

# INDEPENDENT AUDITOR'S REPORT

To the Members of **Minda Industries Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Minda Industries Limited ("the Company"), which comprise the Balance sheet as at March 31 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 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 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 March 31, 2022, its

### Key Audit Matters

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

profits including other comprehensive income/(loss), 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 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 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 financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>(a) Revenue recognition for sale of goods</b> (as described in Note 2.14 and 18 of the standalone financial statements)</p> <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. 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 based on savings on materials/ share of business, rebates etc provided to the customers. The Company's business also requires passing on price variations to the customer for the sales made by the Company. The Company at the year end, has provided for such price variations to be passed on to the customer.</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> </ul>

**INDEPENDENT AUDITOR'S REPORT (Contd.)**

Key audit matters	How our audit addressed the key audit matter
<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>	<ul style="list-style-type: none"> <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 properly recorded in the correct period.</li> <li>• We tested completeness, arithmetical accuracy and validity 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 financial statements.</li> </ul>
<p><b>Assessment of impairment of Goodwill and investments in subsidiaries, associates and joint ventures</b> (as described in Note 5 and 6 of the standalone financial statements)</p>	
<p>As at March 31, 2022, the standalone financial statements includes Goodwill of Rs. 31.39 crores and investments in subsidiaries, associates and joint ventures valued at cost less impairment (wherever applicable) having carrying value of Rs 1,194.10 crores as at March 31, 2022.</p> <p>The Company has identified investments where indicators of impairment exists and performed an impairment assessment on those investments and goodwill as at March 31, 2022.</p> <p>In accordance with Indian Accounting Standards (Ind-AS) – 36 'Impairment of Assets', the management has performed impairment testing of goodwill and investments in subsidiaries, joint ventures and associates to the underlying cash generating unit (CGU) and tested these for annual impairment using a discounted cash flow model.</p> <p>The impairment test model used by management factors impact of COVID-19 and also includes sensitivity testing of key assumptions.</p> <p>The impairment test of investments in subsidiaries, joint ventures, associates, and goodwill is considered as significant accounting judgement and estimate and a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and materiality of the balances to the standalone financial statements as a whole.</p>	<p>Our audit procedures among others included the following:</p> <ol style="list-style-type: none"> <li>(a) We obtained an understanding of the process and tested the operating effectiveness of internal controls over the impairment assessment process and preparation of the cash flow forecast based on assumptions and inputs to the model used to estimate the future cash flows.</li> <li>(b) We assessed the Company's methodology applied in determining the CGU to which these assets are allocated.</li> <li>(c) We assessed the reasonableness of key assumptions used in the cash flow forecasts including discount rates, expected growth rates and terminal growth rates.</li> <li>(d) We compared the cash flow forecasts used in impairment testing to approved budget and other relevant market and economic information, as well as testing the underlying calculations.</li> <li>(e) We discussed the potential changes in key assumptions as compared to previous year to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable.</li> <li>(f) We obtained the management testing of impairment and discussed the assumptions and other factors used in the assessment.</li> <li>(g) We also involved specialist to assess the assumptions and methodology used by the management to determine the recoverable amount and also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used.</li> <li>(h) We tested the arithmetical accuracy of the models.</li> <li>(i) We evaluated the adequacy of disclosures in the standalone financial statements related to management's assessment on the impairment tests and as required under Indian Accounting Standard (Ind-AS) -36 Impairment of Assets.</li> </ol>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<b>Intangibles assets capitalized or under development (as described in Note 5 of the standalone financial statements)</b>	
<p>The Company has various technical know-how projects capitalized or under development. Initial recognition of the expenditure under these projects are based on assessing each project in relation to specific recognition criteria that needs to be met for capitalization.</p> <p>In addition, the management also assess indication of impairment of the carrying value of assets which requires management judgment and assumptions as affected by future market or economic developments.</p> <p>Due to the materiality of these intangible assets recognized and the level of management judgement involved, initial recognition and measurement of intangible assets has been considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>We assessed the Company's research and development expenditure accounting policies in relation to Ind AS 38 "Intangible Assets".</li> <li>We performed test of control over management process of identifying and capitalizing the development expenditure in accordance with the accounting principles of capitalization of expenditure on intangible assets as per Ind AS 38 such as technical feasibility of the project, intention and ability to complete the intangible asset and ability to use or sell the asset, generation of future economic benefits and the ability to measure reliably the expenditure attributable to the intangible asset during its development.</li> <li>We performed test of details of development expenditure capitalized by evaluating the key assumptions including the authorization of the stage of the project in the development phase, the accuracy of costs included and assessing the useful economic life attributed to the asset and possible effect of Covid-19 impact on such capitalization. In addition, we considered whether any indicators of impairment were present by understanding the business rationale for projects.</li> <li>We assessed the adequacy of disclosure relating to research and development expenditure in the standalone financial statements</li> </ol>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

### Responsibilities of Management for the Standalone 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 and presentation of these standalone financial statements in terms of the requirements of the Act that give a true and fair view of the standalone financial position, standalone financial performance including other comprehensive income, standalone cash flows and standalone 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

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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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 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 March 31, 2021, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on June 13, 2021.

The standalone financial statements include the Company's share of net profit of Rs. 13.75 crores for the year ended March 31, 2022 in respect of 5 partnership firms. The financial statements and other financial information of the said

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partnership firms have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of these partnership firms and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid partnership firms, is based solely on the reports of such other auditors. Our opinion is not modified in respect of this matter.

### 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, based on our audit, 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) (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 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 March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 these standalone 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 March 31, 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 financial statements – Refer Note 27 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company:

Nature of dues	Amount in Rs. lakhs	Due in financial year	Remarks
Unclaimed dividend to be transferred to Investor Education and Protection Fund	1.71	2020-21	Paid on May 23, 2022

- iv.
  - 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 or entity, including foreign entities ("Funding Parties"), with

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- 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 performed that have been 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.
- v. 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 11 to the standalone 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

Place: New Delhi

Membership Number: 094421

Date: May 24, 2022

UDIN: 22094421AJMTOS6101

**ANNEXURE '1'**

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

**Re: Minda Industries 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.
- (i) (b) Property, Plant and Equipment are physically verified by the management in phased manner over a period of three years which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (i) (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) as disclosed in note 3 to the standalone financial statements included in property, plant and equipment are held in the name of the Company except for below mentioned cases wherein the title deeds of the immovable Properties in the nature of freehold land and leasehold land which were acquired pursuant to a Scheme of Amalgamation were approved by National Company Law Tribunal's (NCLT) and which are not individually held in the name of the Company, however the deed of merger has been registered by the Company:

Description of Property	Gross carrying value (Rs. In Crores)	Held in name of	Whether promoter, director or their relative or employee	Approved by NCLT
Leasehold land at Plot No. 5A, Sector 10, Industrial Estate, Pantnagar, Uttarakhand	0.45	Minda Fiamm Acoustic Limited	No	27-01-2011
Freehold land at Plot No. 323, Sector - 3, Phase II/IV, Industrial Estate, GC Bawal	14.69	MJ Casting Limited	No	01-06-2011
Freehold Land at Priya Madhagondapalli Village, Karnataka	2.39	MJ Casting Limited	No	01-06-2011



## ANNEXURE '1' (Contd.)

Description of Property	Gross carrying value (Rs. In Crores)	Held in name of	Whether promoter, director or their relative or employee	Approved by NCLT
Freehold Land at Plot No. 74&74A in F-II Block, Pimpri, Chinwad	1.02	Minda Rinder Private Limited	No	01-06-2011
Freehold Land at Plot No. 12 & 13, Sector 16, Industrial Estate, Bahadurgarh, District Jahjjar, Haryana, 124507	3.03	Rinder India Private Limited	No	01-06-2011
Leasehold land at Plot No. A-2, Ranjangon, Karegaon, Shirur, Pune	0.39	Harita Seatings Systems Limited	No	01-02-2021
Leasehold land at Plot No. 35, Sector-04, IIE Pant Nagar, US Nagar, Uttarakhand	0.52	Harita Seatings Systems Limited	No	01-02-2021
Leasehold land at Plot No. 11, Sector-10, Sidcul, IIE, Pantnagar	5.41	Harita Seatings Systems Limited	No	01-02-2021
Leasehold land at Plot No. 50, Dist. Dhar, Smart Industrial Park Near Natrip, Pitampur, Madhya Pradesh	5.23	Harita Seatings Systems Limited	No	01-02-2021
Leasehold Land at Belagondapalli Revenue Village, Denkanikottai Taluk, Krishnagiri District, Chennai	0.10	Harita Seatings Systems Limited	No	01-02-2021
Leasehold Land at Belagondapalli Revenue Village, Denkanikottai Taluk, Krishnagiri District, Chennai	0.58	Harita Seatings Systems Limited	No	01-02-2021
Leasehold Land at Belagondapalli Revenue Village, Denkanikottai Taluk, Krishnagiri District, Chennai	0.16	Harita Seatings Systems Limited	No	01-02-2021
Freehold land at 34-35 K.M., G.T. Karnal Road, Village Rasoi, Distt Sonapat, Haryana	0.37	Minda Auto Industries Private Limited	No	28-05-2010

- (i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (i) (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 inventory at reasonable intervals during the year except for inventories lying with third parties and goods in transit. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification by the management is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification and in respect of such confirmations. Goods in transit have been received substantially subsequent to the year ended March 31, 2022.
- (ii) (b) As disclosed in note 12 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly statements filed by the Company with such banks 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 crores) (A)	Value per quarterly return/statement (Rs. in crores)	Variance (A-B) (Rs. in crores)	Remarks
<b>Inventory</b>				
Jun-30	390.07	373.34	16.73	As per note 12 to the standalone financial statement
Sep-30	416.98	375.16	41.82	
Dec-31	451.71	454.96	(3.25)	
Mar-31	471.29	465.84	5.45	

## ANNEXURE '1' (Contd.)

Quarter ending	Value per books of account (Rs. in crores) (A)	Value per quarterly return/statement (Rs. in crores)	Variance (A-B) (Rs. in crores)	Remarks	
<b>Revenue</b>					
Jun-30	885.50	894.19	(8.69)	As per note 12 to the standalone financial statement	
Sep-30	2,185.26	2,297.17	(111.91)		
Dec-31	3,518.96	3,646.46	(127.51)		
Mar-31	4,966.60	5,008.05	(41.45)		
<b>Trade Payables</b>					
Jun-30	525.00	334.40	190.60		
Sep-30	802.07	665.91	136.16		
Dec-31	806.00	653.98	152.02		
Mar-31	879.45	690.22	189.23		
<b>Trade Receivables</b>					
Jun-30	544.45	521.67	22.78		
Sep-30	705.34	657.50	47.84		
Dec-31	727.56	697.05	30.51		
Mar-31	864.58	1,000.11	(135.53)		

(iii) (a) During the year, the Company has provided loans to its employees as follows:

Particulars	Loans (₹ in crores)
<b>Aggregate amount granted/ provided during the year</b>	
- Others (loan to employees)	4.71
<b>Balance outstanding as at balance sheet date in respect of above cases</b>	
- Others (loan to employees)	2.94

Apart from above, during the year, the Company has not provided advances in the nature of loans, stood guarantees or provided security to companies, firms, Limited Liability Partnerships or other parties hence not commented upon.

(iii) (b) During the year the investments made in respect of mutual funds, investment made in subsidiaries, associates, and joint venture and the terms and condition of grant of loan to its employees and investment made are not prejudicial to the Company's interest. During the year, the Company has not provided guarantees, provided securities and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties (other than mentioned above), hence not commented upon.

(iii) (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.

(iii) (d) There are no amounts of loans and advances in nature of loan to employees which are outstanding for more than 90 days.

(iii) (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.

(iii) (f) During the year, 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) Loans, investments and guarantees, in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company. The Company has not provided securities hence not commented upon.

(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 auto ancillary products manufactured by the Company and related services 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.



## ANNEXURE '1' (Contd.)

- (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.
- (vii) (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	Amount (Rs. in crores)	Amount paid under protest (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	4.44	-	2007-08 to 2018-19	DGGSTI, New Delhi
Central Excise Act, 1944	Excise Duty	0.03	-	2009-10 to 2011-12	Deputy Commissioner
Central Excise Act, 1944	Excise Duty	0.08	-	2007-08 to 2012-13	Deputy Commissioner
Custom Act, 1962	Custom Duty	0.26	-	2018-19	Commissioner Custom
SGST Act, 2017	GST	0.04	-	2017-18	Commissioner
Cenvat Credit Rules, 2004	Service Tax	0.30	-	2008-09	CIT(A)
Cenvat Credit Rules, 2004	Service Tax	0.02	-	2008-09	CESTAT
Cenvat Credit Rules, 2004	Service Tax	0.02	-	2012-13 to 2016-17	CESTAT
Value added tax	Value added tax	63.53	-	2012-13 to 2016-17	Commissioner
Income-tax Act, 1961	Income Tax	0.13	-	2016-17	CIT(A)
Income-tax Act, 1961	Income Tax	0.45	-	2013-14	ITAT
Income-tax Act, 1961	Income Tax	0.10	-	2008-09	ITAT
Income-tax Act, 1961	Income Tax	3.15	3.15	2016-17	CIT(A)
Income-tax Act, 1961	Income Tax	0.74	0.74	2017-18	CIT(A)

- (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.
- (ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) (c) Term loans were applied for the purpose for which the loans were obtained.
- (ix) (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (ix) (e) On an overall examination of the standalone 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.
- (ix) (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 in clause 3(x)(a) of the Order is not applicable to the Company.
- (x) (b) The Company complied with provision of section 42 and 62 of the Companies Act 2013 in respect of private placement and preferential allotment of equity shares and 0.01% non-convertible redeemable preference shares respectively during the year. The funds raised, have been used for the purposes for which the funds were raised.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

**ANNEXURE '1' (Contd.)**

- (xi) (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.
- (xii) (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.
- (xii) (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 standalone 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.
- (xiv) (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.
- (xvi) (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (xvi) (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)(c) of the Order is not applicable to the Company.
- (xvi) (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) 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.
- (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 40 to the standalone 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 28 to the financial statements.
- (xx) (b) All amounts that are unspent under Section 135(5) of the Companies Act pursuant to any ongoing project has been 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 28 to the financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Vikas Mehra**

Partner

Place: New Delhi

Membership Number: 094421

Date: May 24, 2022

UDIN: 22094421AJMTOS6101

# ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MINDA INDUSTRIES 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 standalone financial statements of Minda Industries Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone 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 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these standalone 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone

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 Company's internal financial controls with reference to these standalone financial statements.

### Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone 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 standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)****Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements

were operating effectively as at March 31, 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 issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Vikas Mehra**

Partner

Place: New Delhi

Membership Number: 094421

Date: May 24, 2022

UDIN: 22094421AJMTOS6101

## STANDALONE BALANCE SHEET AS AT 31 MARCH 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particular	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>I Non-current assets</b>			
Property, plant and equipment	3	1,054.83	1,031.78
Right of use assets	4	104.60	91.48
Capital work in progress	3	93.40	59.77
Goodwill	5	31.39	31.39
Other Intangible assets	5	129.36	110.16
Intangible assets under development	5	0.18	20.83
<b>Financial assets</b>			
(i) Investment in subsidiaries, associates, joint ventures and others	6(A)	1,194.10	1,131.93
(ii) Other bank balances	6(E)	0.61	0.46
(iii) Other financial assets	6(F)	16.95	19.92
Other non-current assets	8	14.57	18.78
Non-current tax assets	9	25.39	20.64
<b>Total non-current assets</b>		<b>2,665.38</b>	<b>2,537.14</b>
<b>II Current assets</b>			
Inventories	7	472.00	369.87
<b>Financial assets</b>			
(i) Investments	6(B)	10.00	-
(ii) Trade receivables	6(C)	877.98	685.32
(iii) Cash and cash equivalents	6(D)	56.42	74.31
(iv) Bank balances other than (iii) above	6(E)	6.41	5.16
(v) Other financial assets	6(F)	29.78	11.79
Other current assets	8	138.36	118.91
<b>Total current assets</b>		<b>1,590.95</b>	<b>1,265.36</b>
<b>Total assets</b>		<b>4,256.33</b>	<b>3,802.50</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
Equity share capital	10	57.12	54.39
Other equity	11	2,598.98	1,593.46
<b>Total equity</b>		<b>2,656.10</b>	<b>1,647.85</b>
<b>Liabilities</b>			
<b>II Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	12(A)	82.89	292.46
(ii) Lease liabilities	12(B)	34.13	16.94
(iii) Other financial liabilities	12(D)	-	8.04
Provisions	13	54.89	67.45
Deferred tax liabilities (net)	14	29.52	17.87
<b>Total non-current liabilities</b>		<b>201.43</b>	<b>402.76</b>
<b>III Current liabilities</b>			
Contract liabilities	15	80.84	31.01
Financial liabilities			
(i) Borrowings	12(A)	255.77	355.36
(ii) Lease liabilities	12(B)	4.33	6.62
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	12(C)	120.96	142.38
(b) total outstanding dues of creditors other than micro and small enterprises	12(C)	747.37	637.91
(iv) Other financial liabilities	12(D)	62.45	504.94
Other current liabilities	16	49.86	53.10
Provisions	13	61.14	20.57
Current tax liabilities	17	16.08	-
<b>Total current liabilities</b>		<b>1,398.80</b>	<b>1,751.89</b>
<b>Total Liabilities</b>		<b>1,600.23</b>	<b>2,154.65</b>
<b>Total Equity and Liabilities</b>		<b>4,256.33</b>	<b>3,802.50</b>

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

Chartered Accountants

ICAI Firm Registration No: 301003E/E300005

per **Vikas Mehra**

Partner

Membership No. 094421

Place: New Delhi

Date: 24 May 2022

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**

Chairman and Managing Director

DIN No. 00014942

**Sunil Bohra**

Group CFO

Place: Gurugram

Date: 24 May 2022

**Anand Kumar Minda**

Director

DIN No. 00007964

**Tarun Kumar Srivastava**

Company Secretary

Membership No. - A11994

## STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>I Income</b>			
Revenue from operations	18	4,959.73	3,700.64
Other income	19	79.92	54.62
<b>Total income</b>		<b>5,039.65</b>	<b>3,755.26</b>
<b>II Expenses</b>			
Cost of raw materials and components consumed	20	2,639.34	1,994.40
Purchases of stock in trade	21	685.52	465.47
Change in inventories of finished goods, stock in trade and work-in-progress	22	(20.41)	(38.51)
Employee benefits expense	23	633.47	484.05
Finance costs	24	33.94	38.53
Depreciation and amortisation expense	25	190.52	177.85
Other expenses	26	590.01	456.03
<b>Total expenses</b>		<b>4,752.39</b>	<b>3,577.82</b>
<b>III Profit before exceptional items and tax</b>		<b>287.26</b>	<b>177.44</b>
Exceptional items	6	(24.98)	(10.00)
<b>IV Profit before tax</b>		<b>262.28</b>	<b>167.44</b>
<b>V Income tax expense</b>	14		
Current tax		67.72	31.73
Deferred tax charge/(credit)		(1.47)	16.73
<b>Total tax expense</b>		<b>66.25</b>	<b>48.46</b>
<b>VI Profit for the year</b>		<b>196.03</b>	<b>118.98</b>
<b>VII Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>			
(i) Remeasurements gains/(losses) on defined benefit plans		(1.23)	3.95
(ii) Income tax effect on above		0.43	(1.29)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>(0.80)</b>	<b>2.66</b>
<b>VIII Total comprehensive income for the year, net of tax</b>		<b>195.23</b>	<b>121.64</b>
<b>IX Earnings per equity share [nominal value of share ₹ 2 (Previous year ₹ 2)]</b>	30		
Basic earning per share(₹)		6.97	4.45
Diluted earning per share(₹)		6.94	4.27

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

Chartered Accountants

ICAI Firm Registration No: 301003E/E300005

**per Vikas Mehra**

Partner

Membership No. 094421

Place : New Delhi

Date : 24 May 2022

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**

Chairman and Managing Director

DIN No. 00014942

**Sunil Bohra**

Group CFO

Place : Gurugram

Date : 24 May 2022

**Anand Kumar Minda**

Director

DIN No. 00007964

**Tarun Kumar Srivastava**

Company Secretary

Membership No. - A11994



## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A Cash flows from operating activities :</b>		
Profit before tax	262.28	167.44
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation expense	190.52	177.85
Interest income on bank deposits and others	(14.78)	(1.99)
Liabilities / provisions no longer required written back	(6.49)	(1.26)
Dividend income from non-current investments	(33.65)	(19.98)
Share of profit from partnership firms	(13.75)	(8.50)
Employee stock option expense	25.36	1.05
Provision for impairment of investment in subsidiary	24.98	10.00
Amortisation of government grants	(18.62)	-
Finance costs	33.94	38.53
Unrealised foreign exchange loss /(gain) (net)	1.88	2.21
Provision for impairment of trade receivable and other assets provided for / (written back)	(3.85)	4.47
Change in financial assets measured at fair value through profit and loss	(2.52)	(0.55)
Profit on sale of current investment	(2.90)	(4.30)
Net profit on sale of property, plant and equipment	(3.91)	(4.47)
<b>Operating Profit before working capital changes</b>	<b>438.49</b>	<b>360.50</b>
<b>Movement in working capital</b>		
(Increase)/ decrease in inventories	(102.13)	(85.07)
(Increase)/ decrease in trade receivables	(190.89)	(149.02)
(Increase)/ decrease in financial assets	(11.02)	4.39
(Increase)/ decrease in other non-financial assets	(20.24)	(15.69)
Increase/ (decrease) in trade payables	94.84	69.35
Increase/ (decrease) in other financial liabilities	56.75	3.54
Increase/ (decrease) in other liabilities	4.50	(6.44)
Increase/ (decrease) in provisions	27.59	2.47
<b>Cash generated from operations</b>	<b>297.89</b>	<b>184.03</b>
Income tax paid (net of refund)	(42.85)	(27.71)
<b>Net Cash flows from operating activities (A)</b>	<b>255.04</b>	<b>156.32</b>
<b>B Cash flows from investing activities</b>		
Payment for purchase of investment in subsidiaries, associates and joint venture	(73.40)	(104.47)
Proceed /(payment) on change in other investment	(10.00)	27.74
Purchase of property, plant and equipment and intangible assets	(215.92)	(222.84)
Proceeds from sale of property, plant and equipment and intangible assets	5.22	10.36
Settlement of purchase consideration	(115.00)	-
Interest received on bank deposits	2.82	2.12
Dividend from subsidiaries, associates and joint venture	33.65	19.98
Investment in fixed deposit matured /(made)	(0.75)	8.50
<b>Net cash used in investing activities (B)</b>	<b>(373.38)</b>	<b>(258.61)</b>

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022**

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of equity share capital	1.94	1.95
Proceed from securities premium on issue of shares under Rights Issue	-	235.31
Securities premium on issue of equity shares	688.06	-
Payment on redemption of 0.01% Non-convertible redeemable Preference Shares	(212.34)	-
Payment on acquisition of non-controlling interest	-	(52.00)
Proceeds from/ (repayment of) short term borrowings (net)	(69.35)	98.93
Repayment of long term borrowings	(269.93)	(177.64)
Proceeds from long term borrowings	30.00	-
Interest paid on borrowings	(29.32)	(38.03)
Payment of interest portion of lease liabilities	(2.47)	(2.18)
Payment of principal portion of lease liabilities	(7.73)	(5.49)
Payment of dividend	(28.49)	(9.52)
<b>Net cash used in financing activities (C)</b>	<b>100.37</b>	<b>51.33</b>
<b>Net Increase/ (decrease) in cash and cash equivalents(A+B+C)</b>	<b>(17.97)</b>	<b>(50.96)</b>
<b>Cash and cash equivalents as at beginning</b>	<b>74.31</b>	<b>125.27</b>
Effects of exchange rate changes on cash and cash equivalents	0.08	-
<b>Cash and cash equivalents at the end of the year</b>	<b>56.42</b>	<b>74.31</b>

**Notes**

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

**2 Components of cash and cash equivalents**

Balances with banks		
In current / cash credit accounts	55.50	61.66
Deposits with a original maturity of less than three months	0.50	12.35
Cash on hand	0.42	0.30
<b>Cash and cash equivalents at the end of the year</b>	<b>56.42</b>	<b>74.31</b>

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

Chartered Accountants

ICAI Firm Registration No: 301003E/E300005

**per Vikas Mehra**

Partner

Membership No. 094421

Place : New Delhi

Date : 24 May 2022

For and on behalf of the Board of Directors of **Minda Industries Limited**

**Nirmal K Minda**

Chairman and Managing Director

DIN No. 00014942

**Sunil Bohra**

Group CFO

Place : Gurugram

Date : 24 May 2022

**Anand Kumar Minda**

Director

DIN No. 00007964

**Tarun Kumar Srivastava**

Company Secretary

Membership No. - A11994

## STANDALONE CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(All amounts in ₹ Crores, unless otherwise stated)

### (a) Equity share capital

Particulars	Nos.	Amount
<b>Balance as at 1 April 2020</b>	26,22,16,965	<b>52.44</b>
Issue of equity shares under right issue	97,11,739	1.95
<b>Balance as at 31 March 2021</b>	<b>27,19,28,704</b>	<b>54.39</b>
Issue of equity shares on settlement of consideration payable	39,69,737	0.79
Issue of equity shares under preferential allotment	97,22,000	1.94
<b>Balance as at 31 March 2022</b>	<b>27,58,98,441</b>	<b>57.12</b>

### (b) Other equity

Particulars	Equity component of other financial instruments	Securities premium	Capital redemption reserve	Capital reserves	Capital reserves arising on amalgamation	General reserves	Employee stock options reserve	Shares pending Issuance	Retained earnings	Total other equity
<b>As at 1 April 2020</b>	6.55	357.20	18.39	2.28	26.56	64.03	1.20	52.00	768.77	1,296.98
<b>Profit for the year</b>	-	-	-	-	-	-	-	-	118.98	118.98
<b>Other comprehensive income for the year</b>	-	-	-	-	-	-	-	-	2.66	2.66
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	-	-	-	-	-	-	2.66	2.66
<b>Total Comprehensive income for the year</b>	-	-	-	-	-	-	-	-	<b>121.64</b>	<b>121.64</b>
<b>Transactions with owners in their capacity as owners:</b>										
Security premium on issue of shares under right issue	-	240.85	-	-	-	-	-	-	-	240.85
Amount utilised towards expenses incurred for issue of shares under right issue / preferential allotment	-	(2.41)	-	-	-	-	-	-	-	(2.41)
Purchase of non controlling interest	-	(3.13)	-	-	-	-	-	(52.00)	-	(55.13)
Employee stock compensation expense	-	-	-	-	-	-	1.05	-	-	1.05
Interim dividend for the year ended 31 March 2021	-	-	-	-	-	-	-	-	(9.52)	(9.52)
<b>As at 31 March 2021</b>	<b>6.55</b>	<b>592.51</b>	<b>18.39</b>	<b>2.28</b>	<b>26.56</b>	<b>64.03</b>	<b>2.25</b>	-	<b>880.89</b>	<b>1,593.45</b>
<b>Profit for the year</b>	-	-	-	-	-	-	-	-	196.03	196.03
<b>Other comprehensive income for the year</b>	-	-	-	-	-	-	-	-	(0.80)	(0.80)
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	-	-	-	-	-	-	(0.80)	(0.80)
<b>Total Comprehensive income for the year</b>	-	-	-	-	-	-	-	-	<b>195.23</b>	<b>195.23</b>

## STANDALONE CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Equity component of other financial instruments	Securities premium	Capital redemption reserve	Capital reserves	Capital reserves arising on amalgamation	General reserves	Employee stock options reserve	Shares pending Issuance	Retained earnings	Total other equity
<b>Transactions with owners in their capacity as owners:</b>										
Security premium on issue of shares under preferential allotment to qualified institutional buyers	-	698.04	-	-	-	-	-	-	-	698.04
Security premium on issue of equity shares on settlement of consideration payable	-	125.43	-	-	-	-	-	-	-	125.43
Amount utilised towards expenses incurred for issue of shares under right issue / preferential allotment	-	(9.98)	-	-	-	-	-	-	-	(9.98)
Employee stock compensation expense	-	-	-	-	-	-	25.36	-	-	25.36
Interim dividend for the year ended 31 March 2022	-	-	-	-	-	-	-	-	(28.56)	(28.56)
<b>As at 31 March 2022</b>	<b>6.55</b>	<b>1,406.00</b>	<b>18.39</b>	<b>2.28</b>	<b>26.56</b>	<b>64.03</b>	<b>27.61</b>	<b>-</b>	<b>1,047.56</b>	<b>2,598.98</b>

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of **Minda Industries Limited**

**per S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No: 301003E/E300005

**Nirmal K Minda**  
Chairman and Managing Director  
DIN No. 00014942

**Anand Kumar Minda**  
Director  
DIN No. 00007964

**per Vikas Mehra**  
Partner  
Membership No. 094421  
Place : New Delhi  
Date : 24 May 2022

**Sunil Bohra**  
Group CFO

**Tarun Kumar Srivastava**  
Company Secretary  
Membership No. - A11994

Place : Gurugram  
Date : 24 May 2022

# NOTES TO STANDALONE FINANCIAL STATEMENT

## FOR THE YEAR ENDED 31 MARCH 2022

### 1 CORPORATE INFORMATION

Minda Industries Limited is a public company limited by shares, incorporated and domiciled and headquartered in India. It was incorporated on September 16, 1992 under the Companies Act, 1956 and its shares are listed on the National Stock Exchange of India Limited and BSE Limited having its registered office at B64/1 Wazirpur, Industrial Area, Delhi-110052, India.

The Company is engaged in the business of manufacturing of auto components including lighting, alloywheels, horns, seating systems, seatbelts, switches, sensors, controllers, handle bar assemblies, wheel covers etc. The company caters to both 2 wheelers and 4 wheelers markets and domestic & international markets. The standalone financial statements were approved for issue in accordance with a resolution of the directors on May 24, 2022.

### 2 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

#### New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, and Ind AS 116, Leases.
- Amendment to Ind AS 105, Ind AS 16 and Ind AS 28
- Conceptual framework for financial reporting under Ind AS issued by ICAI.

The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### 2.01 Basis of preparation of Standalone Financial Statements

The standalone financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of schedule III to the

Companies Act, 2013 (Ind AS compliant schedule III) as applicable to these standalone financial statements. These standalone financial statements are presented in INR and all values are rounded to the nearest crores (INR 0,000,000), except when otherwise indicated.

The company has prepared the financial statements on the basis that it will continue to operate as going concern. These policies have been consistently applied to all the years presented, unless otherwise stated.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities

- (i) Certain financial assets and liabilities that is measured at fair value
- (ii) Assets held for sale-measured at fair value less cost to sell
- (iii) Defined benefit plans-plan assets measured at fair value
- (iv) Share based payments

#### 2.02 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. the Company has identified twelve months as its operating cycle.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)****2.03 Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of item can be measured reliably.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted

prospectively, if appropriate. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Depreciation on property, plant and equipment is calculated on prorata basis on straight-line method/ written down method as applicable, using the useful lives as technically assessed by the management which is as below with respect to significant class of property, plant and equipments. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Name of assets	Useful life as assessed by the management	Life in years as per schedule II of Companies Act, 2013
Building		
Factory building	30	30
Non-factory building	60	60
Computers including networking equipments	3-6	3-6
Plant and machinery		
Plant and machinery	8-15	15
Dies and tools	3-6	15
Furniture and fittings	10	10
Office equipment	5	5
Vehicles	8	8

The useful lives have been determined based on technical evaluation done by the management in order to reflect the actual usage of assets.

Lease hold improvements are depreciated on straight line basis over shorter of the asset's useful life and their lease term. Leasehold land is amortized on a straight line basis over the unexpired period of their respective lease period.

**2.04 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in notes.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

### 2.05 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost of intangible assets acquired in business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of

the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets are amortized on a straight line basis over their estimated useful life as under:

Assets	Useful life
Trademark	10 years
Technical know how	6 years
Computer software	3-6 years
Customer relationship	10 years

### Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ii) Its intention to complete the asset;
- iii) Its ability to use or sale the asset;
- iv) How the asset will generate future economic benefits;
- v) The availability of adequate resources to complete the development and to use or sale the asset; and
- vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

### Trademarks

Brand and Trademarks acquired in business combination are initially recognised at fair value at the date of acquisition. Following initial recognition, brand and trademark are carried at the above recognised value less accumulated amortization and accumulated impairment losses, if any.

### Customer relationship

Customer relationship acquired in business combination are initially recognised at fair value at the date of acquisition. Following initial recognition, customer relationship is carried at the above recognised value less accumulated amortization and accumulated impairment losses, if any. They are amortised on a straight line basis over their estimated useful life of 10 years assessed by the management.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)****Goodwill**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually or when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained

**2.06 Impairment of non- financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If

any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of four to five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the forecast period. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

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

For assets excluding goodwill and intangible assets having indefinite life, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at March 31 or when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

### 2.07 Financial instruments

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

#### (i) Financial Assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial

asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section "Revenue from contracts with customers".

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

#### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) **Business Model Test** : The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) and;

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

- b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

**Financial assets at fair value through OCI (FVTOCI) (debt instruments)**

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) **Business Model Test** : The objective of financial instrument is achieved by both collecting contractual cash flows and selling the financial assets; and
- b) **Cash flow characteristics test:** The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative instruments and listed equity investments which the Company had not

irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

**Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

**Embedded Derivatives**

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

obligation to pay the received cash flows in full without material delay to a third party under a “pass through” arrangement and either;

- (a) the Company has transferred substantially all the risks and rewards of the asset, or
- (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash

flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For recognition of impairment loss on financial assets other than mentioned below 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. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). 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

The Company follows “simplified approach” for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;
- All lease receivables resulting from the transactions within the scope of Ind AS 116 -Leases

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

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:

### (a) Financial assets measured as at amortised cost, contractual revenue receivables and lease 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.



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(b) **Loan commitments and financial guarantee contracts:** ECL is presented as a provision in the balance sheet, i.e. as a liability.

(c) **Debt instruments measured at FVTOCI:** For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the accumulated impairment amount.

**(ii) Financial liabilities:****Initial recognition and measurement**

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

**Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- (i) Financial liabilities at fair value through profit or loss
- (ii) Financial liabilities at amortised cost (loans and borrowings)

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationship as defined by Ind AS 109. The separated embedded derivative are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as

FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. the Company has not designated any financial liability as at fair value through profit and loss.

**Financial liabilities at amortised cost (Loans and borrowings)**

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.

**Trade Payables**

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually payable basis varying trade term. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

**Offsetting of financial instruments**

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

### Reclassification of financial assets/ financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in profit or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

Original classification	Revised classification	Accounting treatment
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss the reclassification date.

### 2.08 Derivative financial instruments and hedge accounting

#### Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- (i) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
  - (ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
  - (iii) Hedges of a net investment in a foreign operation
- Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)****(i) Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs. For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

**(ii) Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

**2.09 Compound financial instruments**

Compound financial instruments issued by the Company comprise cumulative redeemable preference shares denominated in Rupees that are mandatorily redeemable at a fixed or determinable amount at a fixed

or future date and the payment of dividends is discretionary. Compound financial instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the compound financial instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification.

Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

**2.10 Investment in Subsidiaries, associates and joint venture**

The investment in subsidiary, associates and Joint venture are carried at cost as per IND AS 27. The Company regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing whether it controls the investee. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Company controls an investee if and only if it has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee and
- (c) the ability to use its power over the investee to affect the amount of the returns.

Investments are accounted in accordance with IND AS 105 when they are classified as held for sale. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

**2.11 Inventories****a) Basis of valuation:**

- i) Inventories other than scrap materials are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. The comparison of cost and net realizable value is made on an item-by-item basis.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

### b) Method of Valuation:

- i) Cost of raw materials has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis
- iii) Cost of traded goods has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.
- v) Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.

### 2.12 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognized immediately in the statement of profit and loss.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold. The Company treats sale of the asset to be highly probable

when:

- i) The appropriate level of management is committed to a plan to sell the asset
- ii) An active programme to locate a buyer and complete the plan has been initiated (if applicable)
- iii) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- iv) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- v) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

### 2.13 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax expense for the year comprises of current tax and deferred tax.

#### a) Current income tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Current income tax relating to item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity). Current tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

**b) Deferred Tax**

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realized are recognised in profit or loss.

**2.14 Revenue from contract with customers**

The Company manufactures and trades variety of auto components products. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

goods or services before transferring them to the customer. A receivable is recognized when the control of the product is transferred as the consideration is unconditional and payment becomes due upon passage of time as per the terms of contract with customers. The company collects GST on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

### Revenue from sales of products

Revenue from sale of products is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations.

The Company considers, whether there are other promises in the contract in which there are separate performance obligations, to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any.

### Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of equipment provide customers with a right of return the goods within a specified period. The Company also provides retrospective volume rebates to certain customers once the quantity of electronic equipment purchased during the period exceeds the threshold specified in the contract. The rights of return and volume rebates give rise to variable consideration.

The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is

also recognised for the right to recover products from a customer.

### Warranty obligations

The Company generally provides for warranties for general repair of defects that existed at the time of sale. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets).

### Significant Financing Components

In respect of short-term advances from its customers, using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle.

### Sale of service

The Company recognizes revenue from sales of services over time, because the customer simultaneously receives and consumes the benefits provided by the Company. Revenue from services related activities is recognized as and when services are rendered and on the basis of contractual terms with the parties

### Revenue from assembly of components

The Company has contracts with customers to assemble, on their behalf, customised components from various parts procured from suppliers identified by the customer. The Company is acting as an agent in these arrangements. When another party is involved in providing goods or services to its customer, the Company determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Company is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Company's role is only to arrange for another entity to provide the goods or services, then the Company is an agent and will need to record revenue at the net amount that it retains for its agency services.

### Contract assets

Contract assets is right to consideration in exchange for goods or services transferred to the customer and performance obligation satisfied. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Upon completion of the attached condition and acceptance by the customer, the amounts recognised as contract assets



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

is reclassified to trade receivables upon invoicing. A receivables represents the Company's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer or has raised the invoice in advance. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

### Trade receivables

A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

## 2.15 Other Operating Revenues

### Export incentives

Revenue from export benefits arising from Duty entitlement pass book (DEPB scheme), duty drawback scheme, merchandise export incentive scheme, Remission of duties and taxes on exported product scheme are recognized on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

### Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

### Royalty income

Royalty income is recognized in Other operating income on an accrual basis in accordance with the substance of the relevant agreements

## 2.16 Other Income

### Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective

interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

### Rental Income

Rental income is accounted for on a straight-line basis over the lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in other income in the statement of profit and loss.

### Dividend income

Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

### Share of profit from partnerships

Share of profit from partnership is recognised on accrual basis.

## 2.17 Retirement and other employee benefits

### Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid at undiscounted value when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### Defined benefit plan - Gratuity and pension fund

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust with its investments maintained with Life insurance Corporation of India. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

- a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- b) Net interest expense or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

### Defined contribution plan - Provident fund and employee state insurance

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

### Other long term employee benefit - Compensated absence

Liability in respect of compensated absences becoming due or expected to be availed after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

### Other Long term incentive plan - Employee stock option plan

The Company provides long term incentive plan to employees via equity settled share based payments. The

cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in employee stock option reserves in other equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

## 2.18 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

### i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

**ii) Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The Companies' lease liabilities are included in other current and non-current financial liabilities. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(iii) **Short-term leases and leases of low-value assets** The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and

leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Company as a lessor** Leases for which the Company is a lessor is classified as finance or operating lease. Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**2.19 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

**2.20 Borrowing Costs**

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

**2.21 Exceptional Items**

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments in subsidiaries, associates and joint venture and impairment losses/ write down in value

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

of investment in subsidiaries, associates and joint venture and significant disposal of fixed assets etc.

### 2.22 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### 2.23 Foreign currency translation

#### (i) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (INR) which is also the Company's functional and presentation currency.

#### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### (iii) *Exchange differences*

Exchange differences arising on settlement of transactions or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively). Foreign exchange differences arising on foreign currency

borrowings are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis.

### 2.24 Provisions and Contingent Liabilities

#### **Provisions**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### **Warranty Provisions**

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be within one to five years.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

### 2.25 Dividend Distributions

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

### 2.26 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1-** Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 2.27 Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company.

Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment. Any contingent consideration is measured

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Standalone Statement of Profit and Loss. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Company, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

Business Combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and where that control is not transitory is accounted using the pooling of interests method as enumerated below:

- (a) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- (c) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- (d) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with corresponding balance appearing in the financial statements of the transferee or is adjusted against revenue reserve.
- (e) The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

- (f) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to revenue reserves/ capital reserves.

### 2.28 Significant accounting judgments, estimates and assumptions

The preparation of the standalone financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

#### a) Company as a leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

#### b) Taxes

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)****c) Defined benefit plans and other long term incentive plan**

The cost of defined benefit plans and leave encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for India. Future salary increases and pension increases are based on expected future inflation rates for India. Further details about the assumptions used, including a sensitivity analysis, are given in Note 31.

**d) Fair value measurement of financial instrument**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**e) Impairment of financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable

amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are estimated based on past trend and discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

**g) Provision for warranty**

Provisions for warranties is measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Warranty provisions is determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. It is very unlikely that actual warranty claims will exactly match the historical warrant percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

**h) Provision for expected credit losses (ECL) of trade receivables**

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables and contract assets is disclosed in Notes



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

### i) Property, Plant and Equipment and intangible assets

Property, Plant and Equipment and intangible assets represent significant portion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of Company's assets are determined by Management at the time asset is acquired and reviewed periodically including at the end of each year. The useful life is based on historical experience with similar assets, in anticipation of future events, which may have impact on their life such as change in technology.

### j) Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 31 March 2022, the carrying amount of capitalised intangible asset under development was ₹ 0.18 crores lacs (31 March 2021: ₹ 20.83 crores). This amount includes significant investment in the development of an innovative components.

### k) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

### l) Revenue from contracts with customers

The Company applies the judgements in respect to transactions relating to tooling development, Principal

versus agent consideration that significant financing component in a contract that significantly affect the determination of the amount and timing of revenue from contracts with customers. For more details, refer accounting policy on revenue from contract with customers.

### 2.29 Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021. Consequent to above, the Company has changed the classification/presentation of (i) current maturities of long-term borrowings; (ii) security deposits, in the current year as follows:

- (i) The current maturities of long-term borrowings has now been included under the "short term borrowing" line item. Previously, current maturities of long-term borrowings were included in 'other financial liabilities' line item.
- (ii) Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance sheet (extract)	31 March 2021 (as previously reported)	Increase/ (Decrease)	31 March 2021 (restated)
Other financial liability	638.44	(133.50)	504.94
Short term borrowing	221.86	133.50	355.36
Other financial assets (non-current)	-	19.92	19.92
Loan (non-current)	19.92	(19.92)	-
Other financial assets (current)	11.62	0.17	11.79
Loan (current)	0.17	(0.17)	-

Previous year numbers have been regrouped wherever considered necessary to conform to the current year's classification. These did not have any impact on statement of profit and loss and earning per share.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)****2.30 Standards issued but not effective**

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

- (i) **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37:** The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

The amendments are not expected to have a material impact on the Company.

- (ii) **Reference to the Conceptual Framework – Amendments to Ind AS 103:** The amendments replaced the reference to the ICAI’s “Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards” with the reference to the “Conceptual Framework for Financial Reporting under Indian Accounting Standard” without significantly changing its requirements. The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities

and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards. The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Company.

- (iii) **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16:** The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Company.

- (iv) **Ind AS 109 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities:** The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Company.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

### 3 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Buildings	Plant and Machinery	Furniture and fittings	Vehicles	Office equipment	Computers	Total	Capital work in progress	Grand total
<b>Gross carrying amount</b>										
<b>As at 01 April 2020</b>	111.70	223.12	780.79	13.00	12.33	14.86	25.22	1,181.02	199.64	1,380.66
Additions during the year	-	62.06	283.78	1.68	0.66	1.23	2.35	351.76	211.23	562.99
Disposals/ adjustments	-	(0.14)	(10.49)	(0.16)	(1.80)	(0.24)	(0.70)	(13.53)	(351.10)	(364.63)
<b>As at 31 March 2021</b>	111.70	285.04	1,054.08	14.52	11.19	15.85	26.87	1,519.25	59.77	1,579.02
Additions during the year	9.47	9.15	156.17	1.24	1.90	1.31	5.04	184.28	87.81	272.09
Disposals/ adjustments	(0.51)	-	(23.78)	(0.37)	(2.80)	(0.26)	(1.12)	(28.84)	(54.18)	(83.02)
<b>As at 31 March 2022</b>	120.66	294.19	1,186.47	15.39	10.29	16.90	30.79	1,674.69	93.40	1,768.09
<b>Accumulated depreciation</b>										
<b>As at 1 April 2020</b>	-	24.05	304.40	4.58	4.98	5.81	13.36	357.18	-	357.18
Depreciation charge for the year	-	10.78	118.38	1.51	1.40	2.66	5.54	140.27	-	140.27
Disposals/ adjustments	-	(0.07)	(8.08)	(0.11)	(0.92)	(0.19)	(0.61)	(9.98)	-	(9.98)
<b>As at 31 March 2021</b>	-	34.76	414.70	5.98	5.46	8.28	18.29	487.47	-	487.47
Depreciation charge for the year	-	11.07	137.99	1.36	1.20	2.14	4.41	158.17	-	158.17
Disposals/ adjustments	-	-	(22.24)	(0.35)	(1.89)	(0.24)	(1.06)	(25.78)	-	(25.78)
<b>As at 31 March 2022</b>	-	45.83	530.45	6.99	4.77	10.18	21.64	619.86	-	619.86
<b>Net Carrying amounts</b>										
<b>As at 31 March 2021</b>	111.70	250.28	639.38	8.54	5.73	7.57	8.58	1,031.78	59.77	1,091.55
<b>As at 31 March 2022</b>	120.66	248.36	656.02	8.40	5.52	6.72	9.15	1,054.83	93.40	1,148.23

#### Notes:

- Refer note 12 for property, plant and equipment pledged/hypothecated as security for borrowing by the company.
- Refer note 27 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- The amount of borrowing costs capitalised during the year ended 31 March 2022 was ₹Nil (31 March 2021: ₹4.25 Crores). The rate used to determine the amount of borrowing costs eligible for capitalisation was Nil (31 March 2021: 8.30%) which is the effective interest rate of the specific borrowing. No borrowing costs are capitalised on other items of property, plant and equipment under construction.
- The title deeds of immovable properties in the nature of freehold land included in property, plant and equipment and leasehold land included under right of use (refer note 4) are not held in the name of the Company for the below mentioned cases as at 31 March 2022 and 31 March 2021:

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ Crores)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative / employee of promoter/ director	Property held since	Reason for not being held in the name of the Company
Property, plant and equipment	Freehold land	0.45	Minda Fiamm Acoustic Limited	No	January 27, 2011	The title deeds of these immovable properties in the nature of freehold land and leasehold land were acquired pursuant to a Scheme of Amalgamation approved by National Company Law Tribunal's (NCLT) and are not individually held in the name of the Company, however the deed of merger has been registered by the Company:
Property, plant and equipment	Freehold land	14.69	MJ Casting Limited	No	June 01, 2011	
Property, plant and equipment	Freehold land	2.39	MJ Casting Limited	No	June 01, 2011	
Property, plant and equipment	Freehold land	1.02	Minda Rinder Private Limited	No	June 01, 2011	
Property, plant and equipment	Freehold land	3.03	Rinder India Private Limited	No	June 01, 2011	
Property, plant and equipment	Freehold land	0.37	Minda Auto Industries Private Limited	No	May 28, 2010	
Right of use assets	Leasehold land	0.39	Harita Seatings Systems Limited	No	February 01, 2021	
Right of use assets	Leasehold land	0.52	Harita Seatings Systems Limited	No	February 01, 2021	
Right of use assets	Leasehold land	5.41	Harita Seatings Systems Limited	No	February 01, 2021	
Right of use assets	Leasehold land	5.23	Harita Seatings Systems Limited	No	February 01, 2021	
Right of use assets	Leasehold land	0.10	Harita Seatings Systems Limited	No	February 01, 2021	
Right of use assets	Leasehold land	0.58	Harita Seatings Systems Limited	No	February 01, 2021	
Right of use assets	Leasehold land	0.16	Harita Seatings Systems Limited	No	February 01, 2021	

- (e) Title deed of immovable properties where the company is the lessee, the lease agreements are duly executed in favour of the lessee
- (f) Capital work in progress as at 31 March 2022 includes assets under construction at various plants including capitalisation of plant for lighting division of the Company. Adjustment in relation to capital work in progress relates to addition in property, plant and equipment made during the year.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

(g) Ageing of capital work-in-progress is as below:

As at 31 March 2022					
Particulars	Amounts in capital work in progress for				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	86.97	6.17	0.20	0.06	93.40
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>86.97</b>	<b>6.17</b>	<b>0.20</b>	<b>0.06</b>	<b>93.40</b>

As at 31 March 2021					
Particulars	Amounts in capital work in progress for				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	48.60	7.51	-	3.66	59.77
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>48.60</b>	<b>7.51</b>	<b>-</b>	<b>3.66</b>	<b>59.77</b>

- (i) There is no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan at the end of current year and previous year.

#### 4 RIGHT OF USE ASSETS AND LEASES LIABILITIES

- (i) Right of use assets: The Company's lease asset primarily consist of :

- Leasehold building representing the properties taken on lease for offices and warehouse having lease terms between 3 to 30 years
- Leasehold plant and equipment representing the leases for various equipment used in its operations having lease terms between 1 to 5 years
- Leasehold land represents land obtained on long term lease from various Government authorities.

The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company also has certain leases with lease terms of 12 months or less. The Company has applied the 'short-term lease' recognition exemptions for these leases.

- (ii) The following is carrying value of right of use assets and movement thereof:

Particulars	Leasehold Land	Leasehold Building	Leasehold Plant and equipments	Total
<b>As at 1 April 2020</b>	<b>73.04</b>	<b>28.20</b>	<b>0.50</b>	<b>101.74</b>
Additions during the year	-	-	7.54	7.54
Disposal during the year	-	(2.33)	-	(2.33)
<b>As at 31 March 2021</b>	<b>73.04</b>	<b>25.87</b>	<b>8.04</b>	<b>106.95</b>
Additions during the year	-	31.37	-	31.37
Disposal during the year	-	(17.71)	(0.16)	(17.87)
<b>Balance as at 31 March 2022</b>	<b>73.04</b>	<b>39.53</b>	<b>7.88</b>	<b>120.45</b>
<b>Accumulated depreciation</b>				
<b>As at 1 April 2020</b>	<b>0.87</b>	<b>5.87</b>	<b>0.42</b>	<b>7.16</b>
Depreciation for the year	0.72	5.97	1.62	8.31
<b>As at 31 March 2021</b>	<b>1.59</b>	<b>11.84</b>	<b>2.04</b>	<b>15.47</b>
Depreciation for the year	0.84	3.36	2.38	6.58
Disposal during the year	-	(6.04)	(0.16)	(6.20)
<b>As at 31 March 2022</b>	<b>2.43</b>	<b>9.16</b>	<b>4.26</b>	<b>15.85</b>
<b>Carrying amounts (net)</b>				
<b>As at 31 March 2021</b>	<b>71.45</b>	<b>14.03</b>	<b>6.00</b>	<b>91.48</b>
<b>As at 31 March 2022</b>	<b>70.61</b>	<b>30.37</b>	<b>3.62</b>	<b>104.60</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

(iii) The movement in lease liabilities is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	23.56	29.51
Addition during the year	31.37	7.54
Deletion during the year	(8.68)	(8.00)
Finance cost accrued during the year	2.41	2.18
Payment of lease liabilities	(10.20)	(7.67)
<b>Balance at the end</b>	<b>38.46</b>	<b>23.56</b>
Current maturities of lease liabilities	4.33	6.62
Non-current lease liabilities	34.13	16.94

(iv) **Amount recognised in the statement of Profit and loss during the year:**

Particulars	As at 31 March 2022	As at 31 March 2021
Depreciation charge of right of use assets	6.58	8.31
Finance cost incurred during the year	2.41	2.18
Expense related to short term leases (included in other expenses)	22.59	19.27
<b>Total</b>	<b>31.58</b>	<b>29.76</b>

(v) **Maturity analysis of undiscounted lease liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Payable within one year	8.67	6.49
Payable between one to five years	16.72	8.24
Payable after five years	47.73	47.26
<b>Total</b>	<b>73.12</b>	<b>61.99</b>

(vi) The weighted average incremental borrowing rate applied to lease liabilities is 7-8%

(vii) The Company does not face significant liquidity risk with regard to its lease liabilities as the current are sufficient to meet the obligation related to lease liabilities as and when they fall due

(viii) Non-cash investing activities during the year

	Year ended 31 March 2022	Year ended 31 March 2021
Acquisition of right of use assets	31.37	7.54
Disposal of right of use assets	(11.67)	(2.33)



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

### 5 GOODWILL AND OTHER INTANGIBLE ASSETS

Particulars	Trade Mark	Technical Knowhow	Computer Software	Customer Relationship	Total other intangible assets	Goodwill	Intangible asset under development	Total intangible assets
<b>Gross carrying amount</b>								
<b>As at 1 April 2020</b>	<b>3.09</b>	<b>66.94</b>	<b>32.70</b>	<b>62.60</b>	<b>165.33</b>	<b>31.39</b>	<b>19.92</b>	<b>216.64</b>
Additions during the year	-	20.23	2.70	-	22.93	-	21.14	44.07
Disposals/adjustments	-	(1.74)	(0.60)	-	(2.34)	-	(20.23)	(22.57)
<b>As at 31 March 2021</b>	<b>3.09</b>	<b>85.43</b>	<b>34.80</b>	<b>62.60</b>	<b>185.92</b>	<b>31.39</b>	<b>20.83</b>	<b>238.14</b>
Additions during the year	0.20	38.95	5.93	-	45.08	-	6.17	51.25
Disposals/adjustments	-	(1.34)	(1.29)	-	(2.63)	-	(26.82)	(29.45)
<b>As at 31 March 2022</b>	<b>3.29</b>	<b>123.04</b>	<b>39.44</b>	<b>62.60</b>	<b>228.37</b>	<b>31.39</b>	<b>0.18</b>	<b>259.94</b>
<b>Accumulated amortisation</b>								
<b>As at 1 April 2020</b>	<b>2.07</b>	<b>25.17</b>	<b>13.83</b>	<b>6.99</b>	<b>48.06</b>	-	-	<b>48.06</b>
Amortisation for the year	0.26	11.40	5.54	12.07	29.27	-	-	29.27
Disposals/adjustments	-	(1.01)	(0.56)	-	(1.57)	-	-	(1.57)
<b>As at 31 March 2021</b>	<b>2.33</b>	<b>35.56</b>	<b>18.81</b>	<b>19.06</b>	<b>75.76</b>	-	-	<b>75.76</b>
Amortisation for the year	0.13	12.73	4.92	7.99	25.77	-	-	25.77
Disposals/adjustments	-	(1.30)	(1.22)	-	(2.52)	-	-	(2.52)
<b>As at 31 March 2022</b>	<b>2.46</b>	<b>46.99</b>	<b>22.51</b>	<b>27.05</b>	<b>99.01</b>	-	-	<b>99.01</b>
<b>Net Carrying amount</b>								
<b>As at 31 March 2021</b>	<b>0.76</b>	<b>49.87</b>	<b>15.99</b>	<b>43.54</b>	<b>110.16</b>	<b>31.39</b>	<b>20.83</b>	<b>162.38</b>
<b>As at 31 March 2022</b>	<b>0.83</b>	<b>76.05</b>	<b>16.93</b>	<b>35.55</b>	<b>129.36</b>	<b>31.39</b>	<b>0.18</b>	<b>160.93</b>

#### Note:

#### (i) Impairment testing of goodwill and intangible assets

Goodwill of ₹ 31.39 Crores and customer relationship of ₹ 35.55 Crores acquired on business acquisition of Harita Seatings Systems Limited, have been allocated to a separate single cash generating unit (CGU) for impairment testing. The Company has performed an annual impairment test to ascertain the recoverable amount of CGU. The recoverable amount is determined based on value in use calculation. These calculations uses management assumptions and pre tax cash flow projections based on financed budgets approved by management covering generally over a period of 5 years. Cash flow projection beyond 5 years time period are extrapolated using the estimated growth rates which is consistent with forecasts included in industry reports specific to industry in which CGU operates. Management has determined following assumptions for impairment testing of CGU as stated below.

Assumption	31-Mar-22	31-Mar-21	Approach used in determining value
Weighted average Cost of capital % (WACC) before tax (discount rate)	12.40%	17.00%	It has been determined basis risk free rate of return adjusted for equity risk premium
Long Term Growth Rate	5.00%	4.00%	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The calculations performed indicate that there is no impairment of CGU of the company. Management has performed a sensitivity analysis with respect to changes in assumptions for assessment of value-in-use of CGU. Based on this analysis, management believes that change in any of above assumption would not cause any material possible change in carrying value of unit's CGU over and above its recoverable amount.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**(ii) Ageing of intangible asset under development is as follows:**

As at 31 March 2022					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.18	-	-	-	0.18
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>0.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.18</b>

As at 31 March 2021					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	13.06	1.38	0.62	5.77	20.83
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>13.06</b>	<b>1.38</b>	<b>0.62</b>	<b>5.77</b>	<b>20.83</b>

(iii) There is no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan at the end of current year and previous year.

**6 FINANCIAL ASSETS**

		As at 31 March 2022	As at 31 March 2021
<b>(A) Non-Current Investments</b>			
<b>Investment in subsidiaries, associates, joint ventures and others</b>			
<b>Unquoted equity investments valued at cost (unless otherwise stated)</b>			
<b>(i) Investment in subsidiaries</b>			
Minda Kyoraku Limited {4,19,68,200 equity shares (31 March 2021- 41,918,600 equity shares) of ₹10/- each, fully paid up}		47.90	47.81
Minda Kosei Aluminium Wheel Private Limited {193,061,100 equity shares (31 March 2021- 131,861,100 equity shares) of ₹10/- each, fully paid up}		193.06	131.86
SAM Global Pte. Limited {625,000 equity shares (31 March 2021- 625,000 equity shares) of \$ 1 each, fully paid up}		32.92	32.92
PT Minda Asean Automotive (Indonesia) {67,500 equity shares (31 March 2021- 67,500 equity shares) of \$ 10/- each, fully paid up}		22.87	22.87
Global Mazinkert, S.L. {2,781,991 equity shares (31 March 2021- 2,781,991 equity shares) of €1 /-each, fully paid up}		41.26	41.26
Minda Storage Batteries Private Limited {188,600,000 equity shares (31 March 2021-188,600,000 equity shares) of ₹ 10/- each, fully paid up}		9.05	9.05
Minda Katolec Electronics Services Private Limited {1,78,85,700 equity shares (31 March 2021- 1,78,85,700 equity shares) of ₹ 10/- each, fully paid up}		17.89	17.89
Mindarika Private Limited {5,100,000 equity shares (31 March 2021- 5,100,000 equity shares) of ₹10/- each, fully paid up}		101.89	101.89
MI Torica India Private Limited {5,400,000 equity shares (31 March 2021- 5,400,000 equity shares) of ₹ 10/- each, fully paid up}		8.44	8.44

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

		As at 31 March 2022	As at 31 March 2021
iSYS RTS GmbH {Refer note (c) below}		-	51.28
{Nil equity shares (31 March 2021- 24,800 equity shares ) of €1 each, fully paid up}			
UNO Minda Europe GMBH {Refer note (c) below}		52.60	-
{18,286 equity shares (31 March 2021- Nil equity shares ) of €1 /- each, fully paid up}			
Harita Fehrer Limited		263.60	263.60
{2,00,98,040 equity shares (31 March 2021- 1,02,50,000 equity shares) of ₹10/- each, fully paid up} {Refer note (e)}			
Uno Minda EV Systems Private Limited		0.03	-
{25,050 equity shares (31 March 2021- Nil equity shares) of ₹10/- each, fully paid up}			
Uno Minda Auto systems Private Limited		0.01	-
{10,000 equity shares (31 March 2021- Nil equity shares) of ₹10/- each, fully paid up}			
<b>Sub-Total (i)</b>		<b>791.52</b>	<b>728.87</b>
<b>(ii) Investment in associates</b>			
Minda NexGenTech Limited		3.12	3.12
{3,120,000 equity shares (31 March 2021 3,120,000 equity shares) of ₹10/- each, fully paid up}			
Less: provision for impairment in the value of investments		(3.12)	(3.12)
Kosei Minda Aluminium Co Private Limited		16.49	16.49
{2,87,37,371 equity shares (31 March 2021- 2,87,37,371 equity shares) of ₹10/- each, fully paid up}			
Less: provision for impairment in the value of investments		(8.29)	(8.29)
Strongsun Renewables Private Limited		2.73	-
{3,41,600 equity shares (31 March 2021- Nil equity shares) of ₹10/- each, fully paid up}			
CSE Dakshina Solar Private Limited		1.70	-
{2,12,000 equity shares (31 March 2021- Nil equity shares) of ₹10/- each, fully paid up}			
<b>Sub-Total (ii)</b>		<b>12.63</b>	<b>8.20</b>
<b>(iii) Investment in joint venture</b>			
Minda Westport Technologies Limited (formerly known as Minda Emer Technologies Limited)		2.91	2.73
{2,774,700 equity shares (31 March 2021 2,725,000 equity shares) of ₹10/- each, fully paid up}			
Roki Minda Co. Private Limited		43.08	43.08
{40,924,800 equity shares (31 March 2021 40,924,800 equity shares) of ₹10/- each, fully paid up}			
Minda TG Rubber Private Limited		25.81	25.81
{25,766,730 equity shares (31 March 2021 25,766,730) of ₹10/- each, fully paid up}			
Minda TTE Daps Private Limited		4.99	4.99
{4,990,513 equity shares (31 March 2021 4,990,513 equity shares) of ₹ 10/- each, fully paid up}			
Less: provision for impairment in the value of investments		(4.99)	(4.99)
Minda Onkyo India Private Limited		39.84	33.04
{39,843,031 equity shares (31 March 2021 33,043,031 equity shares) of ₹ 10/- each, fully paid up}			
Less: provision for impairment in the value of investments		(29.99)	(5.01)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
Minda D-Ten India Private Limited {2,544,900 equity shares (31 March 2021 2,544,900 equity shares) of ₹ 10/- each, fully paid up}	3.81	3.81
Denso Ten Minda India Private Limited {35,525,000 equity shares (31 March 2021 35,525,000 equity shares) of ₹ 10/- each, fully paid up}	22.29	22.29
Kosei Minda Mould Private Limited {6,341,645 equity shares (31 March 2021- 6,341,645 equity shares) of ₹ 10/- each, fully paid up}	6.34	6.34
Tokai Rika Minda India Private Limited {6,53,57,143 equity shares (31 March 2021- 6,53,57,143 equity shares) of ₹ 10/- each, fully paid up}	65.45	65.45
Toyoda Gosei Minda India Private Limited {24,37,80,000 equity shares (31 March 2021- 24,37,80,000 equity shares) of ₹ 10/- each, fully paid up}	190.41	190.41
<b>Sub-Total (iii)</b>	<b>369.95</b>	<b>387.95</b>
	As at 31 March 2022	As at 31 March 2021
<b>Unquoted investment in the capital of partnership firms {refer note (b) below}</b>		
<b>(iv) Investment in subsidiaries</b>		
Auto Component {Refer note (d) below and note 34}	5.41	-
YA Auto Industries {Refer note (d) below and note 34}	3.45	1.89
Samaira Engineering {Refer note (d) below and note 34}	7.37	-
S.M. Auto Industries {Refer note (d) below and note 34}	3.68	-
<b>Sub-Total (iv)</b>	<b>19.91</b>	<b>1.89</b>
<b>(v) Investment in associates</b>		
Yogendra Engineering	0.08	0.08
Auto Component {Refer note (d) below and note 34}	-	4.14
<b>Sub-Total (v)</b>	<b>0.08</b>	<b>4.22</b>
<b>(vi) Unquoted equity investments measured at fair value through profit and loss:</b>		
Minda Industria E Comercio De Autopeca Limited {Nil equity shares (31 March 2021 25,000 equity shares) of Brazilian \$ 1 each, fully paid up}	-	0.07
Less: provision for impairment in the value of investments	-	(0.07)
OPG Power Generation Private Limited {37,700 equity shares (31 March 2021 37,700 equity shares) of ₹ 11/- each, fully paid up}	0.01	0.04
Life Insurance Corporation of India, Mumbai (Group annuity policy for Pension to employees)	-	0.76
<b>Sub-Total (vi)</b>	<b>0.01</b>	<b>0.80</b>
<b>6(A) Total (i) to (vi)</b>	<b>1,194.10</b>	<b>1,131.93</b>
Aggregate value of unquoted equity investments valued at cost	1,220.49	1,146.43
Aggregate value of unquoted investment in the capital of partnership firms	19.99	6.11
Aggregate value of unquoted equity investments measured at fair value through profit and loss	0.01	0.80
Aggregate market value of unquoted equity investments measured at fair value through profit and loss	0.01	0.80
Aggregate amount of impairment in value of investments	(46.39)	(21.41)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

### Notes:

- (a) The Company is of the view that the operations of its each investee companies represent a single cash-generating unit ('CGU'). The Company has identified the investments where indicators of impairment exists and performed an impairment assessment on those investments as at 31 March 2022 and 31 March 2021 to ascertain the recoverable amount of their respective CGU. The recoverable amount is determined based on value in use calculation. The Company adjusts the carrying value of the investment for the consequential impairment loss, if any. These calculations uses management assumptions and pre tax cash flow projections based on financed budgets approved by management covering generally over a period of 5 years. Cash flow projection beyond 5 years time period are extrapolated using the estimated growth rates which is consistent with forecasts included in industry reports specific to industry in which CGU operates. The Company has recognised the impairment loss with respect to one CGU (31 March 2021: Two CGU) where the recoverable amount was lower than the carrying value of the CGU and this resulted in an impairment charge of ₹ 24.98 Crores (31 March 2021 ₹ 10.00 Crores) recognised under 'Exceptional items' in the statement of profit and loss. Management has determined following assumptions for impairment testing of CGU as stated below:

Particulars	31 March 2022	31 March 2021
Terminal growth rate	4% - 5%	4% - 5%
Weighted average cost of capital	9% - 15%	7% - 15%

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. Management has performed a sensitivity analysis with respect to changes in assumptions for assessment of value-in-use of CGU. Based on this analysis, management believes that change in any of above assumption would not cause any material possible change in carrying value of unit's CGU over and above its recoverable amount.

- (b) Following are the details of investment in partnership firm disclosing their capital and share of profit/(loss) as at 31 March 2022 and 31 March 2021:

Partnership Firm	Name of the Partners	As at 31 March 2022		As at 31 March 2021	
		Share in total Capital	Share in Profit	Share in total Capital	Share in Profit
Auto Component	Minda Industries Limited	5.41	95.00%	4.14	48.90%
	Mr. Nirmal K. Minda	-	-	1.84	20.55%
	Ms. Pallak Minda	-	-	2.20	25.55%
	Mr. Sanjeev Garg	0.28	5.00%	0.29	5.00%
YA Auto Industries	Minda Industries Limited	3.45	87.50%	1.89	51.00%
	Mr. Sanjeev Garg	0.49	12.50%	0.46	12.50%
	Mrs. Suman Minda	-	-	1.35	36.50%
Yogendra Engineering	Minda Industries Limited	0.08	48.90%	0.08	48.90%
	Mr. Sanjeev Garg	0.03	12.50%	0.03	12.50%
	Mrs. Suman Minda	-	38.60%	-	38.60%
Samaira Engineering	Minda Industries Limited	7.37	87.50%	-	-
	Mr. Sanjeev Garg	1.05	12.50%	-	-
S.M. Auto Industries	Minda Industries Limited	3.68	87.50%	-	-
	Mr. Sanjeev Garg	0.46	12.50%	-	-

- (c) During the current year, pursuant to corporate restructuring of group companies, the business of wholly owned subsidiary company namely "iSYS RTS GmbH" has been merged with step down subsidiary companies namely "Uno Minda Europe GmbH" (formerly known as "Minda Delvis GmbH"), "Uno Minda System GmbH" (formerly known as "Delvis Product GmbH") and "CREATE GmbH" (formerly known as "Delvis Solution GmbH") and consideration for the said transaction has been discharged by way of allotment of 18,286 equity shares in step down subsidiary company namely "Uno Minda Europe GmbH" in lieu of shareholding in wholly owned subsidiary company based on share swap ratio.
- (d) During the current year, the Company has acquired additional stake in partnership firm namely "Auto Component" and has made new investment in partnership firms namely "Samaira Engineering" and "SM Auto Industries" due to which these entities have become subsidiaries of the company (refere note 34).
- (e) Increase in number of shares in the current year is due to transfer of 98,48,040 shares taken place in the current year pursuant to settlement of consideration payable in previous year.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>(B) Current Investments</b>		
<b>Quoted investments measured at fair value through profit and loss:</b>		
Investments in mutual funds of Axis Mutual fund {88,984.87 units (31 March 2021: Nil) of ₹ 1123.95 per unit}	10.00	-
	<b>10.00</b>	-
Aggregate value of quoted investments measured at fair value through profit and loss	10.00	-
Aggregate market value of quoted investments measured at fair value through profit and loss	10.00	-
Aggregate amount of impairment in value of investments	-	-

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>(C) Trade receivables (valued at amortised cost)</b>				
<b>(Unsecured)</b>				
Trade receivables from contract with customers - considered goods - billed	-	-	718.14	613.39
Trade receivables from contract with customers - considered goods - unbilled	-	-	49.88	1.24
Trade receivables from contract with customers - considered good – related parties	-	-	109.96	70.69
Trade receivables from contract with customers - credit impaired	-	-	5.51	7.83
	-	-	<b>883.49</b>	<b>693.15</b>
less: Impairment allowance for trade receivable - credit impaired	-	-	(5.51)	(7.83)
<b>Total</b>	-	-	<b>877.98</b>	<b>685.32</b>

**Notes:****(a) Trade receivables Ageing Schedule****As at 31 March 2022**

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	49.88	665.30	152.71	4.73	1.85	1.25	2.26	877.98
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	0.85	0.45	0.63	0.02	0.67	2.62
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	0.01	0.01	1.52	0.23	0.72	0.40	2.89
<b>Total</b>	<b>49.88</b>	<b>665.31</b>	<b>153.57</b>	<b>6.70</b>	<b>2.71</b>	<b>1.99</b>	<b>3.33</b>	<b>883.49</b>
Less: Impairment allowance for trade receivable - credit impaired								(5.51)
<b>Net Trade receivables</b>	<b>49.88</b>	<b>665.31</b>	<b>153.57</b>	<b>6.70</b>	<b>2.71</b>	<b>1.99</b>	<b>3.33</b>	<b>877.98</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

As at 31 March 2021 Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
			Undisputed Trade Receivables – considered good	1.24	549.67	128.39	2.47	
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	2.40	1.27	1.77	0.06	1.89	7.39
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	0.42	0.01	-	0.01	-	0.44
<b>Total</b>	<b>1.24</b>	<b>549.67</b>	<b>131.21</b>	<b>3.75</b>	<b>2.73</b>	<b>1.75</b>	<b>2.80</b>	<b>693.15</b>
Less: Impairment allowance for trade receivable - credit impaired								(7.83)
<b>Net Trade receivables</b>	<b>1.24</b>	<b>549.67</b>	<b>131.21</b>	<b>3.75</b>	<b>2.73</b>	<b>1.75</b>	<b>2.80</b>	<b>685.32</b>

	As at 31 March 2022	As at 31 March 2021
(b) The movement in allowance for expected credit loss on credit impairment trade receivables is as follows:		
<b>Balance as at beginning of the year</b>	7.83	5.63
Addition during the year	2.64	2.20
Utilisation of provision during the year	(4.96)	-
<b>Balance as at the end of the year</b>	<b>5.51</b>	<b>7.83</b>
(d) Trade receivables includes ₹ 17.45 Crores (31 March 2021: ₹ 24.05 Crores ) due from private companies in which director of the Company is a director. Apart from this there is no other trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.		
(e) For terms and conditions relating to related party receivables, refer Note 33.		
(f) Trade receivables are non-interest bearing and are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.		

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>(D) Cash and cash equivalents (valued at amortised cost)</b>				
Balances with banks				
In current / cash credit accounts	-	-	55.50	61.66
Deposits with a original maturity of less than three months {refer note (b)}	-	-	0.50	12.35
Cash on hand	-	-	0.42	0.30
	-	-	<b>56.42</b>	<b>74.31</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**Notes:**

- (a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.
- (b) Short-term deposits are made of varying periods between one day to three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposits rates.
- (c) **Change in liabilities arising from financing activities:**

	Long term borrowing		Short term borrowing		Lease liabilities	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Opening balance	425.96	602.73	221.86	128.42	23.56	29.51
Addition on account of new leases during the year	-	-	-	-	31.37	7.54
Addition of debt component of other financial instruments	212.46	-	-	-	-	-
Redemption of debt component of other financial instruments	(212.34)	-	-	-	-	-
Deletion during the year	-	-	-	-	(8.68)	(8.00)
Cash inflow	30.00	-	-	98.93	-	-
Cash outflow	(269.93)	(177.64)	(69.35)	(11.22)	(10.20)	(7.67)
Finance cost	12.73	22.01	8.87	11.22	2.41	2.18
Payment of finance cost	(11.98)	(18.49)	(8.87)	-	-	-
Interest accrued but not due	(0.75)	(2.65)	-	-	-	-
Others	-	-	-	(5.49)	-	-
<b>Closing balance</b>	<b>186.15</b>	<b>425.96</b>	<b>152.51</b>	<b>221.86</b>	<b>38.46</b>	<b>23.56</b>
Long term borrowing {refer note 12(A)}	82.89	292.46	-	-	-	-
Current maturity of long term borrowing {refer note 12(A)}	103.26	133.50	-	-	-	-
Short term borrowing {refer note 12(A)}	-	-	152.51	221.86	-	-
Non-current lease liability {refer note 12(B)}	-	-	-	-	34.13	16.94
Current maturity of long term lease liability {refer note 12(B)}	-	-	-	-	4.33	6.62

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>(E) Other Bank balances (valued at amortised cost)</b>				
Deposits with original maturity of more than three months but less than twelve months {refer note (a)}	-	-	3.59	4.44
Deposits with original maturity of more than twelve months	0.61	0.46	2.10	-
Unpaid dividend accounts {refer note (b)}	-	-	0.72	0.72
	<b>0.61</b>	<b>0.46</b>	<b>6.41</b>	<b>5.16</b>

**Notes:**

- (a) The deposits maintained by the Company with banks comprise of the time deposits, which may be withdrawn by the Company at any point of time without prior notice and are made of varying periods between three months to twelve months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.
- (b) Unpaid dividend includes the amount payable to Investor Education and Protection Fund amounting to ₹ 0.02 Crores which has been paid on 23 May 2022. Apart from this, unpaid dividend account does not include any amount payable to Investor Education and Protection Fund. The Company can utilise the balance towards settlement of unclaimed dividend.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>(F) Other financial assets (Unsecured, considered good unless otherwise stated)</b>				
<b>Financial assets measured at fair value through profit and loss</b>				
Derivatives financial instruments	-	-	5.21	2.69
<b>Financial assets measured at amortised cost</b>				
Security deposits	18.53	19.92	2.02	0.17
Interest accrued on bank deposits	-	-	-	0.65
Loan to employees	-	-	4.16	2.84
Incentive receivable {refer note (i)}	-	-	0.39	2.67
Others {refer note (ii)}	-	-	18.00	2.77
	<b>18.53</b>	<b>19.92</b>	<b>29.78</b>	<b>11.79</b>
Less: Impairment allowance for security deposit - credit impaired	(1.58)	-	-	-
	<b>16.95</b>	<b>19.92</b>	<b>29.78</b>	<b>11.79</b>

### Notes

#### (i) Movement of government grant receivable

	Year ended 31 March 2022	Year ended 31 March 2022
Opening balance	2.67	3.54
Accrual of grant related to income (credited to statement of profit and loss account) {refer note below}	8.77	6.15
Grant related to income realised	(11.05)	(7.02)
<b>Closing balance</b>	<b>0.39</b>	<b>2.67</b>

Note: The above grant relates to export incentive which is recognised in the statement of profit and loss {refer note (18)}

(ii) Others includes the claims receivable from customer and other receivable etc.

	As at 31 March 2022	As at 31 March 2021
<b>7 INVENTORIES</b>		
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw material and components	223.92	162.45
Work-in-progress	50.06	47.50
Finished goods	67.96	53.54
Traded goods	69.10	65.67
Stores and spares	28.77	21.43
Loose tools	32.19	19.28
	<b>472.00</b>	<b>369.87</b>

### Notes:

(a) Refer note 12(A) for inventory pledged/hypothecated as security for borrowing by the company.	<b>472.00</b>	<b>369.87</b>
(b) During the year ended 31 March 2022 ₹ 6.56 Crores (31 March 2021: ₹ 2.31 Crores) was recognised as an expense for inventories carried at net realisable value		
(c) The above includes the goods in transits as under:		
Raw material	11.02	7.12
Finished goods	47.89	30.15
Traded goods	14.94	13.68

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>8 OTHER ASSETS</b>				
<b>(Unsecured considered good, unless otherwise stated)</b>				
<b>Capital advances</b>	13.66	18.78	-	-
<b>Advance other than capital advance</b>				
Advance for material and supplies considered good	-	-	51.02	38.41
Advance for material and supplies credit impaired	-	-	2.21	2.27
<b>Others</b>				
Prepaid expenses	0.76	-	13.21	11.48
Balances with government authorities considered good	0.15	-	74.06	68.27
Balances with government authorities credit impaired	-	-	-	0.06
Others	-	-	0.07	0.75
	<b>14.57</b>	<b>18.78</b>	<b>140.57</b>	<b>121.24</b>
Less: Impairment allowance for advance for material and supplies credit impaired	-	-	(2.21)	(2.27)
Less: Impairment allowance for balances with government authorities credit impaired	-	-	-	(0.06)
	<b>14.57</b>	<b>18.78</b>	<b>138.36</b>	<b>118.91</b>

<b>9 NON-CURRENT TAX ASSETS</b>				
Income Tax assets (net of provision for income tax)	-	-	25.39	20.64
	-	-	<b>25.39</b>	<b>20.64</b>

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
<b>10 SHARE CAPITAL</b>				
(i) <b>Authorised Share capital</b>				
<b>Equity share capital</b>				
Equity shares of ₹2/- each with voting rights	73,62,13,000	147.24	65,07,53,000	130.15
Equity shares of ₹10/- each with voting rights	-	-	1,70,46,000	17.05
<b>Preference share capital</b>				
9% Cumulative redeemable preference shares of ₹10/- each (Class 'A')	-	-	30,00,000	3.00
3% Cumulative compulsorily convertible preference shares of ₹2,187/- each (Class 'B')	-	-	1,83,500	40.13
3% Cumulative redeemable preference shares of ₹10/- each (Class 'C')	-	-	35,00,000	3.50
1% Non-cumulative fully convertible preference shares of ₹10/- each (Class 'D')	-	-	1,00,00,000	10.00
8% Non-cumulative redeemable preference shares of ₹10/- each (Class 'E')	2,75,00,000	27.50	2,75,00,000	27.50
14% Non-cumulative Redeemable Preference shares of ₹10/- each	-	-	20,00,000	2.00
13.5% Preference shares of ₹10/- each (Class 'A')	-	-	2,000	0.00
13.5% Preference shares of ₹100/- each (Class 'B')	-	-	600	0.01
2% Redeemable preference shares of ₹10/- each (Class 'C')	-	-	1,10,000	0.11
0.01% Non-convertible redeemable Preference Shares of ₹ 100/- each	3,36,94,945	336.95	-	-
		<b>511.69</b>		<b>233.45</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
(ii) <b>Issued, subscribed and fully paid up Equity share capital</b>				
Equity shares of ₹2/- each with voting rights	28,56,20,441	57.12	27,19,28,704	54.39
	<b>28,56,20,441</b>	<b>57.12</b>	<b>27,19,28,704</b>	<b>54.39</b>
(iii) <b>Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>				
<b>Equity shares of ₹2/- each with voting rights</b>				
Balance at the beginning of the year	27,19,28,704	54.39	26,22,16,965	52.44
Add: Issue of equity shares under right issue	-	-	97,11,739	1.95
Add: Issue of equity shares on settlement of consideration payable	39,69,737	0.79	-	-
Add: Issue of equity shares under preferential allotment to qualified institutional buyers	97,22,000	1.94	-	-
<b>Balance at the end of the year</b>	<b>28,56,20,441</b>	<b>57.12</b>	<b>27,19,28,704</b>	<b>54.39</b>

**Note:** 0.01% Non-convertible redeemable Preference Shares of ₹ 100/- each are classified as compound financial instrument and liability component of these shares has been disclosed under non-current borrowing {refer note 12(A)(vii)}

### (iv) Details of shares held by promoters

#### As at 31 March 2022

Promoter and promoter group	As at 31 March 2022		As at 31 March 2021		% change during the year
	No. of shares	% of Total Shares	No. of shares	% of Total Shares	
<b>Equity shares of ₹2/- each with voting rights</b>					
Nirmal K. Minda	6,45,82,210	22.61%	6,70,62,700	24.66%	-2.05%
Mrs. Suman Minda	4,00,00,737	14.00%	4,00,00,737	14.71%	-0.71%
Pallak Minda	33,86,133	1.19%	33,86,133	1.25%	-0.06%
Paridhi Minda	33,86,133	1.19%	22,15,643	0.81%	0.38%
Amit Minda	1,00,000	0.04%	12,79,614	0.47%	-0.43%
Anand Kumar Minda	12,06,500	0.42%	41,500	0.02%	0.40%
Maa Vaishno devi Endowment	3,24,690	0.11%	3,24,690	0.12%	-0.01%
Minda Investments Limited	6,77,74,957	23.73%	6,69,44,957	24.62%	-0.89%
Singhal Fincap Limited	82,05,713	2.87%	77,25,713	2.84%	0.03%
Minda Finance Limited	37,38,624	1.31%	37,38,624	1.37%	-0.06%
<b>Total</b>	<b>19,27,05,697</b>	<b>67.47%</b>	<b>19,27,20,311</b>	<b>70.87%</b>	

#### As at 31 March 2021

Promoter and promoter group	As at 31 March 2021		As at 31 March 2020		% change during the year
	No. of shares	% of Total Shares	No. of shares	% of Total Shares	
<b>Equity shares of ₹2/- each with voting rights</b>					
Nirmal K. Minda	6,70,62,700	24.66%	6,53,71,530	24.93%	(0.27%)
Mrs. Suman Minda	4,00,00,737	14.71%	3,85,72,140	14.71%	-
Pallak Minda	33,86,133	1.25%	32,65,200	1.25%	-
Paridhi Minda	22,15,643	0.81%	17,10,115	0.65%	0.16%
Amit Minda	12,79,614	0.47%	12,92,520	0.49%	(0.02%)
Anand Kumar Minda	41,500	0.02%	54,000	0.02%	-
Maa Vaishno devi Endowment	3,24,690	0.12%	3,24,690	0.12%	-
Minda Investments Limited	6,69,44,957	24.62%	6,38,50,140	24.35%	0.27%
Singhal Fincap Limited	77,25,713	2.84%	74,49,795	2.84%	-
Minda Finance Limited	37,38,624	1.37%	37,38,302	1.43%	(0.06%)
<b>Total</b>	<b>19,27,20,311</b>	<b>70.87%</b>	<b>18,56,28,432</b>	<b>70.79%</b>	

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**(v) Details of shareholders holding more than 5% shares in the Company:**

Name of shareholders	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of ₹2/- each with voting rights</b>				
Mr. Nirmal K Minda	6,45,82,210	22.61%	6,70,62,700	24.66%
Mrs. Suman Minda	4,00,00,737	14.00%	4,00,00,737	14.71%
Minda Investments Limited	6,77,74,957	23.73%	6,69,44,957	24.62%
Matthews Asia Dividend Fund	1,22,54,092	4.29%	1,36,19,268	5.01%

**(vi) Terms/rights attached to equity shares**

The Company has only one class of issued equity shares capital having par value of ₹2/- per share (31 March 2021 ₹ 2/- per share). Each shareholder is entitled to one vote per share held. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential assets, in proportion to their shareholding.

**(vii) Terms/ rights attached to preference shares**

The Company has only one class of issued preference shares capital having par value of ₹100/- per share (31 March 2021 ₹ Nil) which are compulsorily redeemable on the expiry of 36 months from the date of allotment thereof with an option with to redeem them at the option of preference shareholder to redeem them any time after the expiry of 18 months, wherein the yield and the coupon shall be adjusted proportionately. Each 0.01% non-convertible redeemable preference share shall be redeemed at the issue price of ₹ 121.25 together with a yield of 7.5% p.a. on the issue price such that the redemption price, if redeemable preference shares are redeemed at the end of 36 months shall be ₹ 150.60 per share. The preference shares carry a dividend of 0.01% per annum. The dividend rights are non-cumulative. The preference shares rank ahead of the equity shares in the event of a liquidation. The presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policy.

**(viii) Aggregate number of shares issued as bonus and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date are as follows:**

	As at 31 March 2022	As at 31 March 2021
Equity shares allotted as fully paid up by way of bonus shares by capitalization of securities premium	17,43,42,310	17,43,42,310
Equity shares issued on settlement of consideration payable	39,69,737	-
0.01% Non-convertible redeemable Preference Shares issued on settlement of consideration payable *	1,88,84,662	-

\* Out of the 1,88,84,662 non-convertible redeemable preference shares issued during the year, 1,88,75,002 non-convertible redeemable preference shares have been redeemed during the year.

**(ix) During the previous year, the Board of Directors of the Company had approved issue of 9,711,739 fully paid up equity shares of face value of ₹ 2 each (the "Rights Equity Shares") amounting to ₹ 242.79 Crores at a price of ₹250 per Rights Equity Share (including securities premium of ₹248 per Rights Equity Share), in the ratio of 1 Rights Equity Shares for every 27 existing fully paid-up shares held by the eligible equity shareholders as on 17 August 2020, the Record date. Further, on 15 September 2020, the Rights Issue Committee of the Board of Directors approved the allotment of Rights Equity Shares in relation to the said Rights Issue and consequently Rights issue shares were issued during the previous year. There is no deviation in use of proceeds from the objects stated in the Offer document for rights issue.****(x) During the current year the Company has issued 97,22,000 fully paid up equity shares of face value of ₹ 2 each amounting to ₹ 699.98 Crores at a price of ₹ 720 per equity share (including securities premium of ₹ 718 per equity share) to Qualified institutional buyers (QIB) pursuant to resolution passed by board of directors dated 13 June 2021 and special resolution passed by shareholder in Extra-ordinary general meeting dated 22 July 2021. The funds so received have been utilised for the purpose for which these funds have been raised****(xi) Shares reserved for issue under Employee stock option plan**

Information relating to Employee stock option plan, including details of option issued, exercised and lapsed during the financial year and options outstanding as at end of the reporting period are set out in note 32.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

### (xii) Dividend paid and proposed

	As at 31 March 2022	As at 31 March 2021
<b>Dividend declared and paid during the year</b>		
Final dividend of ₹ 0.50 per share for the FY 2020-21 (₹ Nil per share for FY 2019-20)	14.28	-
Interim dividend of ₹ 0.50 per share for the FY 2021-22 (₹ 0.35 per share for FY 2020-21)	14.28	9.52
	<b>28.56</b>	<b>9.52</b>
<b>Proposed dividends on equity shares:</b>		
Final dividend for the year ended 31 March 2022 ₹ 1 per equity share of ₹ 2 each (31 March 2021: ₹ 0.50 per equity share of 2 each) recommended by the board of directors subject to approval of shareholders in the ensuing annual general meeting.	28.56	13.60
Final dividend for the year ended 31 March 2022 ₹ 0.01 per 0.01% non-convertible redeemable preference share of 100 each (31 March 2021: ₹ Nil ) recommended by the board of directors subject to approval of shareholders in the ensuing annual general meeting.	0.00	-
	<b>28.56</b>	<b>13.60</b>

#### Notes:

- The board of directors in their meeting held on 24 May 2022 have also proposed the bonus issue of 1 (one) equity share of ₹ 2 each held by the shareholders of the Company on the record date
- 0.00 represents the amount below ₹ 50,000

### 11 OTHER EQUITY

	As at 31 March 2022	As at 31 March 2021
Equity component of other financial instruments	6.55	6.55
Securities premium	1,406.00	592.51
Capital redemption reserve	18.39	18.39
Capital reserve	2.28	2.28
Capital reserves arising on amalgamation	26.56	26.56
General Reserve	64.03	64.03
Employee stock options reserve	27.61	2.25
Share pending issuances	-	-
Retained earnings	1,047.56	880.89
<b>Total other equity</b>	<b>2,598.98</b>	<b>1,593.46</b>

#### (i) Equity component of other financial instruments

<b>Opening balance</b>	6.55	6.55
Movement	-	-
<b>Closing balance</b>	<b>6.55</b>	<b>6.55</b>

#### (ii) Securities premium

<b>Opening balance</b>	592.51	357.20
Add: Security premium on issue of shares under right issue	-	240.85
Add: Security premium on issue of shares under preferential allotment	698.04	-
Add: Security premium on issue of non-convertible redeemable preference shares on settlement of consideration payable	125.43	-
Less: Amount utilised towards expenses incurred for issue of shares under right issue / preferential allotment	(9.98)	(2.41)
Less: Purchase of non controlling interest	-	(3.13)
<b>Closing balance</b>	<b>1,406.00</b>	<b>592.51</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
(iii) <b>Capital redemption reserve</b>		
<b>Opening balance</b>	18.39	18.39
Employee stock compensation expense	-	-
<b>Closing balance</b>	<b>18.39</b>	<b>18.39</b>
(iv) <b>Capital reserves</b>		
<b>Opening balance</b>	2.28	2.28
Movement	-	-
<b>Closing balance</b>	<b>2.28</b>	<b>2.28</b>
(v) <b>Capital reserves arising on amalgamation</b>		
<b>Opening balance</b>	26.56	26.56
Movement	-	-
<b>Closing balance</b>	<b>26.56</b>	<b>26.56</b>
(vi) <b>General Reserve</b>		
<b>Opening balance</b>	64.03	64.03
Employee stock compensation expense	-	-
<b>Closing balance</b>	<b>64.03</b>	<b>64.03</b>
(iii) <b>Employee stock options reserve</b>		
<b>Opening balance</b>	2.25	1.20
Employee stock compensation expense	25.36	1.05
<b>Closing balance</b>	<b>27.61</b>	<b>2.25</b>
(viii) <b>Share pending issuance</b>		
<b>Opening balance</b>	-	52.00
Purchase of non controlling interest	-	(52.00)
<b>Closing balance</b>	<b>-</b>	<b>-</b>
(ii) <b>Retained earnings</b>		
<b>Opening balance</b>	880.89	768.77
Net profit for the year	196.03	118.98
Other comprehensive income/ loss for the year	(0.80)	2.66
Dividend paid	(28.56)	(9.52)
<b>Closing balance</b>	<b>1,047.56</b>	<b>880.89</b>

**Nature and purpose of other reserves****(i) Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

**(ii) Retained earnings**

Retained earnings are the profits that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

**(iii) Employee stock options reserve**

The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

(iv) **General Reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(v) **Capital redemption reserve**

The capital redemption reserve is a non-distributable reserve and represents preference shares redeemed.

(vi) **Capital reserves arising on amalgamation**

Reserve created on account of merger of subsidiaries is not available for distribution of dividend and expected to remain invested permanently.

(vii) **Capital reserve**

The excess of net assets taken over the consideration paid, if any, is treated as capital reserve. This capital reserve has arisen as a result of scheme of amalgamation in the past periods.

(viii) **Share pending issuance**

It represents shares to be issued to a non-resident shareholder of transferor company pursuant to business combination.

(ix) **Equity component of other financial instruments**

Equity component of the other financial instruments is credited to other equity.

## 12 FINANCIAL LIABILITIES

### (A) Borrowings (valued at amortised cost)

	Long term borrowing		Short term borrowing	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
(a) <b>Term loans</b>				
Term loans from bank (secured) {refer note (i) below}	174.03	404.30	-	-
Term loans from others (secured) {refer note (ii) below}	-	9.66	-	-
Term loans from bank (unsecured) {refer note (iii) below}	12.00	12.00	-	-
(b) <b>Loans repayable on demand {refer note (ii) below}</b>				
Working capital demand loan/cash credit from banks (secured) {refer note (iv) below}	-	-	51.51	81.96
Working capital demand loan/cash credit from banks (unsecured) {refer note (v) below}	-	-	60.00	71.90
Working capital demand loan from others (unsecured) {refer note (vi) below}	-	-	41.00	68.00
(c) <b>Debt component of compound financial instruments</b> {refer note (viii) below}	0.12	-	-	-
(d) <b>Current maturities of long term borrowings</b>				
Current maturities of term loan (secured)	(103.26)	(121.50)	103.26	121.50
Current maturities of term loan (unsecured)	-	(12.00)	-	12.00
	<b>82.89</b>	<b>292.46</b>	<b>255.77</b>	<b>355.36</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**Notes:**

- (i)
- The details of repayment terms, rate of interest, and nature of securities provided in respect of secured term loans from banks are as below:**

Nature of security	Terms of repayment and rate of interest	As at 31 March 2022	As at 31 March 2021
<p>Rupee Term Loan from HDFC Bank obtained by the Company is secured by:</p> <p>Movable Fixed assets ~First Pari passu charge on all movable property, plant and equipment of the Company</p> <p>Immovable Fixed assets~ First Pari passu charge on Immovable property, plant and equipment of the Company. Collateral Details -</p> <p>i) Village Nawada, Fatehpur, PO-Sikandarpur Badda, Manesar,Gurgaon</p> <p>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonipat, Haryana</p> <p>iii) Plot No ME-I and ME-II, Sector- 2A, IMT Manesar</p> <p>iv) Land &amp; Bldg at Plot no. B-3, SIPCOT Industrial Park at Pillaipakkam,Vengadu Taluk, Sriperumpudur</p> <p>v) Plot No 5, Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttarakhand and</p> <p>vi) Plot No 5(A), Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttarakhand.</p> <p>Also, Negative Lien of</p> <p>i) Property No. B-6, MIDC, Chakan Industrial Area, Mahalunge, Taluka Khed, measuring 9300 sq mt and 11970 sq mt</p> <p>ii) Property No. B-1/5 MIDC, ChakanIndustrial Area, Mahalunge, Taluka Khed, measuring 18022 sq mt</p>	<p>Total loan sanctioned amounting to ₹100 Crores for the period of 60 Months including moratorium period of 18 months and repayable in 7 equal semi-annual payable post moratorium</p> <p>Rate of interest- Repo rate plus 155 bps (31 March 2021: 1 year MCLR)</p>	57.15	75.00
<p>External Commercial Borrowing from HSBC Bank by the Company is secured by : First pari passu charge on entire block of movable fixed assets of the company except those wherein other lenders have exclusive charge.</p> <p>First pari passu charge on equitable mortgage at below location:-</p> <p>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.</p> <p>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonapat, Haryana.</p> <p>iii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar</p> <p>iv) Plot No 5(A), Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttarakhand.</p> <p>v) Plot No ME-I and ME-II, Sector2A, IMT Manesar</p> <p>Negative Lien on :</p> <p>i) Plot No. B-1/5, Chakan Industrial Area, Nogoje, Taluka Khed, Pune</p> <p>ii) B-6, MIDC Chakan Industrial Area, Village Mahalunge, Taluka Khed, Distt. Pune.</p>	<p>Total loan sanctioned amounting to US\$ 1 Crores having tenure of 60 month including moratorium of 12 months and repayment in 16 equal quarterly payable post moratorium</p> <p>Rate of interest- 3 month LIBOR + 1.05% (31 March 2021: 3 month LIBOR + 1.05%)</p>	28.43	45.94

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

Nature of security	Terms of repayment and rate of interest	As at 31 March 2022	As at 31 March 2021
<p>External Commercial Borrowing from Citi Bank N.A. obtained by the Company is secured by: First pari passu charge on the property, plant and equipment subject to min FACR of 1.25x</p> <p>First pari passu charge on all movable and immovable property, plant and equipment of the Company at below locations:</p> <p>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.</p> <p>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonapat, Haryana.</p> <p>iii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar</p> <p>iv) Plot No 5(A), Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttarakhand.</p> <p>v) Plot No ME-I and ME-II, Sector2A, IMT Manesar.</p>	<p>Total loan sanctioned amounting to US\$ 0.8 Crores having tenure of 5 Years including moratorium of 12 months and repayment in 17 equal quarterly payable post moratorium</p> <p>Rate of interest- 3 months LIBOR + 0.90% (31 March 2021: 3 months LIBOR + 0.90%)</p>	20.13	32.53
<p>External Commercial Borrowing from HSBC Bank is secured by :</p> <p>First Parri Passu charge on entire block of Movable fixed assets of the company except those wherein other lenders have exclusive charge.</p> <p>First Pari passu charge on Equitable Mortgage at below locations:</p> <p>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.</p> <p>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonipat, Haryana.</p> <p>iii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar</p> <p>iv) Plot No 5(A), Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttarakhand.</p> <p>v) Plot No ME-I and ME-II, Sector 2A, IMT Manesar</p> <p>vi) Plot no. B-3, SIPCOT Industrial Park at Pillaipakkam, Vengadu Taluk, Sriperumpudur</p> <p>Negative Lien on :</p> <p>i) Plot No. B-1/5, Chakan Industrial Area, Nogoje, Taluka Khed, Pune</p> <p>ii) B-6, MIDC Chakan Industrial Area, Village Mahalunge, Taluka Khed, Distt. Pune.</p>	<p>Total loan sanctioned amounting to US\$ 1.50 Crores having tenure of 75 month including moratorium of 15 months and repayment in 20 equal quarterly payable post moratorium. The loan has been fully repaid during the current year.</p> <p>Rate of interest- 3 months LIBOR + 1% (31 March 2021: 3 months LIBOR + 1%)</p>	-	110.26
<p>External Commercial Borrowing from Citi Bank is secured by : First pari-passu charge on entire block of movable fixed asset of the company except those wherein lenders have exclusive charge</p> <p>First pari-passu charge on immovable property by equitable mortgage as below:</p> <p>i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram.</p> <p>ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonipat, Haryana.</p>	<p>Total loan sanctioned amounting to US\$ 1.40 Crores having tenure of 5 Years including moratorium of 18 months and repayment in 14 equal quarterly instalments post moratorium.</p>	68.32	95.56

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

Nature of security	Terms of repayment and rate of interest	As at 31 March 2022	As at 31 March 2021
iii) Plot no. -5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal iv) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal. v) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram. vi) Plot no. B-3, SIPCOT Industrial Park at Pillaipakkam, Vengadu Taluk, Sriperumpudur Negative Lien on : i) Plot No. B-1/5, Chakan Industrial Area, Nogoje, Taluka Khed, Pune ii) B-6, MIDC Chakan Industrial Area, Village Mahalunge, Taluka Khed, Distt.Pune.	Rate of interest- 3 months LIBOR + 0.75% (31 March 2021: 3 months LIBOR + 0.75%)		
Rupee term loan from Axis Bank obtained by the Company is secured by: First pari-passu charge on the entire fixed asset of the company both present and future as under (excluding immovable fixed asset situated at MIDC chakan Industrial area, pune i) Village Nawada, Fatehpur, PO Sikandarpur Badda, Manesar, Gurugram. ii) 34-35 KM, GT Karnal Road, Village Rasoi, Distt. Sonipat, Haryana. ii) Plot No.- 5, Sector-10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar iv) Plot No 5(A), Sector 10, Industrial Area, IIE Pantnagar, Udham Singh Nagar, Uttarakhand. v) Plot No ME-I and ME-II, Sector-2A, IMT Manesar vi) Plot no. B-3, SIPCOT Industrial Park at Pillaipakkam, Vengadu Taluk, Sriperumpudur. Negative Lien on : i) Plot No. B-1/5, Chakan Industrial Area, Nogoje, Taluka Khed, Pune ii) B-6, MIDC Chakan Industrial Area, Village Mahalunge, Taluka Khed, Distt. Pune.	Total loan sanctioned amounting to ₹ 30 Crores having tenure of 5.5 years including moratorium of 18 months and repayment in 16 equal quarterly instalments payable post moratorium. The loan has been fully repaid during the current year.  Rate of interest- 3 months MCLR + 0.10% (31 March 2021: 3 months MCLR + 0.10%)	-	30.00
Rupee term loan from Axis Bank is obtained in two tranches and secured by way of: Loan -1: Primary charge by way of first pari-passu charge on movable fixed asset of the company, both present and future. Collateral charge - First charge on equitable mortgage of land & building situated at CHAKAN (Pune) Second charge by way of hypothecation of entire current asset of the company assets of the company, both present and future. Letter of comfort from Minda Industries Limited backed by board resolution	Loan 1- Total loan sanctioned amounting to ₹30 Crores of which loan of ₹ 15 Crores was availed in FY 2020-21 repayable in 24 quarterly instalments of ₹1.25 Crores each starting after 12 months from the date of first disbursement. Rate of interest : 12 months MCLR + 1% (31 March 2021: 12 months MCLR + 1% )	-	15.01



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

Nature of security	Terms of repayment and rate of interest	As at 31 March 2022	As at 31 March 2021
Loan -2: Exclusive charges by way of equitable mortgage on land & Building situated at Chakan(Pune). Exclusive charge on movable fixed asset of company's Chakan plant, both present & future. Exclusive charge on movable fixed asset of company's Hosur and Sonipat plant, both present & future.	Loan 2- Total loan sanctioned amounting to ₹22 Crores repayable in 20 quarterly instalment of ₹ 1.10 Crores each starting after 6 months from the date of first disbursement. Rate of interest : MCLR + 1% (31 March 2021:MCLR + 1%) These loan have been fully repaid during the year		
<b>Total</b>		<b>174.03</b>	<b>404.30</b>

(ii) The details of repayment terms, rate of interest, and nature of securities provided in respect of secured term loans from others are as below:

Nature of security	Terms of repayment and rate of interest	As at 31 March 2022	As at 31 March 2021
Term loan from Bajaj Finance Limited obtained by the Company is secured by exclusive charge on entire movable and immovable fixed asset located at plot no. 12 & 13 Sector 16, HSIDC Industrial estate, Bahadurgarh-124507, Haryana with minimum fixed asset coverage ratio of 1.2x.	Loan sanctioned amounting to ₹28 Crores, repayable in 22 quarterly instalments of ₹1.27 Crores starting from March 2020. The Loan has been fully repaid during the year Rate of interest : 7.80% p.a. (31 March 2021: 9% p.a.)	-	9.66
<b>Total</b>		<b>-</b>	<b>9.66</b>

(iii) The details of repayment terms and rate of interest provided in respect of unsecured term loans from banks are as below:

Nature of security	Terms of repayment and rate of interest	As at 31 March 2022	As at 31 March 2021
Term Loan from Axis Bank ( Unsecured)	Bullet Repayment after 1 years from date of respective drawdowns. Repo Rate + 0.75% (31 March 2021: Repo Rate + 0.75%) During the current year, the Company has repaid the loan outstanding at the beginning of the year and has availed additional loan of ₹30.00 Crores.	12.00	12.00
<b>Total</b>		<b>12.00</b>	<b>12.00</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

- (iv)
- The details and nature of securities provided in respect of secured working capital demand loans/cash credit from bank are as below:**

<b>Bank Name (facility) Nature of security</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<p>Citibank (Cash Credit) is secured by:</p> <p>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.</p> <p>Second pari passu charge on property, plant and equipment of the Company as per detailed below:</p> <p>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat</p> <p>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram</p> <p>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.</p> <p>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.</p> <p>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.</p> <p>Negative lien on the following properties:</p> <p>a) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.</p> <p>b) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka Khed, Distt. Pune.</p>	-	14.00
<p>State Bank of India (Cash Credit) is secured by:</p> <p>Primary Security: 1st pari passu charge on hypothecation charge on entire current assets comprising:</p> <p>i) Stock of raw material, stores &amp; spares, consumables, work in progress, finished goods etc. at its works, godowns, etc. (present and future) and including stock in transit and cash / credit balance in their loan accounts.</p> <p>ii) All present and future Book Debts / Receivables as also clean or documentary bills, domestic or export, whether accepted or otherwise and the cheques / drafts / instruments etc. drawn in its favour.</p> <p>Collateral Security: NIL</p>	0.82	10.70
<p>Canara Bank (Cash Credit) is secured by:</p> <p>First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.</p> <p>Second pari passu charge on property, plant and equipment of the Company as per detailed below:</p> <p>a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat</p> <p>b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram</p> <p>c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.</p> <p>d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal.</p> <p>e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram.</p> <p>Negative lien on the following properties:</p> <p>a) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune.</p> <p>b) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune</p>	-	6.25

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

Bank Name (facility) Nature of security	As at 31 March 2022	As at 31 March 2021
Standard Chartered Bank (Cash Credit) is secured by: First pari passu charge on current assets both present & future. Negative lien on the following properties for working capital limits: a) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune. b) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka-Khed, Distt. Pune.	36.73	12.00
ICICI (Cash Credit) is secured by: First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future.	4.88	-
Short term loan from HDFC Bank obtained by the company Includes obligation against bills discounted and remaining unpaid as at year end. Factored receivables are secured by first charge on trade receivables.	9.08	5.76
HDFC Bank (Cash Credit) is secured by: First pari passu charge by way of hypothecation of entire current assets of the Company, both present and future. Second pari passu charge on property, plant and equipment of the Company as er detailed below: a) 34-35 K.M. G.T. Karnal Road, Rasoi, Sonipat b) Immovable property at village Nawada Fatehpur, Manesar, Gurugram c) Plot no. 5, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal. d) Plot no. 5A, Sector - 10, Industrial Area, IIE Pant Nagar, Udham Singh Nagar, Uttaranchal. e) Plot No ME-I and ME-II, Sector 2A, IMT Manesar, Gurugram. Negative lien on the following properties: a) Property at B-6, MIDC, Chakan Industrial Area, Village mahalunge, Taluka Khed, Distt. Pune. b) Property at B-1/5, MIDC Chakan Industrial Area, Village Nagoje, Taluka- Khed, Distt. Pune.	-	33.25
<b>Total</b>	<b>51.51</b>	<b>81.96</b>

(v) **The details of repayment terms and rate of interest in respect of unsecured working capital demand loans/cash credit accounts from banks are as below:**

Bank Name (facility) Nature of security	As at 31 March 2022	As at 31 March 2021
Working capital loan from Kotak Mahindra Bank is repayable within 90 days	-	9.50
Commercial Paper from Kotak Mahindra Bank. The same have been fully repaid during the current year	-	50.00
Packing Credit loan from HDFC Bank	-	12.40
Working capital loan from HDFC Bank Limited is repayable within 15 days carried at the interest rate 4.30% p.a.	60.00	-
<b>Total</b>	<b>60.00</b>	<b>71.90</b>

(vi) **The details of repayment terms and rate of interest in respect of unsecured working capital demand loans from others are as below:**

Bank Name (facility) Nature of security	As at 31 March 2022	As at 31 March 2021
Working capital loan from Bajaj Finance Limited is repayable within 60-180 days carried at the interest rate 5.75% p.a.	41.00	68.00
<b>Total</b>	<b>41.00</b>	<b>68.00</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

- (vii) In pursuant to consideration payable on acquisition of Harita business in the previous year, the Company has discharged the consideration payable in the current year by way of allotment of 3,969,737 equity shares having a face value of 2 each at the price of 320 per equity share (including security premium of 318 per equity share) and 18,884,662 fully paid up 0.01% non-convertible redeemable preference shares having a face value of 100 each at the price of 121.25 per non-convertible redeemable preference shares (including security premium of 21.25 per non-convertible redeemable preference shares) in accordance with the scheme. Subsequently the preference shareholders of 18,875,002 non-convertible redeemable preference shares have exercised the option to redeem their shares in the current year, accordingly these shares were redeemed at a redemption price of ₹ 112.50 per non-convertible redeemable preference shares in accordance with the scheme and accounted the resultant gain on settlement of purchase consideration payable in other income (refer note 19). Remaining 9660 0.01% non-convertible redeemable preference are compulsorily redeemable on the expiry of 36 months
- (viii) As on 31 March 2022, the Company has outstanding 9,660 (31 March 2021: Nil) 0.01% non-convertible redeemable preference share, which are compulsorily redeemable on the expiry of 36 months from the date of allotment thereof with an option with to redeem them at the option of preference shareholder to redeem them any time after the expiry of 18 months, wherein the yield and the coupon shall be adjusted proportionately. Each 0.01% non-convertible redeemable preference share shall be redeemed at the issue price of ₹ 121.25 together with a yield of 7.5% p.a. on the issue price such that the redemption price, if redeemable preference shares are redeemed at the end of 36 months shall be ₹ 150.60 per share. The preference shares carry a dividend of 0.01% per annum. The dividend rights are non-cumulative. These shares are classified as compound financial instrument and liability component of the these shares has been disclosed under non-current borrowing.
- (ix) Term loan from bank and others contain certain debt covenants. The Company has satisfied all these debt covenants prescribed in the terms of these loans.
- (x) The Company has not made any default in the repayment of loans to banks and other financial institutions including interest thereon.
- (xi) The term loans have been used for the purpose for which they were obtained and funds raised for a short term basis have not been used for long term purposes.
- (xii) In pursuant to borrowing taken by the Company from banks on security of current assets, the Company is required to submit the information periodically which includes the stock statement, book debts statement, revenue, trade receivable and trade payable etc. During the current year, the Company has submitted the following financial information to all banks, from whom working capital demand loan has been taken, on quarterly basis which in some of these cases is not reconciled with books as follows:

Quarter ending	Amount as per books of account	Amount as reported in the quarterly return / statement	Discrepancies	Reason for material discrepancies
<b>Inventory</b>				
Jun-30	390.07	373.34	16.73	Due to timing differences in reporting to bank and routine book closure period adjustments.
Sep-30	416.98	375.16	41.82	
Dec-31	451.71	454.96	(3.25)	
Mar-31	472.00	465.84	6.16	
<b>Revenue</b>				
Jun-30	885.50	894.19	(8.69)	
Sep-30	2,185.26	2,297.17	(111.91)	
Dec-31	3,518.96	3,646.46	(127.51)	
Mar-31	4,959.73	5,008.05	(48.32)	
<b>Trade Payables</b>				
Jun-30	525.00	334.40	190.60	
Sep-30	802.07	665.91	136.16	
Dec-31	806.00	653.98	152.02	
Mar-31	868.33	690.22	178.11	
<b>Trade Receivables</b>				
Jun-30	544.45	521.67	22.78	
Sep-30	705.34	657.50	47.84	
Dec-31	727.56	697.05	30.51	
Mar-31	877.98	1,000.11	(122.13)	

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>(B) Lease liabilities (valued at amortised cost)</b>				
Lease liabilities (refer note 4)	34.13	16.94	4.33	6.62
	<b>34.13</b>	<b>16.94</b>	<b>4.33</b>	<b>6.62</b>
<b>(C) Trade payables (valued at amortised cost)</b>				
Total outstanding dues of micro enterprises and small enterprises	-	-	120.96	142.38
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	747.37	637.91
	-	-	<b>868.33</b>	<b>780.29</b>

### Notes:

#### (i) Trade payables Ageing Schedule

##### As at 31 March 2022

Particulars	Unbilled	Not due	Outstanding for following periods from the due date				Total
			less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	113.41	7.50	0.04	0.01	-	120.96
Undisputed dues of creditors other than micro enterprises and small enterprises	128.55	504.41	111.39	1.90	0.79	0.33	747.37
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>128.55</b>	<b>617.82</b>	<b>118.89</b>	<b>1.94</b>	<b>0.80</b>	<b>0.33</b>	<b>868.33</b>

##### As at 31 March 2021

Particulars	Unbilled	Not due	Outstanding for following periods from the due date				Total
			less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	59.59	82.79	-	-	-	142.38
Undisputed dues of creditors other than micro enterprises and small enterprises	70.09	289.02	268.06	9.15	0.13	1.46	637.91
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>70.09</b>	<b>348.61</b>	<b>350.85</b>	<b>9.15</b>	<b>0.13</b>	<b>1.46</b>	<b>780.29</b>

- (ii) The trade payables are unsecured and non interest-bearing and are usually on varying trade term.
- (iii) Trade Payables include due to related parties ₹ 181.71 Crores (31 March 2021 : ₹ 135.59 Crores) {refer to note 33}
- (iv) For terms and conditions with related parties. {refer to note 33}
- (v) The amounts falling in the category of more than 1 year are related to pending obligations on the part of the supplier as per agreed terms and conditions mentioned in respective contracts.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

- (vi) Trade payable includes acceptance amounting to ₹ 21.64 Crores.
- (vii) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31 March 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at 31 March 2022	As at 31 March 2021
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	120.87	141.76
Interest due on above	0.09	0.62
	<b>120.96</b>	<b>142.38</b>
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
Principal amount	81.80	68.10
Interest on above	0.14	0.82
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	0.24	0.18
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.33	0.80
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	0.99	0.80

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>(D) Other financial liabilities (valued at amortised cost)</b>				
Interest accrued but not due on non-current borrowings	-	-	0.75	2.65
Payable for purchase consideration {refer note 12(A)(vii)}	-	-	-	463.88
Unpaid dividend {refer note (i)}	-	-	0.72	0.74
Capital creditors	-	-	24.31	16.00
Trade/ security deposit received	-	-	7.37	0.83
Payable to employees	-	-	29.30	16.99
Others {refer note (ii)}	-	8.04	-	3.85
	-	<b>8.04</b>	<b>62.45</b>	<b>504.94</b>

**Notes:**

- (i) Unpaid dividend includes the amount payable to Investor Education and Protection Fund amounting to ₹ 0.02 Crores which has been paid on 23 May 2022. Apart from this, unpaid dividend account does not include any amount payable to Investor Education and Protection Fund.
- (ii) Other includes deferred payment credit from HSIIDC (Haryana State Industrial and Infrastructure Development Corporation Limited) by the Company and customer trade deposit etc.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>13 PROVISIONS</b>				
<b>Provision for employee benefits</b>				
Provision for Gratuity (refer note 31)	50.65	45.47	3.42	3.17
Provision for Pension (refer note 31)	4.01	4.01	-	-
Provision for compensated absences	-	17.02	29.47	9.68
<b>Others</b>				
Provision for warranty {refer note (i) below}	0.23	0.95	4.10	7.72
Others {refer note (ii) below}		-	24.15	-
	<b>54.89</b>	<b>67.45</b>	<b>61.14</b>	<b>20.57</b>

### Notes

- (i) The Company has made warranty provision on account of sale of products with warranty clause. These provisions are based on management's best estimate and based on past experience of the level of repairs and defective returns. Assumptions used to calculate the provisions for warranties are based on current sales levels and current information available about defective returns based on past trend for products sold and are consistent with those in the prior years. The assumptions made in relation to the current year are consistent with those in the prior year. The table below gives information about movement in warranty provisions

	As at 31 March 2022	As at 31 March 2021
<b>Balance as at beginning of the year</b>	8.67	6.24
Add: Provision made during the year	6.34	4.24
Less: Utilised during the year	(10.68)	(1.81)
Balance as at the end of the year	<b>4.33</b>	<b>8.67</b>
Non-current portion	0.23	0.95
Current portion	4.10	7.72

- (ii) It includes the provision for discount to be given by the Company at year end. The table below gives information about movement in warranty provisions

	As at 31 March 2022	As at 31 March 2021
<b>Balance as at beginning of the year</b>	-	-
Add: Provision made during the year	24.15	-
Less: Utilised during the year	-	-
Balance as at the end of the year	<b>24.15</b>	-
Current portion	24.15	-

	As at 31 March 2022	As at 31 March 2021
<b>14 INCOME TAX AND DEFERRED TAX</b>		
The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:		
<b>(a) Income tax expense in the statement of profit and loss comprises :</b>		
Current income tax charge	69.54	31.73
Adjustment in respect of current income tax of previous year	(1.82)	-
<b>Total current income tax</b>	<b>67.72</b>	<b>31.73</b>
<b>Deferred Tax charge / (credit)</b>		
Relating to origination and reversal of temporary differences	(1.47)	16.73
<b>Income tax expense reported in the statement of profit or loss</b>	<b>66.25</b>	<b>48.46</b>
<b>(b) Other Comprehensive Income</b>		
<b>Tax expense related to items recognised in Other comprehensive income during the year:</b>		
Deferred tax on re-measurement loss on defined benefit plans	0.43	(1.29)
<b>Income tax related to items recognised in Other comprehensive income during the year</b>	<b>0.43</b>	<b>(1.29)</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
<b>(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :</b>		
Accounting Profit before tax	262.28	167.44
Applicable tax rate	34.94%	34.94%
<b>Computed Tax Expense</b>	<b>91.65</b>	<b>58.51</b>
Tax impact of items not deductible in calculating the taxable income	(3.45)	0.08
Tax impact of income not taxable in calculating the taxable income	(20.96)	(9.94)
Difference in tax rate	(0.87)	(0.60)
Others	(0.12)	0.41
<b>Income tax charged to Statement of Profit and Loss at effective rate of 25.82% (31 March 2021: 18.51%)</b>	<b>66.25</b>	<b>48.46</b>

**(d) Deferred tax liabilities /(assets) comprises :**

	Balance Sheet		Charged to	
	As at 31 March 2022	As at 31 March 2021	Statement of profit and loss	Other comprehensive income
Property, plant and equipment and intangible assets	78.41	79.78	1.37	-
Provision for warranty	(1.51)	(3.06)	(1.55)	-
Expenses allowable on payment basis	(36.30)	(33.54)	2.34	0.43
Provision for impairment of trade receivable and other assets	(2.70)	(2.36)	0.34	-
Amortisation of expense under section 35D of Income tax act, 1961	(2.85)	(4.27)	(1.42)	-
Other Items giving rise to temporary differences	(5.53)	(5.14)	0.39	-
	<b>29.52</b>	<b>31.41</b>	<b>1.47</b>	<b>0.43</b>
Less: MAT credit entitlement	-	(13.54)	-	-
	<b>29.52</b>	<b>17.87</b>	<b>1.47</b>	<b>0.43</b>
	Balance Sheet		Charged to	
	As at 31 March 2021	As at 31 March 2020	Statement of profit and loss	Other comprehensive income
Property, plant and equipment and intangible assets	79.78	73.27	(6.51)	-
Provision for warranty	(3.06)	(2.18)	0.88	-
Expenses allowable on payment basis	(33.54)	(28.35)	6.48	(1.29)
Provision for impairment of trade receivable and other assets	(2.36)	(1.99)	0.37	-
Amortisation of expense under section 35D of Income tax act, 1961	(4.27)	(5.69)	(1.42)	-
Other Items giving rise to temporary differences	(5.14)	(9.84)	(4.70)	-
	<b>31.41</b>	<b>25.22</b>	<b>(4.90)</b>	<b>(1.29)</b>
Less: MAT credit entitlement	(13.54)	(15.28)	(11.83)	-
	<b>17.87</b>	<b>9.94</b>	<b>(16.73)</b>	<b>(1.29)</b>

	As at 31 March 2022	As at 31 March 2021
<b>(e) Deferred tax liabilities movement:</b>		
Opening balance as per last balance sheet	17.87	9.94
Deferred tax charged/(credited) to profit and loss account during the year	(1.47)	16.73
Deferred tax charged/(credited) to other comprehensive income account during the year	(0.43)	1.29
Utilisation of MAT credit entitlement	13.54	(10.09)
	<b>29.52</b>	<b>17.87</b>

**(f)** Effective tax rate has been calculated on profit before tax.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

### 15 CONTRACT BALANCES

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
(A) Trade Receivables {refer note (a) below and note 6(C)}	-	-	877.98	685.32
(B) Contract Liability {refer note (b) and note 18(iv)}	-	-	80.84	31.01

#### Notes

- (a) Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.
- (b) The Company has entered into the agreements with customers for sales of goods and services. The Company has identified these performance obligations and recognised the same as contract liabilities in respect of contracts, where the Company has obligation to deliver the goods and perform specified services to a customer for which the Company has received consideration. Contract liabilities have increased in the current year on account of increase in advance from customer pursuant to increase in business.

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>16 OTHER LIABILITIES</b>				
Deferred government grant {refer note (i) below}	-	-	13.36	21.05
Derivative liability	-	-	-	0.05
Statutory dues payable	-	-	36.50	32.00
	-	-	<b>49.86</b>	<b>53.10</b>

#### Notes:

#### (i) Movement of deferred government grant

It represents the government grants relating to the purchase of property, plant and equipment are included in current liabilities as deferred income and are credited to profit or loss when the Company has complied with the condition attached to the grant. The following table summaries the movement in deferred government grant:

<b>Opening balance</b>	-	-	21.05	18.35
Accrual of grant related to assets	-	-	10.93	6.57
Grant related to income realised	-	-	(18.62)	(3.87)
<b>Closing balance</b>	-	-	<b>13.36</b>	<b>21.05</b>

	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>17 CURRENT TAX LIABILITY</b>	-	-	16.08	-
Current tax liabilities (net of advance tax and tax deducted at source)	-	-	<b>16.08</b>	-

		For the year ended	For the year ended
		31 March 2022	31 March 2021
<b>18 REVENUE FROM OPERATIONS</b>			
<b>Revenue from contract with customers</b>			
Sale of products		4,685.20	3,524.32
Sale of services		192.11	113.56
	(A)	<b>4,877.31</b>	<b>3,637.88</b>
<b>Other operating revenues</b>			
Other operating revenues		82.42	62.76
	(B)	<b>82.42</b>	<b>62.76</b>
<b>Total revenue from operations</b>	(A) + (B)	<b>4,959.73</b>	<b>3,700.64</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

<b>Notes:</b>			
(i)	<b>Timing of revenue recognition</b>		
	Goods transferred at a point in time	4,685.20	3,524.32
	Services transferred over the time	192.11	113.56
	<b>Total revenue from contract with customers</b>	<b>4,877.31</b>	<b>3,637.88</b>
	Add: Other operating revenues	82.42	62.76
	<b>Total revenue from operations</b>	<b>4,959.73</b>	<b>3,700.64</b>
(ii)	<b>Revenue by location of customers</b>		
	Within India	4,578.35	3,341.86
	Outside India	381.38	258.78
	<b>Total revenue from operations</b>	<b>4,959.73</b>	<b>3,700.64</b>
(iii)	<b>Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>		
	Revenue as per contracted price	4,989.01	3,730.03
	Cash/sales discount	(24.06)	(19.97)
	Other sales incentive schemes	(87.64)	(72.18)
	<b>Revenue from contract with customers</b>	<b>4,877.31</b>	<b>3,637.88</b>
	Add: Other operating revenues	82.42	62.76
	<b>Total revenue from operations</b>	<b>4,959.73</b>	<b>3,700.64</b>
(iv)	<b>Unsatisfied performance obligations:</b>		
	Information about the Company's performance obligations are summarised below:		
	<b>Sale of products:</b> Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.		
	<b>Sales of services:</b> The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of service based on time elapsed and acceptance of the customer.		
	The transaction price allocated to remaining performance obligation (unsatisfied performance obligation) pertaining to sales of services as at 31 March 2022 and expected time to recognise the same as revenue is as follows:		
	Within one year	80.84	31.01
	More than one year	-	-
		<b>80.84</b>	<b>31.01</b>

	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
<b>19 OTHER INCOME</b>		
Interest income on financial assets carried at amortised cost		
Deposit with banks	1.03	1.99
Others	0.24	-
Interest on income tax refund	0.92	-
Dividend income from non-current investments measured at cost	33.65	19.98
Share in profit from partnership firms	13.75	8.50
Gain on settlement of financial liability measured at amortised cost	12.59	-
Fair value gain on financial assets/liabilities measured at fair value through profit and loss	2.52	0.56
Rental income	-	1.89
<b>Other non-operating income</b>		
Gain on sale of property, plant and equipment (net)	3.91	4.47
Exchange fluctuations (net)	-	8.17
Liabilities no longer required written back	6.49	1.26
Profit from sale of current investment	2.90	4.30
Corporate guarantee income	1.32	-
Miscellaneous income	0.60	3.50
	<b>79.92</b>	<b>54.62</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>20 COST OF RAW MATERIALS AND COMPONENTS CONSUMED</b>		
Raw materials and components at the beginning of the year	162.45	120.01
Add: Purchases	2,700.81	2,036.84
Less: Raw materials and components at the end of the year	(223.92)	(162.45)
	<b>2,639.34</b>	<b>1,994.40</b>
<b>21 PURCHASES OF TRADED GOODS</b>	<b>685.52</b>	<b>465.47</b>
	<b>685.52</b>	<b>465.47</b>
<b>22 CHANGES IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK IN PROGRESS</b>		
<b>Inventories at the end of the year:</b>		
Work-in-progress	50.06	47.50
Finished goods	67.96	53.54
Traded goods	69.10	65.67
	<b>187.12</b>	<b>166.71</b>
<b>Inventories at the beginning of the year:</b>		
Work-in-progress	47.50	27.86
Finished goods	53.54	39.16
Traded goods	65.67	61.18
	<b>166.71</b>	<b>128.20</b>
<b>Net (increase) / decrease in inventories</b>	<b>(20.41)</b>	<b>(38.51)</b>
<b>23 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	538.28	422.13
Contribution to provident and other funds	26.94	21.66
Employees share based payment expense (refer note 32)	20.75	1.05
Net defined benefit plan expense (Gratuity and Pension benefit) (Refer note 31)	10.93	10.57
Staff welfare expense	36.57	28.64
	<b>633.47</b>	<b>484.05</b>
<b>24 FINANCE COSTS</b>		
Interest on borrowings	21.60	33.23
Interest on debt portion of compound financial instrument	4.88	-
Exchange differences regarded as an adjustment to borrowing costs;	1.87	1.43
Interest expense on lease liabilities	2.41	2.18
Other borrowing costs	3.18	1.69
	<b>33.94</b>	<b>38.53</b>
<b>25 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on property, plant and equipment (refer note 3)	158.17	140.27
Amortisation on intangible assets (refer note 5)	25.77	29.27
Depreciation on right-of-use assets (refer note 4)	6.58	8.31
	<b>190.52</b>	<b>177.85</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>26 OTHER EXPENSES</b>		
Power and fuel	111.74	81.56
Consumption of stores and spare parts	81.61	60.23
Job work charges	65.97	36.44
Rent expense	22.59	19.27
Repairs and maintenance:		
Buildings	12.35	9.75
Plant and machinery	16.58	22.72
Others	3.24	3.07
Rates and taxes	3.14	1.62
Travelling and conveyance expense	38.02	26.14
Legal and professional charges {refer note (i) below}	30.38	21.13
Insurance expense	6.96	5.10
Director's sitting fee	0.34	0.30
Advertisement and sales promotion expense	10.59	10.21
Printing and stationery expense	2.48	2.02
Impairment allowance for trade receivable - credit impaired	2.64	2.20
Impairment allowance for other financial assets - credit impaired	-	2.27
Bad trade written off	0.23	-
Contribution towards corporate social responsibility expense (CSR) {refer note 28}	3.26	3.66
Fair value loss on financial assets/liabilities measured at fair value through profit and loss	-	5.60
Warranty expense (refer note 13)	6.34	4.24
Royalty expenses	-	3.81
Freight and other distribution expense	93.77	79.07
Exchange fluctuations (net)	2.31	-
Research and development expenses	21.13	3.71
Annual maintenance charges	9.04	5.91
Miscellaneous expenses	45.30	46.00
	<b>590.01</b>	<b>456.03</b>

**Note:****(i) Details of payments to auditors**

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>As auditor:</b>		
Audit fee	0.88	1.36
Limited review fee	0.30	0.42
<b>In other capacities:</b>		
Certification fee and others	0.04	0.61
Reimbursement of expenses	0.09	0.09
<b>Total (included in legal and professional charges)</b>	<b>1.31</b>	<b>2.48</b>
<b>Others *</b>		
Other services (included in legal and professional charges)	0.85	-
Other services (included in share issue expenses under other equity)	-	0.85
Reimbursement of expenses	-	0.03
<b>Total</b>	<b>0.85</b>	<b>0.88</b>

\* It represents the payment made to erstwhile statutory auditor who retired out during the year as per the provision of Companies Act 2013



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

### 27 COMMITMENTS AND CONTINGENCIES

#### (A) Contingent liabilities (to the extent not provided for)

	As at 31 March 2022	As at 31 March 2021
(a) Claims made against the Company not acknowledged as debts (including interest, wherever applicable)	1.69	1.48
(a) Disputed tax liabilities in respect of pending litigations before appellate authorities	73.29	19.81

#### Notes:

- (i) Claims / suits filed against the Company not acknowledged as debts which represents various legal cases filed against the company. The Company has disclaimed the liability and defending the action. The Company has been advised by its legal counsel that its position is likely to be upheld in the litigation process and accordingly no provision for any liability has been made in the financial statement.
- (ii) The various disputed tax litigations are as under:

Particulars	Disputed amountn as at 31 March 2022	Disputed amountn as at 31 March 2021
Income tax matters (Disallowances and additions made by the income tax department)	4.57	9.30
Excise / Custom/ Service tax matters (Demands raised by the excise / custom / service tax department )	5.15	5.13
Sales tax / VAT matters (Demands raised by the Sales tax / VAT department )	63.53	3.33
Goods and service tax matters (Demands raised by the GST department )	0.04	2.05
<b>Total</b>	<b>73.29</b>	<b>19.81</b>

**Note:** The Company has ongoing disputes with various judicial forums relating to tax treatment of certain items in respect of income tax, excise, sales tax, VAT, service tax and GST. The Company is contesting these demands and the management believes that our position will likely to be upheld in the appellate process and accordingly no provision has been accrued in the financial statements to these demands raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

- (c) Corporate guarantees given by the Company and outstanding as at 31 March 2022 amounting to ₹ 130.73 Crores (₹ 130.73 Crores as on 31 March 2021) in respect of loans taken by related parties. Further, the Company has also provided 'letter of comfort' amounting to ₹ 16.36 Crores (previous year ₹ 16.36 Crores as on 31 March 2021) in respect of loans taken by related party from banks.
- (d) The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision is pending before the SC for disposal. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively. Pending the outcome of the review petition and directions from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the standalone financial statements.

#### (B) Capital and other commitments (net of advance)

	As at 31 March 2022	As at 31 March 2021
(a) Estimated amount of contracts remaining to be executed on account of capital and other commitments (net of advance) and not provided for	27.57	12.40
(b) Estimated amount of investment to be made as per government incentive scheme	167.89	199.34

- (c) During the year 2002-03, the Director, Town and Country Planning, Chandigarh issued a demand notice on the Company amounting to ₹ 0.39 Crores towards revised CLU (change of land use) charges for the land situated at Village Nawada Fatehpur, P.O. Sikanderpur Badda, Gurugram, and Haryana (Manesar land). The Company paid ₹0.02 Crores and had also filed a Special Leave Petition (SLP) with the Hon'ble Supreme Court of India, basis which a leave had been granted. Further,

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

the Company had deposited ₹0.09 Crores as under protest with the authorities. During the previous years, the Company had filed a writ petition with the High Court of Punjab and Haryana in order to cancel the demand notice and obtain a stay on the balance demand. Further, the Company had withdrawn the petition and accordingly had asked Town and Country Planning, Chandigarh to review and waive of the liability of remaining balance of ₹0.28 Crores and the interest thereon amounting to ₹0.50 Crores (previous year ₹0.47 Crores) towards revised CLU charges after adjusting the amount of ₹0.11 Crores paid earlier.

- (d) The Company had applied for grant of license under 'Affordable Housing Policy- 2013' on the land measuring 5 acres in Manesar land and paid scrutiny fee (non-refundable) amounting to ₹0.03 Crores in this respect, which was received during the earlier year. The Company had paid ₹0.43 Crores towards CLU charges during the previous year. The Company had further applied for grant of similar license on additional land measuring 5 acres in Manesar land.

During the previous year, the Company had applied for migration of license received under 'Affordable Housing Policy- 2013' admeasuring 5 acres to "Deen Dayal Awas Yojna Scheme" of the Government and withdrawn other pending applications. Further, the Company had applied for Manesar land admeasuring 10 acres (including share of a subsidiary "Mindarika Private Limited") under "Deen Dayal Awas Yojna Scheme" and paid application money of ₹ 0.92 Crores.

- (e) During the previous year, the Company had considered the option of re-locating the manufacturing units from Sector 81, Gurgaon to Bawal, Dharuhera, IMT Manesar, Farrukhnagar. The Company considered factors such as price, distance and convenience of employees and other stake holders' and was of the view that shifting to Farrukhnagar would be a suitable option. In this respect, the Company had taken on lease land admeasuring 14.37 acres in Farrukhnagar, Haryana (which is close to existing Manesar plant) and took land on lease for 99 years at a lump-sum rent of ₹ 0.05 Crores for entire tenure. The Company has received CLU (change of land use from agricultural to industrial) for Farrukhnagar land on March 17, 2022. As the CLU is received in March 2022, the Company will cancel the lease and purchase the land at fair market price as determined by registered valuer.
- (f) The Company has given letter of support to its subsidiary companies namely "Minda Storage Batteries Private Limited" and "Global Mazinkert S.L." considering the financial situation of these companies.
- (g) Liability of customs duty towards export obligation undertaken by the Company under "Export Promotion Capital Goods Scheme (EPCG)" amounting to ₹ 5.52 crores (₹ 6.60 crores as on 31 March 2020).

As per the EPCG terms and conditions, Company needs to export ₹ 33.12 crores (₹ 39.59 crores as on 31 March 2020) i.e. 6 times of duty saved on import of Capital goods on FOB basis within a period of 6 years. If the Company does not export goods in prescribed time, then the Company may have to pay interest and penalty thereon.

- (h) The Company has availed MSIP incentive from the Ministry of Electronics amounting to ₹ 7.84 crores (March 3, 2021: ₹ Nil). In accordance with the MSIP guidelines, the amount may be refundable to the government if the specified conditions are not fulfilled within prescribed time.

**(C) Undrawn committed borrowing facility**

During the year, the Company has availed unsecured working capital limit amounting to ₹ 422.00 Crores from different banks out of which ₹ 269.49 remains undrawn as at 31 March 2022.

**28 CORPORATE SOCIAL RESPONSIBILITY**

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. Details are as below:

**Details of CSR Expenditure:**

( in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contribution to Suman Nirmal Minda Charitable Trust	3.26	3.26
Others	-	-
Accrual towards unspent obligation in relation to		
Ongoing Project	-	0.40
Other than ongoing Project	-	-
<b>Total</b>	<b>3.26</b>	<b>3.66</b>
Less: Excess spent during the year to be carry forward to next year	-	-
<b>Amount recognised in Statement of Profit and Loss</b>	<b>3.26</b>	<b>3.66</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Amount required to be spent as per section 135 of the Act	3.26	3.66
Amount approved by board to be spent during the year	3.26	3.66
Amount spent during the year on		
(i) Construction/ acquisition of assets	-	-
(ii) Contribution to trust / universities	3.26	3.26
(iii) On purpose other than above	-	-
<b>Total Amount Spent</b>	<b>3.26</b>	<b>3.26</b>
<b>Amount yet to be spent</b>	<b>-</b>	<b>0.40</b>
<b>Total</b>	<b>3.26</b>	<b>3.66</b>
Less: Excess spent during the year to be carry forward to next Financial Year	-	-
<b>Total</b>	<b>3.26</b>	<b>3.66</b>

### Details of ongoing CSR projects under Section 135(6) of the Act

Year	Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With the Company	In Separate CSR Unspent A/c		From Company's bank account	From Separate CSR Unspent account	With the Company	In Separate CSR Unspent A/c
2020-21	-	-	3.66	3.26	-	-	0.40
2021-22	-	0.40	3.26	3.26	0.40	-	-

### Details of CSR expenditure under Section 135(5) of the Act in respect of unspent amount other than ongoing projects

Year	Balance unspent at the beginning of the year	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent at the end of the year
2020-21	-	-	-	-	-
2021-22	-	-	-	-	-

### Details of excess CSR expenditure under Section 135(5) of the Act

Year	Balance excess spent at the beginning of the year	Amount required to be spent during the year	Amount spent during the year	Balance excess spent at the end of the year
2020-21	-	3.66	3.26	-
2021-22	-	3.26	3.26	-

Note: During the current year, the Company has contributed ₹ 3.26 to Suman Nirmal Minda Charitable Trust ("Charitable Trust") as a contribution towards ongoing project to be undertaken by the Charitable trust, however as at 31 March 2022, the charitable trust has spent ₹ 1.89 Crores for the purpose and balance amount of ₹ 1.37 Crores has been transferred to "Unspent CSR account" as per section 135(6) of the Companies Act 2013.

## 29 SEGMENT INFORMATION

The Company deals in only one business segment of manufacturing and sale of auto ancillary equipments and the chief operating decision maker (CODM) reviews the operations of the company as a whole, hence there is no reportable segments as per Ind AS 108 "Operating Segments". However the Company has disclosed the following entity wide disclosure as follows:

Particulars	Within India	Outside India	Total
<b>Revenue from operation by location of customers</b>			
Year Ended 31 March 2022	4,578.35	381.38	4,959.73
Year Ended 31 March 2021	3,441.86	258.78	3,700.64

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Within India	Outside India	Total
<b>Total assets by geographical location</b>			
Year Ended 31 March 2022	4,164.05	92.28	4,256.33
Year Ended 31 March 2021	3,700.10	102.40	3,802.50
<b>Non-current operating assets by geographical location</b>			
Year Ended 31 March 2022	1,428.33	-	1,428.33
Year Ended 31 March 2021	1,364.19	-	1,364.19
<b>Capital expenditure - Property plant and equipments by geographical location</b>			
Year Ended 31 March 2022	217.91	-	217.91
Year Ended 31 March 2021	211.89	-	211.89
<b>Capital expenditure - Intangible assets by geographical location</b>			
Year Ended 31 March 2022	24.43	-	24.43
Year Ended 31 March 2021	23.84	-	23.84

**Notes:**

- (i) Capital expenditure consists of additions of property, plant and equipment, Capital work in progress and intangible assets net of capitalisation from previous year.
- (ii) There are no customers having revenue exceeding 10% of total revenue of the Company
- (iii) Non-current operating assets consist of property, plant and equipment, right of use assets, goodwill, intangible assets, intangible assets under development and other non-current assets.

**30 EARNINGS PER SHARE (EPS)**

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Basic Earnings per share</b>		
Profit after taxation	196.03	118.98
Weighted average number of equity shares outstanding during the year	28,13,83,398	26,73,78,821
<b>Basis earnings per share (one equity share of ₹ 2/- each)</b>	<b>6.97</b>	<b>4.45</b>
<b>Diluted Earnings per share</b>		
Profit after taxation	196.03	118.98
Weighted average number of equity shares for basic earning per share	28,13,83,398	26,73,78,821
Effect of dilution	11,29,887	1,13,08,395
Weighted average number of equity shares outstanding during the year adjusted for the effect of dilution	28,25,13,285	27,86,87,216
<b>Diluted earnings per share (one equity share of ₹ 2/- each)</b>	<b>6.94</b>	<b>4.27</b>

**31 GRATUITY AND OTHER POST RETIREMENT BENEFIT PLANS**

Disclosures pursuant to Ind AS - 19 "Employee Benefits" (notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act) are given below :

**(A) Defined benefit plan**

**The Company operates following defined benefit obligations:**

- (a) Gratuity: The employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the trust which maintains its investments with Life Insurance Corporation of India (LIC). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service usually gets a gratuity on departure 15 days of last drawn basic salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

- (b) Pension : The Company operates a defined benefit pension plan for its eligible employees which entitles the eligible employees certain benefit in form of guaranteed pension payable for life.

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plan:-

(i) **Net defined benefit asset/ (liability) recognised in the balance sheet**

Particulars	Pension Benefits		Gratuity Benefits	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Present value of defined benefit obligation	4.01	4.01	67.26	60.63
Fair value of plan assets	-	-	(13.19)	(11.99)
<b>Net asset/(liability) recognised in standalone balance sheet</b>	<b>4.01</b>	<b>4.01</b>	<b>54.07</b>	<b>48.64</b>
Non-current portion term (refer note 13)	4.01	4.01	50.65	45.47
Current portion (refer note 13)	-	-	3.42	3.17

(ii) **Net defined benefit expense (recognised in the statement of profit and loss for the year)**

Particulars	Pension Benefits		Gratuity Benefits	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	-	-	7.99	7.09
Interest cost (net)	-	0.30	2.94	3.18
<b>Net defined benefit expense debited to statement of profit and loss</b>	<b>-</b>	<b>0.30</b>	<b>10.93</b>	<b>10.27</b>

(iii) **The reconciliation of opening and closing balances of the present value of the defined benefit obligation are as below-**

Particulars	Pension Benefits		Gratuity Benefits	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Present value of obligation as at the beginning of the year	4.01	4.03	60.63	57.74
Current service cost	-	-	7.99	7.09
Interest cost	-	0.30	3.76	3.94
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:				
Actuarial changes arising from changes in demographic assumptions	-	-	-	-
Actuarial changes arising from changes in financial assumptions	-	(0.17)	(3.52)	(0.22)
Actuarial changes arising from changes in experience adjustments	-	(0.15)	4.88	(3.40)
Benefits paid	-	-	(6.48)	(3.82)
Transfer in/(out) liability	-	-	-	(0.70)
<b>Closing defined benefit obligation</b>	<b>4.01</b>	<b>4.01</b>	<b>67.26</b>	<b>60.63</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**(iv) Reconciliation of opening and closing balances of fair value of plan assets:**

Particulars	Pension Benefits		Gratuity Benefits	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Fair value of plan assets at the beginning of the year	-	-	11.99	10.72
Expected return on plan assets	-	-	0.82	0.76
Employer contribution	-	-	0.65	0.98
Actuarial gain/loss for the year	-	-	0.13	0.08
Benefits paid	-	-	(0.40)	(0.55)
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>	<b>13.19</b>	<b>11.99</b>

**(v) Re-measurements Gain/ (loss) recognised in other comprehensive income (OCI):**

Particulars	Pension Benefits		Gratuity Benefits	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:				
Actuarial changes arising from changes in demographic assumptions	-	-	-	-
Actuarial changes arising from changes in financial assumptions	-	(0.17)	(3.52)	(0.22)
Actuarial changes arising from changes in experience adjustments	-	(0.16)	4.88	(3.40)
Return on plan assets, excluding amount recognised in net interest expense	-	-	(0.13)	-
<b>Recognised in other comprehensive income</b>	<b>-</b>	<b>(0.33)</b>	<b>1.23</b>	<b>(3.62)</b>

**(vi) Broad categories of plan assets as a percentage of total assets**

Particulars	Pension		Gratuity	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Funds managed by insurer	-	-	100%	100%

**(vii) Principal actuarial used in recognition of Defined benefit obligation are as follows:**

Particulars	Pension Benefits		Gratuity Benefits	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate	7.00%	5.91%	7.20%	6.80% - 6.94%
Future salary increase	5.50%	5.50%	6.00% - 8.00%	5.50% - 8.00%
Expected return on plan assets	-	-	8.00%	8.00%
Retirement age (in years)	58	58	58	58

**Mortality rate**

Particulars	100% of IALM (2012-14)	100% of IALM (2006-08)	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition rates based on age (per annum):				
Up to 30 years	3.00	3.00	3%-12%	3%-12%
From 31 to 44 years	2.00	2.00	2%-10%	2%-10%
Above 44 years	1.00	1.00	1%-3%	1%-3%

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

(viii) Quantitative sensitivity analysis for significant assumptions is as shown below:

Particulars	Pension Benefits		Gratuity Benefits	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
1% increase in discount rate	(0.47)	(0.53)	(7.76)	(7.07)
1% decrease in discount rate	0.56	0.73	9.32	7.93
1% increase in salary escalation rate	0.93	0.67	8.18	6.98
1% decrease in salary escalation rate	(0.40)	(0.62)	(7.08)	(6.51)
50% increase in attrition rate	(0.66)	(0.60)	(0.27)	(0.75)
50% decrease in attrition rate	0.66	0.61	0.24	0.23
10% increase in mortality rate	(0.03)	(0.60)	(0.00)	(0.28)
10% decrease in mortality rate	0.02	0.60	0.01	0.27

(ix) Maturity profile of defined benefit obligation:

Particulars	Pension Benefits		Gratuity Benefits	
	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Within 1 year	0.02	0.27	3.47	3.17
2 to 5 years	0.52	0.97	12.88	11.37
6 to 10 years	2.22	1.94	26.31	22.75
More than 10 years	8.87	11.19	164.15	131.35

(x) The weighted average duration of the defined benefit plan obligation

Particulars	Pension Benefits		Gratuity Benefits	
	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	13 years	14 years	13 years	14 years

(xi) The plan assets are maintained with Life Insurance Corporation of India (LIC).

(xii) Enterprise best estimate of contribution during the next year is ₹ 62.72 Crores (31 March 2021: ₹ 55.69 Crores)

(xiii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(xiv) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period while holding all other assumptions constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(xv) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

(xvi) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**(B) Defined contribution plan**

Following are the contribution to Defined Contribution Plan, recognised as expense for the year:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(i) Provident fund paid to the authorities	24.54	19.32
(ii) Employee state insurance paid to the authorities	1.81	1.85
(iii) Superannuation fund	0.59	0.49
<b>Total</b>	<b>26.94</b>	<b>21.66</b>

**32 SHARE BASED PAYMENTS****UNO Minda Employee Stock Option Scheme – 2019**

The shareholders of the Company had approved the UNO Minda Employee Stock Option Scheme – 2019 (herein referred as UNOMINDA ESOS-2019) through postal ballot resolution dated 25 March 2019. The employee stock option scheme is designed to provide incentives to eligible employees of the company and its subsidiaries.

This scheme provided for conditional grant of stock options at nominal value to eligible employees as determined by the Nomination and Remuneration Committee from time to time. The vesting conditions under this scheme include the Company achieving the target market capitalisation. The maximum number of equity shares to be granted under the scheme shall not exceed 7,866,500 options. The scheme is monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

During the year, the nomination and remuneration committee vide its resolution dated 19 July 2021 has modified the vesting condition for achieving target of market capitalisation (closing price) from 27,000 Crores to 24,000 Crores on any day till 31 May 2022. Accordingly the company has accounted the said modification in accordance with Ind AS 102 "Share based payments".

Set out below is the summary of options granted under the plan:

Particulars	Average exercise price per share	No. of option as at 31 March 2022	Average exercise price per share	No. of option as at 31 March 2021
Outstanding at the beginning of the year	325	10,75,312	325	10,12,259
Granted during the year	325	1,62,340	325	88,325
Forfeited/ Expired during the year	325	(1,83,246)	325	(25,272)
Exercised during the year	325	-	325	-
<b>Outstanding at the end of the year</b>	<b>325</b>	<b>10,54,406</b>	<b>325</b>	<b>10,75,312</b>

No options were exercised during the year ended 31 March 2022 and 31 March 2021

Share options outstanding at the end of the current year and previous year have the following expiry date and exercise prices:

Date of Grant	Date of expiry	Exercise Price	Share option as at 31 March 2022	Share option as at 31 March 2021
16-05-2019	2 years from the date of vesting	325	8,49,156	9,86,987
28-01-2021	2 years from the date of vesting	325	46,491	88,325
13-06-2021	2 years from the date of vesting	325	1,58,759	-
<b>Total</b>			<b>10,54,406</b>	<b>10,75,312</b>

**Fair valuation**

The fair value at grant date of options granted during the year ended 31 March 2022 was ₹ 390.30 per option (31 March 2021 – ₹ 41.31). The fair value at grant date is independently determined using the Monte Carlo Simulation using Geometric Brownian Motion (GBM) which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The model inputs for options granted during the year includes the following:

- Options are granted for no consideration and vested options are exercisable for a period of two years after vesting
- Exercise Price: ₹ 325 (31 March 2021 - ₹ 325)
- Grant date: 13 June 2021 (31 March 2021 – 28 January 2021)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

- (d) Expiry date: 2 years from the date of vesting (31 March 2021 – 2 years from the date of vesting )
- (e) Share price at grant date: ₹ 612.95 (31 March 2021 – ₹ 318.00)
- (f) Expected price volatility of the company's shares: 44.70% (31 March 2021 – 41%)
- (g) Expected dividend yield: 0.32% (31 March 2021 – 0.63%)
- (h) Risk-free interest rate: 5.19% (31 March 2021– 7.13%)

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

### 33 RELATED PARTY DISCLOSURES

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", {under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time)}, as disclosed below:

#### (A) Names of related parties and description of relationship:

##### (i) Related parties where control exists:

Entity Name	Relationship
Minda Kyoraku Limited	Subsidiary
PT Minda Asean Automotive	Subsidiary
PT Minda Trading	Stepdown subsidiary
SAM Global Pte. Limited	Subsidiary
Minda Korea Co. Limited	Stepdown subsidiary (w.e.f. 18 June 2020)
Minda Industries Vietnam Company Limited	Stepdown subsidiary
UNO Minda Europe GmbH (formerly known as Minda Delvis GmbH) {refer note 6(A)(c)}	Stepdown subsidiary
UNO Minda Systems GmbH (formerly known as Delvis Products) {refer note 6(A)(c)}	Stepdown subsidiary
Creat GmbH (formerly known as Delvis Solutions)	Stepdown subsidiary
Global Mazinkert S.L.	Subsidiary
Clarton Horn, Spain	Stepdown subsidiary
Clarton Horn Maroc SARL	Stepdown subsidiary
Clarton Horn, Signalakustic GmbH	Stepdown subsidiary
Clarton Horn, Mexico S. De R. L. De C.V.	Stepdown subsidiary
Light & Systems Technical Centre S.L. Spain	Stepdown subsidiary
Minda Storage Batteries Private Limited	Subsidiary
Mindarika Private Limited	Subsidiary
Minda Katolec Electronics Services Private Limited	Subsidiary
MI Torica India Private Limited	Subsidiary
MITIL Polymer Private Limited	Stepdown subsidiary
Harita Fehrer Limited	Subsidiary
UNOMINDA EV Systems Private Limited	Subsidiary (w.e.f. 16 December 2021)
UNOMINDA Auto Systems Private Limited	Subsidiary (w.e.f. 16 December 2021)

Partnership firm	Relationship
YA Auto Industries	Subsidiary
Auto Component	Subsidiary (w.e.f. 1 January 2022)
Samaira Engineering	Subsidiary (w.e.f. 1 January 2022)
S.M. Auto Industries	Subsidiary (w.e.f. 1 January 2022)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**(ii) Other related parties with whom transactions have taken place during the year/ previous year and the nature of related party relationship:**

Entity Name	Relationship
Minda NexGenTech Limited	Associate
Kosei Minda Aluminium Company Private Limited	Associate
Strongsun Renewables Private Limited	Associate (w.e.f. 6 April 2021)
CSE Dakshina Solar Private Limited	Associate (w.e.f. 31 May 2021)

Partnership firms	Relationship
Auto Component	Associate (upto 31 December 2021)
Yogendra Engineering	Associate

Entity Name	Relationship
Minda Westport Technologies Limited (formerly known as Minda Emer Technologies Limited)	Joint venture
Roki Minda Co. Private Limited	Joint venture
Rinder Riduco, S.A.S. Columbia	Joint venture (Stepdown Joint Venture of Global Mazinkert)
Minda TTE Daps Private Limited (formerly Minda Daps Private Limited)	Joint venture
Minda Onkyo India Private Limited	Joint venture
Minda D-Ten India Private Limited	Joint venture
Denso Ten Minda India Private Limited	Joint venture
Toyoda Gosei Minda India Private Limited	Joint venture
Kosei Minda Mould Private Limited	Joint venture
Minda TG Rubber Private Limited	Joint venture (w.e.f. March 15, 2021)
Tokai Rika Minda India Private Limited	Joint venture (w.e.f. March 24, 2021)

**(iii) Key management personnel**

Name	Relationship
Mr. Nirmal K. Minda	Chairman and Managing Director ('CMD')
Mr. Ravi Mehra	Whole-time director (w.e.f 1 April 2021)
Mr. Anand K. Minda	Director
Mr. Satish Sekhri	Independent Director
Mr. Chandan Chowdhury	Independent Director (upto 6 August 2021)
Mr. Krishan Kumar Jalan	Independent Director
Ms. Pravin Tripathi	Independent Director
Mr. Rakesh Batra	Independent Director (w.e.f 19 July 2021)
Mr. Sunil Bohra	Chief Financial Officer (CFO)
Mr. Tarun Kumar Srivastava	Company Secretary

Relatives of key management personnel	Relationship
Mrs. Suman Minda	Spouse of CMD
Mrs. Paridhi Minda	Director of MIL and daughter of CMD
Mrs. Pallak Minda	Daughter of CMD
Mr. Vivek Jindal	Son-in-law of CMD
Mr. Saurabh Jindal	Son-in-law of CMD
Mr. Amit Minda	Son of KMP

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

### (iv) Other entities over which key management personnel and their relatives are able to exercise significant influence

Entity Name	Relationship
Minda Investments Limited	Entities over which key management personnel and their relatives are able to exercise significant influence
Minda Infrastructure LLP	
Singhal Fincap Limited	
Shankar Moulding Limited	
Minda Nabtesco Automotive Private Limited	
Minda I Connect Private Limited	
Minda Projects Limited	
S.N. Castings Limited	
Minda Spectrum Advisory Limited	
Paripal Advisory LLP	
Suman Nirmal Minda Charitable Trust	
Partnership firm	Relationship
Samaira Engineering	Entities over which key management personnel and their relatives are able to exercise significant influence (upto 31 December 2021)
S.M. Auto Industries	

### (B) Transactions with related parties

Particulars	Entities where control exists (including partnership firms where Company has control)		Associates (including partnership firms where Company has significant influence)		Joint venture companies		Entities over which key management personnel and their relatives are able to exercise significant influence		Key management personnel and relatives	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Sale of goods	99.51	71.91	0.15	0.48	33.80	26.10	32.26	19.92	-	-
Purchase of goods	591.83	355.28	72.61	83.17	20.32	14.40	202.23	192.92	-	-
Sale of property, plant and equipment	4.45	5.24	-	-	-	-	-	0.07	-	-
Purchase of property, plant and equipment	0.02	13.44	-	-	-	-	15.11	18.00	-	-
Services received	24.93	16.75	0.56	0.71	0.04	0.19	19.86	-	1.74	1.94
Services rendered	103.24	59.19	0.03	0.01	14.52	15.85	1.80	0.68	-	-
Remuneration	-	-	-	-	-	-	-	-	23.02	11.49
Sitting Fees	-	-	-	-	-	-	-	-	0.35	0.30
Dividend income	20.47	17.42	-	2.56	13.18	-	-	-	-	-
Share in profit from partnership firms	10.27	4.49	3.01	4.01	-	-	-	-	-	-
Royalty income	10.52	6.22	1.17	1.06	-	-	0.73	0.84	-	-
Dividend paid	-	-	-	-	-	-	8.00	2.53	11.26	3.72
Investment made	63.12	4.78	8.06	3.70	6.98	89.89	12.09	22.59	-	-
Corporate Social Responsibility (CSR) Expense	-	-	-	-	-	-	3.26	3.66	-	-

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**(C) Balances with related parties at the year end**

Particulars	Entities where control exists (including partnership firms where Company has control)		Associates (including partnership firms where Company has significant influence)		Joint venture companies		Entities over which key management personnel and their relatives are able to exercise significant influence		Key management personnel and relatives	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Receivables	87.97	43.37	-	-	13.93	10.55	8.05	16.77	-	-
Payables	158.36	82.32	-	12.65	2.91	-	13.08	36.11	7.35	4.50
Guarantee / Letter of comfort	147.09	147.09	-	-	-	-	-	-	-	-

**(D) Material transactions with related parties****(i) Material transactions with related parties for the year ended 31 March 2022**

Particulars	Amount
<b>Sale of goods</b>	
Clarton Horn	39.52
Minda I-Connect Private Limited	26.36
Minda Katolec Electronics Services Private Limited	12.78
Minda Korea Co. Limited	9.27
MITIL Polymer Private Limited	7.76
Toyoda Gosei Minda India Private Limited	27.06
	<b>122.75</b>
<b>Purchase of goods</b>	
Auto Component	93.44
Minda Katolec Electronics Services Private Limited	81.03
Minda Storage Batteries Private Limited	90.96
MITIL Polymer Private Limited	177.98
S.N. Castings Limited	27.69
Samaira Engineering	170.39
YA Auto Industries	69.93
	<b>711.42</b>
<b>Sale of property, plant and equipment</b>	
Minda Industries Vietnam Company Limited	1.92
PT Minda Asean Automotive	2.53
	<b>4.45</b>
<b>Purchase of property, plant and equipment</b>	
Minda Infrastructure LLP	15.11
	<b>15.11</b>
<b>Services received</b>	
Light & Systems Technical Center, S.L.	20.56
Minda Investments Limited	9.16
Minda Projects Limited	2.09
Paripal Advisory LLP	6.04
	<b>37.85</b>
<b>Services rendered</b>	
Minda Kosei Aluminium Wheel Private Limited	28.83
Minda Kyoraku Limited	7.75
Mindarika Private Limited	37.48
PT Minda Asean Automotive	6.05
Roki Minda Company Private Limited	5.28
	<b>85.39</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Amount
<b>Dividend income</b>	
Minda Kyoraku Limited	2.48
PT Minda Asean Automotive	9.86
Mindarika Private Limited	5.26
MI Torica India Private Limited	0.30
Harita Fehrer Limited	2.56
Denso Ten Minda India Private Limited	8.03
Minda D-Ten India Private Limited	0.78
Roki Minda Company Private Limited	4.38
	<b>33.65</b>
<b>Share in profit from partnership firms</b>	
Auto Component	4.98
YA Auto Industries	4.96
Samaira Engineering	3.34
S.M. Auto Industries	0.47
	<b>13.28</b>
<b>Dividend paid</b>	
Singhal Fincap Limited	0.82
Minda Finance Limited	0.37
Minda Investments Limited	6.78
Suman Minda	4.00
Nirmal Kr Minda	6.52
Paridhi Minda	0.28
Amit Minda	0.13
Pallak Minda	0.34
Maa Vaishno Devi Endowment	0.03
Anand Kumar Minda	0.00
	<b>19.27</b>
<b>Royalty income</b>	
Minda Industries Vietnam Company Limited	1.89
Auto Component	1.76
PT Minda Asean Automotive	7.08
	<b>10.73</b>
<b>Investment made</b>	
Strongsun Renewables Private Limited	2.73
CSE Dakshina Solar Private Limited	1.70
Minda Onkyo India Private Limited	6.80
Minda Kyoraku Limited	0.09
Minda Westport Technologies Limited	0.18
Minda Kosei Aluminium Wheel Private Limited	61.20
YA Auto Industries	1.79
Auto Component	3.63
S.M. Auto Industries	3.21
Samaira Engineering	8.88
UNOMINDA EV Systems Private Limited	0.03
UNOMINDA Auto Systems Private Limited	0.01
	<b>90.25</b>
<b>Corporate Social Responsibility (CSR) Expense</b>	
Suman Nirmal Minda Charitable Trust	3.26
	<b>3.26</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**(ii) Material transactions with related parties for the year ended 31 March 2021**

<b>Related party</b>	<b>Amount</b>
<b>Sale of Goods</b>	
Clarton Horn	29.48
Toyoda Gosei Minda India Private Limited	22.56
Minda I Connect Private Limited	17.55
Minda Katolec Electronics Services Private Limited	12.04
	<b>81.63</b>
<b>Purchase of Goods</b>	
Samaira Engineering	123.80
MITIL Polymer Private Limited	110.85
Auto Component	83.17
Minda Storage Batteries Private Limited	65.75
YA Auto Industries	65.74
	<b>449.31</b>
<b>Sale of Property, Plant &amp; Equipment</b>	
Minda Katolec Electronics Services Private Limited	2.18
Mindarika Private Limited	2.10
Minda Industries Vietnam Company Limited	0.76
	<b>5.04</b>
<b>Purchase of Property, Plant &amp; Equipment</b>	
Minda Infrastructure LLP	17.97
Light & Systems Technical Center	11.72
	<b>29.69</b>
<b>Services Received</b>	
Minda Investments Limited	14.68
Light & Systems Technical Center	9.60
Minda Projects Limited	4.54
	<b>28.82</b>
<b>Services Rendered</b>	
Minda Kosei Aluminium Wheel Private Limited	18.19
PT Minda Asean Automotive	8.73
Mindarika Private Limited	12.61
	<b>39.53</b>
<b>Dividend income</b>	
Denso Ten Minda India Private Limited	2.15
PT Minda Asean Automotive	12.92
Mindarika Private Limited	3.34
	<b>18.41</b>
<b>Share in profit from partnership firms</b>	
Auto Component	4.01
YA Auto Industries	4.49
	<b>8.50</b>
<b>Dividend Paid</b>	
Minda Investments Limited	2.14
Mr Nirmal K Minda	2.19
Mrs Suman Minda	1.30
	<b>5.63</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

Related party	Amount
<b>Royalty income</b>	
PT Minda Asean Automotive	4.56
Minda Industries Vietnam Company	1.01
Auto Component	1.06
	<b>6.63</b>
<b>Investment made</b>	
Minda Onkyo Private Limited	13.54
Minda Katolec Electronics Services Private Limited	10.00
Toyoda Gosei Minda India Private Limited	33.46
Tokai Rika Minda India Private Limited	42.89
	<b>99.89</b>
<b>Acquisition of shares in Joint Venture</b>	
Minda Finance Limited	22.59
	<b>22.59</b>
<b>Corporate Social Responsibility (CSR) Expense</b>	
Suman Nirmal Minda Charitable Trust	3.66
	<b>3.66</b>

### (E) Material balances with related parties

#### (i) Material balances Outstanding as at 31 March 2022

Particulars	Amount
<b>Payables</b>	
Auto Component	9.39
Minda Katolec Electronics Services Private Limited	23.58
Minda Storage Batteries Private Limited	9.58
MITIL Polymer Private Limited	39.50
Samaira Engineering	23.19
	<b>105.24</b>
<b>Receivables</b>	
Clarton Horn, Spain	17.95
Minda I-Connect Private Limited	7.60
Minda Katolec Electronics Services Private Limited	6.31
Minda Korea Co. Limited	6.48
Minda Kosei Aluminium Wheel Private Limited	14.58
UNO Minda Europe GmbH (formerly known as Minda Delvis GmbH)	4.80
Toyoda Gosei Minda India Private Limited	8.25
Mindarika Private Limited	9.13
	<b>75.10</b>
<b>Guarantee / Letter of comfort</b>	
Minda Delvis GmbH	130.73
PT Minda Asean Automotive	16.36
	<b>147.09</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**(ii) Material balances as at 31 March 2021**

<b>Related party</b>	<b>Amount</b>
<b>Payables</b>	
Harita Fehrer Limited	32.06
MITIL Polymer Private Limited	25.18
Samaira Engineering	17.28
	<b>74.52</b>
<b>Receivables</b>	
Minda I Connect Private Limited	16.04
Minda Kosei Aluminium Wheel Private Limited	13.46
Clarton Horn	7.80
	<b>37.29</b>
<b>Guarantee / Letter of comfort</b>	
Minda Delvis Gmbh	130.73
PT Minda Asean Automotive	16.36
	<b>147.09</b>

**Notes:**

- (a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs through payment. Other than disclosed in note 27 (c) the Company has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended 31 March 2022 (31 March 2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- (b) As at 31 March 2022, the Company has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person (31 March 2021: Nil).
- (c) All the liabilities for post retirement benefits being 'Gratuity, compensated absence and pension benefit' are provided on actuarial basis for the Company as a whole, accordingly the amount pertaining to Key management personnel are not included above.

**(F) Key managerial personnel compensation****Remuneration to Chairman & Managing Director (CMD)**

<b>Particulars</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
Short Term Benefit	4.79	2.29
Commission	7.35	4.50
Others - Allowances	0.46	0.30
<b>Total</b>	<b>12.60</b>	<b>7.09</b>

**Remuneration to Key Managerial other than CMD**

<b>Particulars</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
Short Term Benefit		
Mr. Ravi Mehra (Whole time director)	4.51	-
Ms. Paridhi Minda (Whole time director)	0.69	0.50
Mr. Sunil Bohra (Chief Financial Officer)	4.67	3.46
Mr. Tarun Kumar Srivastava (Company Secretary)	0.41	0.23
Others - Allowances		
Mr. Sunil Bohra (Chief Financial Officer)	0.08	0.17
Mr. Tarun Kumar Srivastava (Company Secretary)	0.02	0.01
Ms. Paridhi Minda	0.05	0.03
<b>Total</b>	<b>10.42</b>	<b>4.40</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

### Remuneration to Independent Directors

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sitting Fees		
Mr. Satish Sekhri	0.10	0.09
Ms. Pravin Tripathi	0.09	0.08
Mr. Krishan Kumar Jalan	0.11	0.09
Mr. Chandan Chowdhury	0.02	0.04
Mr. Rakesh Batra	0.03	-
<b>Total</b>	<b>0.35</b>	<b>0.30</b>

**Note:** The above remuneration excludes provision for gratuity and leave benefits as separate actuarial valuation is not available.

### 34 INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

- (i) These financial statement are separate financial statements prepared in accordance with Ind AS-27 " Separate Financial Statements".
- (ii) The Company 's investments in subsidiaries are as under:

Name of the subsidiaries	Country of incorporation	Portion of ownership interest as at 31 March 2022	Portion of ownership interest as at 31 March 2021	Method used to account for the investment	Disclosure required under Section 186 (4) of the Companies Act, 2013.	
					Investment made in FY 2021-22	Investment made in FY 2020-21
Minda Kyoraku Limited	India	67.68%	67.60%	At cost	0.09	-
Minda Kosei Aluminum Wheel Private Limited	India	77.36%	69.99%	At cost	61.20	-
Minda Storage Batteries Private Limited	India	100.00%	100.00%	At cost	-	-
YA Auto Industries (partnership firm)	India	87.50%	51.00%	At cost	1.79	-
Auto Component (Partnership Firm)	India	95.00%	48.90%	At cost	3.63	-
Samaira Engineering (Partnership Firm)	India	87.50%	-	At cost	8.88	-
S.M. Auto Industries (Partnership Firm)	India	87.50%	-	At cost	3.21	-
Minda Katolec Electronic Services Private Limited	India	51.00%	51.00%	At cost	-	10.20
Mindarika Private Limited	India	51.00%	51.00%	At cost	-	-
Harita Fehrer Limited	India	100.00%	100.00%	At cost	-	-
MI Torica India Private Limited	India	60.00%	60.00%	At cost	-	-
UNO MINDA EV Systems Private Limited	India	100.00%	-	At cost	0.03	-
UNO MINDA Auto Systems Private Limited	India	100.00%	-	At cost	0.01	-
iSYS RTS GmbH	Germany	-	80.00%	At cost	-	-
UNO Minda Europe GMBH	Germany	40.63%	-	At cost	-	-
Global Mazinkert S.L.	Spain	100.00%	100.00%	At cost	-	-
PT Minda Asean Automotive	Indonesia	100.00%	100.00%	At cost	-	-
Sam Global Pte Limited	Singapore	100.00%	100.00%	At cost	-	-

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

(iii) The Company's investment in Joint ventures are as under:

Name of the Joint ventures	Country of incorporation	Portion of ownership interest as at 31 March 2022	Portion of ownership interest as at 31 March 2021	Method used to account for the investment	Disclosure required under Section 186 (4) of the Companies Act, 2013.	
					Investment made in FY 2021-22	Investment made in FY 2020-21
Minda Westport Technologies Limited (formerly known as Minda Emer Technologies Limited)	India	49.99%	49.10%	At cost	0.18	-
ROKI Minda Co. Private Limited	India	49.00%	49.00%	At cost	-	-
Minda TTE DAPS Private Limited	India	50.00%	50.00%	At cost	-	-
Minda Onkyo India Private Limited	India	50.00%	50.00%	At cost	6.80	13.54
Minda TG Rubber Private Limited	India	49.90%	49.90%	At cost	-	-
Denso-Ten Minda India Private Limited	India	49.00%	49.00%	At cost	-	-
Minda D-ten India Private Limited	India	51.00%	51.00%	At cost	-	-
Toyoda Gosei Minda India Private Limited	India	47.80%	47.80%	At cost	-	33.46
Kosei Minda Mould Private Limited	India	49.90%	49.90%	At cost	-	-
Tokai Rika Minda India Private Limited	India	30.00%	30.00%	At cost	-	65.45

(iv) The Company's investment in Associates are as under:

Name of the Associates	Country of incorporation	Portion of ownership interest as at 31 March 2022	Portion of ownership interest as at 31 March 2021	Method used to account for the investment	Disclosure required under Section 186 (4) of the Companies Act, 2013	
					Investment made in FY 2021-22	Investment made in FY 2020-21
Minda NexGenTech Limited	India	26.00%	26.00%	At cost	-	-
Yogendra Engineering (partnership firm)	India	48.90%	48.90%	At cost	-	-
Kosei Minda Aluminum Company Private Limited	India	18.31%	30.00%	At cost	-	-
Strongsun Renewables Private Limited	India	28.10%	-	At cost	2.73	-
CSE Dakshina Solar Private Limited	India	27.71%	-	At cost	1.70	-
Auto Component (Partnership Firm)	India	-	48.90%	At cost	-	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

### 35 FAIR VALUE MEASUREMENTS

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments apart from investment in subsidiary, associates and joint ventures which are carried at cost in accordance with Ind AS 27.

Category	As at 31 March 2022		As at 31 March 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial instruments by category</b>				
<b>Financial assets measured at fair value through profit or loss</b>				
Derivatives financial instruments	5.21	5.21	2.69	2.69
Investments measured at fair value through profit and loss:	10.00	10.00	-	-
Unquoted equity investments measured at fair value through profit and loss:	0.01	0.01	0.80	0.80
<b>Financial assets measured at amortised cost and for which fair values are disclosed</b>				
Other financial assets (current and non current)	41.52	41.52	29.02	29.02
Trade receivables (current and non current)	877.98	877.98	685.32	685.32
Cash and cash equivalents	56.42	56.42	74.31	74.31
Other bank balances (current and non current)	7.02	7.02	5.16	5.16
<b>Total</b>	<b>998.16</b>	<b>998.16</b>	<b>797.30</b>	<b>797.30</b>
<b>Financial liabilities measured at amortised cost and for which fair values are disclosed</b>				
Borrowings (short term and long term)	338.66	338.66	647.82	647.82
Lease liabilities (current and non current)	38.46	38.46	23.56	23.56
Other financial liabilities (current and non current)	62.45	62.45	512.98	512.98
Trade payables (current and non current)	868.33	868.33	780.29	780.29
<b>Total</b>	<b>1,307.90</b>	<b>1,307.90</b>	<b>1,964.65</b>	<b>1,964.65</b>

Management has assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

- (i) The fair value of unquoted instruments, loans from banks other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- (ii) The fair values of the Company's interest-bearing borrowings are determined by using effective interest rate (EIR) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2022 was assessed to be insignificant.
- (iii) Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- (iv) The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

- (v) The fair value of security deposit has been estimated using DCF model which consider certain assumptions viz. forecast cash flows, discount rate, credit risk and volatility.
- (vi) The fair values of the investment in mutual fund has been determined based on net assets value (NAV) available in open market.
- (vii) The Company has entered into derivative financial instruments with various banks and financial institutions. Interest rate swaps and foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. As at 31 March 2022, the mark-to-market value of other derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the financial instruments recognised at fair value.
- (viii) Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose.
- (ix) **Fair value hierarchy**

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period for identical assets or liabilities. The mutual funds are valued using the net assets value (NAV) available in open market. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year

This section explains the judgement and estimates made in determining the fair value of financial assets that are:

- Recognised and measured at Fair value
- Measured at amortised cost and for which fair value is disclosed in financial statements

**Quantitative disclosures of fair value measurement hierarchy for assets as on 31 March 2022**

Particulars	Carrying value	Fair Value		
	As at 31 March 2022	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through profit or loss</b>				
Derivatives financial instruments	5.21	-	-	5.21
Investments measured at fair value through profit and loss:	10.00	10.00	-	-
Unquoted equity investments measured at fair value through profit and loss:	0.01	-	-	0.01
<b>Financial assets measured at amortised cost and for which fair values are disclosed</b>				
Other financial assets (current and non current)	41.52	-	-	41.52
<b>Financial liabilities measured at amortised cost and for which fair values are disclosed</b>				
Borrowings (short term and long term)	338.66	-	-	338.66
Lease liabilities (current and non current)	38.46	-	-	38.46
Other financial liabilities (current and non current)	62.45	-	-	62.45

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

### Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021

Particulars	Carrying value	Fair Value		
	As at 31 March 2021	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through profit or loss</b>				
Derivatives financial instruments	2.69	-	-	2.69
Unquoted equity investments measured at fair value through profit and loss:	0.80	-	-	0.80
<b>Financial assets measured at amortised cost and for which fair values are disclosed</b>				
Other financial assets (current and non current)	29.02	-	-	
	797.30	-	-	
<b>Financial liabilities measured at amortised cost and for which fair values are disclosed</b>				
Borrowings (short term and long term)	647.82	-	-	647.82
Lease liabilities (current and non current)	23.56	-	-	23.56
Other financial liabilities (current and non current)	512.98	-	-	512.98

### 36 FOREIGN EXCHANGE FORWARD CONTRACTS

The Company has entered into other foreign exchange forward contracts with the intention of reducing the foreign exchange risk of foreign currency receivables and are entered into for periods consistent with foreign currency exposure of the underlying transactions. These contracts are not designated in hedge relationships and are measured at fair value through profit and loss.

Nature of contracts	Currency Hedged	Outstanding Foreign Currency amount as at 31 March 2022*	₹ in Crores	Outstanding Foreign Currency amount as at 31 March 2021*	₹ in Crores
Forward exchange contracts ( Trade Receivables)	US\$	23,00,000	17.44	29,73,193	21.85
Forward exchange contracts (Trade Receivables)	EURO	2,50,000	2.12	3,90,000	3.36
Forward exchange contracts (Trade Payables)	US\$	7,31,000	5.54	-	-
Forward exchange contracts (Trade Payables)	EURO	2,10,000	1.78	-	-
Currency options (to hedge the ECB loan)	US\$	64,05,060	48.55	1,06,75,100	78.43

\* Foreign currency figures in absolute

Fair value gain on financial instruments measured at fair value amounting to ₹ 2.52 Crores {31 March 2021: ₹ 0.56 Crores) has been recognised as income in statement of profit and loss account.

### 37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company being the active supplier for the automobile industry is exposed to various market risk, credit risk and liquidity risk. The Company has global presence and has decentralised management structure. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks.

The Company has set up a risk management committee (RMC) which comprise of group chief finance officer and three directors of which two are independent directors. RMC periodically reviews operating, financial and strategic risk in the business and their mitigating factors. RMC has formulated a risk management policy for the company which outlines the risk management framework to help minimise the impact of uncertainty. The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risk associated with the business. This process provides assurance that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective. The Company's financial risk management is an integral part of how to plan and execute its business strategies. Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks.



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**(a) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans deposits, and investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2022 and 31 March 2021

**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company also have operations in international market due to which the Company is also exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to the movement in foreign currency exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company manages its foreign currency risk partly by taking forward exchange contract for transactions of sales and purchases and partly balanced by purchasing of goods/services from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The Company's exposure to foreign currency risk at the end of the reporting periods are as follows

**Particulars of un-hedged foreign currency exposure**

Currency	As at 31 March 2022			As at 31 March 2021		
	Foreign currency in Crores	Exchange rate (in ₹)	Amount	Foreign currency Amount in Crores	Exchange rate (in ₹)	Amount
<b>Trade receivables</b>						
US\$	0.66	75.81	50.32	0.74	73.50	54.09
EUR	0.26	84.66	21.74	0.23	86.10	19.96
JPY	0.02	0.62	0.02	4.51	0.66	2.99
GBP	0.00	99.55	0.07	0.00	100.95	0.02
<b>Trade payable, Capital creditors and other financial liabilities</b>						
US\$	0.75	75.81	56.62	0.82	73.50	60.28
JPY	2.34	0.62	1.46	0.28	0.66	0.19
EUR	0.06	84.66	5.33	0.11	86.10	9.25
TWD	0.01	2.65	0.01	0.04	2.57	0.10
<b>Bank balances</b>						
TWD	0.04	2.65	0.10	0.03	2.57	0.09
US\$	0.01	75.81	0.45	0.01	73.50	1.08
JPY	0.77	0.62	0.48	0.06	0.66	0.04
EUR	0.04	84.66	3.45	-	86.10	-
<b>Borrowings</b>						
US\$	0.90	75.81	68.23	2.80	73.50	205.81

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

### Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in currency exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of monetary assets and liabilities as given below:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Gain/ (loss) Impact on profit before tax and equity		Gain/ (loss) Impact on profit before tax and equity	
	Change +1%	Change -1%	Change +1%	Change -1%
<b>Trade receivables</b>				
US\$	0.50	(0.50)	0.54	(0.54)
EUR	0.22	(0.22)	0.20	(0.20)
JPY	0.00	(0.00)	0.03	(0.03)
GBP	0.00	(0.00)	0.00	(0.00)
<b>Trade payable &amp; Capital creditors</b>				
US\$	(0.57)	0.57	(0.60)	0.60
JPY	(0.01)	0.01	(0.00)	0.00
EUR	(0.05)	0.05	(0.09)	0.09
GBP	(0.00)	0.00	(0.00)	0.00
<b>Bank balances</b>				
TWD	0.00	(0.00)	0.00	(0.00)
US\$	0.00	(0.00)	0.01	(0.01)
JPY	0.00	(0.00)	0.00	(0.00)
EUR	0.03	(0.03)	-	-
<b>Borrowings</b>				
US\$	(0.68)	0.68	(2.06)	2.06

### (ii) Interest rate Risk

Interest rate risk is the risk that the fair value or 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. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2022, after taking into account the effect of interest rate swaps, the Company has following fixed rate and variable rate borrowing:

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings	69.14	420.19
Fixed rate borrowings	269.52	227.63
Total	<b>338.66</b>	<b>647.82</b>

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Impact on profit before tax and equity	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Increase by 0.5%	(0.35)	(2.10)
Decrease by 0.5%	0.35	2.10

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**(iii) Commodity price risks**

Fluctuation in commodity price in market affects directly or indirectly the price of raw material and components used by the Company. The Company sells its products mainly to auto makers (Original Equipment Manufacturer) whereby there is a regular negotiation / adjustment of prices on the basis of changes in commodity prices.

**(b) Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing through the use of short term bank deposits, short term loans, and cash credit facility etc. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

**Maturity profile of financial liabilities**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31 March 2022	Less than 1 Years	1-5 Years	More than 5 Years	Total
Borrowings	255.77	82.89	-	338.66
Lease liabilities (undiscounted)	8.67	16.72	47.73	73.12
Trade payable	868.33	-	-	868.33
Other financial liabilities	62.45	-	-	62.45
As at 31 March 2021				
Borrowings	355.36	292.46	-	647.82
Lease liabilities (undiscounted)	6.49	8.24	47.26	61.99
Trade payable	780.29	-	-	780.29
Other financial liabilities	504.94	8.04	-	512.98

**(c) Credit risk**

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 towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions and funds with mutual fund asset management companies (AMC). The maximum amount of the credit exposure is equal to the carrying amounts of these receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

**(i) Trade Receivables**

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major automobile manufacturers with good credit ratings. All customer are subjected to credit assessments as a precautionary measure, and the adherence of all customers to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default. The Company has deposited liquid funds at various banking institutions and mutual funds with AMC. No impairment loss is considered necessary in respect of these fixed deposits and mutual funds that are with recognised commercial banks and AMC and are not past due over past years.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

### (ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 is the carrying amounts. The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)</b>		
Other financial assets (current and non-current)	41.52	29.02
Cash and cash equivalents	56.42	74.31
Other bank balances (current and non current)	7.02	5.16
Investments measured at fair value through profit and loss:	10.00	-
Unquoted equity investments measured at fair value through profit and loss:	0.01	0.80
	<b>114.97</b>	<b>109.29</b>
<b>Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)</b>		
Trade Receivables	877.98	685.32
	<b>877.98</b>	<b>685.32</b>
Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks		
<b>The ageing analysis of trade receivables has been considered from the date the invoice falls due</b>		
<b>Particulars</b>		
<b>Trade Receivables</b>		
Neither past due nor impaired	715.19	550.91
0 to 180 days due past due date	153.57	131.21
More than 180 days past due date	9.22	3.20
<b>Total Trade Receivables</b>	<b>877.98</b>	<b>685.32</b>
<b>The following table summarises the change in loss allowance measured using the life time expected credit loss model:-</b>		
As at the beginning of year	7.83	5.63
Provision during the year	2.64	2.20
Reversal of provision during the year	(4.96)	-
<b>As at the end of year</b>	<b>5.51</b>	<b>7.83</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**38 CAPITAL MANAGEMENT**

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022 and 31 March 2021. The Company monitors capital using gearing ratio and net debt to EBITDA ratio which is net debt divided by total capital plus net debt and net debt divided by EBITDA respectively. Net debt is calculated as loans and borrowings less cash and cash equivalent.

**Gearing ratio**

The gearing ratio at the end of the reporting period was as follows:

Particulars	31 March 2022	31 March 2021
Loan and borrowing *	338.66	647.82
Less : Cash and cash equivalent	(56.42)	(74.31)
<b>Net debts</b>	<b>282.24</b>	<b>573.51</b>
<b>Equity / Net Worth</b>	<b>2,656.10</b>	<b>1,647.85</b>
<b>Total Capital</b>	<b>2,656.10</b>	<b>1,647.85</b>
<b>Capital and Net debts</b>	<b>2,938.34</b>	<b>2,221.36</b>
<b>Gearing Ratio (Net Debt/Capital and Net Debt)</b>	<b>9.61%</b>	<b>25.82%</b>
<b>EBITDA</b>	<b>431.80</b>	<b>339.28</b>
<b>Net debt to EBITDA</b>	<b>0.65</b>	<b>1.69</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

\* Borrowings does not includes Lease liabilities

**39 BUSINESS COMBINATION**

- (i) The Board of directors of the Company in its meeting held on 6 February 2020, accorded its consent for the scheme of amalgamation of Minda I Connect Private Limited (Transferor Company) with Minda Industries Limited (Transferee Company) subject to necessary approvals of shareholders, Creditors and other approvals and sanctions by the National Company Law Tribunal (NCLT), New Delhi. The Company is yet to receive the approval of NCLT on the scheme, accordingly appropriate accounting treatment of the Scheme will be done post receipt of NCLT approval.
- (ii) During the previous year, one of the group entity namely "Minda TG Rubber India Private Limited ("MTG") has issued fresh equity shares to Toyoda Gosei Co. Limited (other Joint venture partner) resulting in increase of their shareholding from 49.90% to 51.00% and reduction of shareholding and control of the Company from 51.00% to 49.90% resulting into loss of control. Accordingly, the resultant accounting treatment and classification of loss of control of the Company in MTG (from subsidiary to joint venture) has been carried out in the previous year.
- (iii) During the previous year the Company had acquired 30% stake in the namely "Tokai Rika Minda India Private Limited" for a cash consideration of ₹ 65.48 Crores. Consequently, "Tokai Rika Minda Private Limited" was considered as an Joint Venture and was accounted for appropriately in the previous year financial statement.
- (iv) During the previous year, the Scheme of Amalgamation ('Scheme'), for merger of Harita Limited ("Transferor Company 1") and Harita Venu Private Limited ("Transferor Company 2") and Harita Cheema Private Limited ("Transferor Company 3") and Harita Financial Services Limited ("Transferor Company 4") and Harita Seating Systems Limited ("Transferor Company 5") and Minda Industries Limited ("Transferee Company") was approved by the Hon'ble National Company Law Tribunal vide its orders dated 1 February 2021 and 23 February 2021 with appointed date of 1 April 2019. Consequently in the previous year, the Company had given effect to the scheme as per Ind AS 103- Business Combinations (Acquisition method) in financial statements w.e.f. appointed date i.e. 1 April 2019 in accordance with General Circular No. 09/2019 issued by Ministry of Corporate Affairs dated 21 August 2019 along with reinstatement of financial statement of financial year 2019-20.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

Moreover the Minority shareholder in Harita Fehrer Limited (subsidiary of Transferor Company 5) had exercised its right to sell its stake at an agreed valuation of ₹ 115 crores as per the agreement. Accordingly an amount of ₹ 115 crores was shown in other current financial liability in the previous year with a corresponding debit to Investment thereby making it as 100% subsidiary of the Company. This consideration has been paid fully in the current year.

In the current year, the Company has discharged the consideration payable by way of allotment of 3,969,737 equity shares having a face value of ₹ 2 each at the price of ₹ 320 per equity share (including security premium of ₹ 318 per equity share) and 18,884,662 fully paid up 0.01% non-convertible redeemable preference shares having a face value of ₹ 100 each at the price of ₹ 121.25 per non-convertible redeemable preference shares (including security premium of ₹ 21.25 per non-convertible redeemable preference shares) in accordance with the scheme. Subsequently the preference shareholders of 18,875,002 non-convertible redeemable preference shares have exercised the option to redeem their shares in the current year, accordingly these shares were redeemed at a redemption price of ₹ 112.50 per non-convertible redeemable preference shares in accordance with the scheme and accounted the resultant gain on settlement of purchase consideration payable in other income (refer note 19). Remaining 9660 0.01% non-convertible redeemable preference are compulsorily redeemable on the expiry of 36 months.

### 40 RATIO ANALYSIS AND ITS ELEMENTS

Ratios	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	Change	Explanation for the change in the ratio by more than 25% as compared to previous year.
(a) Current Ratio (times)	Current assets	Current liabilities	1.14	0.72	57.47%	Increase in current ratio is due to (i) increase in trade receivable on account of increase in business (ii) decrease in current financial liability pursuant to settlement of consideration payable of ₹ 463.88 Crores in the current year (iii) decrease in short term borrowing in current year
(b) Debt-Equity Ratio (times)	Total Borrowings {refer note (i)}	Total equity	0.13	0.39	-67.57%	The decrease is on repayment of borrowing during current year
(c) Debt Service Coverage Ratio (times)	Earnings available for debt service {refer note (ii)}	Debt service {refer note (iii)}	1.11	2.70	-58.82%	The decrease is due to increase in earning and significant repayment of borrowing in the current year.
(d) Return on Equity Ratio %	Net Profits after taxes	Average shareholder's equity {refer note (iv)}	9.11%	7.94%	14.74%	Not applicable
(e) Inventory turnover ratio (times)	Revenue from operations	Average inventory {refer note (v)}	11.78	11.31	4.22%	Not applicable
(f) Trade receivables turnover ratio (times)	Net credit revenue from operations	Average trade receivables {refer note (vi)}	6.35	6.04	5.00%	Not applicable

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

Ratios	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	Change	Explanation for the change in the ratio by more than 25% as compared to previous year.
(g) Trade payables turnover ratio (times)	Net credit purchases	Average trade payables {refer note (vii)}	4.11	3.36	22.43%	Not applicable
(h) Net capital turnover ratio (times)	Revenue from operations	Working capital	25.81	(7.60)	239.35%	Increase in net capital turnover ratio is due to (i) Increase in revenue from operation (ii) Increase in net working capital in the current year mainly due to: (a) Increase in trade receivable on account of increase in business (b) decrease in current financial liability pursuant to settlement of consideration payable of ₹ 463.88 Crores in the current year (c) decrease in short term borrowing in current year
(i) Net profit ratio %	Net profit	Revenue from operations	3.95%	3.22%	22.93%	Not applicable
(j) Return on capital employed %	EBIT {refer note (viii)}	Capital employed {refer note (ix)}	10.62%	9.34%	13.77%	Not applicable
(k) Return on investment	Income generated from investments in mutual fund	Time weighted average investments	2.61%	-	100.00%	There were no investment as at 31 March 2021. The investment in Mutual Fund has been made in the current financial year

**Notes:**

- (i) Borrowings includes long term and long term borrowing but does not include lease liabilities
- (ii) Earning for Debt Service = Net Profit after taxes + Depreciation and amortisations + Finance cost + Loss on sale of property, plant and equipment
- (iii) Debt service = Interest and Lease Payments + Principal Repayments
- (iv) Average shareholder's equity =  $\{(Total\ opening\ equity + Total\ closing\ equity) / 2\}$
- (v) Average inventory =  $\{(Total\ opening\ inventory + Total\ closing\ inventory) / 2\}$
- (vi) Average Trade receivable =  $\{(Total\ opening\ trade\ receivables + Total\ closing\ trade\ receivables) / 2\}$
- (vii) Average Trade Payable =  $\{(Total\ opening\ trade\ payable + Total\ closing\ trade\ payable) / 2\}$
- (viii) EBIT = Profit before exceptional item and tax + finance cost
- (ix) Capital Employed = Total equity + Total Borrowings + Deferred Tax Liability



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

### 41 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF COMPANIES ACT, 2013

- (i) **Details of Benami property:** No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) **Wilful defaulter:** The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) **Relationship with struck off companies:** The Company has balance with the below-mentioned companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31 March 2022	Balance outstanding as at 31 March 2021	Relationship with the Struck off company, if any
Radhey Trauma Centre Private Limited	Trade Payable	2,19,184	-	None
Radhey Trauma Centre Private Limited	Advance to supplier	-	4,426	None
Sew Eurodrive India Private Limited	Trade Payable	-	-	None

- (iv) **Compliance with number of layers of companies:** The Company has complied with the number of layers prescribed under the Companies Act, 2013
- (v) **Compliance with approved scheme of arrangements:** The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year. Refer note 39 for scheme of merger pending court approval
- (vi) **Utilisation of borrowed funds and share premium:** The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- 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
- (vii) **Undisclosed income:** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (viii) **Details of crypto currency or virtual currency:** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (ix) **Valuation of property, plant and equipment and intangible asset:** The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (x) **Registration of charges or satisfaction with Registrar of Companies:** There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (xi) **Utilisation of borrowings availed from banks and financial institutions:** The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

- 42 In view of the pandemic relating to COVID - 19, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of investments, property plant and equipment, intangible assets, right-of-use assets, trade receivables, other current and financial assets, for any possible impact on the Financial statements. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting controls etc. and is of the view that based on its present assessment this situation does not materially impact the financial statements. However, the actual impact of COVID - 19 on the financial statements may differ from that estimated due to unforeseen circumstances and the Company will continue to closely monitor any material changes to future economic conditions.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

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

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors of **Minda Industries Limited**

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

Chartered Accountants

ICAI Firm Registration No: 301003E/E300005

**Nirmal K Minda**

Chairman and Managing Director

DIN No. 00014942

**Anand Kumar Minda**

Director

DIN No. 00007964

**per Vikas Mehra**

Partner

Membership No. 094421

**Sunil Bohra**

Group CFO

Place : Gurugram

Date : 24 May 2022

**Tarun Kumar Srivastava**

Company Secretary

Membership No. - A11994

Place : New Delhi

Date : 24 May 2022