
Interest paid (refer note 3 below)		(17)	(22)
Repayment of lease liabilities		(12)	(11)
Net cash generated from/(used in) financing activities (C)		8	(7)
Net increase in cash and cash equivalents (A + B + C)		270	128
Cash and cash equivalents at the beginning of the year		194	66
Cash and cash equivalents as at the end of the year		464	194

Significant accounting policies

2

Notes to Cash Flow Statement:

- The above statement of cash flows has been prepared under indirect method set out in Indian Accounting Standard (Ind AS)-7 "Statement of cash Flows".
- Cash and cash equivalents consists of cash in hand and balances with banks (Refer note 2.8).
- Interest paid includes interest paid on lease liabilities amounting as on 31 March 2021 ₹ 14 million. (as on 31 March 2020 ₹ 15 million)
- Movement in financing activities is as under:

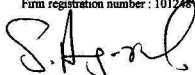
	(₹ in million)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Borrowings as the beginning of the year	-	6
Movement due to cash transactions as per the statement of cash flows	-	(6)
Borrowings as the end of the year	-	-

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
Firm registration number : 101248/W-100022

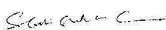
For and on behalf of the Board of Directors of
Minda Stoneridge Instruments Limited



Shashank Agarwal
Partner
Membership No.: 095109



Ashok Minda
Director
(DIN 00054727)



Shashi Shekhar Sharma
Chief Executive Officer



N.K. Modi
Director
(DIN 00089536)

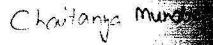
Place: Gurugram
Date: 14 May 2021

Place: Pune
Date: 14 May 2021

Place: Gurugram
Date: 14 May 2021



Ajay Kumar Choudhary
Chief Financial Officer



Chaitanya Munda
Company Secretary
Membership No.: A57832

Place: Gurugram
Date: 14 May 2021

Place: Pune
Date: 14 May 2021

Place: Pune
Date: 14 May 2021

Minda Stoneridge Instruments Limited
Statement of Changes in Equity for the year ended 31 March 2021

A. Equity share capital

Particulars	Amount (₹ in million)
Balance as at 1 April 2019	119
Changes in equity share capital during the year	-
Balance as at 31 March 2020	119
Changes in equity share capital during the year	-
Balance as at 31 March 2021	119

B. Other equity

Particulars	Reserves and surplus (₹)			Items of Other Comprehensive Income (₹)		Total
	Capital reserve	Securities premium reserve	Retained earnings	Income (₹)	Renouncement of defined benefit obligations	
As at 1 April 2019	2	40	1,304	-	-	1,346
Profit for the year	-	-	223	-	-	223
Impact of Ind AS 116 (net of taxes)	-	-	(16)	-	-	(16)
Other comprehensive income	-	-	-	(5)	(5)	(5)
Transferred to retained earnings	-	-	-	(5)	5	-
Total comprehensive income for the year	2	40	1,506	-	-	1,548
As at 31 March 2020	2	40	1,506	-	-	1,548
Profit for the year	-	-	265	-	-	265
Other comprehensive income	-	-	-	-	1	1
Transferred to retained earnings	-	-	-	-	(1)	(1)
Total comprehensive income for the year	2	40	1,772	-	-	1,814
As at 31 March 2021	2	40	1,772	-	-	1,814

Notes:
(1) Refer note 2.14 for nature and purpose of other equity.

For BSR & Co. LLP

Chartered Accountants

Firm registration number: 101246/WV-100022

S. Agarwal

Shashank Agarwal

Partner

Membership No.: 095109

For and on behalf of the Board of Directors of
Minda Stoneridge Instruments Limited

Ashok Minda

Ashok Minda

Director

(DIN 00054727)

Place: Gurugram

Date: 14 May 2021

Ajay Kumar Choudhary

Ajay Kumar Choudhary

Chief Financial Officer

Place: Pune

Date: 14 May 2021

Shashi Shekhar Sharma

Shashi Shekhar Sharma

Chief Executive Officer

(DIN 00089536)

Place: Pune

Date: 14 May 2021

Chaitya Mantra

Chaitya Mantra

Company Secretary

Membership No.: A57832

Place: Pune

Date: 14 May 2021

Minda Stoneridge Instruments Limited

Notes to the financial statements for the year ended 31 March 2021

1. Reporting entity

Minda Stoneridge Instruments 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 Pune, Maharashtra. The Company has been incorporated under the provisions of Indian Companies Act, 1956. The Company is primarily involved in manufacturing of Automobile Components and Parts thereof

2. Significant accounting policies

A. Basis of preparation

(i) Statement of compliance

These 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 14 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 (Rs.). 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 Rs. 500,000 to make financials in round off to Rupees in millions.

(iii) Basis of measurement

These 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	Fair value of plan assets less present value of defined benefit obligations

(iv) Use of estimates and judgement

In preparation of these 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 Financial Statements is included in the following notes.

Minda Stoneridge Instruments Limited

Notes to the financial statements for the year ended 31 March 2021

Assumptions, judgements and estimation uncertainties

- Recognition and estimation of tax expense including deferred tax– Note 2.15
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.1(a) and 2.1(b)
- Estimation of obligations relating to employee benefits: key actuarial assumptions –Note 2.43
- Valuation of Inventories – Note 2.6
- Recognition and measurement of provisions and contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 2.38
- Fair value measurement – Note 2.33
- Leases– Note 2.17

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 2.32 – Financial instrument.

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:

- a) it expects to be realise the assets, or intends to sell or consume it, in its normal operating cycle;
- b) it hold the asset primarily for the purpose of trading;
- c) it is expects to realise the asset within 12 months after the reporting period; or
- d) 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.

Minda Stoneridge Instruments Limited

Notes to the financial statements for the year ended 31 March 2021

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:

- a) it is expects to settle in its normal operating cycle;
- b) it hold primarily for the purpose of trading;
- c) the liability is due to be settled within 12 months after the reporting period; or
- d) 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 Company 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.

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 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 classified as FVOCI are recognized in other comprehensive income.

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.

Minda Stoneridge Instruments Limited

Notes to the financial statements for the year ended 31 March 2021

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 selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative selling price of each distinct product or service promised in the contract.

Minda Stoneridge Instruments Limited

Notes to the financial statements for the year ended 31 March 2021

- 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 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 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 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

Minda Stoneridge Instruments Limited

Notes to the financial statements for the year ended 31 March 2021

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 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 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 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.

(c) 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.

Pursuant to this policy, depreciation on fixed assets has been provided at the rates based on the following useful lives of fixed assets as estimated by management:

Asset category	Useful lives estimated by the management (years)
Factory building and office building	20 years
Plant and equipment	10 years
Tools and dies	5 years
Office equipment	5 years
Furniture and fixtures	5 years
Computer (including laptops, servers and networks)	3 years
Vehicles	4 years

Minda Stoneridge Instruments Limited

Notes to the financial statements for the year ended 31 March 2021

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) Intangible Asset

a) Recognition and measurement

Intangible assets comprise of computer software 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.

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 statement of profit and loss.

d) Amortisation

The intangible 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.

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 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

Minda Stoneridge Instruments Limited

Notes to the financial statements for the year ended 31 March 2021

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.

Minda Stoneridge Instruments Limited

Notes to the financial statements for the year ended 31 March 2021

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 Statement of Profit and Loss. Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

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.

ix) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

x) 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.

xi) Corporate Social Responsibility ("CSR") expenditure:

CSR expenditure incurred by the Company is charged to the Statement of the Profit and Loss

xii) 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 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 statement of profit and loss on a straight line basis over the expected lives of the related assets and presented within income.

Minda Stoneridge Instruments Limited

Notes to the financial statements for the year ended 31 March 2021

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.

xiii) Cash dividend and non-cash distribution to equity holders of the parent

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.

xiv) Employee Benefits

Short – term employee benefits

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

Defined contribution plan:

Provident fund: Eligible employees of the Company 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 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.

Minda Stoneridge Instruments Limited

Notes to the financial statements for the year ended 31 March 2021

Actuarial gains and losses are recognized immediately in the Statement of profit and loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

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 statement of Changes in Equity and in the Balance Sheet.

xv) Accounting for warranty

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

xvi) Leases

Effective April 1, 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:

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Notes to the financial statements for the year ended 31 March 2021

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.

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 statement of profit and loss except to the extent that it relates to items recognised directly in equity.

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(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.

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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 financial statements of the period in which the change occurs.

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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) Employee Stock Options

Certain employees of the Company are in receipt of stock options from Minda Corporation Limited. The grant date fair value of options granted to employees of the Company is recognized as an employee expense, with a corresponding increase in capital reserve, over the period that the employees become unconditionally entitled to the options. 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 "capital reserve". 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). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

xxiii) 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:

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- 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 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

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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 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

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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

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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 Statement of the Profit and Loss and is recognized in OCI.

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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 Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the 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

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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.

C. 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.

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Notes to the financial statements for the year ended 31 March 2021

2.1(a) Property, plant and equipment and capital work-in-progress

(₹ in million)

Particulars	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	2	-	-	2	-	-	-	-	2
Building	176	-	-	176	49	11	-	60	116
Plant and equipment	882	70	1	951	386	115	1	499	452
Furniture and fixtures	20	-	1	19	16	1	1	16	3
Vehicles	32	1	9	24	15	6	6	14	10
Office equipment	14	-	-	14	10	1	-	11	3
Computer hardware	21	8	-	29	14	4	-	18	11
Total (A)	1,147	79	11	1,214	490	137	8	618	597
Capital work-in-progress	30	78	79	29	-	-	-	-	29
Total (B)	30	78	79	29	-	-	-	-	29
Total (A+B)	1,177	157	90	1,243	490	137	8	618	626

(₹ in million)

Particulars	Gross block				Accumulated depreciation				Net block
	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 1 April 2019	Depreciation 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)
Freehold land	2	-	-	2	-	-	-	-	2
Buildings	176	-	-	176	35	14	-	49	127
Plant and equipment	744	138	-	882	275	111	-	386	496
Furniture and fixtures	20	-	-	20	14	2	-	16	4
Vehicles	30	6	4	32	12	6	3	15	17
Office equipment	13	1	-	14	8	2	-	10	4
Computer hardware	19	2	-	21	10	4	-	14	7
Total (A)	1,004	147	4	1,147	354	139	3	490	657
Capital work-in-progress	40	137	147	30	-	-	-	-	30
Total (B)	40	137	147	30	-	-	-	-	30
Total (A+B)	1,044	284	150	1,177	354	139	3	490	687

(ii) For commitments with respect to property, plant and equipment, refer note 2.37.

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Notes to the financial statements for the year ended 31 March 2021

2.1(b) Other Intangible assets and intangible assets under development

(₹ in million)

Particulars	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)
Computer Software	60	5	-	64	37	8	-	45	19
Total (A)	60	5	-	64	37	8	-	45	19
Intangible assets under development	-	9	5	4	-	-	-	-	4
Total (B)	-	9	5	4	-	-	-	-	4
Total (A+B)	60	13	5	68	37	8	-	45	23

2.1(b) Other Intangible assets and intangible assets under development

(₹ in million)

Particulars	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)
Computer Software	56	4	-	60	27	10	-	37	23
Total (A)	56	4	-	60	27	10	-	37	23
Intangible assets under development	2	2	4	-	-	-	-	-	-
Total (B)	2	2	4	-	-	-	-	-	-
Total (A+B)	58	6	4	60	27	10	-	37	23

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2.2 - Loans

(unsecured and considered good, unless otherwise stated)

Particulars	<i>(₹ in million)</i>	
	As at 31 March 2021	As at 31 March 2020
Non-current		
Security deposits	10	9
Total	<u>10</u>	<u>9</u>

2.3 - Other financial assets

Particulars	<i>(₹ in million)</i>	
	As at 31 March 2021	As at 31 March 2020
Non-current		
Balances with banks		
Deposits due to mature after 12 months from the reporting date	-	20
Total	<u>-</u>	<u>20</u>

2.4 - Income tax assets

Particulars	<i>(₹ in million)</i>	
	As at 31 March 2021	As at 31 March 2020
Advance income tax (net of provision for tax)	-	11
Total	<u>-</u>	<u>11</u>

2.5 - Other non-current assets

Particulars	<i>(₹ in million)</i>	
	As at 31 March 2021	As at 31 March 2020
Capital advances	8	9
Prepaid expenses	-	-
Total	<u>8</u>	<u>9</u>

2.6 - Inventories

Particulars	<i>(₹ in million)</i>	
	As at 31 March 2021	As at 31 March 2020
Raw materials (including packing materials)	344	229
Work-in-progress	63	85
Finished goods	20	41
Add: Goods-in-transit	68	73
Stores and spares	2	4
Total	<u>497</u>	<u>432</u>

The cost of inventories recognised as an expense includes ₹ - (Previous year: ₹ 1 million) in respect of write-downs of inventory to net realisable value.

Minda Stoneridge Instruments Limited

Notes to the financial statements for the year ended 31 March 2021

2.7 - Trade receivables

Particulars	<i>(₹ in million)</i>	
	As at 31 March 2021	As at 31 March 2020
<i>(unsecured and considered good)</i>		
Trade receivables	916	625
Receivables from related parties (refer note 2.42)	57	68
Total	973	693

2.8 - Cash and cash equivalents

Particulars	<i>(₹ in million)</i>	
	As at 31 March 2021	As at 31 March 2020
Balance with bank		
-Deposits with original maturity of 3 months or less	421	160
-On current accounts	43	32
-Other bank balances (EEFC Accounts)	-	2
Cash and cash equivalents		
-Cash in hand	-	-
Total	464	194

2.9 - Other bank balances

Particulars	<i>(₹ in million)</i>	
	As at 31 March 2021	As at 31 March 2020
Deposits due to mature within 12 months of the reporting date	349	526
Total	349	526

Minda Stoneridge Instruments Limited**Notes to the financial statements for the year ended 31 March 2021****2.10 - Loans**

Particulars	(₹ in million)	
	As at 31 March 2021	As at 31 March 2020
Current		
Security deposits	2	2
Total	2	2

2.11 - Other financial assets

Particulars	(₹ in million)	
	As at 31 March 2021	As at 31 March 2020
Current		
Interest accrued on fixed deposits	13	10
Loans to employees	2	2
Others	2	2
Total	17	14

2.12 - Other current assets

Particulars	(₹ in million)	
	As at 31 March 2021	As at 31 March 2020
Balance with government authorities	64	37
Prepaid expenses	3	4
Advances to suppliers	13	27
Total	80	68

Minda Stoneridge Instruments Limited
Notes to the financial statements for the year ended 31 March 2021

2.13 Share capital

Particulars	(₹ in million)	
	As at 31 March 2021	As at 31 March 2020
Authorised		
12,000,000 (31 March 2020: 12,000,000) equity shares of ₹ 10 each	120	120
	<u>120</u>	<u>120</u>
Issued, subscribed and fully paid- up		
11,900,000 (31 March 2020: 11,900,000) equity shares of ₹ 10 each	119	119
	<u>119</u>	<u>119</u>

A. Reconciliation of share capital outstanding as at the beginning and at the end of the year

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	(₹ in million)	Number of shares	(₹ in million)
Balance as at the beginning of the year	11,900,000	119	11,900,000	119
Balance as at the end of the year	<u>11,900,000</u>	<u>119</u>	<u>11,900,000</u>	<u>119</u>

B. Details of shareholders holding more than 5% shares at the end of the year

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) Stoneridge Inc.	49.00%	5,831,000	49.00%	5,831,000
(ii) Minda Corporation Limited*#	51.00%	6,068,995	51.00%	6,068,995
		<u>11,899,995</u>		<u>11,899,995</u>

*erstwhile Minda SAI Limited, merged with Minda Corporation Limited vide order dated 19 July 2019

#including 5 equity shares held with nominee shareholders

C. Rights attached to equity shareholders

The Company has one class of equity shares having a par value of ₹ 10 per share (31 March 2020 : ₹ 2 per share). Each shareholder is eligible for one vote per share held. 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.

D. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has not issued any shares for consideration other than cash during the period of five years immediately preceding the reporting date.

Minda Stoneridge Instruments Limited
Notes to the financial statements for the year ended 31 March 2021

2.14 Other equity

Particulars	<i>(₹ in million)</i>	
	As at 31 March 2021	As at 31 March 2020
Other Equity		
Capital reserve**		
Balance as at the beginning of the year	2	2
Add: Adjustment on account of employee stock option	-	-
Balance as at the end of the year	2	2
Securities premium account*		
Balance as at the beginning of the year	40	40
Balance as at the end of the year	40	40
Retained Earnings		
Balance as at the beginning of the year	1,506	1,304
Impact on account of adoption of Ind AS 116 (including tax)	-	(16)
Transferred from other comprehensive income	1	(5)
Net profit for the year	265	223
Balance as at the end of the year	1,772	1,506
Other comprehensive income - Remeasurement of defined benefit obligation, net #		
Balance as at the beginning of the year	-	-
Add: Remeasurement of defined benefit obligation	1	(5)
Less: Transferred to retained earnings	(1)	5
Balance as at the end of the year	-	-
Total	1,814	1,548

Nature and purpose of other equity

*** Securities premium reserve**

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 reserve**

Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently.

Remeasurements of defined benefit obligation

Remeasurements of defined benefit obligation comprises actuarial gains and losses and return on plan assets.

Minda Stoneridge Instruments Limited
Notes to the financial statements for the period ended 31 March 2021

2.15 Income tax and deferred tax

A. Amounts recognised in statement of profit and loss

Particulars	(₹ in million)	
	For the period ended 31 March 2021	For the period ended 31 March 2020
Current tax		
Current year	101	91
Adjustments in respect of current income tax of previous years	(11)	(2)
	90	89
Deferred tax		
Origination and reversal of temporary differences	(11)	(12)
	(11)	(12)
Income tax expense reported in the statement of profit and loss	79	77

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

Particulars	(₹ in million)	
	For the period ended 31 March 2021	For the period ended 31 March 2020
Remeasurement of post employment benefit obligation	(1)	3
Income tax charges to other comprehensive income	(1)	3

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 2021 and re-measured its deferred tax liability basis the rate prescribed in the said section. The credit impact of this change amounting to ₹ 36 million has been recognized in the statement of profit & loss.

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:

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Rate	(₹ in million)	Rate	(₹ in million)
Profit before tax from continuing operations		344		300
Tax using the Company's domestic tax rate	25.17%	87	34.94%	105
Tax effect of:				
Non-deductible expenses	0.87%	3	0.33%	1
Incremental allowance for research and development expenditure	0.00%	-	-7.32%	(22)
Incremental allowance for deductions u/s 80IA	0.00%	-	-1.33%	(4)
Tax adjustment for earlier years	-3.20%	(11)	0.00%	-
Others	0.00%	-	-1.00%	(3)
Effective tax	22.84%	79	25.62%	77

D. Movement of temporary differences

Particulars	(₹ in million)									
	As at 1 April 2019	Recognised in profit or loss during 2019-20	Recognised in retained earnings	Recognised in OCI during 2019-20	As at 1 April 2020	Recognised in profit or loss during 2020-21	Impact of Change in tax Rate	Recognised in retained earnings	Recognised in OCI during 2020-21	As at 31 March 2021
Deferred Tax Assets										
Provision for lease equalisation reserve	21	-	(21)	0	-	-	-	-	-	-
Impact of IndAS 116	-	-	28	-	28	-	(8)	-	-	20
Others	11	7	-	3	21	(2)	(6)	-	(1)	12
	32	7	7	3	49	(2)	(14)	-	(1)	32
Deferred Tax Liabilities										
Difference in book written down value and tax written down value of property, plant and equipment	57	(5)	-	-	52	(13)	(14)	-	-	25
	57	(5)	-	-	52	(13)	(14)	-	-	25
Net deferred tax asset / (liabilities) (A)-(B)	(25)	12	7	3	(3)	11	-	-	(1)	7

Minda Stoneridge Instruments Limited

Notes to the financial statements for the year ended 31 March 2021

2.16 Non-current provisions

Particulars	(₹ in million)	
	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits (refer note 2.43)		
Gratuity	10	12
Compensated absences	5	7
Other provisions		
Provision for warranties (refer note 2.16.1)	2	1
Total	17	20

2.16.1 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:

Particulars	(₹ in million)	
	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	27	25
Provided during the year	-	9
Utilised during the year	(5)	(8)
Balance at the end of the year	22	27
Current portion	20	25
Non-current portion	2	1

Minda Stoneridge Instruments Limited
Notes to the financial statements for the year ended 31 March 2021

2.17 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 April 1, 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 below:

(₹ in million)

Right-of-use assets	As at 31 March 2021	As at 31 March 2020
Buildings		
Gross block as at the beginning of the year	66	-
Transition impact of Ind AS 116	-	66
Gross block as at the end of the year	66	66
Accumulated depreciation as at the beginning of the year	(11)	-
Depreciation charge for the year	(11)	(11)
Accumulated depreciation as at the end of the year	(22)	(11)
Net block	44	55

(₹ in million)

Lease liabilities	As at 31 March 2021	As at 31 March 2020
Opening Balance	138	-
Transition impact of Ind AS 116	-	149
Add: Finance cost	14	15
Less: Repayment	28	26
Closing Balance	124	138
Current	18	14
Non-current	106	124

(₹ in million)

Amounts recognised in Statement of Profit and Loss	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on lease liabilities	14	15
Depreciation expense	11	11
Expenses relating to short-term leases and leases of low-value assets	14	-

(₹ in million)

Amounts recognised in Cash Flow Statement	For the year ended 31 March 2021	For the year ended 31 March 2020
Repayment of lease liabilities	14	11
Interest paid on lease liabilities	14	15

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	27
Depreciation is higher by	(11)
Finance cost is higher by	(15)
Profit before tax is higher/ (lower) by	1

Most of the leases entered by the Company are long term in nature and the underlying leased properties are being used as manufacturing plants. The Company 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.

2.18 Trade payables

Particulars	(₹ in million)	
	As at 31 March 2021	As at 31 March 2020
- Total outstanding dues of micro enterprises and small enterprises (refer note 2.19.1)	220	125
- Total outstanding dues of creditors other than micro enterprises and small enterprises	661	579
- Trade payables to related parties (Refer note 2.42)	21	94
Total	902	798

2.18.1 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:

S.No.	Particulars	(₹ in million)	
		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 period:		
	- Principal amount	218	120
	- Interest thereon	-	-
		218	120
(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	436	462
	- Interest thereon	-	-
		-	-
(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	2	5
		2	5
(iv)	the amount of interest accrued and remaining unpaid.	2	5
		2	5

2.19 Other financial liabilities

Particulars	(₹ in million)	
	As at 31 March 2021	As at 31 March 2020
Salaries, wages and bonus payable	50	51
Capital creditors	13	2
Total	63	53

2.20 Other current liabilities

Particulars	(₹ in million)	
	As at 31 March 2021	As at 31 March 2020
Statutory dues payable	13	12
Advances from customers	21	27
Total	34	39

2.21 Provisions

Particulars	(₹ in million)	
	As at 31 March 2021	As at 31 March 2020
Current		
Provision for employee benefits (refer note 2.43)		
-Gratuity	-	-
-Compensated absence	-	-
Others		
-Provision for warranties (refer note 2.16.1)	20	25
Total	20	25

2.22 Current tax liabilities

Particulars	(₹ in million)	
	As at 31 March 2021	As at 31 March 2020
Provision for income tax (net of advance tax)	7	-
Total	7	-

Minda Stoneridge Instruments Limited**Notes to the financial statements for the year ended 31 March 2020****2.23 Revenue from operations**

	<i>(₹ in million)</i>	
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products		
- Manufactured goods	3,793	3,740
Other operating revenues		
- Technical know-how and service income	79	41
- Sale of scrap	4	5
- Exchange fluctuation (net)	5	-
- Export incentives	15	24
Other operating revenues	103	70
Total	3,895	3,810

2.24 Other income

	<i>(₹ in million)</i>	
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income on fixed deposits	40	36
Miscellaneous income	6	-
Provision/ liabilities no longer required written back	16	24
Total	62	60

2.25 Cost of materials consumed

	<i>(₹ in million)</i>	
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Raw materials consumed		
Opening stock	229	210
Add: Purchases during the year	2,723	2,585
	2,952	2,795
Less: Closing stock	344	229
	2,609	2,566

Minda Stoneridge Instruments Limited**Notes to the financial statements for the year ended 31 March 2021****2.26 Changes in inventories of finished goods and work-in-progress**

Particulars	(₹ in million)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Finished goods		
Opening stock	114	67
Less: Closing stock	88	114
	<u>26</u>	<u>(47)</u>
Work-in-progress		
Opening stock	85	61
Less: Closing stock	63	85
	<u>22</u>	<u>(24)</u>
	<u>48</u>	<u>(71)</u>

2.27 Employee benefits expense

Particulars	(₹ in million)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages, bonus and allowances	394	463
Contribution to provident fund and other funds	30	38
Employees stock compensation expense	-	-
Staff welfare expenses	12	15
Total	<u>435</u>	<u>516</u>

2.28 Finance Costs

Particulars	(₹ in million)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expenses	3	6
Interest expense on lease liabilities	14	15
Other borrowing costs	1	1
Total	<u>17</u>	<u>22</u>

Minda Stoneridge Instruments Limited
Notes to the financial statements for the year ended 31 March 2021

2.29 Other Expenses

	<i>(₹ in million)</i>	
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Jobwork charges	1	2
Consumption of stores and spare parts and packing materials	71	78
Power and fuel (net of recovery)	28	33
Rental charges (refer note 2.17)	14	-
Repair and maintenance		
- Plant and machinery	6	12
- Building	6	3
- Others	7	10
Travelling and conveyance	2	25
Legal and professional fees	56	26
Auditor Remuneration (refer to note 2.30)	2	2
Communication expenses	2	4
Management fees	56	56
Insurance expenses	6	5
Rates and taxes	1	2
Exchange fluctuation (net)	-	10
Warranty expenses	-	10
Loss on sale/discard of property, plant and equipment (net)	2	-
Advertisement and Business promotion	0	-
Freight and forwarding expenses	43	43
Corporate Social Responsibility (refer to note 2.39)	7	6
Design and development expenses	8	29
Miscellaneous	30	21
Total	348	377

2.30 Auditors' remuneration (excluding GST)

Legal and professional expense includes auditors' remuneration as follows:

	<i>(₹ in million)</i>	
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit	2	2
Others	-	-
Total	2	2

Minda Stoneridge Instruments Limited
Notes to the financial statements for the year ended 31 March 2021

2.31 Earnings per share

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

(₹ in million)

Particulars	Units	Year ended	Year ended
		31 March 2021	31 March 2020
Net Profit after tax attributable to equity shareholders	₹	265	223
Number of weighted average equity share of ₹ 10 each			
Number of share at the end of the year	No.	11,900,000	11,900,000
Basic and diluted earning per equity share of face value of ₹ 10 each	₹	22.27	18.74

2.32 Financial Instruments - Fair values and risk management

a. Financial instruments – by category and fair values hierarchy

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

i. As on 31 March 2021

(₹ in million)

Particulars	Carrying Value				Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Loans	-	-	10	10	-	-	-
Current							
(i) Trade receivables	-	-	973	973	-	-	-
(ii) Cash and cash equivalents	-	-	464	464	-	-	-
(iii) Other bank balances	-	-	349	349	-	-	-
(iv) Loans	-	-	2	2	-	-	-
(v) Other financial assets	-	-	17	17	-	-	-
Total	-	-	1,815	1,815			
Financial liabilities							
Non-current							
(i) Lease liabilities	-	-	106	106	-	-	-
Current							
(i) Lease liabilities	-	-	18	18	-	-	-
(ii) Trade payables	-	-	902	902	-	-	-
(iii) Other financial liabilities	-	-	63	63	-	-	-
Total	-	-	1,089	1,089			

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
Financial assets							
Non-current							
(i) Loans	-	-	9	9	-	-	-
(ii) Other financial assets	-	-	20	20	-	-	-
Current							
(i) Trade receivables	-	-	693	693	-	-	-
(ii) Cash and cash equivalents	-	-	194	194	-	-	-
(iii) Other bank balances	-	-	526	526	-	-	-
(iv) Loans	-	-	2	2	-	-	-
(v) Other financial assets	-	-	14	14	-	-	-
Total	-	-	1,458	1,458			
Financial liabilities							
Non-current							
(i) Lease liabilities	-	-	124	124	-	-	-
Current							
(i) Lease liabilities	-	-	14	14	-	-	-
(i) Trade payables	-	-	798	798	-	-	-
(ii) Other financial liabilities	-	-	53	53	-	-	-
Total	-	-	989	989			

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short-term maturities of these instruments. Accordingly, management has not disclosed fair values for financial instruments such as trade receivables, trade payables, cash and cash equivalents, other current assets, interest accrued on fixed deposits, other current liabilities etc.

The fair value of 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.

Minda Stoneridge Instruments Limited
Notes to the financial statements for the year ended 31 March 2021

2.32 Financial Instruments - Fair values and risk management (continued)

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 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 incremental borrowing rate 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 team that has overall responsibility for overseeing all significant fair value measurements and reports to senior management. The team regularly reviews significant unobservable inputs and valuation adjustments.

2.33 Financial risk management

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

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

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:

Particulars	(₹ in million)	
	As at 31 March 2021	As at 31 March 2020
Trade receivables	973	693
Cash and cash equivalents	464	194
Other bank balances	349	526
Loans	12	11
Other financial assets	17	34

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.

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. The reversal for lifetime expected credit loss on customer balances for the year ended 31 March 2021 and 31 March 2020 was ₹ Nil.

Movement in the loss allowance in respect of trade receivables:

Particulars	As at	As at
	31 March 2021	31 March 2020
Balance at the beginning of the year	-	-
Impairment loss recognised / (reversed)	-	-
Amount written off	-	-
Balance at the end of the year	-	-

2.33 Financial risk management (continued)

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	2	0%	-	2
		Security Deposits	12	0%	-	12
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	2	0%	-	2
		Security Deposits	11	0%	-	11
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

Minda Stoneridge Instruments Limited
Notes to the financial statements for the year ended 31 March 2021

2.33 Financial risk management (continued)

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)	903	547
1 to 30 days past due	31	101
31 to 60 days past due	6	21
61 to 90 days past due	17	5
More than 90 days past due*	16	18
Carrying amount of trade receivables (net of impairment)	973	693

*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.

2.33 Financial risk management (continued)

(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 for 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 ₹ 813 millions as at 31 March 2021 (31 March 2020: ₹ 740 millions), 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 undrawn borrowing facilities of ₹ 230 million (31 March 2020: ₹ 320 million) at the end of the reporting period.

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					Total
		6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	
Non-current liabilities							
Lease liabilities*	106	-	-	28	48	95	171
Current liabilities							
Lease liabilities	18	9	9	-	-	-	18
Trade payables	902	876	22	4	-	-	902
Other financial liabilities	63	63	-	-	-	-	63
Total	1,089	948	31	32	48	95	1,154

* Carrying value represents discounted value as at 31 March 2021

2.33 Financial risk management (continued)

(₹ in million)

As at 31 March 2020	Carrying amount	Contractual cash flows					Total
		6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	
Non-current liabilities							
Lease liabilities*	124	-	-	29	77	95	201
Current liabilities							
Lease liabilities	14	7	7	-	-	-	14
Trade payables	798	798	-	-	-	-	798
Other financial liabilities	53	53	-	-	-	-	53
Total	989	858	7	29	77	95	1,066

* Carrying value represents discounted value as at 31 March 2020

(iii) Market risk

Market risk is the risk that the fair value of 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)

As at 31 March 2021	As at 31 March 2021			
	USD	EURO	JPY	CHF
Financial assets				
Trade receivables	152	16	-	-
Exchange earners foreign currency (EEFC) account	-	-	-	-
Financial liabilities				
Trade payables	288	2	7	4

(₹ in million)

As at 31 March 2020	As at 31 March 2020		
	USD	EURO	JPY
Financial assets			
Trade receivables	72	12	-
Exchange earners foreign currency (EEFC) account	2	-	-
Financial liabilities			
Trade payables	229	2	5

Minda Stoneridge Instruments Limited
Notes to the financial statements for the year ended 31 March 2021

2.33 Financial risk management (continued)

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.

(₹ in million)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
For the year ended 31 March 2021				
USD	1	(1)	1	(1)
EUR	-	-	-	-
JPY	-	-	-	-
CHF	-	-	-	-
	1	(1)	1	(1)
For the year ended 31 March 2020				
USD	2	(2)	1	(1)
EUR	-	-	-	-
JPY	-	-	-	-
	2	(2)	1	(1)

USD: United States Dollar, EUR: Euro, JPY: Japanese Yen, CHF: Swiss Franc

2.34 Capital management

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

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

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

Particulars	<i>(₹ in million)</i>	
	As at 31 March 2021	As at 31 March 2020
Lease liabilities	124	138
Less : Cash and cash equivalents	(464)	(194)
Net debt	(340)	(56)
Total equity	1,933	1,667
Net debt to equity ratio	(0.18)	(0.03)

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020

2.35 Research and development expenses

The amount of research and development expenditure recognised as an expense during the year ended 31 March 2021 is ₹ 116 million (31 March 2020: ₹ 118 million). Capital expenditure incurred on approved Research and Development center during the year ended 31 March 2021 is ₹ 8 million (31 March 2020: ₹ 4 million).

Minda Stoneridge Instruments Limited
Notes to the financial statements for the year ended 31 March 2021

2.36 Segment information

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 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 revenue from operation at year end, 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
Revenue from operation		
Domestic	3,449	3,388
Overseas :		
Outside India	446	422
Asia (excluding domestic)	150	125
America	240	279
Europe	56	18

Carrying amount of assets

(₹ in million)

Location	As at 31 March 2021	As at 31 March 2020
Domestic	2,933	2,659
Asia (excluding domestic)	61	29
America	90	43
Europe	16	12
Total	3,100	2,743

Additions of Property, plant and equipment and intangible assets

(₹ in million)

Location	For the year ended 31 March 2021	For the year ended 31 March 2020
Domestic		
- Property, plant and equipment	79	147
- Intangible fixed assets	5	4
Total	84	151

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 trade receivables balances against export sales from India operations.

Minda Stoneridge Instruments Limited
Notes to the financial statements for the year ended 31 March 2021

2.37 Capital and other commitments

a. Capital Commitments : Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 29 million (net of advances) (31 March 2020: ₹ 8 million)

2.38 Contingent Liabilities

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Claims against the Company disputed by the Company not acknowledged as debt:		
a) Value Added Tax/ Central Sales Tax	76	7
b) Bonus payable for financial year 2014-15 as per payment of Bonus Act, 1965	1	1
c) Income tax	12	12

a. 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 Company 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 Company will not be material.

b. Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/ or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The company believes that none of above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

2.39 During the current year, as required under section 135 of the Act, the Company has spent ₹ 7 million (previous year ₹ 6 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
Gross amount required to be spent by the Company	7	6
Amount spent during the year	7	6

(₹ in million)

Project/ Activity	31 March 2021			31 March 2020		
	Paid in cash	Yet to be paid	Total	Paid in cash	Yet to be paid	Total
Promoting Healthcare & sanitation and preventing disabilities through Spark Minda Foundation	7	-	7	6	-	6
Total	7	-	7	6	-	6

2.40 Employee share - based payment plans

The members of Minda Corporation Limited (MCL) 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 reserve 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 of MCL.

Under the Plan, each option, upon vesting, shall entitle the holder to acquire one equity share of ₹ 2 each. The options granted will vest gradually over a period not earlier than one year and not later than five years from the date of grant of such Options. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

Summary of vesting and lock-in provisions are given below:

Sr. No.	Vesting Schedule		
	% of options scheduled to vest	Vesting date	Lock-in period
1	20%	1 April 2018	Nil
2	20%	1 April 2019	Nil
3	20%	1 April 2020	Nil
4	40%	1 April 2021	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	-	-	24,000	50
Granted during the year	-	-	-	-
Exercised during the year	-	-	(6,000)	50
Forfeited during the year	-	-	(18,000)	50
Options transferred to Intercompany	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

Stock compensation expense in relation to stock options granted to employee of the company is Nil (31 March 2020 : Rs 0.30 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	47.58%
Risk free interest rate	7.15%
Exercise price (₹)	50
Expected dividend yield	0.54%
Life of options (years)	4
Weighted average fair value of options as at the grant date (₹)	93

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

Minda Stoneridge Instruments Limited

Notes to the financial statements for the year ended 31 March 2021

Note	Particulars	
2.42	Related party transactions, as required by Ind AS 24, "Related party disclosures" are given below	
A)	Related parties and nature of related party relationship with whom transactions have taken place during the year	
	Description of relationship	Names of related parties
	Joint Venturers (JV) Partners	Minda Corporation Limited (MCL)* Stoneridge Inc. (SI)
	Entity over which JV Partner (SI) have significant influence	Stoneridge Asia Pacific Electronics (Suzhou) Co. Ltd Stoneridge Transportation Electronics DI
	Entity over which JV Partner (MCL) or Key Managerial Personnel and their relatives, its holding Company or Key Managerial Personnel and their relatives, are able to exercise significant influence	Minda SAI Limited (MSL)* Minda Management Services Limited (MMSL)* PT Minda Automotive Trading (PTM) Minda Capital Private Limited (MCAPL)
	Key Management Personnel (KMP)	Mr. Ajay Kumar Choudhary, Chief Financial Officer (w.e.f 19 November 2019) Mr. Ajay Kumar, Chief Financial Officer (upto 31 July 2019) Mr. Chaitanya Mundra, Company Secretary (w.e.f 19 November 2019) Ms. Kanika Jain Company Secretary (upto 20 April 2019)
B)	Related parties and nature of related party relationship with whom no transactions have taken place during the year	
	Key Management Personnel (KMP)	Mr. Ashok Minda, Director Mr. Shashi Shekhar Sharma, Chief Executive Officer (w.e.f. 23 June 2020) Mr. Naresh Kumar Modi, Director (w.e.f. 8 October 2019 upto 23 June 2020)

*Minda SAI Limited, Minda Automotive Solutions Limited (MASL), Minda Management Services Limited (MMSL) have been merged with Minda Corporation Limited (MCL) vide order dated 19 July 2019.

Minda Stoneridge Instruments Limited
Notes to the financial statements for the year ended 31 March 2021

B) Transactions during the year entered with related parties

(₹ in million)

Nature of transaction	Year	Minda Corporation Limited	Minda Management Services Limited	Minda SAI Limited	Stoneridge Inc.	Stoneridge Asia Pacific	PT Minda Automotive	Minda Capital Limited	Mr. Ajay Kumar Choudhary	Mr. Chaitanya Mundra	Mr. Ajay Kumar	Ms. Kanika Jain
Sales of manufactured goods	2020-21	135	-	-	234	-	15	-	-	-	-	-
	2019-20	113	-	-	279	-	21	-	-	-	-	-
Sales of Services including job work income	2020-21	1	-	-	-	-	-	-	-	-	-	-
	2019-20	1	1	-	-	-	-	-	-	-	-	-
Purchases of goods	2020-21	10	-	-	5	341	-	-	-	-	-	-
	2019-20	5	-	1	6	110	-	-	-	-	-	-
Management fees paid	2020-21	37	-	-	25	-	-	-	-	-	-	-
	2019-20	21	16	-	8	-	-	-	-	-	-	-
Rent paid	2020-21	-	-	-	-	-	-	12	-	-	-	-
	2019-20	-	-	-	-	-	-	13	-	-	-	-
Reimbursement of expenses (received)	2020-21	-	-	-	-	-	-	-	-	-	-	-
	2019-20	0	1	-	-	-	-	-	-	-	-	-
Reimbursement of expenses (paid)	2020-21	39	-	-	17	0	-	1	-	-	-	-
	2019-20	27	1	5	6	-	-	-	-	-	-	-
Reimbursement of Japan office expenses (paid)	2020-21	4	-	-	-	-	-	-	-	-	-	-
	2019-20	3	2	-	-	-	-	-	-	-	-	-
Managerial remuneration paid to key management personnel	2020-21	-	-	-	-	-	-	-	4	1	-	-
	2019-20	-	-	-	-	-	-	-	2	-	3	-
Purchase of Services including job work	2020-21	1	-	-	-	-	-	-	-	-	-	-
Expenses	2019-20	-	-	-	-	-	-	-	-	-	-	-

C) Outstanding balances as at year end

(₹ in million)

Account head	Balance as on	Minda Corporation Limited	Minda Management Services Limited	Minda SAI Limited	Minda Vietnam Automotive	Stoneridge Inc.	Stoneridge Asia Pacific	PT Minda Automotive	Minda Capital Limited	Total
Trade receivable	31 March 2021	28	-	-	-	70	-	8	-	105
	31 March 2020	26	-	-	-	35	-	7	-	69
Trade payables	31 March 2021	16	-	-	-	8	24	-	0	50
	31 March 2020	15	-	-	-	13	67	-	-	95

2.43 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 2.43

<i>(₹ in million)</i>		
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contribution towards		
-Provident fund	20	24
-Employee state insurance	1	2

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 Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vest after five years of continuous service. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year after considering the amount lying in planed assets maintained with Life Insurance Corporation of India .

<i>(₹ in million)</i>		
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Changes in the present value of the defined benefit obligation is as follows:		
Present value of defined benefit obligation at the beginning of the year	53	38
Interest cost	5	3
Current service cost	7	8
Benefits paid	(8)	(3)
Actuarial loss / (gain) on obligation	(2)	7
Present value of defined benefit obligation at the end of the year	55	53
Changes in the present value of the plan asset is as follows:		
Fair value of plan asset at the beginning of the year	41	36
Return on plan asset	3	3
Contributions	-	2
Fund management charge	-	(1)
Actuarial (gain) / loss on obligation	-	1
Fair value of plan asset at the end of the year	44	41
Net asset/(liability) recognised in balance sheet:		
Present value of defined benefit obligation at the end of the year	55	53
Fair value of plan asset at the end of the year	44	41
Net liability as at the close of the year	(11)	(12)
Expenses recognized in the statement of profit and loss and other comprehensive income:		
Current service cost	7	8
Interest cost	4	3
Expected return on plan assets	(3)	(3)
Expenses recognized in the statement of profit and loss:	8	8
Remeasurements income recognised in other comprehensive income:		
Actuarial loss/(gain) loss on defined benefit obligation	(2)	7
Actuarial loss/(gain) loss on plan assets	-	1
Expenses recognised in other comprehensive income:	(2)	8

2.43 Employee benefits (continued)

	As at 31 March 2021	As at 31 March 2020
Actuarial assumptions:		
Discount rate	6.80%	6.79%
Expected rate of return on plan assets	6.80%	6.79%
Expected salary increase rates	6.50%	6.50%
Mortality	100% of IALM 2012-14	100% of IALM 2012-14
Employee attrition rate		
-Up to 30 years of age	3.00%	3.00%
-From 31 years of age to 44 years of age	2.00%	2.00%
-Above 44 years of age	1.00%	1.00%

Note:

The estimates of future salary increases considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The discount rate is estimated based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligation.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	<i>(₹ in million)</i>			
	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50%)	(4)	4	(4)	4
Future salary growth (0.50%)	4	(4)	4	(4)

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does 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:

	<i>(₹ in million)</i>	
	As at 31 March 2021	As at 31 March 2020
	1 year	1
2 to 5 years	4	5
5 to 6 years	10	1
More than 6 years	39	47

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 ₹ 5 millions (previous year ₹ 7 million) and the expense recognised in the statement of profit and loss during the year for the same amounts to ₹ 6 millions (31 March 2020: ₹ 7 millions) [Gross payment of ₹ 4 millions (31 March 2020: ₹ 3 millions)].

2.43 Employee benefits (continued)

d) Risk Exposure

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

i) 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.

ii) 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.

iii) Inflation risks

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

2.44 The Company's operations and financial performance for the period from 1 April 2020 to 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.

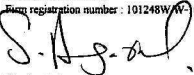
2.45 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. 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.

2.46 The previous year figures have been reclassified (wherever required) to confirm to current year classification.

As per our report of even date attached

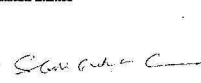
For BSR & Co. LLP
Chartered Accountants

GST registration number: 101248WV-00022


Shushank Agarwal
Partner
Membership No.: 095109

For and on behalf of the Board of Directors of
Minda Stoneridge Instruments Limited


Ashok Minda
Director
(DIN 00054727)


Shashi Shekhar Sharma
Chief Executive Officer

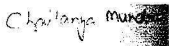

N.K. Modi
Director
(DIN 00089536)

Place: Gurugram
Date: 14 May 2021

Place: Pune
Date: 14 May 2021

Place: Gurugram
Date: 14 May 2021


Ajay Kumar Choudhary
Chief Financial Officer


Chaitanya Munda
Company Secretary
Membership No.: A57832

Place: Gurugram
Date: 14 May 2021

Place: Pune
Date: 14 May 2021

Place: Pune
Date: 14 May 2021