

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Minda Corporation Limited

### **Report on the Audit of the Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of Minda Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 audit opinion on the standalone Ind AS financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.



| Key audit matters  | How our audit addressed the key audit matter   |
|--|--|
| <b>Revenue recognition for sale of goods (as described in Note 2.10 and 2.28 of the standalone Ind AS financial statements)</b>  |  |
| <p>Revenue from sale of goods is recognized upon the transfer of control of the goods sold to the customer. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition.</p> <p>Revenue is measured by the Company at the fair value of consideration received/ receivable from its customers and in determining the transaction price for the sale of products, the Company considers the effects of various factors such as volume-based discounts, price adjustments to be passed on to the customers based on various parameters like negotiations savings on materials/ share of business, rebates etc provided to the customers. The Company at the year end, provides for such price variations to be passed on to the customer.</p> <p>There is a risk that revenue could be recognized at incorrect amount on account of the significant judgement and estimate involved in calculation of price variations to be recorded as at the year end and in the incorrect period on account for sales transactions occurring on and around the year end. Therefore, revenue recognition has been identified as a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• We evaluated the Company's accounting policies pertaining to revenue recognition in terms of Ind AS 115 - Revenue from Contracts with Customers.</li><li>• We performed test of controls of management's process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers and management's process and the assumptions used in calculation of price variations.</li><li>• We performed audit procedures on a representative sample of the sales transactions to test that the revenues and related trade receivables are recorded taking into consideration the terms and conditions of the sale orders, including the shipping terms. Also, tested, on sample basis, debit/ credit notes in respect of agreed price variations passed on to the customers.</li><li>• We performed audit procedures relating to revenue recognition by agreeing deliveries occurring around the year end to supporting documentation to establish that sales and corresponding trade receivables are recorded in the correct period.</li><li>• We tested completeness, arithmetical accuracy and plausibility of the data used in the computation of price adjustments as per customer contracts and tested, on sample basis, credit notes issued, and payment made as per customer contracts / agreed price negotiations.</li><li>• We assessed the adequacy of revenue related disclosures in the Standalone Ind AS financial statements.</li></ul> |

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Company's annual report but does not include the standalone Ind AS financial statements and the same is expected to be made available to us after the date of auditor's report.

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



In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- In preparing the standalone Ind AS financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 made by management.



- Conclude on the appropriateness of management's 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended 31 March 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

The financial statements of the Company for the year ended 31 March 2021, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on 18 May 2021.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended 31 March 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements -- Refer Note 2.39(A) to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.





# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

- iv. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

As stated in note 2.17 to the standalone Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

  
**per Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 22094421AJBYX1123

Place of Signature: New Delhi

Date: 17 May 2022



**Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**

Re: Minda Corporation Limited ('the company')

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B) The Company has maintained proper records showing full particulars of intangibles assets.

b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a planned programme of verifying them once to two/ three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) The title deeds of immovable properties {(other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 2.1(a) to the standalone Ind AS financial statements included in property, plant and equipment are held in the name of the Company} amounting to Rs. 23 million included in Property, Plant and Equipment have been given as security (mortgage and charge) against the financing facility taken from the banks and we have been explained that the original title deeds are kept as security with the Standard Chartered Bank against the financing facility provided by it. Therefore, these title deeds could not be made available to us for verification however, the same has been confirmed by the bank. Accordingly, basis confirmation received from bank, we report that the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company. Certain title deeds of the immovable Properties, in the nature of freehold land, leasehold land & buildings, mentioned below which are held in the name of erstwhile subsidiary companies which have been merged with the Company.

| Description of Property | Gross carrying value | Held in name of            | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in the name of Company  |
|-------------------------|----------------------|----------------------------|--|---|---|
| Freehold Land           | 19                   | Minda SAI Limited          | No   | 19 July 2019                                    | These assets are vested in the name of the Company pursuant to respective scheme of arrangements/amalgamations approved by appropriate authority. |
| Freehold Land           | 23                   | Minda Autoelektrik Limited | No   | 19 July 2019                                    | These assets are vested in the name of the Company pursuant to respective scheme of arrangements/amalgamations approved by appropriate authority. |
| Buildings               | 146                  | Minda SAI Limited          | No   | 19 July 2019                                    | These assets are vested in the name of the Company pursuant to respective scheme of arrangements/amalgamations approved by appropriate authority. |



| Description of Property | Gross carrying value | Held in name of            | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in the name of Company  |
|-------------------------|----------------------|----------------------------|--|---|---|
| Buildings               | 105                  | Minda Autoelektrik Limited | No   | 19 July 2019                                    | These assets are vested in the name of the Company pursuant to respective scheme of arrangements/amalgamations approved by appropriate authority. |
| Leasehold Land          | 24                   | Minda SAI Limited          | No   | 19 July 2019                                    | These assets are vested in the name of the Company pursuant to respective scheme of arrangements/amalgamations approved by appropriate authority. |

- d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31 March 2022.
- e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) a) The management has conducted physical verification of inventories at reasonable intervals during the year except for inventories lying with third parties and goods in transit. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noted. Inventories lying with third parties have been confirmed by them as at balance sheet date and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.
- b) As disclosed in note 2.55 to the standalone Ind AS financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are not in agreement with the books of accounts of the Company and the details are as follows.

| Quarter ending*          | Value per books of account (Rs. in million) | Value per quarterly return/statement (Rs. in million) | Discrepancy (Rs. in million) |
|--------------------------|---|---|------------------------------|
| <b>Inventory</b>         |   |   |                              |
| Jun-30                   | 3,908                                       | 4,124   | (216)                        |
| Sep-30                   | 3,753                                       | 3,996   | (243)                        |
| Dec-31                   | 3,981                                       | 4,156   | (175)                        |
| <b>Trade Payables</b>    |   |   |                              |
| Jun-30                   | 4,031                                       | 2,714   | 1,317                        |
| Sep-30                   | 4,405                                       | 2,964   | 1,441                        |
| Dec-31                   | 4,047                                       | 2,768   | 1,279                        |
| <b>Trade Receivables</b> |   |   |                              |
| Jun-30                   | 3,507                                       | 4,424   | (917)                        |
| Sep-30                   | 3,774                                       | 4,245   | (471)                        |
| Dec-31                   | 3,881                                       | 4,131   | (250)                        |

\* Details for the quarter ended shall be submitted to the banker's post finalization of accounts and accordingly not consider for the purpose of reporting under this clause.





- iii) a) During the year the Company has provided guarantee to one of the Company and has not provided loans, advances in the nature of loans, to companies, firms, Limited Liability Partnerships, or any other parties. The Details of guarantee given is as follows.

| Particulars  | Rs. (in million) |
|--|------------------|
| Aggregate amount granted/ provided during the year                     | 120              |
| - Others (Loan to employees)   | 8                |
| Balance outstanding as at balance sheet date in respect of above cases |                  |
| - Others (Loan to employees)   | 23               |
| - Guarantees   | Nil              |

- b) During the year the investments made, guarantees provided to one of the Company and the terms and conditions are not prejudicial to the Company's interest. The Company has not given any security, grant of loans and advances in the nature of loans and guarantees to companies, firms, Limited Liability Partnerships or any other parties other than disclosed above.
- c) The Company has granted loans in the nature of loan to employees during the year where the schedule of repayment of principle and payment of interest, wherever applicable has been stipulated and the repayment or receipts are regular.
- d) There are no amounts of loans and advances in nature of loan to employees which are outstanding for more than ninety days.
- e) There are no loans to employees which was fallen due during the year, that have been renewed or extended or fresh loan granted to settle overdue of existing loan given to same parties.
- f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- iv) There are no loans, guarantees, and security in respect of which provisions of section 185 is applicable further the investment made during the year under section 186 of the Companies Act, 2013 are applicable and have been complied by the Company.
- v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi) 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(1) of the Companies Act, 2013, related to the manufacture or service of automotive products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.



- vii) a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

| Name of the Statute                    | Nature of the Dues | Total dispute amount (Rs. in million) | Amount paid under protest (Rs. in million) | Period to which the amount relates  | Forum where dispute is pending              |
|--|--------------------|---------------------------------------|--|-------------------------------------|---|
| Income Tax Act, 1961                   | Income Tax         | 209                                   | 10   | AY 2012-13 to AY 2018-19            | Commissioner of Income Tax (Appeals)        |
| Income Tax Act, 1961                   | Income Tax         | 6.99                                  | -  | AY 2018-19                          | Commissioner of Income Tax (Appeals)        |
| Income Tax Act, 1961                   | Income Tax         | 17.60                                 | -  | AY 2017-18                          | Commissioner of Income Tax (Appeals)        |
| Central Sales Tax Act, 1959            | Sales tax          | 0.27                                  | 0.05                                       | FY 2014-15                          | Joint Commissioner of Sales Tax, Pune       |
| Maharashtra Value Added Tax - 2002     | Value Added Tax    | 2.79                                  | 0.46                                       | FY 2016-17                          | Deputy Commissioner of State Tax, Pune      |
| Maharashtra Value Added Tax - 2002     | Value Added Tax    | 1.21                                  | 0.29                                       | FY 2017-18 (Apr to June)            | Deputy Commissioner of State Tax, Pune      |
| Central Sales Tax Act, 1959            | Sales tax          | 18.24                                 | 0.08                                       | FY 2017-18 (Apr to June)            | Joint Commissioner of State Tax, Pune       |
| Finance Act, 1994                      | Service tax        | 0.37                                  | 0.05                                       | 2015-16 to 2017-18 (upto June 2017) | Office of the Commissioner of GST, Haryana  |
| Tamil Nadu General Sales Tax Act, 1956 | Value Added Tax    | 0.02                                  | 0.02                                       | FY 2006-07                          | Appellate Deputy Commissioner, Kancheepuram |



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| Name of the Statute           | Nature of the Dues | Total dispute amount (Rs. in million) | Amount paid under protest (Rs. in million) | Period to which the amount relates | Forum where dispute is pending                            |
|-------------------------------|--------------------|---------------------------------------|--|------------------------------------|---|
| Central Excise Act, 1944      | Excise duty        | 3.53                                  | -  | FY 2013-14 to FY 2017-18           | Directorate General of Goods and Service Tax Intelligence |
| UP VAT Act                    | Sales tax          | 0.33                                  | 0.18                                       | FY 2014-15                         | Joint Commissioner, Sales tax, Noida                      |
| Central Sales Tax Act, 1959   | Sales tax          | 1.05                                  | 0.79                                       | FY 2017-18                         | Additional Commissioner Appeal                            |
| Haryana VAT Act, 2003         | Sales tax          | 14.12                                 | -  | FY 2017-18                         | Joint Excise & Taxation Commissioner (Appeals)            |
| Haryana VAT Act, 2003         | Sales tax          | 0.27                                  | -  | FY 2017-18                         | Joint Excise & Taxation Commissioner (Appeals)            |
| Maharashtra VAT Act           | Sales tax          | 0.97                                  | 0.05                                       | FY 2016-17                         | Joint Commissioner of State Tax, Pune                     |
| Central Sales Tax Act, 1959   | Sales tax          | 0.57                                  | -  | FY 2016-17                         | Joint Commissioner of State Tax, Pune                     |
| Maharashtra VAT Act           | Sales tax          | 0.99                                  | 0.99                                       | FY 2017-18                         | Joint Commissioner of State Tax, Pune                     |
| Goods & Service Tax Act, 2017 | GST                | 0.14                                  | 0.14                                       | FY 2017-18                         | State Tax Officer   |
| Goods & Service Tax Act, 2017 | GST                | 10.30                                 | -  | FY 2017-18                         | Deputy Commissioner of State Tax, Bhiwandi                |



- viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix) a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. The Company did not have any loans or borrowings from government and outstanding dues to any debenture holder during the year.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) Term loans were applied for the purpose for which the loans were obtained.
- d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- x) a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company. QIP). However, during the year ended 31 March 2019, the Company had raised money by way of Qualified Institutional Placement (QIP). The proceeds from QIP were Rs. 3,056.36 million. The proceeds of the issue (net of related expense of Rs. 50.50 million) are to augment for growth and expansion, corporate general purpose, working capital requirement, repayment of outstanding loan and investment in subsidiaries and joint ventures. The proceeds of Rs. 1,445 million pending utilisation for the objects of QIP, have temporarily been invested in interest bearing liquid instrument.
- b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi) a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- xii) a) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- b) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- c) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv) a) The Company has an internal audit system commensurate with the size and nature of its business.



- b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi) a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year financial year.
- xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix) On the basis of the financial ratios disclosed in note 2.53 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 2.36 to the financial statements.
- b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 2.36 to the financial statements.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 22094421AJBYX1123

Place of Signature: New Delhi

Date: 17 May 2022





**ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF MINDA CORPORATION LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to these standalone Ind AS financial statements of Minda Corporation Limited ("the Company") as of 31 March 2022, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these standalone Ind AS financial statements.

**Meaning of Internal Financial Controls with Reference to these Standalone Ind AS Financial Statements**

A company's internal financial control with reference to these standalone Ind AS 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 control with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable



assurance regarding prevention or timely detection of unauthorized 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 these Standalone Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls with reference to these standalone Ind AS 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 these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone Ind AS financial statements and such internal financial controls with reference to these standalone Ind AS financial statements were operating effectively as at 31 March 2022, based on the internal control over financial reporting 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.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 22094421AJBYX1123

Place of Signature: New Delhi

Date: 17 May 2022

