

Minda Storage Batteries Private Limited

Statutory Audit for the year ended

31 March 2019

B S R & Co. LLP

Chartered Accountants

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Gurugram - 122 002, India

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INDEPENDENT AUDITOR'S REPORT

To the Members of Minda Storage Batteries Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Minda Storage Batteries Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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



Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



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

- a) The Company does not have any pending litigations as at 31 March 2019 which would impact its financial position.
- b) The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d) The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

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

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. Accordingly the provisions of Section 197 of the Act not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022



Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram
Date: 29 April 2019

Annexure A referred to in our Independent Auditor's Report to the Members of Minda Storage Batteries Private Limited for the year ended 31 March 2019 on the financial statements for the year ended 31 March 2019

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment and other intangible assets).
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were observed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of the immovable property is yet to be registered in the name of the Company which is in the name of Minda Industries Limited, Holding Company.
- (ii) According to the information and explanations given to us, the inventories have been physically verified by the management during the year except stock lying with third party. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its business. In respect of inventories lying with third party, these have substantially been confirmed by them. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) a) The Company has granted loans to one company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- b) In respect of loans granted, the repayment of the principal amount is as stipulated and payment of interest has been regular.
- c) There are no amounts of loans granted to companies listed in the register maintained under section 189 of the Companies Act, 2013 which are outstanding for more than ninety days from the due date.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to entities in which directors are interested have been complied with by the Company, to the extent applicable. According to the information and explanations given to us, the Company has not made any investments, or provided any guarantee, or security as specified under Section 185 and 186 of the Companies Act 2013.



- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) to Section 148 of the Companies Act, 2013 in respect of any activities undertaken by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Duty of Customs, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Duty of Customs, Cess and any other material statutory dues, to the extent applicable, were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks. The Company did not have any outstanding debentures or dues on account of loans or borrowings to any financial institutions or government during the year.
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instrument) during the year. Further, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the provision of Section 197 read with Schedule V of the Companies Act, 2013 have been complied with.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with



section 177 and 188 of the Act, where applicable, and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022



Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram

Date : 29 April 2019

Annexure B to the Independent Auditor's Report on the financial statements of Minda Storage Batteries Private Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(Af) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Minda Storage Batteries Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, both applicable to an audit of Internal Financial Controls and, both issued by the 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 financial statements were established and maintained and whether such controls operated effectively in all material respects.

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



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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022



Tarun Gupta

Partner

Membership No.: 507892

Place: Gurugram

Date: 29 April 2019

Minda Storage Batteries Private Limited
Balance Sheet as at 31 March 2019
(All amounts in ₹ lakhs, unless otherwise stated)
CIN : U35900DL2011PTC228383

	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	11,130.4	11,693.3
Capital work-in-progress	4	7.0	54.9
Goodwill	4	-	549.5
Other intangible assets	4	12.7	5.6
Financial assets			
(i) Loans	5	1,578.4	60.3
(ii) Other financial assets	6	176.3	179.3
Deferred tax assets (net)	7	-	-
Non-current tax assets (net)	8A	42.7	-
Other non-current assets	8B	16.1	-
Total non-current assets		12,963.6	12,542.9
Current assets			
Inventories	9	1,855.0	953.5
Financial assets			
(i) Trade receivables	10	2,242.5	440.1
(ii) Cash and cash equivalents	11A	50.8	64.9
(iii) Bank balances other than cash and cash equivalents	11B	3.0	-
(iv) Loans	12	16.4	2,210.2
(v) Other financial assets	13	53.3	40.1
Other current assets	14	265.6	461.9
Total current assets		4,486.6	4,170.7
Total assets		17,450.2	16,713.6
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15A	18,860.0	18,860.0
Other equity	15B	(5,948.9)	(4,294.6)
Total equity		12,911.1	14,565.4
Liabilities			
Non-current liabilities			
Provisions	16	317.9	153.7
Government grants	17	848.9	914.2
Total non-current liabilities		1,166.8	1,067.9
Current liabilities			
Financial liabilities			
(i) Borrowings	18	1,284.5	375.6
(ii) Trade payables	19	-	-
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues of creditors other than micro and small enterprises		1,202.6	486.1
(iii) Other financial liabilities	20	593.7	37.6
Other current liabilities	21	80.5	11.1
Provisions	22	145.7	72.6
Government grants	17	65.3	65.3
Current tax liabilities (net)	23	-	32.0
Total current liabilities		3,373.3	1,080.3
Total equity and liabilities		17,450.2	16,713.6

Significant accounting policies

The notes referred to above form an integral part of the financial statements

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As per our report of even date attached

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

Tarun

Tarun Gupta
Partner
Membership No. 507892

Place: Gurugram
Date: 29 April 2019

For and on behalf of the Board of Directors of
Minda Storage Batteries Private Limited

Sudhar Jain
Sudhar Jain
Director
DIN No. 00010445
Place: New Delhi
Date: 29 April 2019

Rajesh Tiwari
Rajesh Tiwari
Company Secretary
Membership No. 30566
Place: New Delhi
Date: 29 April 2019

Sanjay Jain
Sanjay Jain
Director
DIN No. 03364405
Place: New Delhi
Date: 29 April 2019

Shyam Sunder Wadhwa
Shyam Sunder Wadhwa
Chief Financial Officer
Place: New Delhi
Date: 29 April 2019

Minda Storage Batteries Private Limited
Statement of Profit and Loss for the year ended 31 March 2019
(All amounts in ₹ lakhs, unless otherwise stated)
CIN : U35900DL2011PTC228383

	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	24	7,821.3	6,703.6
Other income	25	290.7	207.4
Total Income		8,112.0	6,911.0
Expenses			
Cost of materials consumed	26	6,384.5	5,525.0
Changes in inventories of finished goods and work-in-progress	27	(688.9)	(461.6)
Excise duty	24	-	82.3
Employee benefits expense	28	1,100.7	785.9
Finance costs	29	110.5	72.3
Depreciation and amortization/ impairment	30	1,389.5	433.7
Other expenses	31	1,548.7	1,066.9
Total expenses		9,845.0	7,504.5
Loss before tax		(1,733.0)	(593.5)
Tax expense:			
Current tax		-	-
Tax relating to earlier year		(80.0)	-
Deferred tax		-	-
Loss for the year		(1,653.0)	(593.5)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements (losses)/gains on defined benefit plans		(1.3)	1.4
Income tax effect		-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		(1.3)	1.4
Total comprehensive income for the year		(1,654.3)	(592.1)
Basic and diluted earnings per share (in ₹)	32		
(Face value of ₹ 10 per share)		(0.88)	(0.31)
Significant accounting policies	3		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached


For DSR & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022


Tarun Gupta
Partner

Membership No : 507892

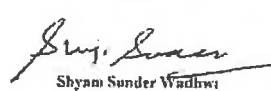
Place : Gurugram
Date : 29 April 2019

For and on behalf of the Board of Directors of
Minda Storage Batteries Private Limited


Sudhir Jain
Director
DIN No 00010445
Place: New Delhi
Date: 29 April 2019


Sanjay Vohra
Director
DIN No 00361405
Place: New Delhi
Date: 29 April 2019


Rakesh Tiwari
Company secretary
Membership No : 30566
Place: New Delhi
Date: 29 April 2019


Shyam Sunder Wadhwa
Chief Financial Officer
Place: New Delhi
Date: 29 April 2019

Minda Storage Batteries Private Limited
Cash Flow Statement for the year ended 31 March 2019
(All amounts in ₹ lakhs, unless otherwise stated)
CIN : U35900DL2011PTC228383

	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flows from operating activities :		
Loss before tax	(1,733.0)	(593.5)
Adjustments for:		
Depreciation and amortisation/ impairment	1,389.5	433.7
Finance costs	110.5	72.3
Interest income on deposits	(18.4)	(15.9)
Interest income on government grants	(65.3)	-
Interest income on loan	(173.3)	(190.9)
Exchange loss on foreign currency fluctuations (net)	7.4	1.3
Property, plant and equipment scrapped/ written off	-	35.0
Operating profit before working capital changes	1,250.4	335.5
Working capital adjustments:	(482.6)	(258.0)
Decrease / (increase) in loans	24.5	(27.9)
Increase in inventories	(901.5)	(696.6)
Increase in trade receivables	(1,809.3)	(439.6)
Decrease/ (increase) in other financial assets	1.0	(2.9)
Decrease/ (increase) in other current assets	196.3	(317.6)
Increase in trade payables	716.0	97.8
Increase in other current liabilities	69.4	8.9
Increase in other financial liabilities	515.1	37.3
Increase in provisions	235.9	224.8
Cash generated from operations	(952.6)	(1,115.8)
Income tax refund / (paid)	(1,435.2)	(1,373.7)
Net cash used in operating activities (A)	5.3	(30.2)
Cash flows from investing activities	(1,429.9)	(1,404.0)
Loans to related parties		
Purchase of property, plant and equipment and other intangible assets	(266.2)	(2,010.4)
Goodwill	-	(549.5)
Sale of assets	54.9	-
Proceeds from Loan to related parties	(225.0)	-
Loans repaid by related parties	876.2	3,381.6
Interest received on deposits	4.2	2.6
Interest received on loan to related parties	173.3	190.9
Net cash from investing activities (B)	617.4	1,015.2
C. Cash flows from financing activities		
Increase in borrowings	908.9	375.6
Interest paid on borrowings	(110.5)	(72.3)
Net cash from financing activities (C)	798.4	303.3
Net decrease in cash and cash equivalents (A+B+C)	(14.1)	(85.4)
Cash and cash equivalents as at opening	64.9	147.5
Cash and cash equivalents as at closing	50.8	62.1
Balances with banks:		
On current accounts	50.1	63.9
Cash on hand	0.7	1.0
Cash and cash equivalents at the end of the year	50.8	64.9

Significant accounting policies

The accompanying notes form an integral part of the financial statements

The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, as specified under the section 133 of the Companies Act, 2013
Also refer note 18 in respect of disclosure related to Ind AS 7

As per our report of even date attached

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

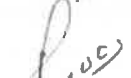


Tarun Gupta
Partner
Membership No 507892
Place Gurugram
Date 29 April 2019

For and on behalf of the Board of Directors of
Minda Storage Batteries Private Limited



Sudhir Jain
Director
DIN No 00010445
Place New Delhi
Date 29 April 2019



Rajesh Thwari
Company secretary
Membership No 30566
Place New Delhi
Date 29 April 2019



Sanjay Jain
Director
DIN No 0364405
Place New Delhi
Date 29 April 2019



Shyam Sunder Wadhwa
Chief Financial Officer
Place New Delhi
Date 29 April 2019

Minda Storage Batteries Private Limited
Statement of changes in Equity for the year ended 31 March 2019
(All amounts in ₹ lakhs, unless otherwise stated)
CIN : U35900DL2011PTC228383

a) Equity share capital

Particulars	Amount
Balance as at 1 April 2017	18,860.0
Changes in equity share capital during 2017-18	-
Balance as at the 31 March 2018	18,860.0
Changes in equity share capital during 2018-19	-
Balance as at 31 March 2019	18,860.0

b) Other equity

	Attributable to equity shareholders		
	Reserves and surplus		Total
	Retained earnings	Remeasurement of defined benefit liability / asset	
As at 1 April 2017	(3,702.5)	-	(3,702.5)
Profit/(loss) for the year	(593.5)	-	(593.5)
Other comprehensive income (net of tax)	-	1.4	1.4
As at 31 March 2018	(4,296.0)	1.4	(4,294.6)
Profit/(loss) for the year	(1,653.0)	-	(1,653.0)
Other comprehensive income (net of tax)	-	(1.3)	(1.3)
Total comprehensive income	(1,653.0)	(1.3)	(1,654.3)
As at 31 March 2019	(5,949.0)	-	(5,948.9)

Significant accounting policies

The notes referred to above form an integral part of the financial statements

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As per our report of even date attached

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



Tarun Gupta
Partner
Membership No. : 507892

Place: Gurugram
Date : 29 April 2019

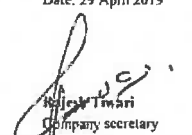
For and on behalf of the Board of Directors of
Minda Storage Batteries Private Limited



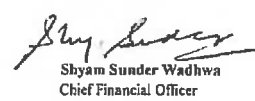
Sudhir Jain
Director
DIN No. 00010445
Place: New Delhi
Date: 29 April 2019



Sanku Jain
Director
DIN No. 03361405
Place: New Delhi
Date: 29 April 2019



Rajesh Tiwari
Company secretary
Membership No : 30566
Place: New Delhi
Date: 29 April 2019



Shyam Sunder Wadhwa
Chief Financial Officer
Place: New Delhi
Date: 29 April 2019

Minda Storage Batteries Private Limited
Notes to the financial statements for the year ended 31 March 2019
CIN : U35900DL2011PTC228383

1. Corporate information

Minda Storage Batteries Private Limited is a private limited company and it is a 100% subsidiary of Minda Industries Limited with effect from 23 September 2016. The Company is into the business of manufacturing lead acid storage batteries for automotive and industrial application.

2. Basis of preparation

A. Statement of compliance

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

Effective 1 April 2016, the Company had adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First – time adoption of Indian Accounting Standards, with 1 April 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, which was the previous GAAP.

The Financial Statements are approved by the Company's Board of Directors on 29 April 2019.

Details of the Company's accounting policies are included in Note 3.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs and one decimal thereof, unless otherwise indicated.

C. Basis of measurement

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

Items	Measurement Basis
(a) Net defined benefit (asset)/ liability	Present value of defined benefit obligations
(b) Other financial assets and liabilities	Amortized cost

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.



Judgements

The areas involving critical estimates or judgements are:

- Estimation of income tax (current and deferred) – Note 7
- Estimated useful life of other intangible asset – Note 4
- Estimated useful life and residual value of property, plant and equipment – Note 4
- Recognition and measurement of provisions and contingencies – Note 33
- Estimation of defined benefit obligation – Note 35

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

E. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. The Company as presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liability as current and non-current.

An asset is classified as current when it is:

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realized within twelve months after the reporting period, or
- d) 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 classified as current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) 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 liabilities are classified as non-current assets and liabilities.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to the period presented in these financial statements.



A. Foreign currency transactions

i. Initial recognition and settlement

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognized in profit or loss.

ii. Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

The date of transaction which is required to determine the spot exchange rate for translation would be the earlier of:

- The date of initial recognition of the non – monetary prepayment asset or deferred income liability, and
- The date that the related item is recognised in the financial statements.

Exchange differences are recognized in profit and loss.

B. Measurement of fair values

A number of the accounting policies and disclosure required measurement of fair values, for Both financial and non- financial asset and liabilities.

Fair value is categorised in to different levels in a fair value of hierarchy based on the inputs used in the valuation techniques as follows -:

- Level 1: quoted price (unadjusted) in active market for identical assets Or liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The Company has an established control frame work with respect to the measurement of fair values. This include a finance team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to chief financial officer.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuation meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an assets or a liability, the Company use the observable market data as far as possible. If the input used to measure the fair value of an assets or a liability fall into different levels of the fair value hierarchy, then the fair value measurement



categories in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

C. Financial instruments

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

i. Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

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

- a) Amortized cost; or
- b) FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
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Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
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Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

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

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.



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For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

D. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

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.⁷

Property, plant and equipment under construction are disclosed as capital work-in-progress. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general are included in capital work-in-progress.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation on items of property, plant and equipment is provided as per straight-line method basis except for certain property, plant and equipment on which depreciation is provided as per written down value method, as per useful life of the assets estimated by the management, which is equal to the useful life prescribed under Schedule II of the Companies Act, 2013 except in the case of certain class of assets, life is based on internal evaluation and assessment.

Leasehold land is amortised on a straight line basis over the period of lease or their useful lives, whichever is shorter.

Depreciation on additions/ (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which asset is ready for use/ (disposed of).

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.



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Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

The estimated useful lives of items of property, plant and equipment are as follows:

Particulars	Management estimate of useful life (years)	Companies Act useful life (years)
Buildings	30	30
Plant and equipment	2/5/8/10/15	15
Furniture and fixtures	10	10
Vehicles	8	8
Office equipment	5	5
Computers	3	3

E. Goodwill and other intangible assets

i. Goodwill

For measurement of goodwill that arises on a business combination measured at fair value. Any goodwill that arises is tested annually for impairment. Subsequent measurement is at cost less any accumulated impairment losses.

ii. Other intangible assets

Other intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, other intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortization

Amortization is calculated to write off the cost of other intangible assets over their estimated useful lives using the straight-line method, and is included in amortization expense in profit or loss.

The estimated useful lives are as follows:

- Software 6 years

Amortization method, useful life and residual values are reviewed at the end of each financial year and adjusted if appropriate.



F. Impairment

i. Impairment of financial instruments

The Company recognizes loss allowances for expected credit loss on financial assets measured at amortized cost.

At each reporting date, the Company assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- it is probable that the borrower will enter bankruptcy or other financial re-organization; or
- The disappearance of active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

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



Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated.

Assets that do not generate independent cash flows are grouped together into cash generating units (CGU).

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

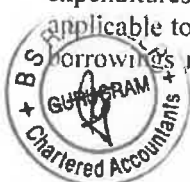
An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

G. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs).

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of



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borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

H. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to statement of profit or loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

I. Inventories

Inventories which comprise raw materials, work-in-progress, finished goods and stores and spares are carried at the lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase (net of recoverable taxes, where applicable), costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The basis of determining costs for various categories of inventories are as follows: -

Raw materials, stores and spares	-	Weighted average cost
Work-in-progress and finished goods	-	Material cost plus appropriate share of labour, manufacturing overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the 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. The comparison of cost and net realisable value is made on an item-by-item basis.

J. Revenue recognition

The Company earns revenue primarily from sale of storage batteries and allied products. Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognized at the date of initial application (i.e. 1 April 2018). The adoption of the standard did not have any material impact to the financial statements of the Company.

(i) Sale of goods:

Revenue is measured at the fair value of the consideration received or receivable. Sales are recognized when the significant risks and rewards of ownership are transferred to the buyer as per the terms of contract and are recognized. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.



The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- (ii) Interest income is recognized using the effective interest method.
- (iii) Duty drawback and export incentives- Income from duty drawback and export incentives is recognized on an accrual basis.

K. Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Share-based payment transactions

The Company accounts for equity settled stock options for the parent company using the fair value method.

(iii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards Employee Provident Fund (EPF) and Employees' State Insurance to Government administered fund which is a defined contribution plan. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Defined benefit plan

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the



discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then- net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(v) Other long term employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since, the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial gains and losses are recognized in profit or loss in the period in which they arise.

L. Government grants

Grants from the government are recognized 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. Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a systematic basis over the expected lives of the related assets and presented within other operating revenue.

M. Provisions and contingencies

(i) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.



(ii) Contingencies

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

N. Income taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income. In cases where the amount of the tax deduction (or estimated future tax deduction) exceeds the amount of the ESOP related cumulative remuneration expense, the excess of the associated current or deferred tax are recognised directly in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized / reduced to the extent that it is probable / no longer probable respectively that the related tax benefits will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.



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Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

Minimum Alternative tax ('MAT') under the provisions of Income-tax Act, 1961 is recognized as current tax in profit or loss. The credit available under the Act in respect of MAT paid is recognized as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

N. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

O. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

P. Segment reporting

The Company has identified two operating segments viz, Automotive and Industrial. As per Ind AS - 108: Operating Segments, due to similar nature of products, production process, customer types, etc., the two operating segments have been aggregated as single operating segment of "storage batteries and allied products" during the year. The analysis of geographical segments is based on the areas in which customers of the Company are located.

Q. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above.

R. Recent accounting pronouncement

Ind AS 116, Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its



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Notes to the financial statements for the year ended 31 March 2019
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obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

The Company will recognise new assets and liabilities for its operating leases in respect of premises (like warehouses etc.) (Refer to note 41). The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

No significant impact is expected for the Company's finance leases.

Transition

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.



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Note 4 Property, plant and equipment

a. Reconciliation of carrying amount

Particulars	Leasehold land #	Buildings	Plant and equipment *	Furniture and fixtures	Vehicles	Office equipment	Computers	Total (A)
Balance at 31 March 2017	-	-	23.1	7.7	-	5.2	3.0	39.0
Additions	159.0	2,295.5	9,586.4	10.0	32.2	13.7	29.2	12,126.0
Deductions/ Adjustments	-	-	23.8	-	-	11.0	0.2	35.0
Balance at 31 March 2018	159.0	2,295.5	9,585.7	17.7	32.2	7.9	32.0	12,130.0
Additions	-	-	209.9	11.5	-	26.3	27.2	274.9
Deductions/ Adjustments	-	-	-	-	-	-	-	-
Balance at 31 March 2019	159.0	2,295.5	9,795.6	29.2	32.2	34.2	59.2	12,404.9
Accumulated depreciation and impairment losses								
Balance at 31 March 2017	-	-	1.5	0.7	-	1.0	0.9	4.1
Depreciation for the year	2.0	32.0	380.0	2.7	10.1	3.2	2.6	432.6
Disposals	-	-	-	-	-	-	-	-
Balance at 31 March 2018	2.0	32.0	381.5	3.4	10.1	4.2	3.5	436.7
Depreciation for the year	2.0	76.7	735.6	2.9	6.9	2.9	10.8	837.8
Disposals	-	-	-	-	-	-	-	-
Balance at 31 March 2019	4.0	108.7	1,117.1	6.3	17.0	7.1	14.3	1,274.5
Carrying amounts (net)								
At 31 March 2019	155.0	2,186.8	8,678.5	22.9	15.2	27.1	44.9	11,130.4
At 31 March 2018	157.0	2,263.5	9,204.2	14.3	22.1	3.7	28.5	11,693.3

Carrying amount of property, plant and equipment (shown above) pledged as securities for borrowings to the extent of borrowing limits (refer note 18)

* Includes government grant in Plant and equipment as on 31 March 2019: gross block: ₹ 979.5 Lakhs, accumulated depreciation: ₹ 65.3 Lakhs. (March 31, 2018: gross block: ₹ 979.5 Lakhs, accumulated depreciation: Nil) (refer note 17)

Title deed is in the name of the Minda Industries Limited, holding company which is yet to be registered in the name of this Company.



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Notes to the financial statements for the year ended 31 March 2019

(All amounts in ₹ lakhs, unless otherwise stated)

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b. Goodwill

Balance at 31 March 2017	-
Additions	549.5
Balance at 31 March 2018	549.5
Additions	-
Balance at 31 March 2019	549.5
Accumulated amortisation and impairment losses	-
Balance at 31 March 2017	-
Amortisation/ impairment for the year	-
Balance at 31 March 2018	-
Amortisation/ impairment for the year	549.5
Balance at 31 March 2019	549.5
Carrying amount (net)	-
At 31 March 2019	-
At 31 March 2018	549.5

As at 31 March 2019, the estimated cash flows for the period of 5 years were developed using internal forecasts, and a post-tax discount rate of 16%. The cash flows beyond 5 years have been extrapolated assuming 5% growth rates. Goodwill has been tested for impairment and since the carrying amount is exceeding the recoverable amount hence expense has been recognised.

c. Other intangible assets

	Software	Total
Balance at 1 April 2017	1.2	1.2
Additions	6.0	6.0
Balance at 31 March 2018	7.1	7.1
Additions	9.3	9.3
Balance at 31 March 2019	16.4	16.4
Accumulated amortisation and impairment losses	0.4	0.4
Balance at 31 March 2017	0.4	0.4
Amortisation for the year	1.1	1.1
Balance at 31 March 2018	1.5	1.5
Amortisation for the year	2.2	2.2
Balance at 31 March 2019	3.7	3.7
Carrying amount (net)		
At 31 March 2019	12.7	12.7
At 31 March 2018	5.6	5.6

d. Capital work-in-progress:

Particulars	31 March 2019	31 March 2018
CWIP- plant and equipment	7.0	54.9



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5 Loans

(unsecured considered good unless otherwise stated)

Security deposits

Loans to related party#

The loan has been extended by two years and carries an interest rate 9.21%

As at
31 Mar 2019

As at
31 March 2018

35.8

60.3

1,542.6

-

1,578.4

60.3

As at
31 Mar 2019

As at
31 March 2018

6 Other financial assets

(unsecured considered good unless otherwise stated)

Bank deposits (due to mature after 12 months from the reporting date)*

176.3

179.3

176.3

179.3

* Represents fixed deposits pledged with various government authorities.



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7. Deferred tax assets (net)/ Deferred tax liabilities (net)

	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Amount recognised in the Statement of profit or loss		
Current tax	-	-
Tax relating to earlier year	(80.0)	-
Deferred tax	-	-
Tax expense for the year recognised in the Statement of profit or loss	(80.0)	-

h. Income tax recognised in other comprehensive income

	For the year ended 31 March 2019	For the year ended 31 March 2018
	Before tax	Before tax
	(1.3)	(1.3)
	(1.3)	(1.3)
	-	-
	1.4	1.4
	1.4	1.4

Re-measurements of defined benefit plan

c. Reconciliation of effective tax rate

	For the year ended 31 March 2019	For the year ended 31 March 2018
	Rate (%)	Rate (%)
Loss before tax		
Tax using company's domestic tax rate #	31.2%	31.2%
	Amount	Amount
	(1,733.0)	(593.5)
	(540.7)	(185.2)

In the absence of reasonable certainty of sufficient future taxable profits, deferred tax asset has been recognised only to the extent of deferred tax liability.



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Notes to the financial statements for the year ended 31 March 2019
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Deferred tax assets (net) / Deferred tax liabilities (net) (contd.)

d. Deferred tax assets / liabilities

	As at 31 March 2019	Deferred tax assets As at 31 March 2018	As at 31 March 2019	(Deferred tax liabilities) As at 31 March 2018	Net deferred tax assets / (liabilities) As at 31 March 2019	As at 31 March 2018
Property, plant and equipment and other intangible assets (net)	-	-	(776.0)	(194.4)	(776.0)	(194.4)
Provision for employee benefits	12.2	25.7	-	-	12.2	25.7
Other financial liabilities	5.3	10.5	-	-	5.3	10.5
Provision for warranty	29.1	-	-	-	29.1	-
Carried forward losses and unabsorbed depreciation	1,435.5	365.7	-	-	1,435.5	365.7
	1,482.2	401.9	(776.0)	(194.4)	706.2	207.5

Deferred tax liabilities
Deferred tax assets (to the extent of deferred tax liabilities)
Deferred tax assets (liability) recognised

As at 31 March 2019, the Company has unabsorbed depreciation/business losses as per Income tax Act, 1961. In the absence of reasonable certainty of sufficient future taxable profits, deferred tax asset has been recognised only to the extent of deferred tax liability.

e. Movement of temporary differences

Net deferred tax assets / (liabilities)

	As at 1 April 2017	Unrecognised temporary differences	Unrecognised tax losses	As at 31 March 2018	Unrecognised temporary differences	Unrecognised tax losses	As at 31 March 2019
Property, plant and equipment and other intangible assets (net)	-	(194.4)	-	(194.4)	(581.6)	-	(776.0)
Provision for employee benefits	-	25.7	-	25.7	(13.5)	-	12.2
Other financial liabilities	-	10.5	-	10.5	(5.1)	-	5.3
Provision for warranty	-	-	-	-	29.1	-	29.1
Carried forward losses and unabsorbed depreciation	-	-	365.7	365.7	-	1,069.8	1,435.5
	-	(158.2)	365.7	207.6	(541.7)	1,069.8	735.3

f. The losses and tax credits for which no deferred tax asset was recognised expire as follows:

Expiry year	As at 31 March 2019	As at 31 March 2018
	Gross Amount	Gross Amount
Business Loss	900.9	86.9
Unabsorbed depreciation	3,700.2	1,085.4
Never expire	4,601.1	1,172.3
		365.7



	As at 31 March 2019	As at 31 March 2018
8A Non current tax assets (net)		
Advance tax	42.7	-
	<u>42.7</u>	<u>-</u>
8B Other non-current assets (unsecured considered good unless otherwise stated)	As at 31 March 2019	As at 31 March 2018
Capital advances		
- To other than related party	16.1	-
	<u>16.1</u>	<u>-</u>
9 Inventories* (Valued at lower of cost or net realisable value)	As at 31 March 2019	As at 31 March 2018
Raw materials (including goods in transit Nil (As at 31 March 2018: Nil)		
Work-in-progress	643.3	436.2
Finished goods	874.3	453.0
Stores and spares	276.2	8.6
	<u>61.2</u>	<u>55.7</u>
	<u>1,855.0</u>	<u>953.5</u>
Carrying amount of inventories (shown above) pledged as securities for borrowings to the extent of borrowing limits (refer note 18)		
The write down of inventories to net realisable value during the year amounted to 24.9 lacs (As at 31 March 2018: 67.9 lacs). The write down is included in cost of material consumed or changes in inventories of finished goods and work-in-progress		
10 Trade receivables (Unsecured, considered good unless otherwise stated)	As at 31 March 2019	As at 31 March 2018
Unsecured considered good		
- From related parties	-	100.4
- From other than related parties	2,242.5	339.7
	<u>2,242.5</u>	<u>440.1</u>
a) Trade receivable includes amount due from companies having common directors as follows:		
	As at 31 March 2019	As at 31 March 2018
Minda Distribution Services Ltd	-	100.2
b) The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note no 38		
11A Cash and cash equivalents	As at 31 March 2019	As at 31 March 2018
- Balances with banks		
On current accounts	50.1	63.9
- Cash on hand	0.7	1.0
	<u>50.8</u>	<u>64.9</u>
The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.		
11B Bank balance other than cash and cash equivalents	As at 31 March 2019	As at 31 March 2018
- Balances with banks		
Term deposits*	3.0	-
	<u>3.0</u>	<u>-</u>
* Represents fixed deposits pledged with various government authorities		
12 Loans (unsecured considered good unless otherwise stated)	As at 31 March 2019	As at 31 March 2018
Loans to related party #		2,206.9
Loan to employees	16.4	3.3
	<u>16.4</u>	<u>2,210.2</u>
# The loan was repayable on demand carries an interest rate 7.6%		
13 Other financial assets (unsecured considered good unless otherwise stated)	As at 31 March 2019	As at 31 March 2018
Interest earned on fixed deposits	49.4	35.2
Export benefit receivable	1.9	4.9
	<u>51.3</u>	<u>40.1</u>
14 Other current assets (unsecured considered good unless otherwise stated)	As at 31 March 2019	As at 31 March 2018
Prepaid expenses		
Advance to suppliers	15.6	9.5
- To related parties		
- To others	32.7	57.8
Balances with government authorities	119.6	15.1
Others	77.5	373.6
	<u>0.2</u>	<u>5.9</u>
	<u>265.6</u>	<u>461.9</u>



	As at 31 March 2019	As at 31 March 2018
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15A Equity share capital

(a) Authorised

	Number	Amount	Number	Amount
Equity shares of ₹10/- each with voting rights (previous year ₹10/- each)	190,000,000	19,000.0	190,000,000	19,000.0
		19,000.0		19,000.0

(b) Issued, subscribed and fully paid up

	Number	Amount	Number	Amount
Equity share capital				
Equity shares of ₹10/- each with voting rights (previous year ₹10/- each)	188,600,000	18,860.0	188,600,000	18,860.0
	188,600,000	18,860.0	188,600,000	18,860.0

(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	Number	Amount	Number	Amount
Equity shares				
Opening balance	188,600,000	18,860.0	188,600,000	18,860.0
Add: Shares issued during the year				-
Closing balance	188,600,000	18,860.0	188,600,000	18,860.0

(d) (i) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company may declare and pay dividends in Indian rupees. The final dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

	As at 31 March 2019	As at 31 March 2018
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(e) Details of shareholders holding more than 5% shares in the Company:

Class of shares / Name of shareholder	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Minda Industries Limited (including nominee shareholders)	188,600,000	100%	188,600,000	100.00%

15B Other equity

	As at 31 March 2019	As at 31 March 2018
Retained earnings		
Balance at the beginning of the year	(4,294.6)	(3,702.5)
Loss for the year	(1,653.0)	(593.5)
Other comprehensive income, net of tax	(1.3)	1.4
	(5,948.9)	(4,294.6)

16 Long-term provisions

	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Gratuity (refer note 35)	130.6	58.1
Compensated absences	84.6	27.8
	215.2	85.9
Others		
Provision for warranty*	102.7	67.8
	317.9	153.7

* The Company has made a warranty provision on account of sale of products with warranty clause. These provisions are based on management's best estimate and past trends. Actual expenses for warranty are charged directly against the provision. Un-utilised provision is reversed on expiry of the warranty period (refer note 37).

	As at 31 March 2019	As at 31 March 2018
17 Government grants		
Export promotion capital grant		
Current portion	65.3	65.3
Non current portion	848.9	914.2
	914.2	979.5
Opening balance	979.5	979.5
Add: Grants received during the year		-
Less: Released to profit or loss	65.3	-
Closing balance	914.2	979.5



	As at 31 March 2019	As at 31 March 2018
18 Short-term borrowings		
Secured cash credit from banks	1,284.5	375.6
	<u>1,284.5</u>	<u>375.6</u>

a. Terms repayment schedule and security

Nature of security	Terms of repayment and rate of interest
Axis Bank Rupee cash credit from banks amounting to ₹ 290.5 Lakhs (31 March 2018: ₹ 375.6 Lakhs) is secured by: - First pari passu charge on all movable and immovable property plant and equipment (both present and future).	Floating @ MCLR rate plus 75 bps carries 9.30% (previous year 8.75%) Maximum tenor of loan is for 1 year from the date of first disbursement. Principal amount is repayable on demand.
HDFC Bank Rupee cash credit from banks amounting to ₹ 994.0 Lakhs is secured by: Primary:- First pari passu charge on entire current assets of the Company, both present and future. Secondary:- Second Pari Passu charge on entire movable property plant and equipment of the Company, both present and future.	As mutually agreed. Currently 9.20% as at 31 March 2019 (previous year nil) Principal amount is repayable on demand.

	As at 31 March 2019	As at 31 March 2018
	Current borrowings	Current borrowings
Balance as at the beginning of the year	375.6	-
Proceeds from/repayments of current borrowing (net)	908.9	375.6
Balance as at the end of the year	<u>1,284.5</u>	<u>375.6</u>

	As at 31 March 2019	As at 31 March 2018
19 Trade payables		
Trade payables (refer note 36)		
(a) total outstanding dues of micro and small enterprises	-	-
(b) total outstanding dues of creditors other than micro and small enterprises	1,202.6	486.1
	<u>1,202.6</u>	<u>486.1</u>

a) The Company's exposure to currency and liquidity risks related to trade payables are disclosed in note no 38.

	As at 31 March 2019	As at 31 March 2018
20 Other financial liabilities		
Payable to employees	64.7	37.6
Payable for property, plant and equipment	41.0	-
Payable for other purchases		
- To related parties	488.0	-
	<u>593.7</u>	<u>37.6</u>

	As at 31 March 2019	As at 31 March 2018
21 Other current liabilities		
Advance from customers		
- To related parties	44.0	-
- To others	7.8	-
Statutory dues	28.7	11.1
	<u>80.5</u>	<u>11.1</u>

	As at 31 March 2019	As at 31 March 2018
22 Short-term provisions		
Provision for employee benefits		
Gratuity (refer note 35)	11.8	1.0
Compensated absences	5.4	1.5
	<u>17.2</u>	<u>2.5</u>
Others		
Provision for warranty	128.5	70.1
	<u>128.5</u>	<u>70.1</u>
	<u>145.7</u>	<u>72.6</u>

	As at 31 March 2019	As at 31 March 2018
23 Current tax liabilities (net)		
Current tax liabilities (net)	-	32.0
	<u>-</u>	<u>32.0</u>



	For the year ended 31 March 2019	For the year ended 31 March 2018
24 Revenue from operations		
Sale of products		
Finished goods	7,703.5	6,576.8
Other operating revenues		
Scrap sales	14.3	5.0
Export benefits	38.2	121.8
Government grants	65.3	-
	<u>7,821.3</u>	<u>6,703.6</u>

Consequent to the introduction of Goods and Services Tax (GST) with effect from July 2017, VAT/Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not presented as part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure i.e. period till June 2017. Accordingly, financial statements for the year ended 31 March 2019 and in particular, sales and ratios in percentage of sales, are not comparable with the figures of the previous year.

	For the year ended 31 March 2019	For the year ended 31 March 2018
25 Other income		
Interest income on fixed deposits	18.4	15.9
Interest income on loans	173.3	190.9
Miscellaneous income	99.0	0.6
	<u>290.7</u>	<u>207.4</u>

	For the year ended 31 March 2019	For the year ended 31 March 2018
26 Cost of materials consumed		
Opening inventories	436.2	256.9
Purchases	6,591.6	5,704.3
Closing inventories	(643.3)	(436.2)
	<u>6,384.5</u>	<u>5,525.0</u>

	For the year ended 31 March 2019	For the year ended 31 March 2018
27 Changes in inventories of finished goods and work in progress		
Inventories at the end of the year		
Work-in-progress	874.3	453.0
Finished goods	276.2	8.6
	<u>1,150.5</u>	<u>461.6</u>
Inventories at the beginning of the year		
Work-in-progress	453.0	-
Finished goods	8.6	-
	<u>461.6</u>	<u>-</u>
Net increase in stocks	<u>(688.9)</u>	<u>(461.6)</u>

	For the year ended 31 March 2019	For the year ended 31 March 2018
28 Employee benefits expense		
Salaries, wages and bonus	962.4	645.5
Expense on employee stock option schemes	-	32.6
Contribution to provident and other funds	61.6	45.9
Staff welfare expense	76.7	61.9
	<u>1,100.7</u>	<u>785.9</u>



	For the year ended 31 March 2019	For the year ended 31 March 2018
29 Finance costs		
Interest on borrowings	108.3	62.9
Other charges	2.2	9.4
	<u>110.5</u>	<u>72.3</u>
30 Depreciation and amortisation		
Depreciation of property plant and equipment	837.8	432.6
Amortisation/ impairment of goodwill and other intangible assets	551.7	1.1
	<u>1,389.5</u>	<u>433.7</u>
31 Other expenses		
Consumption of stores and spare parts	134.1	96.0
Power and fuel	405.5	326.4
Rent (refer note 41)	18.9	30.0
Repairs and maintenance	123.5	90.4
Travelling and conveyance	120.0	51.2
Legal and professional	15.6	21.6
Payments to auditors*	18.3	18.6
Freight	196.8	94.2
Warranty	178.9	175.6
Net loss on foreign currency fluctuations	2.3	6.1
Management and administrative expenses	109.5	51.0
SAP license fee	41.7	21.0
Sales promotion	70.8	-
Miscellaneous expenses	112.8	84.8
	<u>1,548.7</u>	<u>1,066.9</u>
Note:		
* Payments to the auditors (excluding goods and service tax)		
Statutory audit	15.0	15.0
Other services	3.0	3.0
Reimbursement of expenses	0.3	0.6
	<u>18.3</u>	<u>18.6</u>
32 Earnings per share		
Net loss after tax as per Statement of Profit and loss	(1,653.0)	(593.5)
Net loss attributable to equity shares	(1,653.0)	(593.5)
Weighted average number of equity shares (in Nos):		
for Basic EPS	188,600,000	188,600,000
for Diluted EPS	188,600,000	188,600,000
Basic earnings per share in rupees	(0.88)	(0.31)
Diluted earnings per share in rupees	(0.88)	(0.31)
Calculation of weighted average number of shares for basic/diluted earnings per share		
For basic earnings per share		
Opening and closing balance of equity shares	188,600,000	188,600,000
Closing Balance of equity shares	188,600,000	188,600,000
For diluted earnings per share	188,600,000	188,600,000
	188,600,000	188,600,000



33 Contingent liabilities

Liability of Customs duty towards export obligation undertaken by the Company under "Export Promotion Capital Goods Scheme (EPCG)" amounting to ₹ 414.6 lakhs (31 March 2018: 497.5 lakhs). The Company had imported capital goods under EPCG and saved duty to the tune of ₹ 979.5 lakhs till 2015-16. As per the EPCG terms and conditions, the Company needs to export goods 6 times of duty saved on import of Capital goods on FOB basis within a period of 6 years (Block year 1st to 4th - 50% and 5th to 6th - 50%). The Company exported ₹ 3389.7 lakhs against ₹ 5877.2 lakhs (50% of duty saved ₹ 2938.6 lakhs for the 1st to 4th-50% block). If the Company does not export goods in remaining prescribed time, then the Company may have to pay duty on import of capital goods, including interest and penalty thereon.
The management is of the view that the required export obligation will be achieved within the prescribed time.

34 Segment information

Operating segments

a. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

The Company has identified two operating segments viz, Automotive and Industrial. As per Ind AS - 108, due to similar nature of products, production process, customer types, etc., the two operating segments have been aggregated as single operating segment of "storage batteries and allied products" during the year.

b. Geographical information

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets which have been based on the geographical location of the assets.

(i) Revenues

	For the year ended 31 March 2019	For the year ended 31 March 2018
India	6,580.1	3,617.1
Other countries	6,580.1	3,417.1
Total other countries	1,241.3	3,086.5
	1,241.3	3,086.5
Total revenue	7,821.3	6,703.6

(ii) Non-current assets

	As at 31 March 2019	As at 31 March 2018
India	11,208.9	12,303.3
Outside India	-	-
Total	11,208.9	12,303.3

Non-current assets excludes financial instrument

(iii) Trade receivable

	As at 31 March 2019	As at 31 March 2018
India	1893.4	308.1
Outside India	349.1	132.0
Total	2242.5	440.1

c. Major customer

Revenue from two customers of the Company are more than 56% (31 March 2018- 90%) of the Company's total revenue.

35 Disclosure pursuant to Ind AS 19 on "Employee Benefits"

a) Assets and liabilities relating to employee benefits

	As at 31 March 2019	As at 31 March 2018
Non-current		
Net defined benefit liability - Gratuity	130.6	58.1
Provision for compensated absences	84.6	27.8
	215.2	85.9
Current		
Net defined benefit liability - Gratuity	11.8	1.0
Provision for compensated absences	5.4	1.5
Total employee benefit liabilities	17.2	2.5
Total	232.4	88.4

The benefit valued in this report are summarised below :

Type of Plan	Defined Benefit
Employer's Contribution	100%
Employee's Contribution	100%
Salary for calculation of gratuity	Last drawn salary
Normal Retirement Age	Export Employees - 3 years from DOJ Other Employees - 58 Years
Vesting Period	5 Years
Benefit on normal retirement	Same as per the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time)
Benefit on early retirement / termination / resignation / withdrawal	Same as normal retirement benefit based on the service upto the date of exit
Benefit on death in service	Same as normal retirement benefit and no vesting period conditions applies
Limit	Rs. 20,00,000
Gratuity Formula	15/26 * Last drawn salary * Number of completed years

In case of employees with age above the retirement age indicated above, the retirement is assumed to happen immediately and valuation is done accordingly.



(b) Defined benefit plans

The company has a defined benefit gratuity plan, governed by the payment of gratuity act. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, there shall be an increase in ultimate cost of providing the above benefit and thus, the defined benefit obligation will tend to increase.

Liquidity risk:

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash /cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Inherent Risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

Salary inflation risk

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods.

Regulatory risk:

Gratuity benefit is paid in accordance with the requirements of the Payments of Gratuity Act, 1972 (as amended from time to time). There is risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000).

Gratuity

(i) Changes in present value of obligation:

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of obligation as at the beginning of the year	59.1	-
Interest cost	4.6	3.7
Current service cost	26.5	12.8
Past service cost	-	3.5
Curtailment cost/(credit)	-	-
Benefits paid	(6.9)	(9.3)
Actuarial (gain)/loss on obligation	1.3	(1.5)
Transfer in liability	57.8	49.9
Present value of obligation as at the end of year	142.4	59.1
- Long term	130.6	58.1
- Short term	11.8	1.0

(ii) The amounts recognized in the Balance Sheet are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of obligation as at the end of the year	142.4	59.1
Fair value of plan assets as at the end of the year	-	-
Net (asset)/liability recognized in balance sheet	142.4	59.1

(iii) Expenses recognized in the Statement of Profit and Loss:

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Current service cost	26.5	12.8
Past service cost	-	3.5
Interest cost	4.6	3.7
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognized in the year	-	-
Expenses recognized in the Statement of Profit and Loss	31.1	20.0

(iv) Re-measurements recognized in other Comprehensive Income (OCI):

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Changes in Financial Assumption	1.0	(3.4)
Changes in Demographic Assumption	-	-
Experience Adjustments	0.3	1.9
Actual return on plan assets less interest on plan assets	-	-
Amount recognized in other Comprehensive Income (OCI)	1.3	(1.5)

(v) Maturity profile of defined benefit obligation:

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Within next 12 Months	11.8	1.0
Between 2 and 5 years	14.3	6.0
Between 6 and 10 years	69.5	28.4
More than 10 years	453.0	241.7

As at 31 March 2019, the weighted average duration of the defined benefit obligation was 29.64 years (31 March 2018: 31.89 years)



(vi) Principal actuarial assumptions at the balance sheet date are as follows:

a) Economic assumptions:

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate taking account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate	7.75%	7.80%
Future salary increase	8.00%	8.00%

b) Demographic assumptions:

Particulars	As at 31 March 2019	As at 31 March 2018
i) Retirement Age (Years)	58	58
ii) Mortality Table	100%	100%
iii) Ages		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on yields/ rates available on applicable bonds as on the current valuation date. The salary growth rate as indicated above is Company's best estimate of an increase in salary of the employees in future years determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc. Attrition rate indicated above represents the Company's best estimate of Employee Turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

(vii) Sensitivity analysis for significant assumptions:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Increase/(Decrease) on present value of defined benefits obligation at the end of the year

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
1% increase in discount rate	124.3	50.7
1% decrease in discount rate	164.6	69.6
1% increase in salary escalation rate	163.1	69.2
1% decrease in salary escalation rate	125.0	50.6
50% increase in attrition rate	141.5	58.6
50% decrease in attrition rate	143.4	59.7
10% increase in mortality rate	142.5	59.1
10% decrease in mortality rate	142.4	59.1

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely that the change in assumption to occur in isolation, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation and the related Current Service Cost and, where applicable, past service cost 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. It should be noted that valuations do not affect the ultimate cost of the plan, only timing of when the benefit cost are recognised. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Asset Liability Matching Strategies

The scheme is managed on unfunded basis.

(viii) Enterprise's best estimate of contribution during the next year

Particulars	Amount	Amount
Contribution	34.2	-

(c) Defined contribution plan

The Company makes contribution towards employees' provident fund, employees' state insurance plan scheme, pension fund and superannuation fund. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The Company has recognised ₹ 61.6 lakhs (31 March 2018 ₹ 45.9 Lakhs) during the year as expense towards contribution to these plans.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Provident fund	32.0	20.0
Employees' state insurance scheme	9.0	10.0
Pension fund	19.3	14.4
Superannuation fund	1.3	1.5
Total	61.6	45.9

36 Information pursuant to the provisions of Section 22 of Micro, Small and Medium Enterprises Development Act, 2006.

During the year the Company has not paid any interest in terms of the section 18 of the above mentioned act. No principal amount or interest amount are due at the end of this accounting year which is payable to any Micro, Small or Medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

As per the Act, the Company is required to identify the Micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. Based on the information available with the Company, none of the creditors have confirmed the applicability of Act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

37 Provision for contingencies

(i) Warranty

The following disclosures have been made in accordance with the provisions of Ind AS 37 - 'Provisions, Contingent Liabilities and Contingent Assets'

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	137.9	-
Add: Provisions made during the year	178.9	294.7
Less: Charges during the year	85.6	156.8
Balance as at the end of the year	231.2	137.9
Non-current	102.7	67.8
Current	128.5	70.1



38 Financial risk management objectives

The Company, as an active supplier for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The Company's decentralised management structure with the main activities in the plant make necessary organised risk management system. 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. Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks:

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 prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. The sensitivity analyses in the following sections relate to the position as at Balance sheet date. The analyses 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.

(i) Other price risk

Fluctuation in commodity price affects directly and indirectly the price of raw material and components used by the company in its various products. Substantial pricing pressure from major after market customers to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the Company.

(ii) 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'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 a foreign currency).

The Company transacts business in local currency as well as in foreign currency. The Company has foreign currency trade payables and trade receivables and is therefore, exposed to foreign exchange risk.

Particulars of un-hedged foreign currency exposure

Currency	As at 31 March 2019			As at 31 March 2018		
	Foreign currency amount	Exchange rate (in ₹)	₹ in lakhs	Foreign currency amount	Exchange rate (in ₹)	₹ in lakhs
Trade receivables						
USD	504,672	69.17	349.1	202,516	65.04	132.0
Trade payables						
USD	61,475	69.17	42.1	-	-	-

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD 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.

Exposure gain/(loss) Particulars	As at 31 March 2019		As at 31 March 2018	
	Change +1%	Change -1%	Change +1%	Change -1%
Trade receivables				
USD	3.5	(3.5)	1.3	(1.3)
Trade payables				
USD	0.4	(0.4)	-	-



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(iii) a) 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 borrowings with variable rates, which exposes the Company to cash flow interest rate risk.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Variable rate borrowings	1,284.5	375.6
Total	1,284.5	375.6

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

Particulars	Impact on profit before tax	
	As at 31 March 2019	As at 31 March 2018
Increase by 0.5%	0.60	0.18
Decrease by 0.5%	(0.60)	(0.18)

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 including loans from banks at an optimised cost.

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

	On demand	Less than 3 months	3 to 12 months	1-5 Years	More than 5 Years	Total
As at 31 March 2019						
Interest bearing borrowings	1,284.5	-	-	-	-	1,284.5
Trade payable	-	1,202.6	-	-	-	1,202.6
Other financial liabilities	-	552.0	41.7	-	-	593.7
As at 31 March 2018						
Interest bearing borrowings	375.6	-	-	-	-	375.6
Trade payable	-	387.4	98.7	-	-	486.1
Other financial liabilities	-	4.0	33.6	-	-	37.6



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c) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customers. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Customers are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default.

The Company's review also includes financial statements, industry information, promoter's background and in some cases bank references.

Expected credit loss on trade receivable :

The Company's expected probability of default is NIL and all major payments are received on due dates without any significant delays. Based on internal assessment which is driven by historical experience / current facts available in relation to default in collection thereof, the expected credit loss for trade receivables is estimated to be NIL.

Further, the impact of delay risk is not considered to be material.

The table below summarises the ageing bracket of trade receivables.

Particulars	Gross carrying amount	
	31 March 2019	31 March 2018
Current (not past due)	1,535.6	414.6
1-30 days past due	369.7	25.5
31-60 days past due	184.3	-
61-90 days past due	152.9	-
Total	2,242.5	440.1

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

(iii) Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the company generally invests in deposits with banks with high repute.



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39 Related Party Disclosure

Related party and nature of related party relationship where control exists:-

Nature of relationship

Holding Company

Name of related party

Minda Industries Limited

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

Nature of relationship

Fellow Subsidiaries
Fellow Subsidiaries
Fellow Subsidiaries
Fellow Subsidiaries
Fellow Subsidiaries

Name of related party

Minda Distribution Services Limited
M J Casting limited
MI Torica India Private Limited
Mindarika Private Limited
MITIL Polymers Private Limited (From 1 April 2018)

Enterprises in which directors/members of the Company can exercise significant influence

S.M.Auto
Minda Onkyo India Private Limited (From 22 February 2017)

Key management personnel

Satish Sekhri
Sudhir Jain
Paridhi Minda (From 26 February 2019)
Sanjay Jain
Seema Gupta (Upto 26 February 2019)

(b) Details of related parties with whom transactions have taken place

Related party	Nature of transaction	For the year ended 31 March 2019	For the year ended 31 March 2018
Transactions during the year			
Minda Industries Limited	Other expenses	301.2	71.9
	Interest income on loans	18.6	54.1
	Loan given	-	406.8
	Other purchases	-	2,650.0
	Loan repaid	406.8	3,293.2
M J Casting Limited	Interest income on loans	154.7	136.8
	Loan repaid	500.0	-
	Loan given	225.0	-
MI Torica India Private Limited	Purchases	202.8	231.2
MITIL Polymers Private Limited	Purchases	26.3	-
Minda Distribution and Services Limited	Sale of products	2,999.3	2,698.9
	Reimbursement of expenses	6.1	2.5
	Other purchases	488.0	-
	Finance cost	-	0.1
Mindarika Private Limited	Services rendered	-	1.7
S.M.Auto	Sale of products	-	530.1
Minda Onkyo India Private Limited	Sale of assets	54.9	-

Related party	Nature of transaction	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance as at year end			
Minda Industries Limited	Loans	-	406.8
	Trade payables	160.3	14.5
M J Casting Limited	Loans	1,525.0	1,800.0
Mindarika Private Limited	Trade receivables	-	0.2
Minda Distribution Services Limited	Trade receivables	-	100.2
MI Torica India Private Limited	Advance to suppliers	52.7	57.8

(c) Key managerial personnel compensation

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Directors sitting fee	2.5	2.4
Total compensation	2.5	2.4



Minda Storage Batteries Private Limited**Notes forming part of the financial statements for the year ended 31 March 2019**

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40 Capital management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors NET Debt to EBITDA ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs). The Company's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

	31 March 2019	31 March 2018
Net Debt	1,233.7	310.8
EBITDA	(233.0)	(87.5)
Net Debt to EBITDA	(5.3)	(3.6)

41 Operating Leases**Leases as lessee**

- (I) The Company enters into operating lease arrangements for various warehouses. Some of the significant terms and conditions for the arrangements are:
- agreements may generally be terminated by either party by serving three month's notice/mutual consent i.e. all the leases are cancellable.
 - the lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.
 - no subletting of the premises or any part thereof is permissible without the prior written consent of lessor.
- (II) The Company enters into operating lease arrangements for premise which are cancellable with mutual consent.

Amount recognised in profit or loss:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Lease expense for the year	18.9	30.0



42 Fair value measurements

a. Financial instruments by category and fair values

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

Category	Level of hierarchy	As at 31 March 2019	As at 31 March 2018
		Amortised cost	Amortised cost
1) Financial assets at amortized cost			
Trade receivables		2,242.5	440.1
Loans		1,594.8	2,270.5
Cash and cash equivalents		50.8	64.9
Bank deposits		179.3	179.3
Other financial assets		53.3	40.1
Total		4,120.7	2,994.9
2) Financial liabilities at amortized cost			
Borrowings	3	1,284.5	375.6
Trade payables		1,202.6	486.1
Other financial liabilities		593.7	37.6
Total		3,080.8	899.4

Assets and liabilities which are measured at amortised cost

1. Fair value of trade receivables, loans, cash and cash equivalents, bank deposits, other current financial assets, trade payables, other current financial liabilities and borrowings approximate their carrying amount, largely due to the short-term nature of these instruments.
2. Interest rates on borrowings (including current maturities) are equivalent to the market rate of interest. Accordingly, the carrying value of such borrowings approximates fair value.
3. Fair value of all other non-current assets have not been disclosed as the change from carrying amount is inconsequential.

There are no transfer between level 1, Level 2 and Level 3 during the year ended 31 March 2019 and 31 March 2018.



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43 Share based payments

The Company had participated in the Minda Industries Limited Employee Stock Option Scheme 2016 and during the previous year the Nomination & Remuneration Committee of Minda Industries Limited (the Parent Company) had approved the grant of 50,000 equity shares of face value of Rs 2/- to its President Mr. Arjit Dutta in terms of the Employee Stock Option Scheme 2016. The scheme is monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors of Minda Industries Limited 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.

The Company accounts for Equity Stock Options of the Parent Company as per the accounting treatment prescribed by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended from time to time) and the Ind AS - 102 on Share Based Payment.

The terms and conditions related to the grant of the share options are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Scheme	Minda Employee Stock Option Scheme 2016	Minda Employee Stock Option Scheme 2016
Year	2016	2016
Date of Grant	23 November 2016	23 November 2016
Number of Options granted	1,50,000 options of Equity shares of face value of Rs 2/- each	50,000 options of Equity shares of face value of Rs 2/- each
Vesting Condition	Achieving target of market capitalization of the parent Company on or before 31 March 2018	Achieving target of market capitalization of the parent Company on or before 31 March 2018
Exercise Period	1 Year from the date of vesting	1 Year from the date of vesting
Exercise Price (INR) per share	60	160

Particulars	As at 31 March 2019	As at 31 March 2018
Scheme	Minda Employee Stock Option Scheme 2016	Minda Employee Stock Option Scheme 2016
Year	2016	2016
Forfeited/expired during the year	-	-
Exercised during the year	1,50,000 options of Equity shares of face value of Rs 2/- each	-
Outstanding at the end of the year	-	50,000 options of Equity shares of face value of Rs 2/- each

Fair valuation

The parent company has provided the fair value of Share based payment cost that have been done by an independent firm of valuers on the date of grant using the Black-Scholes Model.

The following assumptions were used for calculation of fair value of grants:

Particulars	As at 31 March 2019	As at 31 March 2018
Risk-free interest rate (%)	6.13% - 6.15 %	6.13% - 6.15 %
Expected life of options (years) ((year of vesting) + (contractual option term)/2)	1.53 year - 1.85 years	1.53 year - 1.85 years
Expected volatility (%)	27.92% - 43.62 %	27.92% - 43.62 %
Dividend yield	4.61% - 6.90%	4.61% - 6.90%

The risk free interest rates are determined based on the zero-coupon yield curve for Government Securities or Government bonds with maturity equal to the expected term of the option. Volatility calculation is based on annualized standard deviation of the continuously compounded rate of return of the stock over a period of time. The historical period taken into account to match the expected life of the option. Dividend yield has been arrived by dividing the dividend for the period with the current market price.

The above disclosure is based on the information, to the extent available with the Company.

As per our report of even date attached

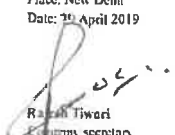
For BSR & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/W-100022

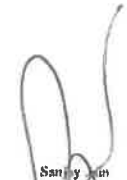

Tarun Gupta
Partner
Membership No.: 507892

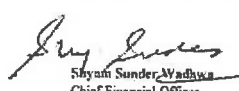
Place: Gurugram
Date: 29 April 2019

For and on behalf of the Board of Directors of
Minda Storage Batteries Private Limited


Sushil Jain
Director
DIN No. 00010445
Place: New Delhi
Date: 29 April 2019


Rajesh Tiwari
Company Secretary
Membership No.: 30566
Place: New Delhi
Date: 29 April 2019


Sanjay Jain
Director
DIN No. 0364403
Place: New Delhi
Date: 29 April 2019


Shyam Sunder Advani
Chief Financial Officer
Place: New Delhi
Date: 29 April 2019

