

# B S R & Co. LLP

Chartered Accountants

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Minda Vast Access Systems Private Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the Financial Statements of Minda Vast Access Systems Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, 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 2020, and loss 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 Board Report, but does not include the financial statement and our auditors' report thereon. The Company's Board Report is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

B S R & Co. (a partnership firm with Registration No. BA01223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013



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5<sup>th</sup> Floor, Lodha Excelus  
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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.

### **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.



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- 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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.



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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".

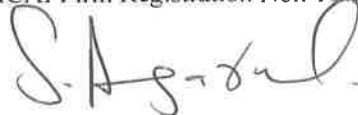
(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its Financial Statements - Refer Note 2.30 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 2020.

(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the Company is a private limited company and accordingly the requirements as stipulated by the provisions of section 197(16) are not applicable to the Company.

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 101248W/W-100022



**Shashank Agarwal**  
Partner

Membership No.: 095109  
UDIN: 20095109AAAADW9918

Place: Gurugram  
Date: 26 June 2020

**Annexure A referred to in our Independent Auditor's Report of even date on financial statements of Minda Vast Access Systems Private Limited on the Financial Statements for the year ended 31 March 2020.**

**(Referred to in paragraph 1 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 property, plant and equipment by which all fixed assets (property, plant and equipment) are verified over the period of three years. In accordance with this programme, certain fixed assets have been physically verified by the management during the current year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, 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 covered in the register maintained under section 189 of the companies Act, 2013. Further there are no Firms or Limited Liability Partnership or other parties covered in the register required under section 189 of the companies Act 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us and based on the basis of our examination of the records of the Company, the Company has not given any loan, or provided any guarantee or security or made any investment as specified under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable.



(vi) The Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for activities carried out by the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detail examination of the cost records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services Tax ('GST'), Duty of customs and other material statutory dues have generally 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, 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 2020 for a period of more than six months from the date they became payable.

Also refer note 2.30, 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.

(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 million)*	Amount paid under protest (Rs. in millions)
Income-tax Act, 1961	Income-tax	2015-2016	Assessing officer	6.69	-
Income-tax Act, 1961	Income-tax	2013-2014	Income Tax Appellate Tribunal	3.99	-
Finance Act, 1994	Service tax	2013-2014	CESTAT	9.52	0.95
Central Excise Act, 1944	Excise	May 2014-August 2014	Office of Commissioner, Central Excise	1.96	-
Central Excise Act, 1944	Excise	June 2017-June 2018	Office of Commissioner, Central Excise	0.25	-
Central Excise Act, 1944	Excise	2012-2013 to 2016-2017	Directorate General of Goods and Service Tax	6.93	-

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

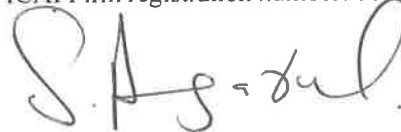
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- (viii) According to the information and explanations given to us, there is no default existing at the balance sheet date in repayment of loans or borrowings to banks and a financial institution. The Company did not have any outstanding dues to any debenture holder and government during the years.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans were applied for the purposes for which those were raised to the extent utilised during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company and neither any material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company is a private limited Company and accordingly the requirements as stipulated by the provisions of section 197 read with schedule V to the act are not applicable to the Company. Accordingly, paragraph 3(xi) of the order is not applicable.
- (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) The Company is a private limited Company and accordingly the requirements as stipulated by the provisions of section 177 of the Act are not Applicable to the Company. According to the information and explanations given to us, transactions with the related parties are in compliance with section 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 B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/ W-100022



**Shashank Agarwal**

Partner

Membership number: 095109

UDIN: 20095109AAAADW9918

Place: Gurugram  
Date: 26 June 2020

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**Annexure B to the Independent Auditor's report on the Financial Statements of Minda Vast Access Systems Private Limited for the period ended 31 March 2020.**

**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 2A(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 Vast Access Systems Private Limited ("the Company") as of 31 March 2020 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 2020, 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





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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.

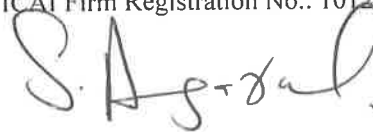
#### **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

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

ICAI Firm Registration No.: 101248W/W-100022



**Shashank Agarwal**

Partner

Membership No.: 095109

UDIN: 20095109AAAADW9918

Place: Gurugram  
Date: 26 June 2020

**Minda Vast Access Systems Private Limited**  
**Balance Sheet as at 31 March 2020**

(Rs. in million)

	Note	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.1	599	341
Capital work-in progress	2.1	22	365
Right-of-use assets	2.1a, 2.31	28	-
Intangible assets	2.1b	28	33
Intangible assets under development	2.1b	41	-
<b>Financial assets</b>			
Loans	2.2	6	6
Non-current tax asset	2.3	30	25
Deferred tax assets (Net)	2.21	49	20
Other non-current assets	2.4	1	-
		<b>804</b>	<b>790</b>
<b>Current assets</b>			
Inventories	2.5	182	187
<b>Financial assets</b>			
i. Investments	2.6	-	24
ii. Trade receivables	2.7	189	278
iii. Cash and cash equivalents	2.8	29	10
iv. Other bank balances	2.9	60	120
v. Other financial assets	2.10	7	11
Other current assets	2.11	109	95
		<b>576</b>	<b>725</b>
<b>TOTAL</b>		<b>1,380</b>	<b>1,515</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	2.12	427	427
Other equity	2.13	468	529
		<b>895</b>	<b>956</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	2.14	2	3
Provisions	2.15	37	35
		<b>39</b>	<b>38</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
i. Trade payables	2.16	46	5
-Total dues of micro and small enterprises		274	333
-Total dues of creditors other than micro and small enterprises	2.17	23	88
ii. Other financial liabilities	2.18	63	51
Other current liabilities	2.19	27	31
Provisions	2.20	13	13
Current tax liabilities		<b>446</b>	<b>521</b>
<b>TOTAL</b>		<b>1,380</b>	<b>1,515</b>

Significant accounting policies

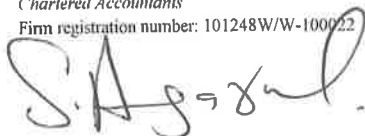
The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022

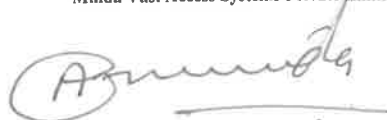


**Shashank Agarwal**

Partner

Membership No.: 095109

For and on behalf of the Board of Directors of  
Minda Vast Access Systems Private Limited



**Ashok Minda**

Director

(DIN 00054727)

Place: Gurugram  
Date: 26 June 2020



**Santosh Katre**

CFO

(PAN- AFIPK41221.)

Place: Pune

Date: 26 June 2020



**Ashim Vohra**

Managing Director

(DIN 00075222)

Place: Gurugram  
Date: 26 June 2020



**Komal E.S. Heda**

Company Secretary

Membership No.: A34786

Place: Pune  
Date: 26 June 2020

Place: Gurugram

Date: 26 June 2020

**Minda Vast Access Systems Private Limited**  
**Statement of Profit and Loss for the year ended 31 March 2020**

(Rs. in million)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations	2.22	1,629	2,283
Other income	2.23	60	101
<b>Total income</b>		<b>1,689</b>	<b>2,384</b>
<b>Expenses</b>			
Cost of materials consumed	2.24	1,219	1,634
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.25	(6)	12
Employee benefits expenses	2.26	266	300
Finance costs	2.27	2	1
Depreciation and amortisation expenses	2.1, 2.1a	81	74
Other expenses	2.28	214	269
<b>Total expenses</b>		<b>1,775</b>	<b>2,290</b>
<b>(Loss)/Profit before tax</b>		<b>(86)</b>	<b>94</b>
Current tax	2.21	-	21
Tax expense for earlier years ^		-	6
Deferred tax (credit) / charge	2.21	(28)	(2)
<b>(Loss)/Profit for the year</b>		<b>(58)</b>	<b>69</b>

^Amount in absolute Rs. 218,000 for year ended 31 March 2020

**Other comprehensive income**

*Item that will not be reclassified subsequent to profit or loss*

Remeasurements of defined benefit liabilities		(4)	1
Income tax relating to items that will not be reclassified to profit or loss		1	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(3)</b>	<b>1</b>
<b>Total comprehensive income for the year</b>		<b>(61)</b>	<b>70</b>

**Earnings per equity share [Par value of Rs.10 (previous year Rs.10) per equity share]** 2.13.1

(Loss)/Earnings per share (Rs.) (Basic)	(1.37)	2.84
(Loss)/Earnings per share (Rs.) (Diluted)	(1.37)	2.84

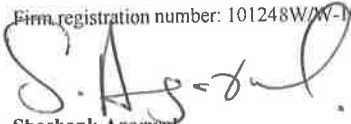
Significant accounting policies

1

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: 101248W/W-100022


  
**Shashank Agarwal**  
Partner  
Membership No.: 095109

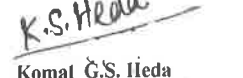
For and on behalf of the Board of Directors of  
Minda Vast Access Systems Private Limited



**Ashok Minda**  
Director  
(DIN 00054727)  
Place: Gurugram  
Date: 26 June 2020

  
**Sahtosh Katre**  
CFO  
(PAN- AFIPK4122L)

  
**Ashim Vohra**  
Managing Director  
(DIN 00075222)  
Place: Gurugram  
Date: 26 June 2020

  
**Komal G.S. Heda**  
Company Secretary  
Membership No.: A34786

Place: Gurugram  
Date: 26 June 2020

Place: Pune  
Date: 26 June 2020

Place: Pune  
Date: 26 June 2020

**Minda Vast Access Systems Private Limited**  
**Statement of Changes in Equity for the year ended 31 March 2020**

**A. Equity share capital**

Particulars	(Rs. in million)	
	Amount	
Balance as at April 1, 2018	427	
Changes in equity share capital during the year	-	
Balance as at March 31, 2019	427	
Balance as at April 1, 2019	427	
Changes in equity share capital during the year	-	
Balance as at March 31, 2020	427	

**B. Other equity**

	Reserves and surplus (1)		Items of Other Comprehensive	Total
	Securities premium reserve	Retained earnings	Income (1)	
			Remeasurement of defined benefit obligations	
As at 31 March 2018	125	337	(3)	459
Profit for the year	-	69	1	70
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	69	1	70
As at 31 March 2019	125	406	(2)	529
As at 31 March 2019	125	406	(2)	529
Profit for the year	-	(58)	(3)	(61)
Other comprehensive income	-	-	-	-
Transfer to retained earnings	-	(5)	5	-
<b>Total comprehensive income for the year</b>	-	(63)	2	(61)
As at 31 March 2020	125	343	-	468

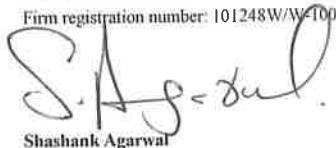
**Note:**

(1) Refer note 2.13.2 for nature and purpose of other equity.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

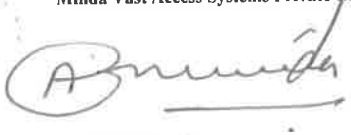
For BSR & Co. LLP  
 Chartered Accountants  
 Firm registration number: 101248W/A/100022



Shashank Agarwal  
 Partner  
 Membership No.: 095109

Place: Gurugram  
 Date: 26 June 2020

For and on behalf of the Board of Directors of  
 Minda Vast Access Systems Private Limited



Ashok Minda  
 Director  
 (DIN 00054727)  
 Place: Gurugram  
 Date: 26 June 2020



Santosh Katre  
 CFO  
 (PAN- AFIPK4122L)

Place: Pune  
 Date: 26 June 2020



Ashim Vohra  
 Managing Director  
 (DIN 00075222)  
 Place: Gurugram  
 Date: 26 June 2020



Komal G.S. Heda  
 Company Secretary  
 Membership No.: A34786

Place: Pune  
 Date: 26 June 2020

**Minda Vast Access Systems Private Limited**  
**Statement of Cash Flow for the year ended 31 March 2020**

(Rs. in million)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A. Cash flow from operating activities</b>		
(Loss) / profit before taxation	(86)	94
<b>Adjustments for:</b>		
Depreciation and amortisation expense	81	74
Interest expense	2	1
(Gain) / loss on sale / discard of fixed assets	(6)	1
Bad debts	1	-
Unrealised foreign exchange loss	-	2
Interest income	(7)	(12)
Dividend income	(1)	(8)
Liabilities / provision no longer required written back	(44)	(75)
(Profit) on sale / discard of investments	-	(1)
<b>Operating profit before working capital changes</b>	<b>(60)</b>	<b>76</b>
<b>Adjustments for:</b>		
Decrease / (Increase) in trade receivables	132	(54)
Decrease in inventories	4	39
(Increase) / Decrease in loans, other financial assets and other assets	(12)	74
Increase in other financial liabilities and other liabilities	15	76
Decrease in trade payables	(19)	(79)
Decrease in other provisions	(7)	-
<b>Cash generated from operations</b>	<b>54</b>	<b>132</b>
Income tax paid	(5)	(11)
<b>Net cash generated from operating activities (A)</b>	<b>49</b>	<b>121</b>
<b>B. Cash flows from investing activities</b>		
Purchase of Property, plant & equipment and intangible assets	(142)	(365)
Proceed from sale of property, plant & equipment and intangible assets	18	3
Purchase of current / non current investments	(826)	(1,702)
Dividend received	1	8
Movement in bank deposits (net)	60	31
Proceeds from maturity of investment	852	1,831
Interest received	9	17
<b>Net cash (used in) investing activities (B)</b>	<b>(28)</b>	<b>(178)</b>
<b>C. Cash flows from financing activities#</b>		
Receipt of borrowings	1	4
Repayment of borrowings	(1)	(1)
Interest paid	(2)	(1)
<b>Net cash from financing activities (C)</b>	<b>(2)</b>	<b>2</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>19</b>	<b>(55)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>10</b>	<b>65</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>29</b>	<b>10</b>

# Refer note 2.14.1 for change in liabilities arising from financing activities.

**Notes to Cash Flow Statement:**

- The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 "Statement of Cash Flows".
- Cash and cash equivalents consists of cash in hand and balances with scheduled banks. Refer note 2.8.

**Significant accounting policies**


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: 101248W/W-100022

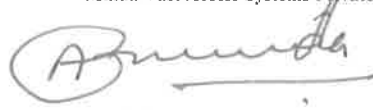


**Shashank Agarwal**

Partner

Membership No.: 095109

For and on behalf of the Board of Directors of  
**Minda Vast Access Systems Private Limited**



**Ashok Minda**

Director

(DIN 00054727)

Place: Gurugram

Date: 26 June 2020

**Santosh Katre**

CFO

(PAN- AFIPK4122L)

Place: Pune

Date: 26 June 2020



**Ashim Vohra**

Managing Director

(DIN 00075222)

Place: Gurugram

Date: 26 June 2020

**K.S. Heda**

Komal G.S. Heda

Company Secretary

Membership No.: A34786

Place: Pune

Date: 26 June 2020

Place: Gurugram

Date: 26 June 2020

**1. Reporting entity**

The Company was incorporated under the Companies Act, 1956 on 3 January 2007. During the financial year 2015-2016, the Company became joint venture, w.e.f. 1 May 2015 between Minda Management Services Ltd. (now merged with Minda Corporation Limited) and Vehicle Access Systems Technology, LLC, USA having equal share. The Company is a market leader in security systems for the automotive industry. The Company manufactures products such as Locks and Keys, Steering Column Locks, Immobilizers, Latches, External and Internal Door Handles.

**2. Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**A. Basis of preparation**

(i) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act'), Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act ("financial statements").

The financial statements were authorized for issue by the Company's Board of Directors on 26 June 2020.

(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

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities (including derivatives instruments)	Fair Value
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

(iii) 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.



## Minda Vast Access Systems Private Limited

### Notes to the financial statements for the year ended 31 March 2020

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. 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 recognised in the financial statements is included in the following notes.

- Recognition and estimation of tax expense including deferred tax– Note 2.21
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.1 and 2.1b
- Estimation of obligations relating to employee benefits: key actuarial assumptions –Note 2.15.2
- Valuation of Inventories – Note 2.5
- Recognition and measurement of provisions and contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 2.30
- Fair value measurement – Note 2.37

#### iv) 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.

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. Also, fair value of financial instruments measured at amortised cost is disclosed in Note 2.38.

#### B. Current-non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

##### Assets:

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

It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

It is held primarily for the purpose of being traded;

It is expected to be realised within 12 months after the reporting date; or

It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a



## **Minda Vast Access Systems Private Limited**

### **Notes to the financial statements for the year ended 31 March 2020**

liability for at least 12 months after the reporting date.

The Company classifies all other assets as non-current.

#### **Liabilities:**

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

- (1) It is expected to be settled in the Company's normal operating cycle;
- (2) It is held primarily for the purpose of being traded;
- (3) It is due to be settled within 12 months after the reporting date; or
- (4) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

#### **Operating cycle**

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

### **C. Summary of significant accounting policies**

#### **i) Foreign currency transactions and translations**

##### **Functional and presentation currency**

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees. All amounts have been rounded-off to the nearest million Rupees unless otherwise indicated.

##### **Transactions and Balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transactions and monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, are translated at the balance sheet date exchange rates. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the balance sheet date exchange rates are generally recognised in statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments (other than investment in subsidiaries and joint ventures) held at fair value through profit or loss are recognized in statement of profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments (other than investment in subsidiaries and joint ventures) classified as FVOCI are recognized in other comprehensive income.

#### **ii) 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.





## Minda Vast Access Systems Private Limited

### Notes to the financial statements for the year ended 31 March 2020

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, Goods and Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

#### Sale of goods

The Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned or deferred revenue is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition:

- a) The Company's contracts with customers could include promises to transfer products to a customer. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only



to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- c) The Company uses judgement to determine an appropriate 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.
- 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.

### **iii) Property, plant and equipment**

#### **(a) Recognition and measurement**

Item of property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation. Cost comprises the purchase price and any cost attributable for bringing the asset to its working condition for its intended use.

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

## Minda Vast Access Systems Private Limited

### Notes to the financial statements for the year ended 31 March 2020

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 statement of profit and loss.

#### (d) Depreciation

Depreciation on property, plant and equipment is provided on the straight-line method at the rates reflective of the estimated useful life of the assets estimated by the management.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date the assets are ready to use. Depreciation on sale/deduction from property, plant and equipment is provided upto the date of sale, deduction as the case may be.

Premium paid on leasehold land and site development is amortised over the period of lease. Leasehold Improvements are amortised on the straight-line basis over the lower of primary period of.

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

Pursuant to this policy, depreciation on fixed assets has been provided at the rates based on useful lives of fixed assets specified in Schedule II of the Companies Act, 2013 except for the following category of asset where useful life is estimated by management based on internal technical assessment.

Category of asset	Useful life (in years)
Factory building and office building	20
Plant and Machinery	10

#### iv) Intangible Asset

##### a) Recognition and measurement

Intangible assets comprises computer software and patents at cost less accumulated amortization and accumulated impairment, if any.

Cost of intangible assets under development as at the reporting date are disclosed as intangible assets under development.

##### 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.



(d) 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.

(e) 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.

v) **Borrowing Cost**

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

vi) **Inventories**

Inventories are valued at lower of cost and net realizable value. 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	: Lower of cost and net realizable value. 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 Held for sale	: Lower of cost and net realizable value. Cost is determined on the basis of landed cost of purchase. Cost is determined on weighted average basis.

vii) **Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### **viii) Research and Development**

Revenue expenditure on research is expensed off under the respective heads of account in the year in which it is incurred. 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.

#### **ix) Employee Benefits**

##### **Short – term employee benefits**

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

##### **Defined contribution plan:**

**Provident fund:** Eligible employees of the Indian entities receive benefits from the provident fund, which is a defined contribution plan. Both the employees and the Indian entity make monthly contributions to the provident fund (with Regional Provident Fund Commissioner) equal to specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions.

##### **Defined benefit plan:**

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

**Other long term employee benefit:**

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

**Other employee benefit plans:**

**Actuarial valuation:**

The liability in respect of all defined benefit plans and other long term employee benefit is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary primarily using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows.

The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the 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.

**x) 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.

**xi) Leases**

Effective 1 April 2019, the Company has applied Ind AS 116 using modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116 and the impact of changes is disclosed a note below.

**Policy applicable from 1 April 2019**

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;

## Minda Vast Access Systems Private Limited

### Notes to the financial statements for the year ended 31 March 2020

- 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.

#### Policy applicable before 1 April 2019

For contracts entered into before 1 April 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfillment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

#### **Company as lessee**

The Company accounts for assets taken under lease arrangement in the following manner:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are



## Minda Vast Access Systems Private Limited

### Notes to the financial statements for the year ended 31 March 2020

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.

#### Under Ind AS 17

In the comparative period, a lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

#### Finance leases

Assets held under finance lease are initially recognised as assets at the fair value at the inception of lease or at the present value of the minimum lease payments, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

#### Operating leases

Lease rental expenses from operating leases is generally recognised on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

#### Changes in significant accounting policies

The Company initially applied Ind AS 116 Leases from 1 April 2019. A number of other new





## Minda Vast Access Systems Private Limited

### Notes to the financial statements for the year ended 31 March 2020

amendments to standards are also effective from 1 April 2019 but they do not have a material effect on the Company's financial statements.

The Company applied Ind AS 116 using the modified retrospective approach. Accordingly, the comparative information presented for March 31, 2019 is not restated - i.e. it is presented, as previously reported, under Ind AS 17. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

Leases classified as operating leases under Ind AS 17

Previously, the Company classified property & equipment, buildings and land leases as operating leases under Ind AS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Company used a number of practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17. In particular, the Company:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

#### xii) 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.

##### Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

##### Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Significant management judgement is required to determine the probability of deferred tax



## **Minda Vast Access Systems Private Limited**

### **Notes to the financial statements for the year ended 31 March 2020**

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.

Minimum Alternative Tax ("MAT") credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in consolidated balance sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### **xiii) Segment Reporting**

The Segment reporting policy complies with the accounting policies adopted for preparation and presentation of financial statements of the Company and is in conformity with Ind AS 108. The segmentation is based on the Geographies (reportable business segment) in which the Company operates and internal reporting systems. The geographical segmentation is based on the nature and type of services rendered. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographical segments.

#### **xiv) Earnings per Share**

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

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

#### **xv) 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.



## **Minda Vast Access Systems Private Limited**

### **Notes to the financial statements for the year ended 31 March 2020**

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 recognized in the financial statements of the period in which the change occurs.

#### **xvi) Cash and cash equivalents**

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

#### **xvii) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **Initial recognition and measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the 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.

### **Classification and subsequent measurement**

#### *Financial assets*

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through profit and loss (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 amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets are measured at FVTPL. This includes all derivatives financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

***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;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

***Financial Assets: Assessment whether contractual cash flows are solely payments of principal and interest.***

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the 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 this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non recourse features).

## Minda Vast Access Systems Private Limited

### Notes to the financial statements for the year ended 31 March 2020

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

#### *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 amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

#### *Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

#### **Derecognition**

##### *Financial Assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the 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 recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

##### *Financial liabilities*



The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises 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 recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the 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.

### **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 recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;
- financial assets measured at FVOCI - debt instruments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost. 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 months 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 months 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*

## Minda Vast Access Systems Private Limited

### Notes to the financial statements for the year ended 31 March 2020

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.

#### *Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

#### *Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised 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.

#### *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 the Company's procedures for recovery of amounts 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 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.

#### **xviii) Investments in mutual funds**

Investments that are readily realisable and intended to be held for more than one year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments. Mutual funds are measured at FVTPL.

#### **xix) Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.



Minda Vast Access Systems Private Limited  
Notes to the financial statements for the year ended 31 March 2020

2.1 Property, plant and equipment

(Rs. in million)

	Gross block						Accumulated depreciation					Net block
	Balance as at 1 April 2019	Additions	Disposals	Transition Impact of Ind AS 116	Balance as at 31 March 2020	Balance as at 1 April 2019	Depreciation for the year	On disposals	Transition Impact of Ind AS 116	Balance as at 31 March 2020	Net block	
	(a)	(b)	(c)	(d)	(e) = (a+b-c-d)	(f)	(g)	(h)	(i)	(j) = (e+f-g-h)	(k) = (j-i)	
Leasehold land	29	-	-	29	-	-	9	-	-	35	134	
Buildings	113	56	-	-	169	26	52	59	-	129	453	
Plant and machinery	340	311	70	-	581	3	1	-	-	4	579	
Furniture and fixtures	6	-	-	-	6	6	4	1	-	9	9	
Vehicles	19	1	2	-	18	6	2	-	-	8	22	
Office equipment	10	-	-	-	10	6	2	-	-	8	22	
Computer hardware	8	1	-	-	9	7	2	-	-	9	9	
<b>Subtotal (A)</b>	<b>525</b>	<b>369</b>	<b>72</b>	<b>29</b>	<b>792</b>	<b>184</b>	<b>70</b>	<b>60</b>	<b>-</b>	<b>194</b>	<b>599</b>	
Capital Work In Progress	365	38	382	-	22	-	-	-	-	-	22	
<b>Subtotal (B)</b>	<b>365</b>	<b>38</b>	<b>382</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22</b>	
<b>Grand total (A+B)</b>	<b>890</b>	<b>407</b>	<b>454</b>	<b>29</b>	<b>814</b>	<b>184</b>	<b>70</b>	<b>60</b>	<b>-</b>	<b>194</b>	<b>621</b>	

2.1 Property, plant and equipment

(Rs. in million)

	Gross block				Accumulated depreciation				Net block
	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2018	Balance as at 1 April 2018	Depreciation for the year	On disposals	Balance as at 31 March 2019	Net block
	(a)	(b)	(c)	(d) = (a+b-c)	(e)	(f)	(g)	(h) = (e+f-g)	(i) = (d-h)
Leasehold land	28	1	-	29	-	-	-	-	29
Buildings	113	31	-	113	18	8	-	26	87
Plant and machinery	310	6	1	340	90	47	1	136	204
Furniture and fixtures	6	-	-	6	2	1	-	3	3
Vehicles	19	4	4	19	2	4	-	6	13
Office equipment	9	1	-	10	4	2	-	6	4
Computer hardware	7	1	-	8	5	2	-	7	1
<b>Subtotal (A)</b>	<b>492</b>	<b>38</b>	<b>5</b>	<b>525</b>	<b>121</b>	<b>64</b>	<b>1</b>	<b>184</b>	<b>341</b>
Capital Work In Progress	18	359	12	365	-	-	-	-	365
<b>Subtotal (B)</b>	<b>18</b>	<b>359</b>	<b>12</b>	<b>365</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>365</b>
<b>Grand total (A+B)</b>	<b>510</b>	<b>397</b>	<b>17</b>	<b>890</b>	<b>121</b>	<b>64</b>	<b>1</b>	<b>184</b>	<b>706</b>



2.1a Right-of-use assets

	Gross block				Accumulated depreciation				Net block		
	Balance as at 1 April 2019 (a)	Transition Impact of Ind AS 116 (b)	Additions (c)	Disposals (d)	Balance as at 31 March 2020 (a+b-c-d)	Balance as at 1 April 2019 (e)	Depreciation for the year (f)	On disposals (g)		Transition Impact of Ind AS 116 (h)	Balance as at 31 March 2020 (h) = (e+f-g-h)
Leasehold land	-	29	-	-	29	-	1	-	-	1	28
<b>Grand total (A+B)</b>	-	29	-	-	29	-	1	-	-	1	28

2.1b Intangible assets

*(Rs. in million)*

	Gross block				Accumulated depreciation				Net block
	Balance as at 1 April 2019 (a)	Additions (b)	Disposals (c)	Balance as at 31 March 2020 (d) = (a+b-c)	Balance as at 1 April 2019 (e)	Amortisation for the year (f)	On disposals (g)	Balance as at 31 March 2020 (h) = (e+f-g)	
Computer software	27	4	-	31	13	5	-	18	13
Product development	28	-	-	28	9	5	-	14	14
<b>Subtotal (B)</b>	<b>55</b>	<b>4</b>	<b>-</b>	<b>59</b>	<b>22</b>	<b>10</b>	<b>-</b>	<b>32</b>	<b>28</b>
Intangible assets under development	-	41	-	41	-	-	-	-	41
<b>Subtotal (B)</b>	<b>-</b>	<b>41</b>	<b>-</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41</b>
<b>Grand total (A+B)</b>	<b>55</b>	<b>46</b>	<b>-</b>	<b>100</b>	<b>22</b>	<b>10</b>	<b>-</b>	<b>32</b>	<b>69</b>

*(Rs. in million)*

	Gross block				Accumulated depreciation				Net block
	Balance as at 1 April 2018 (a)	Additions (b)	Disposals (c)	Balance as at 31 March 2019 (d) = (a+b-c)	Balance as at 1 April 2018 (e)	Amortisation for the year (f)	On disposals (g)	Balance as at 31 March 2019 (h) = (e+f-g)	
Computer software	25	2	-	27	8	5	-	13	14
Product development	28	-	-	28	4	5	-	9	19
<b>Total</b>	<b>53</b>	<b>2</b>	<b>-</b>	<b>55</b>	<b>12</b>	<b>10</b>	<b>-</b>	<b>22</b>	<b>33</b>



Minda Vast Access Systems Private Limited  
Notes to the financial statements for the year ended 31 March 2020

2.2 Loans (unsecured, considered good unless otherwise stated)

Particulars	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019
Security deposits	6	6
	<u>6</u>	<u>6</u>

Also refer to note 2.37

2.3 Income tax assets

Particulars	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019
Advance income tax (net of provision for tax)	30	25
	<u>30</u>	<u>25</u>

2.4 Other non-current assets (unsecured, considered good unless otherwise stated)

Particulars	(Rs. in million)	
	As at 31 March 2019	As at 31 March 2018
Capital advances	1	-
Prepaid expenses^	-	-
	<u>1</u>	<u>-</u>

^Amount in absolute Rs. 293,047 (previous year Rs. Nil)

2.5 Inventories

Particulars	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019
(Valued at lower of cost and net realizable value)		
Raw materials (including packing materials)	82	76
Add: Materials-in-transit	<u>4</u>	<u>13</u>
Work-in-progress		30
Finished goods	15	14
Add: Goods-in-transit	<u>21</u>	<u>22</u>
Tools		29
Stores and spares		1
	<u>182</u>	<u>187</u>

2.6 Investments (fair value through profit or loss (FVTPL))

Particulars	(Rs. in million)	
	As at 31 March 2020*	As at 31 March 2019
<i>Investments in mutual funds - unquoted</i>		
105 Units (March 31, 2019: 19,632) Kotak Liquid Regular Plan Daily Dividend	-	24
	<u>-</u>	<u>24</u>
Aggregate book value of unquoted other current investments		24

\*Amount in absolute Rs. 127,820

2.7 Trade receivables

Particulars	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019
Unsecured and current	180	244
Trade receivables	9	34
Receivables from related parties (refer note 2.32)		
	<u>189</u>	<u>278</u>

Also refer to note 2.37



2.8 Cash and cash equivalents

Particulars	<i>(Rs. in million)</i>	
	As at 31 March 2020	As at 31 March 2019
<b>Balance with bank</b>		
-On current accounts	29	10
	<u>29</u>	<u>10</u>

2.9 Other bank balances

Particulars	<i>(Rs. in million)</i>	
	As at 31 March 2020	As at 31 March 2019
<b>Balance with bank</b>		
Deposits due to mature within 12 month on the reporting date	60	120
	<u>60</u>	<u>120</u>

2.10 Other financial assets

Particulars	<i>(Rs. in million)</i>	
	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
Interest accrued on fixed deposits	2	4
Advances to employees	2	1
Amount recoverable	3	6
	<u>7</u>	<u>11</u>

2.11 Other current assets

Particulars	<i>(Rs. in million)</i>	
	As at 31 March 2020	As at 31 March 2019
Balances with government authorities	9	44
Prepaid expenses	6	4
Advances to suppliers	80	17
Claim receivable	14	30
	<u>109</u>	<u>95</u>

2.12 Equity share capital

(Rs. in million)

Particulars	As at	
	31 March 2020	31 March 2019
<b>2.12.1 Authorised</b>		
50,000,000 (31 March 2019: 50,000,000) equity shares of Rs. 10 each	500	500
	<u>500</u>	<u>500</u>
<b>2.12.2 Issued, subscribed and fully paid-up shares</b>		
Equity shares of Rs. 10 each (March 31, 2019: Rs. 10 each)		
42,665,400 (31 March 2019: 42,665,400) equity shares of Rs. 10 each	427	427
	<u>427</u>	<u>427</u>

**2.12.3 Reconciliation of share capital outstanding as at the beginning and at the end of the year**

**Equity shares of Rs. 10 each (31 March 2019: Rs. 10 each) fully paid up**

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	(Rs. in million)	Number of shares	(Rs. in million)
Balance as at the beginning of the year [face value of Rs. 10 each (31 March 2019: Rs. 10 each)]	43	427	43	427
	<u>43</u>	<u>427</u>	<u>43</u>	<u>427</u>
Balance as at the end of the year [face value of Rs. 10 each (31 March 2019: Rs. 10 each,)]				

**2.12.4 Terms / rights attached to equity shares**

The Company has a single class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. During the year ended 31 March 2020 the company did not recognise dividend as distributions to equity shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

**2.12.5 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.

**2.12.6 Details of shareholders holding more than 5% shares in the Company**

Name of shareholders	As at 31 March 2020		As at 31 March 2019	
	% of holdings	Number of shares held	% of holdings	Number of shares held
Minda Corporation Limited, India	50%	2,13,32,700	-	-
Vehicle Access Systems Technology LLC, USA	50%	2,13,32,700	50%	2,13,32,700
Minda Management Services Limited, India (merged with Minda Corporation Limited vide order dated 19 July 2019)	-	-	50%	2,13,32,700
		<u>4,26,65,400</u>		<u>4,26,65,400</u>



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2.13 Other equity

Particulars	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019
<b>Securities premium reserve</b>	125	125
Closing balance	125	125
<b>Other comprehensive income - Remeasurement of defined benefit plans, net</b>		
Opening balance	(2)	(3)
Add / (less) : Remeasurement of defined benefit obligation	(3)	1
Less: Transferred to retained earnings	5	-
Closing balance	-	(2)
<b>Retain earnings</b>		
Opening balance	406	337
Add: Net profit for the year	(58)	69
Add: Transferred from other comprehensive income	(5)	-
Closing balance	343	406
	<b>468</b>	<b>529</b>

2.13.1 Earning per share

Particulars	(Rs. in million)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Net profit attributable to equity shareholders</b>		
(Loss)/profit after tax	(58)	70
Number of weighted average equity shares		
Basic	4,26,65,400	4,26,65,400
Diluted	4,26,65,400	4,26,65,400
Nominal value of equity share (Rs.)	10	10
(Loss) / Earnings per share (Rs.) (Basic)	(1.37)	2.84
(Loss) / Earnings per share (Rs.) (Diluted)	(1.37)	2.84

2.13.2 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.

• **Remeasurements of defined benefit obligation**

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

• **Retained earnings**

Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves.



2.14 Borrowings

Particulars	Footnote	(Rs. in million)			
		Non-Current maturities		Current maturities	
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
<u>Secured</u>					
Vehicle loan from banks	[1]	2	3	1	1
		2	3	1	1
		-	-	1	1
		2	3	-	-

Less: Amount shown under other current financial liabilities (refer to note 2.17)

Footnotes:					(Rs. in million)
S. No.	Lender	Terms of repayment	Loan outstanding as at 31 March 2020	Loan outstanding as at 31 March 2019	Details of security / guarantee
1	Kotak Mahindra Prime Limited	Repayment terms: Quarterly instalments Number of instalments: 16 Balance instalments: 15 Rate on interest: 9%	3	4	The loan is secured by hypothecation charge on respective motor vehicle.

2.14.1 Movement in current and non-current borrowings

	(Rs. in million)
	31 March 2020
Borrowings at the beginning of the year	4
Movement due to cash transactions per the statement of cash flows	(1)
Borrowings at the end of the year	3

**Minda Vast Access Systems Private Limited**  
**Notes to the financial statements for the year ended 31 March 2020**

**2.15 Provisions**

Particulars	<i>(Rs. in million)</i>	
	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
Provision for employee benefits		
-Gratuity*	18	10
-Compensated absence*	9	13
<b>Other provisions</b>		
-Provision for warranties (refer to note 2.15.1 below)	10	12
	<b>37</b>	<b>35</b>

\*refer to note 2.15.2

**2.15.1 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	<i>(Rs. in million)</i>	
	As at 31 March 2020	As at 31 March 2019
At the beginning of the year	37	39
Provided during the year	6	13
Utilised during the year	(13)	(15)
At the end of the year	<b>30</b>	<b>37</b>
Current portion	20	25
Non-current portion	10	12



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**2.15.2 Employee benefits**

**a) Defined contribution plans**

The Company's employee provident fund and Employee's state insurance schemes are defined contribution plans. The following amounts have been recognised as expense for the year and shown under Employee benefits expense in note 2.26.

Particulars	(Rs. in million)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Contribution towards	14	14
-Provident fund	1	1
-Employee state insurance	14	15

**b) Defined benefit plans Gratuity**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity as a defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested period of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India by whom the plan assets are maintained.

Particulars	(Rs. in million)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Changes in the present value of the defined benefit obligation is as follows:</b>		
Present value of defined benefit obligation at the beginning of the year	39	37
Interest cost	4	3
Acquisition Adjustment	-	1
Current service cost	4	4
Benefits paid	(6)	(5)
Actuarial loss / (gain) on obligation	3	(1)
Present value of defined benefit obligation at the end of the year	44	39
<b>Changes in the present value of the plan asset is as follows:</b>		
Fair value of plan asset at the beginning of the year	26	27
Return on plan asset	2	2
Contributions	-	1
Return on plan asset excluding amount recognised in net interest expenses	(1)	-
Benefits paid	(4)	(4)
Fair value of plan asset at the end of the year	23	26
<b>Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:</b>		
Present value of defined benefit obligation at the end of the year	44	39
Fair value of plan asset at the end of the year	23	26
Net liability as at the close of the year	(21)	(13)
<b>Expenses recognized in the statement of profit and loss:</b>		
Current service cost	4	4
Past service cost	-	-
Interest cost	4	3
Expected return on plan assets	(2)	(2)
Expenses recognized in the statement of profit and loss:	6	5
<b>Remeasurements income recognised in other comprehensive Income:</b>		
Actuarial (gain) loss on defined benefit obligation	3	(1)
Return on plan asset excluding amount recognised in net interest expenses	1	-
Expenses recognised in other comprehensive income:	4	(1)
<b>Actuarial assumptions:</b>		
Discount rate	6.55%	7.55%
Expected rate of return on plan assets (as funds managed by insurer)	0.00%	0.00%
Expected salary increase rates	6.50%	Year 1 to 2: 8% Thereafter: 6.5%
Mortality	100% of IALM 2012-14	100% of IALM 2006-08
Employee attrition rate	12.00%	12.00%
-Up to 30 years of age	8.00%	8.00%
-From 31 years of age to 44 years of age	5.00%	5.00%
-Above 44 years of age		

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.

Particulars (Rs.)	(Rs. in million)			
	31 March 2016	31 March 2017	31 March 2018	31 March 2019
On Plan Present Value of Obligation	2	1	-	-

Sensitivity analysis:  
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, defined benefit obligation would change as shown below:

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (- / + 1%)	40	48	36	43
Future salary growth (- / + 1%)	48	40	43	37

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown.

**Maturity profile:**

The table below shows the expected undiscounted cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Particulars	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019
1 year	3	3
2 to 5 years	13	13
6 to 10 years	18	18
More than 10 years	59	58

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown.



**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.

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

Assumptions	As at	As at
	31 March 2020	31 March 2019
Discount rate	6.55%	7.55%
Expected salary increase rates	6.50%	Year 1 to 2: 8% Thereafter: 6.5%
Mortality	100% of IALM 2012-14	100% of IALM 2006-08
Employee attrition rate	12.00%	12.00%
-Up to 30 years of age	8.00%	8.00%
-From 31 years of age to 44 years of age	5.00%	5.00%
-Above 44 years of age		

The other long-term benefit of compensated absence in respect of employees of the Company as at 31 March 2020 amounts to Rs. 13 Million (31 March 2019: Rs. 16 Million) and the expense recognised in the statement of profit and loss during the year for the same amounts to Rs. 1 Million (31 March 2019: Rs. 2 Million), [Gross payment of Rs. 2 Million (31 March 2019: Rs. 3 Million)]

**Sensitivity analysis:**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, holding other assumptions constant, liability for compensated absences would change as shown below:

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (- / + 1%)	12	14	15	16
Future salary growth (- / + 1%)	14	12	16	15
Mortality rate (- / + 10% of mortality rates)	13	13	16	16
Attrition rate (- / + 50% of attrition rates)	13	13	15	16

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown.

**Maturity profile:**

The table below shows the expected undiscounted 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: (Rs. in million)

	As at 31 March 2020	As at 31 March 2019
1 year	4	3
2 to 5 years	3	8
6 to 10 years	4	6
More than 10 years	13	6

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumptions shown.

**c) Risk Exposure**

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

**a) Asset volatility**

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimize risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The Company intends to maintain the above investment mix in the continuing years.

**b) Changes in discount rate**

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

**c) Inflation risks**

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

**d) Life expectancy**

The plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Particulars	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019
<b>Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (refer to note 2.16.1)	46	5
Total outstanding dues of creditors other than micro enterprises and small enterprises	274	333
	<u>320</u>	<u>338</u>

**2.16.1 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	(Rs. in million)	
	As at 31 March 2019	As at 31 March 2018
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year	45	5
- Principal amount	1	-
- Interest thereon		
(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:	83	28
- Principal amount	-	-
- 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	1	-
(iv) the amount of interest accrued and remaining unpaid.	1	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act	1	-

**2.17 Other current financial liabilities**

Particulars	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019
Current maturities of borrowing (refer note 2.14)	1	1
Employee benefit payable	19	15
Creditors for capital items	2	71
Royalty payable	1	1
	<u>23</u>	<u>88</u>

**2.18 Other current liabilities**

Particulars	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019
Statutory dues payable	5	11
Advances from customers	58	40
	<u>63</u>	<u>51</u>

**2.19 Current provisions**

Particulars	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits	3	3
-Gratuity*	4	3
-Compensated absence*		
Others	20	25
-Provision for warranties (refer to note 2.15.1)	<u>27</u>	<u>31</u>

\*refer to note 2.15.2

**2.20 Current tax liabilities**

Particulars	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019
Provision for income tax (net of advance tax)	13	13
	<u>13</u>	<u>13</u>



2.21 Deferred Tax Assets (Net)

A. Amounts recognised in statement of profit and loss

(Rs. in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax	-	21
Current year	-	21
Deferred tax	(28)	(2)
Current year	(28)	(2)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(28)</b>	<b>19</b>

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

(Rs. in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of post employment benefit obligation	1	-
<b>Income tax recognised in other comprehensive income/(expense)</b>	<b>1</b>	<b>-</b>

C. 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 March 31, 2019 and March 31, 2018:

(Rs. in million)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019		
	Rate	Amount	Rate	Amount	
Profit before tax from continuing operations		(86)			94
Tax using the Company's domestic tax rate	27.55%	(24)	28.84%		27
Non-deductible expenses	-0.92%	1	1%		1
Incremental allowance of research and development expenditure	8.54%	(7)	-8.9%		(8)
Tax-exempt income- dividend income	0.00%	-	-2.3%		(2)
Others	-2.31%	2	1%		1
<b>Effective tax rate</b>	<b>32.52%</b>	<b>(28)</b>	<b>20.18%</b>		<b>19</b>

D (i). Movement of temporary differences-

(Rs. in million)

Particulars	As at 1 April 2019	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	As at 31 March 2020
<b>Deferred Tax Assets</b>				
Accrued expense deductible on payment	2	1	-	1
Provision for gratuity and compensated absences	8	-	1	9
Unabsorbed losses	-	(39)	-	39
Provision for obsolete inventory	1	1	-	-
Warranty Provisions	11	2	-	8
<b>A</b>	<b>22</b>	<b>(35)</b>	<b>1</b>	<b>58</b>
<b>Deferred Tax Liabilities</b>				
Difference in book written down value and tax written down value of property, plant and equipment	2	(7)	-	9
<b>B</b>	<b>2</b>	<b>(7)</b>	<b>-</b>	<b>9</b>
<b>Net deferred tax</b>	<b>(A)-(B)</b>	<b>21</b>	<b>1</b>	<b>49</b>

Section 115BAA of the Income Tax Act, 1961 was introduced by the Taxation Laws (Amendment) Ordinance, 2019. Based on the current estimate of expected timing of exercising of the option under Section 115BAA, the Company has not availed the said option for the year ended 31 March 2020. The Company will evaluate the benefit of exercising the option in future years.

D (ii). Movement of temporary differences-

(Rs. in million)

Particulars	As at 1 April 2018	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	As at 31 March 2019
<b>Deferred Tax Assets</b>				
Accrued expense deductible on payment	3	-	-	2
Provision for gratuity and compensated absences	10	1	-	8
Provision for obsolete inventory	-	(1)	-	1
Warranty Provisions	14	3	-	11
<b>A</b>	<b>26</b>	<b>3</b>	<b>-</b>	<b>22</b>
<b>Deferred Tax Liabilities</b>				
Difference in book written down value and tax written down value of property, plant and equipment	8	6	-	2
<b>B</b>	<b>8</b>	<b>6</b>	<b>-</b>	<b>2</b>
<b>Net deferred tax</b>	<b>(A)-(B)</b>	<b>18</b>	<b>(3)</b>	<b>20</b>

Minda Vast Access Systems Private Limited  
Notes to the financial statements for the year ended 31 March 2020

2.22 Revenue from operations

Particulars	<i>(Rs. in million)</i>	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Sale of products</b>		
Manufactured goods	1,601	2,250
	<u>1,601</u>	<u>2,250</u>
<b>Other operating revenues</b>		
-Sale of scrap	3	3
-Service income	17	7
-Exchange fluctuations (net)	1	9
-Duty draw back and other export benefits	7	14
	<u>28</u>	<u>33</u>
<b>Other operating revenues</b>	<u>1,629</u>	<u>2,283</u>
<b>Revenue from operations</b>		

2.23 Other income

Particulars	<i>(Rs. in million)</i>	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Interest income:</b>		
-on fixed deposits	7	10
-on others	-	2
Provisions/liabilities no longer required, written back	44	75
Profit on sale of investments	-	1
Profit on sale of fixed assets (net)	6	-
Dividend income	1	8
Miscellaneous income	2	5
	<u>60</u>	<u>101</u>

2.24 Cost of materials consumed

Particulars	<i>(Rs. in million)</i>	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Raw materials consumed (includes packing material and components)</b>		
Opening stock	76	84
Add: Purchases during the year	1,225	1,626
	<u>1,301</u>	<u>1,710</u>
Less: Closing stock	82	76
	<u>1,219</u>	<u>1,634</u>



**Minda Vast Access Systems Private Limited**  
**Notes to the financial statements for the year ended 31 March 2020**

**2.25 Changes in inventories of finished goods, stock-in-trade and work-in-progress**

Particulars	<i>(Rs. in million)</i>	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Finished goods and stock in trade</b>	36	47
Opening stock	36	36
Less: Closing stock	-	(11)
<b>Work in progress</b>	24	25
Opening stock	30	24
Less: Closing stock	6	(1)
	<u>6</u>	<u>(12)</u>
Increase / (decrease) in inventories		

**2.26 Employee benefits expense**

Particulars	<i>(Rs. in million)</i>	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	236	262
Contribution to	15	16
- Provident fund and other funds	4	5
- Gratuity fund (refer note 2.15.2b)	11	17
Staff welfare	<u>266</u>	<u>300</u>



Minda Vast Access Systems Private Limited  
Notes to the financial statements for the year ended 31 March 2020

2.27 Finance Costs

Particulars	(Rs. in million)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense: on borrowings from others	2	1
	<u>2</u>	<u>1</u>

2.28 Other Expenses

Particulars	(Rs. in million)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Jobwork charges	15	21
Consumption of stores and spare parts	10	12
Power and fuel	27	26
Packing charges	16	19
Rent (refer to note 2.31)	11	13
Testing and designing expenses	6	7
Repairs- buildings	6	6
Repairs- plant and machinery	7	10
Repairs others	8	7
Travelling and conveyance	17	28
Legal and professional (refer to note 2.33)	19	20
Communication	3	3
Bad debts	1	-
Management fees	23	31
Insurance	5	4
Rates and taxes, excluding taxes on income	1	1
Warranty expenses	6	13
Loss on sale/discard of fixed assets (net)	-	1
Royalty	2	3
Freight and forwarding	16	29
Bank charges	-	-
Corporate social responsibility (refer to note 2.34)	3	3
Sale service expenses	3	4
Miscellaneous	8	8
	<u>214</u>	<u>269</u>

2.28.1 Research and development expenses \*\*

The Company has incurred following expenditure on its inhouse Research and Development Center :

Particulars	(Rs. in million)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Design and Development expenses	3	3
Salaries	39	37
Contribution to provident and other funds	3	3
Travelling and conveyance	2	6
Legal and professional	-	2
Testing expenses	-	-
Miscellaneous	-	-
	<u>47</u>	<u>51</u>

\*\* Excluding finance costs, depreciation, amortisation and impairment. Capital expenditure incurred on approved Research and Development Center during current financial year is Rs. 6 million (31 March 2019: Rs. 2 million).



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2.29 **Capital and other commitments**  
Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 4 million (March 31, 2019: Rs. 4 million)

2.30 <b>Contingent liabilities</b>	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019

Particulars		
Claims against the Company not acknowledged as debts	11	13
a) Income-tax (Refer note a below)	19	11
b) Excise duty / Service Tax (Refer note b below)		

a. Contingent liability Represents disputed income tax demands arising from disallowances of the Company's claim of certain expenses and penalty imposed there on under Income Tax Act, 1961 The Company believes that such claims are allowable and has filed the necessary appeals with relevant authorities.

b. Contingent liability also represents central excise demands and service tax demand arising on account of Package Scheme Incentive subsidy and compensation.

c. Pursuant to recent judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However there is uncertainty with respect to the applicable of the judgement and period from which the same applies. The Company has estimated the impact of the same from 1 March 2019 to 31 March 2020 based on a prospective approach and has recognized the same in the financial statements. Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the Company has not recognised any provision for the previous years. Further management also believes that the impact of the same on the Company will not be material.

d. 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.

**2.31 Leases**

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. As a result, the comparative information has not been restated. In adopting Ind AS 116, the Company has applied the below practical expedients:

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 only leasehold land which has been classified from Property, plant and equipment to Right of Use asset as on transition date. Since, there are no lease liabilities attached to the leasehold land, other disclosures pertaining to lease liabilities are not given.

Information about leases for which the Company is a lessee is presented below:

Right-of-use assets	(Rs. in million)	
	As at 31 March 2020	
Balance at 1 April 2019		29
Transition impact of Ind AS 116		-
Additions to right-of-use assets		1
Deletion of right-of-use assets		-
Depreciation charge for the year		28
<b>Balance at 31 March 2020</b>		<b>1</b>

Amounts recognised in Statement of Profit and Loss	(Rs. in million)	
	As at 31 March 2020	
Interest on lease liabilities		1
Depreciation expense		11
Expenses relating to low value and short term leases		-

There is no significant impact on adoption of Ind AS 116 from 1 April 2019

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.

Operating lease commitments under Ind AS 17	(Rs. in million)	
	As at 31 March 2019	
Particulars		13
Lease rent recognised in the Statement of profit and loss (Refer note 2.28)		

**2.32 Related Party Disclosures**

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

a) **Key Managerial Personnel**

Mr. Himanshu Jain ( upto 25 May 2019)  
Mr. Santosh S. Katre (CFO upto 5 February 2020)  
Mr. Sanjiv Kumar Jalan (CFO w.e.f. 5 February 2020)  
Mr. Navneet Ojha (Company Secretary upto 8 April 2019)  
Ms. Komal G Heda (Company Secretary w.e.f. 27 April 2019)

b) **Enterprise in which directors of the Company and their relatives are able to exercise significant influence:**

Minda Corporation Limited, India  
Minda Silca Engineering Limited, India  
Minda Stoneridge Instruments Limited, India  
Minda SAI Limited, India\*  
Minda Automotive Solutions Limited, India\*  
PT. Minda Automotive, Indonesia  
Spark Minda Foundation

c) **Joint Venturers**

Minda Corporation Limited, India  
Vehicle Access Systems Technology LLC, USA





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B) Details of related party transactions during the year and outstanding balance at the year end :

Particulars	(Rs. in million)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>a) Revenue</b>		
<b>Enterprise in which directors of the Company and their relatives are able to exercise significant influence:</b>		
<b>Sale of products</b>	28	15
- Minda Corporation Limited, India	45	83
- Minda Silca Engineering Private Limited, India	43	117
- PT. Minda Automotive, Indonesia		
<b>Reimbursement of expenses received</b>	2	-
- Minda Corporation Limited, India		
<b>Sale of fixed assets</b>	-	1
- Minda Corporation Limited, India		
<b>b) Expenses</b>		
<b>Enterprise in which directors of the Company and their relatives are able to exercise significant influence:</b>		
<b>Purchase of goods</b>	146	251
- Minda Corporation Limited, India	26	71
- Minda Silca Engineering Private Limited, India		
<b>Legal and professional fees</b>	15	10
- Minda Corporation Limited, India	-	4
- Minda Automotive Solution Limited, India (now merged with Minda Corporation Limited)	-	1
- Minda Management Services Limited, India (now merged with Minda Corporation Limited)		
<b>Reimbursement of expenses</b>	-	1
- Minda Corporation Limited, India		



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B) Details of related party transactions during the year and outstanding balance at the year end :

Particulars	(Rs. in million)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Management fees</b>		
- Minda management Services Limited, India (now merged with Minda Corporation Limited)	-	15
- Minda Coporation Limited, India	12	-
- Vehicle Access Systems Technology LLC, USA	12	15
<b>Reimbursement of expenses</b>		
- Minda Management Services Limited, India (now merged with Minda Corporation Limited)	-	1
<b>Corporate Social Responsibility expenses</b>		
- Spark Minda Foundation	3	3
<b>Key Management Personnel:</b>		
<b>Remuneration</b>		
-Mr. Himanshu Jain*	1	5
-Mr. Mahendra Naredi*	-	2
-Mr. Sanjiv Kumar Jalan*	4	3
-Mr. Santosh S. Katre*	1	-
-Mr. Navneet Ojha*	-	-
-Ms. Komal G. Heda*	1	-

\* Excluding value of prerequisites of telephone at residence, Car and reimbursement of expenses on conveyance, professional pursuit and uniform.

Exclusive of provision for future liabilities in respect of gratuity and leave encashment which are based on actuarial valuation done on overall company basis.

C) Outstanding Balances pertaining to related parties

Particulars	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019
<b>Enterprise in which directors of the Company and their relatives are able to exercise significant influence:</b>		
<b>Trade receivables</b>		
- Minda Corporation Limited, India	4	6
- Minda Silca Engineering Private Limited, India	5	25
- PT. Minda Automotive, Indonesia	-	3
<b>Trade payables</b>		
- Minda Corporation Limited, India	47	53
- Minda Silca Engineering Private Limited, India	2	-
- Minda Automotive Solution Limited, India (now merged with Minda Corporation Limited)	-	1
- Minda Management Services Limited, India (now merged with Minda Corporation Limited)	-	5
- Vehicle Access Systems Technology LLC, USA	7	3



2.33 Auditor's Remuneration (excluding Goods & Service Tax)

Particulars	(Rs. in million)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit	1	1
Other services	-	-
Reimbursement of expenses	-	-
	1	1

2.34 During the current year, as required under section 135 of the Act, the Company has spent Rs. 3 million (March 31, 2019: Rs.3 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:

	(Rs. in million)	
	For the year ended 31 March 2020 Rs.	For the year ended 31 March 2019 Rs.
A' Gross amount required to be spent by the Company	3	3

S. No.	Project/ Activity	(Rs. in million)		
		Paid in cash	Yet to be paid	Total
1	Artificial limb fitment camp for disable "saksham"	3	-	3
2	Treepantation and Others	-	-	-
	Total	3	-	3

2.35 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.

2.36 As per Ind-AS 108, Operating segments have been defined based on the regular review by the Company's Chief Operating Decision Maker to assess the performance of each segment and to make decision about allocation of resources. The Company 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.

Detail of revenue from operation at year end, property, plant and equipment and intangible assets are as follows:

Location	(Rs. in million)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operation	1,523	2,146
Domestic	-	-
Overseas	43	125
Asia (excluding domestic)	21	13
Europe	41	-
South Africa	1,629	2,284
Total	1,629	2,284

Location	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019
Carrying amount of assets	1,371	1,416
Domestic	-	18
Overseas	2	3
Asia (excluding domestic)	8	-
Europe	1,380	1,437
South Africa	-	-
Total	1,380	1,437

Addition of Property, plant and equipment and intangible assets	(Rs. in million)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Domestic	369	38
- Property, plant and equipment	4	2
- Intangible fixed assets	373	40
Overseas	-	-
- Property, plant and equipment	-	-
- Intangible fixed assets	-	-

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 to customers located outside India.

Segment assets in the geographical segments considered for disclosure represents assets locate outside India and sundry debtor balances against export sales from India operations.

Details of revenue from major customers

Revenue from customers of the Company which is more than 10 percent of the Company's total revenue constitute three customers with total revenue amounting to Rs. 902 millions (31 March 2019: Rs. 1,153 millions).



2.37 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 2020

(Rs. in million)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>			6	6			
(i) Loans			6	6			
<b>Total</b>							
<b>Current</b>							
(i) Investments			189	189			
(ii) Trade receivables			29	29			
(iii) Cash and cash equivalents			60	60			
(iv) Other bank balances			7	7			
(v) Other financial assets							
<b>Total</b>			285	285			
<b>Financial liabilities</b>							
<b>Non-current</b>			2	2			
Borrowings			2	2			
<b>Total</b>							
<b>Current</b>			320	320			
(i) Trade payables			23	23			
(ii) Other financial liabilities							
<b>Total</b>			343	343			

ii. As on 31 March 2019

(Rs. in million)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>			6	6			
(i) Loans			6	6			
<b>Total</b>							
<b>Current</b>	24			24		24	
(i) Investments			278	278			
(ii) Trade receivables			10	10			
(iii) Cash and cash equivalents			120	120			
(iv) Other bank balances			11	11			
(v) Other financial assets							
<b>Total</b>	24		419	443			
<b>Financial liabilities</b>							
<b>Non-current</b>			3	3			
Borrowings			3	3			
<b>Total</b>							
<b>Current</b>			338	338			
(i) Trade payables			88	88			
(ii) Other financial liabilities							
<b>Total</b>			426	426			

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 the non-current 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 2020 and 31 March 2019

**Valuation technique used to determine fair value**

Specific valuation techniques used to value non-current financial assets and liabilities for whom the fair values have been determined based on present values and the appropriate discount rates of the Company at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Company at each balance sheet date.

**Valuation processes**

The Company has an established control framework with respect to the measurements of the fair values. This includes a 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.

b. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk - Foreign exchange
- Market risk - Interest rate

**Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have authorised senior management to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

b. Financial risk management (continued)

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

(Rs. in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables	189	278
Cash and cash equivalents	29	10
Other bank balances	60	120
Loans	6	6
Other financial assets	7	11

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. 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.

Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of 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 2020 and for the year ended 31 March 2019 was Nil.

Movement in the loss allowance in respect of trade receivables:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning of the year	-	-
Impairment loss recognised / (reversed)	1	-
Amount written off	(1)	-
Balance at the end of the year	-	-

a) Expected credit loss for loans and security deposits

(Rs. in million)

As at 31 March 2020		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 Security Deposits	2 6	0% 0%	- -	2 6
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

(Rs. in million)

As at 31 March 2019

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	Loans to employee Security Deposits	2 6	0% 0%	- -	2 6
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
	Financial assets for which credit risk has increased significantly and credit - impaired	NA	NA	NA	NA

b) Expected credit loss for trade receivables under simplified approach

(Rs. in million)

The Company's exposure to credit risk for trade receivables is as follows:

Particulars	Gross carrying amount	
	As at 31 March 2020	As at 31 March 2019
Current (not past due)	127	141
1 to 30 days past due	48	129
31 to 60 days past due	12	7
61 to 90 days past due	1	-
More than 90 days past due*	-	1
Expected credit losses (loss allowance provision)	-	-
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>187</b>	<b>278</b>

\*The Company believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behavior.



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b. 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 to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of Rs. 89 million as at 31 March 2020 (31 March 2019 Rs. 130 million), anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Company believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

I. Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019
From Banks - Short Term	260	260
From banks - Long Term	-	-

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:

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	
Financial liabilities - Borrowings	2	-	-	1	1	-	2
Trade payables	320	320	-	-	-	-	320
Other financial liabilities	23	23	-	-	-	-	23
<b>Total</b>	<b>345</b>	<b>343</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>345</b>

As at 31 March 2019	Carrying amount	Contractual cash flows					Total
		6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	
Financial liabilities - Borrowings	3	-	-	1	2	-	3
Trade payables	338	338	-	-	-	-	338
Other financial liabilities	88	88	-	-	-	-	88
<b>Total</b>	<b>429</b>	<b>426</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>429</b>

**Minda Vast Access Systems Private Limited**  
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**b. Financial risk management**

**(iii) Market risk**

Market risk is the risk that the 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 2020, 31 March 2019 are as below:

*(Rs. in million)*

Particulars	As at 31 March 2020		
	USD	EURO	YUAN
<b>Financial assets</b>			
Trade receivables	8	2	-
	<b>8</b>	<b>2</b>	<b>-</b>
<b>Financial liabilities</b>			
Trade payables	31	5	-
	<b>31</b>	<b>5</b>	<b>-</b>

*(Rs. in million)*

Particulars	As at March 31, 2019		
	USD	EURO	YUAN
<b>Financial assets</b>			
Trade receivables	13	6	-
	<b>13</b>	<b>6</b>	<b>-</b>
<b>Financial liabilities</b>			
Trade payables	25	1	3
	<b>25</b>	<b>1</b>	<b>3</b>

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at March 31, 2020 (previous year ended as on March 31, 2019) would have affected the measurement of financial instruments denominated in functional 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.

*(Rs. in million)*

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended March 31, 2020</b>				
USD	-	-	-	-
EUR	-	-	-	-
YUAN	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>For the year ended March 31, 2019</b>				
USD	-	-	-	-
EUR	-	-	-	-
YUAN	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

USD: United States Dollar, EUR: Euro, JPY: Japanese Yen, YUAN- Chinese Yuan





b. Financial risk management (continued)

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019
Term loans from banks (Non current)	2	3
Term loans from banks (Current Maturities)	1	1
<b>Total</b>	<b>3</b>	<b>4</b>

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
<b>Interest on term loans from banks</b>				
For the year ended 31 March 2020	-	-	-	-
For the year ended 31 March 2019	-	-	-	-

2.38 Capital management

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

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

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

Particulars	(Rs. in million)	
	As at 31 March 2020	As at 31 March 2019
Borrowings (including current maturities)	3	4
Less: Cash and cash equivalent (including other bank balances)	(89)	(130)
<b>Adjusted net debt (A)</b>	<b>(86)</b>	<b>(125)</b>
<b>Total equity (B)</b>	<b>895</b>	<b>956</b>
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>(0.10)</b>	<b>(0.13)</b>

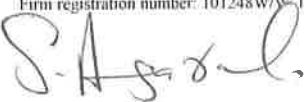
2.39 In March 2020, the World Health Organisation declared the COVID-19 to be a pandemic. Consequent to this, Government of India declared a nationwide lockdown on 25 March 2020, which has impacted the business activities of the Company. The Company has assessed the impact that may result from this pandemic on its liquidity position, carrying amount of receivables, inventories, tangible and intangible assets, investment and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic condition because of this pandemic, the company has considered internal and external information available till the date of approval of these financial result and has assessed its situation.

In that context and based on the current estimates the Company believes that COVID-19 is not unlikely to have any material impact on financial statements, liquidity or ability to service its debt or other obligations. However the overall economic environment, being uncertain due to COVID-19, may affect the underlying assumptions and estimates in future, which may differ from those considered as at the date of approval of these financial statements. The Company would closely monitor such developments in future economic conditions and consider their impact on financial statement of the relevant periods.

As per our report of even date attached

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

For and on behalf of the Board of Directors of  
Minda Vast Access Systems Private Limited



Shashank Agarwal  
Partner  
Membership No.: 095109



Ashok Minda  
Director  
(DIN 00054727)  
Place: Gurugram  
Date: 26 June 2020  
Santosh Katre  
CFO  
(PAN- AFIPK4122L)



Ashim Vohra  
Managing Director  
(DIN 00075222)  
Place: Gurugram  
Date: 26 June 2020  
K.S. Heda  
Company Secretary  
Membership No.: A34786